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COMMON VETCH

Vicia sativa

IDENTIFICATION TIPS

› This winter annual vine has leaves that divide into many leaflets (eight to 16 per stalk) and form large mats of vegetation.

› Each leaflet is arranged alternately along the stem and grows on a petiole. Leaflets are oblong to elliptic in shape and may grow hairs. Toothed stipules occur at the base of the leaf petiole.

› Older leaves develop tendrils that help in climbing. Stems climb on other vegetation or trail along the ground.

CONTROL TIPS

› Dense, vigorous turf is the best way to reduce the encroachment of winter annual weeds. Properly mow, fertilize and water to encourage dense growth.

› For postemergent control, apply a two-, three- or four-way herbicide containing triclopyr, clopyralid or fluroxypyr in the fall or spring. Use the higher labeled rate when applications are made in late summer on mature plants and during periods of drought stress.

CANADA THISTLE

Cirsium arvense

IDENTIFICATION TIPS

› Cotyledons are club-shaped, dull green and relatively thick. Young leaves are covered in short hairs and leaf margins are wavy with spines.

› Mature plants feature smooth, oblong, irregularly lobed leaves.

› Pink or purple flowers bloom in late June through September, growing in 0.75-in.-diameter clusters.

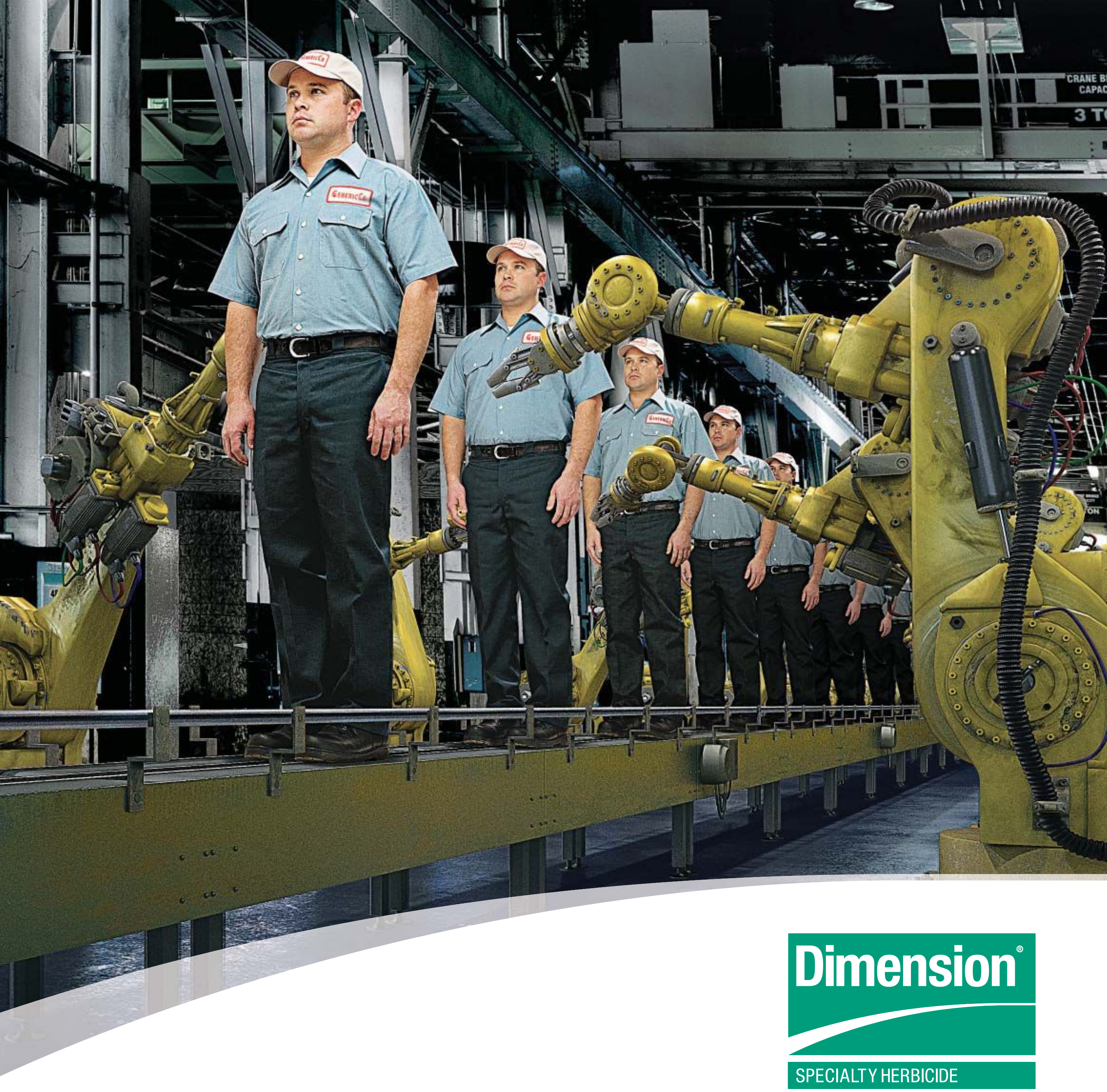
› Unlike bull thistle (*C. vulgare*) or musk thistle (*Carduus nutans*), the stems and flowers do not have spines or prickles.

