the initial year, work with your entire team, from senior managers through crew members, and lead exercises that provide them with the basis to communicate your brand. Start with a clear and concise mission statement or tagline—a succinct version of an elevator speech. Ensure everyone understands and lives it. Remind them about the message in speech, conduct and print. Share it in press releases, promotional materials and conversations with clients and colleagues. By embodying and embracing your brand, your company will be difficult to miss in the marketplace. LM

Moffat, former director of marketing and recruitment for Lambert Landscape Co. in Dallas, is principal of LM Creative Consulting. Contact her at Lara@LMCreativeConsulting.com.

HOW-TO

Overcome exit-planning myths

BY JEFF HARKNESS

Have you heard the phrase timing is everything? It's difficult to make money these days, which are different compared to five or 10 years ago. The economy, immigration reform, fuel costs, taxes, Obamacare and pricing competition keep companies guessing and on their toes.

So, what's your plan? Do you have an exit strategy? Do you have an operating strategy that coordinates with your exit plan? Are better days ahead after November? Take control, and start planning.

The bottom line is you have to be a smarter owner, with better people and processes. Success requires thinking differently and takes planning with the right team of advisors. You need people who challenge you, not just "yes" men who charge a fee.

Too may advisors say you're ready and tell you there are tons of buyers in the space, but we don't see it that way. You miss vacations, school events and ballgames. You work long hours and fight fires daily, but the sacrifices are worth it because you've built a thriving business.

Negative factors and risk surround the industry, so where are you headed? How and when do you cash in your chips? You only get one shot at your exit, so get it right.

Start by sifting through the advice from accountants, attorneys, consultants, business brokers and former business owners who suddenly are experts in deal-making. Avoid making mistakes by addressing the following three myths.

#1 Private equity is an option for most sellers.

The industry is full of companies backed or owned 100 percent by private equity firms. Success stories exist, but most private equity companies (those not already operating in the industry as competitors and buyers) are only interested in companies that drive $2 million to $3 million in adjusted EBITDA (earnings before interest, taxes, depreciation, amortization and add-backs). The revenue base must be reoccurring, typically with commercial maintenance contracts or turf care service. Size and scalability are important but so is a strong and deep management team.

Most landscaping companies don't fit that size and earnings profile. There are probably better options available than private equity. Beware of the talk that private equity is a great option and readily available. Know who you are and what options are in play for your company.

Second, private equity buyers purchase controlling interest; thus, selling anything less than 100 percent of your company (51 percent or more) means you don't call the shots. You might be able to make day-to-day decisions, but if push comes to shove or the business isn't performing, you're the guy who gets kicked to the curb.

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Deal structure and documentation are negotiable but important. While this strategy isn't impossible to make work, there must be unique circumstances, agreements, a common vision and a business model to make it work.

#2 <RXU FRPSDQ\ LV ZRUWK \RXU UHYHQXH RU ÀYH times your earnings.

Earnings, or free cash, drive the value of your organization, not revenue. The more profitable a company is, the more valuable it is. Historical performance of more than 12 months becomes less important in a value analysis.

Given uncertain market conditions, a look at a company's trailing 12-month performance becomes important. How are you trending? Are you on budget for your 2012 plan? Reporting strong earnings often counters what companies do for tax planning purposes (i.e., show as little profit as possible).

YOUR DEAL AND STRUCTURE WILL ONLY BE AS GOOD AS THE TEAM WHO NEGOTIATES IT. BEWARE—THE INDUSTRY IS FULL OF PRETENDERS.

We support not paying more taxes than necessary, but this becomes a balancing-act equation, and it's important to coordinate a profit plan with tax planning and the timing of an exit. Be diligent when recasting financial performance to include add-backs, depreciation and interest. An updated valuation should become standard practice in an organization following close-out of a company's fiscal year.

Next, don't discount or ignore the importance of your company's value drivers or detractors. Is your company marketable? Revenue ruling 59-60 defines value as: "the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of the relevant facts."

Translation: It's worth something only if someone will write you a check. So what factors are important, and how do they affect your multiple? Consider these factors carefully and have an execution plan:

- intangible value, such as goodwill and reoccurring revenue accounts;
- financial ability to generate an ongoing profit stream;
- condition of equipment and fleet;
- type of business and its financial and market history;
- economic outlook for the industry in

which the business resides;
- stability of workforce and structure of the management team;
- strength of a company's balance sheet; and
- strong financial reporting and operating systems.

#3 The amount of purchase price determines whether a deal gets done.

