

LAWN MAINTENANCE
AND
THE BEAUTIFUL BUSINESS:

How to Start, Run and Succeed
in Lawn Maintenance

Dave Tucker

LAWN MAINTENANCE AND THE BEAUTIFUL BUSINESS:
How to Start, Run and Succeed in Lawn Maintenance
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What People Are Saying . . .

“Dave Tucker KNOWS the ins and outs of starting and operating a lawn care business. Through years of experience running *CLIP* Lawn Care LLC, he can tell you what pitfalls to avoid, what types of jobs to pursue, how to make the most out of your time and most importantly how to make the business work for you. He has the heart of a teacher and I personally enjoy learning all I can from him whenever the opportunity arises.”

Zachary Stock
Owner, Zach's Lawn Care

“Dave Tucker has a passion and skill for teaching others the lessons he has learned over decades of business experience. His wisdom has had a profound effect--enabling me to become successful in business and life.”

Jonathan Coleman
CLIP Lawn Care, LLC

“Dave's insights and passion for teaching have been extremely helpful for us in starting our Lawncare business. Thank you, Dave!”

Mike Steiner
Owner, Amazing Grass Lawn Care

“Dave Tucker has been one of the most influential persons in helping to inspire, motivate and teach me effective strategies as well as the implementation of necessary systems to run a successful lawn and landscape maintenance company. I have greatly benefited from his first-hand knowledge of the industry. *CLIP* and KnowItAll software have been an instrumental part of our business and have allowed me to focus more on business strategies and implementation, instead of working in the day to day operations of my business. Through the years I have witnessed first-hand Dave's consistent commitment and dedication to the improvement of the industry. I will forever be grateful for what he has taught me.”

Brian D. Ulsh
The Lawn Barber Corporation

Dedicated To

My beloved wife, best friend, life companion, love of my life;
for believing in me, supporting me and giving me the
freedom to try new things.

My children and their spouses.

My grandchildren and those yet to come.

I dedicate this book to all those who will sit on my porch.



Here's to the vision! May all those who read this
book find their “porch vision”, too!

(See [Appendix A](#) for the definition of a “Porch Vision”.)

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GOD, for giving me opportunities to work and prosper.

Lawn Maintenance and The Beautiful Business

Prologue

When I first met my husband, Dave Tucker, in 1978, I was not impressed. He was so different from everyone else. He was a tall, gangly, homeschooled, missionary kid from Mexico.

He had an interesting sense of style - mismatched outfits with a Texas flair, often in a cowboy hat and boots - unusual in Florida. He said strange things and shook your hand when he met you (not something teenagers did in college back then!). He carried his books in a briefcase which was very “uncool” at the time.

The funny thing was he didn’t care about being weird. He was confident and friendly to everyone and by the end of the first week he was nominated class president (which he humbly declined as he had no idea what it was!).

It didn’t take long for me to realize that this guy was a “diamond in the rough”! He excelled at everything he did and everyone liked him. Polite, funny and charming . . . who could resist? The room would light up when he entered it.

But there was more. This guy was smart and thought outside of the box. When everyone in the computer lab was content just playing Star Trek, he picked up the manual and figured out how to add more torpedoes to his side. No one else even thought of doing that!

Thus began his interest in computers. When he was bored in math class, he made a deal with the teacher - he didn’t have to attend class if he wrote a computer program on how to calculate depreciation schedules. (Who makes deals with teachers?!? Did I mention he thinks outside of the box?). Thus, his first computer program was born!

We married and went back to Mexico, where he talked his dad into buying a Tandy 2000 computer. He figured he could just read the manual and write a program for it like the man in the store told him - simple, right? Why not? After many weeks at our kitchen table, he taught himself to program and proceeded to write a couple of pieces of software for the mission. He was definitely not afraid to try new things!

Lawn Maintenance and The Beautiful Business

Dave knew how to work hard. When we left Mexico, we went to Maryland to work in my brother-in-law's lawn maintenance company. Dave hated mowing lawns, but he worked hard - sometimes 70-80 hours a week during the busy times. He would go to work before the kids were up and came home after they were in bed! (Good thing he never worked Sundays or he never would have seen them!)

He was always thinking and wasn't content to just mow lawns. I would get him audio cassette tapes from the library and he would listen to them while he cut the lawns. He listened to many business books and in this way accumulated mountains of knowledge. He still listens to books on tape on his commute to work.