CONTROL TIPS

› Fall typically is the best time to control Canada thistle. After the first flower buds form and before the first flowers open, apply a postemergent herbicide that contains clopyralid. Apply prior to seed set. Repeat applications on regrowth may be needed.

› Removing shoots can stimulate growth on underground buds, which can generate more shoots after top growth has been destroyed. Hand-pulling or mowing also spreads growth.

PHOTOS: ALVESGASPAR, WIKIMEDIA.ORG (LEFT); S. ASKEW



Protect and save

TAKE THESE SMART STEPS TOWARD VEHICLE INSURANCE SAVINGS.

WHILE VEHICLE INSURANCE for your company's fleet may seem like a no-brainer, there are some important considerations to take that will help keep costs down. Keeping premiums at a minimum starts with hiring good drivers and also means making smart decisions on vehicle usage.

When it comes to good drivers, the place to start is with a well-written standard employment application.

"Don't just put anyone behind the wheel," warns Ken Von Forell, CPCU, director of independent agents at Hortica Insurance & Employee Benefits. "A good employment application includes questions about the applicant's driving record and whether their license has ever been suspended. Employees should also be required to bring in a copy of their motor vehicle record."

Von Forell says landscape contractors should use the employment application as a way to uphold certain standards such as "no reckless driving in a three-year period" and "no DUIs." He adds,"Establish limits and don't bend on them."

Make safety a priority

Texting, talking on cell phones and eating are all ways drivers can be distracted; as a company owner you can't afford to have a distracted driver on the road. Von Forell says it's important to establish a written policy on distracted driving. Having that policy in place encourages employees to follow the rules and allows you to take action if an accident occurs due to a distracted driver. While distracted driving can be hard to enforce, Von Forell suggests the stickers encouraging other drivers to call an 800 number to report poor driving is a good place to start.

"If somebody is dangerously changing lanes or cutting people off in your company vehicle you want to know about that," Von Forell says.

Other riders also can be a distraction and a liability. Von Forell advises business owners to institute a "no riders" policy. "We've had instances of claims where an employee picks up a friend on the way to or from the job site," Von Forell says. "If the person riding in the vehicle is not an employee, their injuries in an accident are not covered by worker's comp. Make sure employees know that the company vehicle should not be used as a taxi service."

Another common trouble spot for landscape contractors is properly tying down loads. "Make sure that everything has a proper place to be stored on the truck and that bungee cords and other appropriate equipment is available to secure items safely," Von Forell says.