Each deal is unique. In every transaction, there are motivating factors for sellers and buyers. Owners need specific answers to the following questions:

- What are your goals?
- Have you quantified them?
- What's your timeline?
- What's the market bearing?
- What are the tax consequences?
- Is the company built and positioned to be marketable?
- If you keep operating the way you are, what impact will time have on your value?
- What risks exist in my industry and business?

A sound exit strategy often is time executed and planned throughout a 24-month period. Market conditions have an impact on deal structure, which means how and when someone gets their money. Structure kills more deals than valuation or purchase price, which can include or exclude balance sheet adjustments (debt and working capital), require owner financing, include/exclude real estate, and involve employment agreements and noncompetition arrangements. Often, earnouts or payouts are tied to profit or revenue. Getting paid 100 percent cash at closing is rare because of economic conditions, pricing and competition; however, conditions and terms are negotiable.

Your deal and structure only will be as good as the team who negotiates it. Beware—the industry is full of pretenders. If an advisory team hasn't closed more than 12 deals in the Green Industry, keep looking. Make sure your operating plan coordinates with your exit strategy, and get it done. LM

Harkness is a landscape management consultant with 3PG Consulting. Contact him at jeff@3PGConsulting.com.

QUICK TIP

Beware of the talk that private equity is a great option and readily available. Know who you are and what options are in play for your company.

HOW-TO

Understand SEO

BY CHRIS HEILER

Search engine optimization (SEO) seems like such a dirty term, yet it has a tantalizing, almost magical, aura about it. SEO doesn't require a degree in rocket science, but it requires a basic understanding of how search engines work and a healthy dose of common sense.

SEO isn't easy. An ongoing effort is required to rank consistently in the search engine results pages. There's no one-time fix. Sure, your website needs to be designed with SEO in mind, but you also have to create meaningful content regularly and participate in social media.

Search engines such as Google and Bing reward web pages with the right combination of ranking factors or signals. SEO is about ensuring that the content on your website generates the right type of signals. We're going to cover the most important signals, on page and off page, that impact your website rankings.

On-page SEO

On-page SEO refers to how you optimize the pages on your website to rank higher in search engine results pages (SERPs). There are three primary on-page ranking factors or signals: the website content, site HTML and site architecture.

CONTENT. Each page on your website has an opportunity to rank in SERPs for specific keyword phrases. This is why creating content regularly, typically by blogging, is so critical to ranking high and frequently in SERPs. The search engines love fresh content. Websites regularly updated with original content are considered more relevant and credible.

While search engines love fresh, original content, they also look for signals such as quality and relevancy of content, which means creating well-written, substantial content that's relevant and timely to site visitors. Using common keyword phrases people are searching for online is a strong signal to the search engines. Keyword usage contributes to 26 percent of a rankings impact, according to the 2011 "Search Engine Ranking Factors" report by SEOmoz. If you're not using keywords properly on your site, you're going to fall short in the rankings.

HTML. The meta descriptions, title tags and keywords on your site need to represent what your site is all about—showing the search engines you're credible and you know what you're doing. Title tags and meta data (like keywords) need to be relevant and support each specific page on your site.

ARCHITECTURE. Make it easy for search engines to crawl your site and index all your pages. Your site's navigation plays a key role—make sure it's consistent from page to page and your web pages are organized logically. Speed, as in page-load time, is also a strong signal to search engines. The faster your site loads the better. If you have many images on your site, these could be inadvertently slowing down your load times.

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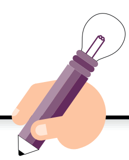

QUICK TIP

Your website needs to be designed with SEO in mind, but you also have to create meaningful content regularly and participate in social media.

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> INBOUND LINKS TO YOUR WEBSITE DRIVE SEARCH RANKINGS MORE THAN ANY OTHER FACTOR—THEY ACCOUNT FOR 42 PERCENT OF IMPACT, ACCORDING TO SEOMOZ'S "SEARCH ENGINE RANKING FACTORS" REPORT.

Off-page SEO

Off-page ranking signals might be more important than the on-page ranking factors. And what happens off-site is much more difficult for you to control. This is where reputation and trust come into play and why inbound links and social media are so critical to determine how your website's pages rank.

LINKS. Inbound links to your website drive search rankings more than any other factor—they account for 42 percent of impact, according to the "Search Engine Ranking Factors" report. Companies that blog regularly have 97 percent more inbound links than companies that don't, according to HubSpot's "State of Inbound Marketing" report. The data clearly illustrate the importance of content and how vital it is to attract valuable inbound links. The bottom line is if you're not creating original content regularly, no one is linking to your site.

When it comes to inbound links, the total number of links isn't the only factor. The quality of the inbound links is an even stronger signal to the search engines. You need inbound links from relevant, credible, highly authoritative sites if you want to rank high in the SERPs.