During the winter, the company manufactured metal grass catchers. Dave quickly became proficient. He was paid using a piecework system and it didn't take him long to figure out that if he welded the ends of nine tubes together, he could cut nine at a time instead of just one. He did this over and over with different parts and, as a result, made the company more profitable. It wasn't long before he was done mowing lawns and was manager of the manufacturing division.

One day, walking by my brother and brother-in-law, who were busily bent over a computer trying to puzzle something out, he asked what they were doing. They tried to brush him off (not easy with Dave Tucker!), but he persisted. When they explained the computer programming dilemma they had, Dave solved it for them on the spot!

After working together on a computer program for a non-profit, Dave was asked to make their lawn scheduling computer program user friendly so they could sell it to the public. After months of programming, ***CLIP*** was born!

Subsequently, Dave made a deal that involved no pay. We lived off of our savings and were to receive profit from future sales made. It was pretty lean for a while, but it worked out well for us in the end. Later, the company was sold to Dave and we began the roller coaster ride of business ownership.

Today, our company is stable and prosperous. We are amazed and awed at what God has done. I am so thankful that I took a second look at that nerdy guy in college.

Prologue

Dave is a loving, doting husband (He buys me flowers every Friday!); an engaging, caring father (and, grandfather!); a committed, faithful Christian; and, a smart, hardworking businessman. He is a fun guy and loves helping people. I thank God that Dave picked me!

I could go on for pages and pages, but Dave has many more stories for you in the pages ahead. Enjoy!

The Proud Wife of Dave Tucker!

Karin Tucker

Lawn Maintenance and The Beautiful Business

Introduction

I just booked my family's 9th cruise while on my 2nd vacation to Texas this year to help my parents out. Over the past few years, I have gone on dozens of self-supported mission trips to Mexico, spoken at numerous conferences, taken semi-annual family vacations and never done more than a few hours a week of "work". Then again, most people wouldn't call sitting in a comfortable leather chair, sending a few emails and answering a few questions, "work". I am passionate about three things - my faith, my family and my business. Because God has so blessed me, I love to help others succeed in their own lives.

My life hasn't always been this easy. In 1986, I drove my wife and toddler to Maryland with almost nothing to my name. We had our car and I had a few dollars in my pocket. The first few years included 80-hour work weeks and a lot of sweat and tears. But, now, I own three companies and have the freedom to do whatever I want . . . while my companies practically run themselves.

If you are reading this book, I know that you are at least considering the possibility of owning your own business and whether lawn maintenance could be the key to creating the life that you want for yourself. Since that trip to Maryland, I have worked as a manager for a lawn maintenance company, started a service industry software company in 1987, began my own lawn maintenance company in 2002 and have counseled hundreds of successful lawn maintenance companies through the years. I am confident that with the right tools and a hard working attitude, you can successfully create, run and love your life as a lawn maintenance company owner.

The business model I created for *CLIP* Software incorporated the use of "all available tools" known to mankind and, at the same time, relevant to my industry. (Lawn maintenance, in case you weren't sure!) Through my work with *CLIP* Software, and my personal life, I have helped thousands of lawn maintenance company owners successfully launch their businesses and create thriving, vibrant Beautiful Businesses.

This book is how I hope to help even more people see the value and seize the opportunity of owning their own lawn maintenance company. Read it, learn from it and create your own version of success!

Lawn Maintenance and The Beautiful Business

Chapter One: Why Own a Business?

The first thing you have to ask yourself before you can start a business is, “Why should I have a business?” For me, there are several different reasons that I can think of right off the top of my head.

As I contemplate these reasons and think about dictating the first chapter of this book, I rest my head on the back of my chair and close my eyes. I slip back and remember a day not so long ago . . .

“Have you done your five minutes of work this week?” my 25-year-old son, Dave II, said with a slight smirk as he walked into my office.

Glenn, my Vice President, added, “You know, the company would make a lot more profit if I could fire you! Do you even do five minutes of work per week?” (There is a lot of ribbing that goes on in our office!)

As I think back to this conversation (a recurring topic I must admit!), I realize that it really is a good thing that I own the company or I would have been fired a long time ago. In fact, knowing what I know, I would have fired myself!

You see, I have three companies and they are all set up to run on systems which are efficient and time-saving. This means I don’t have to do much to keep them going. Yet, they are all profitable and they all contribute to my personal finances quite well.