Keep costs down

There are many variables that impact the premium for a commercial vehicle; knowing them may help save you money. For example, commercial autos are rated on size, cost new, radius of use, type of use and garaging location. The rate also increases by the size of vehicle: light, medium or heavy.

While there is certainly much to consider with commercial vehicle insurance; in the end, so much of it comes down to drivers.

The bottom line, Von Forell says, is avoiding "problem drivers" can save you many headaches. "Have a standard for hiring and stick to it—regardless of friends, family or even need," he says.

KIDS CAN COST YOU

A common mistake landscape business owners make is insuring personal vehicles under the business policy, says Hortica's Ken Von Forell. This approach sometimes occurs in a family with teenagers—who have higher premiums not only based on age but also gender. "We've seen circumstances where a business owner might insure his children's vehicles under the policy to save a little money," Von Forell says. "But that can cost them much more in the long run. If a teenager gets into an accident and you have a fleet of 25 vehicles under your company, that entire fleet takes a hit because of the severe loss from one driver. It's simply not worth the risk. One teenage driver out with friends can ruin the insurability and cost of insurance for a family business for years."

PHOTO: ISTOCK INTERNATIONAL INC.


JOHN DEERE
3032 E
FRONTIER

BUSINESS PLANNER 2014

Answers to the questions you should be asking to lead, run and grow your business next year and beyond.

Lead 18

Prepare yourself and your team for advancement.

Run 34

Improve your finances and operations.

Grow 82

Achieve sales and marketing success.

Q: HOW DO I GET READY FOR 2014

BY **KEVIN KEHOE**

A: I began last year's article about business planning with the following statement: "Painfully aware that any prognostication or prediction might be off base, any plan you make has to be based on critical assumptions." The key planning assumptions I made for 2013 last year were:

› **Labor costs will rise.** I was correct. The H-2B program is in shambles, and there's a growing labor shortage that will continue to put upward pressure on labor costs. This is still a valid assumption for 2014.

› **Pricing will remain flat.** I was right. Customers are resisting increases of pricing despite the increases of labor and fuel costs. Yet there's room for price increases in enhancement and construction work. Grounds maintenance pricing will likely remain relatively flat. This is still a valid assumption for 2014.

› **Interest rates will remain low, and gas prices will be flat.** I was accurate about interest rates until recently. The rate increase will be a problem in 2014 only if the increases stall the nascent recovery of real-estate prices and investment, which they won't. We somewhat missed the fuel-price increase. The national per-gallon-price of $3.61 is 22 cents higher than last year this time (6.5 percent). The forecast is for gas prices to continue their upward trend. We can depend on this because fuel prices are driven more by politics than supply and demand.

› **Better computer systems will allow for revenue growth without increased overhead costs.** I don't know how to measure this exactly, but with a few exceptions, it hasn't happened to the extent it should. While it's a valid assumption, making it happen has been a challenge. Overheads continue to rise.

» WEB EXTRA

To read Kehoe's article from last year, visit **LandscapeManagement.net/2012/11/14/how-to-prepare-for-next-year/**

Therefore, my general planning assumptions for 2014 include:

› Labor supply will fall and costs will rise.

› Pricing will remain flat. Overall economic activity will be sluggish.

› Interest rates will rise.

› Fuel prices will rise.

› Overhead will rise in employee-related expenses, such as workers' comp and health care.

There are two key strategies to address these assumptions and work into your budgeting process: revenue and labor strategies.

REVENUE STRATEGY

› Be aggressive with early renewals to maximize retention. Customers, especially in the homeowners association segment, are feeling the budget pinch. I'd plan for overall 88 percent to 92 percent retention. This means if you have $1 million in maintenance contracts, plan for the potential of $100,000 in losses. Plan for this and sell to make it up.

› Be aggressive selling new contract work for spring 2014 and enhancement work for this fall now. Budgets need to be spent this year but may be installed next, allowing a backlog buildup for 2014. Big landscape companies in every market are investing in salespeople, who have goals to achieve. This means they'll be calling on your customers.