SOCIAL. Social media contributes to 7 percent of the rankings impact, according to "Search Engine Ranking Factors." The impact of social signals on the SERPs is only going to increase in the coming months and years. It's all about reputation and relevance. Are people talking about your business online? Are they sharing your content? Are they interacting with your content by liking it, retweeting or giving it a +1 on Google+? These are strong social signals that point to how relevant your business is online. If you're nowhere

WEB EXTRA → **For a handy guide to help you understand SEO ranking factors, visit landscapemanagement.net/2012/09/27/seo/.**

to be found, and no one is talking about you, the search engines see your business as less relevant and reputable.

TRUST. There are a couple of factors at play as it relates to trust—history and authority. Websites that have a long history are seen as more trustworthy to the search engines. It's similar to how your customers might view your business: Experience can be a strong signal of trust and authority. Search engines also consider how long your domain name has been registered. Always maintain your domain's expiration date a minimum of two years into the future.

Also, do the links you're sharing on your site make you a trusted authority? If you're linking to irrelevant websites from your site, it can be a strong signal to the search engines that tarnishes your authority and ultimately damages your rankings.

SEARCH ENGINES CONSIDER HOW LONG YOUR DOMAIN NAME HAS BEEN REGISTERED. ALWAYS MAINTAIN YOUR DOMAIN'S EXPIRATION DATE A MINIMUM OF TWO YEARS INTO THE FUTURE.

PERSONAL. How your site appears in the rankings is partially determined by the individual conducting the search. If the individual is in your local community, he or she is more likely to find your business. Social signals are starting to play a role, which personalizes the search experience even more based on your social graph. Google and Bing have introduced these social signals into search within the past year.

The SEO world and search engines have evolved considerably during the past 10 years, most dramatically during the past three years, with social media signals playing a key factor in how websites rank. The search engines will continue to get better at serving up relevant results for users. It's up to you to take the proper steps to remain relevant in the eyes of the search engines. LM

Heiler is the founder and president of Landscape Leadership, an inbound marketing agency that combines social media, content marketing and search marketing into integrated and measurable campaigns. Contact him via LandscapeLeadership.com.

HOW-TO

Analyze your equipment fleet

BY KEVIN SABOURIN

It's that time of year again. Time to sharpen the pencils, clean the eyeglasses and put new batteries in the old calculator. But business planning doesn't have to be so difficult.

Close your fiscal snapshot by finishing the financial aspects of your new business plan, establishing new sales goals and reviewing your human capital needs. Now's the perfect time to reflect on last year and determine what worked and what didn't. Take a close look at one important part of your business plan that has huge implications for operational efficiency, employee retention and the bottom line—your fleet.

Fleet management—equipment costs and how well the fleet integrates with the entire operation—is one of the biggest challenges landscape contractors face every year. A fleet affects everything from employee happiness and engagement to your profitability. Sound fleet planning can't be taken for granted. You can't make poor fleet decisions and not expect it to affect other areas of your business plan.

Consider several factors about what makes a sound fleet and how it impacts your planning:

- Does the equipment handle your jobs efficiently and effectively?
- Does your equipment work well, or is there a lot of repair work because of its age?
- Do you have the right equipment for the bids you're getting, or do you have to make do?
- Are you meeting your financial goals based on your fleet's cost against the bids earned?

These questions can be viewed from the perspective of the company owner, operator and customer. If your fleet gets the job done but is old and difficult to operate:

- The owner might be happy because he's saved the cost of new equipment, but his head is in the sand regarding the upkeep cost and inefficiencies of old equipment.
- The operator, like the equipment, will be worn out. It takes a lot of effort to maintain a piece of equipment that no longer does the job effectively.
- Customers, noticing the inefficient equipment, might question how the job was bid and how you manage your business. Because a customer's perception of the success or failure of your business is often based on equipment.

If the wrong machine for the job or too much machine shows up:

- The owner will have productivity and expense tied up in a suboptimized unit capable of much more work.
- The operator is likely to be happy with too much machine (it makes quick work of the task), but they'll be unhappy to have to make do with a machine that's not right for the job.
- The customer could either be confident in your company resources or concerned about potential collateral damage from unnecessarily large machines operating on site. And the expense of the new equipment, which is passed on to them in higher job costs, could also be of concern.

Next, examine how you organize your jobs, by route or job type. The route approach requires nimble units closely bundled because of their physical proximity. The job type allows for more highly specialized pieces built for the task at hand. However, it sacrifices some of the geographic benefits of minimized travel time. Maybe you use a mixture of route and job types.

If your equipment deducts from, rather than contributes to, your financial goals:

- The owner's financial goals won't be met if the equip-