I do come into the office. This may be out of habit or may be because my wife, Karin, would rather have me out of the house and not bugging her to start yet another short-term “project” that might or might not be completed in six months’ time. Either way, I learned a while ago that the goal for my businesses was to create systems that benefitted the customers, employees and owners while not taking up too much of my time.

It has been said that a business owner can work any 16 hours of the day that he chooses. This is true if you don’t build a “Beautiful Business”. A “Beautiful Business” is one that is set up to work with systems. It is a business that requires very little input from the owner, is

profitable and rewards all of the stakeholders (customers, employees and owners).

My stated goal is to become the most useless person in the business. This is because I do not want to be a crucial part of the business. I want to be able to leave for a month at a time and not have 10-20 phone calls a day from employees asking how to do this or how to do that. I don't want to be involved in the day-to-day workings.

I want to set up systems whereby the business takes care of itself and the employees can be handsomely rewarded for doing their jobs and for creatively improving their jobs. I want to be able to see a few reports that tell me everything I need to know in a matter of minutes. ***In short, I want to own the business, not have the business own me!***

You can create your own Beautiful Business and, eventually, be amazed that you, too, are spending five minutes a week doing the "hard labor", before you head out to the golf course or drive home to spend extra time with your family or sit down to consider starting your second company.

My Four Reasons

I will offer up four different and important reasons for why you might want to own a business - control of culture, time opportunities, involvement of children and continuity of a family-owned business.

Who Created This Chaos?

The first of these four reasons is that by owning a business you can control the culture. What I mean by control the culture is that you, as a business owner, are able to set the environment around which you are going to work. If you want to work in a business where there is high stress, a lot of requirements and things moving as breakneck speed, you can create this culture if you want to. But, if you'd rather have a culture that is more laid back, where you have more time for people and people do not feel that they are obligated to work 65 to 80 hours per week in order to progress in your business, then you can develop this type of culture as well.

Why Own a Business?

One of the companies that I own is a software company. We write business management software for landscape companies. Many years ago, I received a call from the secretary of a customer company when I was doing tech support. She said, “Hey, I’m brand new. I have to learn how to use your software. I have to learn how to install all this business management software and accounting software. I have to be able to print route sheets by tomorrow and have payroll out by Friday. Can you help me?” I spent hours on the phone with this lady trying to help her through this massive amount of work that had been dropped in her lap.

About three days later, I received another call from the same company from a different person saying, “Hey, I’m a new employee. I need to have all the software installed. I have to have route sheets by tomorrow and payroll by Friday. Can you help me?”

I said, “Well, I just dealt with somebody a few days ago for the very same thing.”

“Oh, yes, well, she left,” I was informed.

I said, “Oh. Okay. Well, let me help you.”

This happened about three times in a row. Every few days I’d get a call from a new person that had just been hired at this company. By the third time this happened, I said, “You know what. Let me talk to your boss.”

His name was Billy and he wouldn’t get on the line to talk to me. I could hear him yelling in the background, “You said you knew computers when I hired you. Why can’t you do this?”

The Ed Mann Landscaping, LLC Journey

I started my business in 1979 with a walk behind lawn mower, weed whacker and a pick-up truck. One guy, a few pieces of equipment and I set out on my own ready to take orders from me and me alone. I had other jobs during my teenage years but I knew that I didn’t want to work in a shop or take orders from others. I always had a need to push myself to be the best that I can be and working for someone else wasn’t what I wanted and it certainly wouldn’t help me be all I wanted to be.

Follow the Journey on page 17.

Lawn Maintenance and The Beautiful Business

I actually recommended to the lady that she quit because this guy was an angry person and it was not a good working environment. He refused to learn, to get better at it. She said, "Oh, but I just got this job."

With regard to company culture, this man had created a company culture where he yelled, screamed and carried on and he would require work from people without even thinking about if they were capable of doing the job or not. That's the kind of culture you do not want to live in. If you own your own company, you can set a culture of calm, a culture where people respect each other, a culture where you can challenge them and, at the same time, not be yelling and screaming at them.

Another area of business culture that you can set is the type of moral environment under which you are going to live and operate. For example, you, as the owner of the business, can determine if you are going to allow people to have certain pictures on their computers, if you are going to allow people to have certain posters on display, if you are going to prohibit certain types of language and jokes. By owning a business, you can control this culture.