› Flat pricing (not much in the way of contract increases) will be important, but market presence and salesman persistence will be more important. Invest in your sales effort.

› Be more aggressive raising prices and margins on your enhancement bids.

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ILLUSTRATION: ISTOCK INTERNATIONAL INC.

LABOR PLAN OPTIONS

$1,000,000			Annual Contract Revenue
$25.00			Price per Hour Estimated
40,000			Labor Hours Budget at that Price
2,000		2,000	Average Annual Hours / Man / Year
$15.00			Actual Wage Rate Paid - Burdened
#1 →		$15.79	Potential Wage Rate Paid - Raises *(See "Labor plan comparisons," below)*
Desired Savings	**Actual Savings Planned**		
10%	5%		Labor Hour Reduction - Lean Assume only 5% actually Achieved
Labor Savings - Assumed	**Labor Savings - Assumed**	**Labor Savings - Planned**	
4,000	2,000	38,000	Hours
20	19	19	Number of Men - Labor
$60,000	$30,000		Labor Dollar Cost
		$30,000	*(See "Labor plan comparisons," below)*
Overtime Premium		**Annual Work Weeks Assumed**	
$7.50		48	
OT Hours Allowable / Year	**OT Hours Allowable / Man / Year**	**OT hours Allowable on Average per Week**	
4,000	211		
#2 →		4.39	Potential OT - Additonal Hours Worked *(See "Labor plan comparisons," below)*

Planning pointer

Plan for increases in payroll per person. This strategy can be accomplished by raises in hourly rates (not necessarily across the board) and/or increasing overtime hours.

continued from page 18

LABOR STRATEGY

› Invest in lean management techniques in the field. Several of our clients have made this investment and reduced labor hours on contract work. Lean is a comprehensive approach to site management that matches crew sizes, equipment and materials to a sequenced plan for minimizing wasted time. Investing in lean can save 5 percent to 10 percent of labor hours. Using our example of $1 million in contract work at a $25 an hour revenue price, we get 40,000 hours required to do that work. A 10 percent reduction of hours—assuming a $15-an-hour burdened labor cost per man—is a savings of $60,000 a year, not to mention the reduced need for recruitment.

› Increase your recruiting budget. The recruitment costs for a new crewman is about $500, considering ads, signing bonuses, interviews and testing. Plan to spend more money on this next year.

› Plan for increases in payroll per person. This strategy can be accomplished by raises in hourly rates (I'm not suggesting across the board) and/or increasing overtime hours. The questions are how much can I afford, and how best to do this? The chart above provides a static analysis of the options. It assumes you execute a lean management strategy.

LABOR PLAN COMPARISONS

There are two points to make regarding the chart above: 1). Planning to reduce 10 percent of current hours as a result of lean management and giving 5 percent of the cost (see green box with $30,000) of these same hours back in the form of raises is equivalent to $15.79-per-hour raise, which is far more than required or will be necessary, and 2). Using the same assumptions in lieu of raises, the same goal can be achieved with overtime. In this case, when you save 10 percent of the hours and give back 5 percent ($30,000 or 4,000 hours of premium time pay—$7.50 an hour), the average overtime per week for a 48-week year is 4.39 hours a week.

BIG LANDSCAPE COMPANIES IN EVERY MARKET ARE INVESTING IN SALESPEOPLE, WHO HAVE GOALS TO ACHIEVE. **THEY'LL BE CALLING ON YOUR CUSTOMERS.**

The same planning approach used last year can be used for 2014 with these revised assumptions, but there's no such thing as a perfect plan. To paraphrase U.S. Gen. George Patton, a good plan well executed is far better than a perfect plan never executed. Hone your plan, and see if you don't have a prosperous 2014. LM

Kehoe, the owner-manager of 3PG Consulting and a regular columnist for Landscape Management, *can be reached at kevinkehoe@me.com.*