In my business, for example, one thing that no one is allowed to do is say that someone is not in the office when they are. I do not allow my employees to lie. There have been plenty of chances when it's been very convenient to lie or hide the truth or make things sound a certain way. I choose to not permit my employees to do this.

Not working on Sundays is another area where I control the culture in my companies. This is one of the Ten Commandments and I have decided that I am going to keep it. By owning my own business, I am able to make that policy and say, "We do not work on Sunday." That's all there is to it. By doing this, I make sure that my employees have one day of rest and I keep a certain culture in my company. What's nice about this is that I can set these rules and policies. If I worked for someone else, they might be highly tempted to require that I work on Sundays and I don't want to do that.

A situation came up once where an employee came to me and said, "I want to work on Sundays. Please let me work on Sundays."

I said, "No. Let me show you why."

Why Own a Business?

I opened my Bible, flipped through the pages to Exodus 20:8-11 (NASB) and read the Fourth Commandment, which says:

“⁸Remember the sabbath day, to keep it holy. ⁹Six days you shall labor and do all your work, ¹⁰but the seventh day is a sabbath of the Lord your God; in it you shall not do any work, you or your son or your daughter, your male or your female servant or your cattle or your sojourner who stays with you. ¹¹For in six days the Lord made the heavens and the earth, the sea and all that is in them, and rested on the seventh day; therefore the Lord blessed the sabbath day and made it holy.”

After reading this to him, I said, “How can I say that I obey the Bible if I let you work on Sundays? He is commanding me to rest and you are asking me to break His Commandment. How am I supposed to say that I am running a business God’s way?”

The guy kind of smiled, looked at me, and said, “Does it really say that?”

I answered, “Well, there it is. You’re reading it.”

He looked at me and said, “Okay. Well, thank you. I’ll never ask again.”

This was, for me, all about my company’s culture and, for him, a moment of training – both in the company’s culture and in God’s Word.

By setting the culture you can also determine who you want to work with. Having said this, I should mention that it might take a while before you find the right employees. In fact, it could take years to find the right type of employees that are going to match the culture that you want. But, once you find these employees, you start bringing people in that are close to your culture and that have the same values that you have.

Every day when I come in to work, the people that I work with are the people that I have chosen to work with - as opposed to being hired in a traditional setting and having to work with those people who were chosen by someone else. In the past, I have done very informal surveys of friends and asked them how they liked their jobs. Nine times out of ten I

get a response, either good or bad, that refers back to either the boss or co-workers. Something along the lines of, “Well, I can’t stand my boss. He’s a terrible boss.” Or, “I love my co-workers. They’re such a fun group of people to work with.” Or, “The guy next to me is just making my life unbearable.” If you do this in your church or wherever you happen to be with a lot of friends, I’m telling you nine times out of ten they are going to answer that they like it or don’t like it based on the people that they work with.

This realization became very important to me. It unmistakably shouted that the people that you allow in your business on a day in and day out basis is extremely important to the satisfaction of your workers. This means that you have to pay a lot of attention to corporate culture. If you own your own business, you can set this culture and work with the people you have chosen who have similar values and work well under this type of corporate culture. Some agree with me on my religious points of view and some do not. Some agree with me on my political points of view and some do not. However, this doesn’t really matter because we are all working together to create a business that is successful and that will allow them to have success as part of the business. The ability to control the culture is very important when you want to own a business. This, in and of itself, may be a big enough reason to want to own a business.

Time Warping!

The second reason I would like to propose in owning a business is the opportunity to use your time. If you work for someone else, like I did for many years at various companies, they will likely pay you by the hour. You work on or off the clock by signing in and signing out.

When you own your own business, you have the opportunity to use your time any way you want. Don’t get me wrong - consider this the good, the bad and the ugly side of business ownership! What do I mean by this? Well, you can work on your business any time you want. You can go to a coffee shop, open up your laptop and start working on business issues. You can go to a park, open up your laptop and work on a marketing piece. You can take your family to Disneyland, open up your laptop . . . wait, scratch that! In other words, you can take any moment of the day and start working on your business.

Why Own a Business?

Is this a bad thing? No, absolutely not . . . unless you enter – the UGLY side!

The ugly side (Yes, it really is a double-edged sword!) is that you never clock out! You never have a time clock to punch out from and say, “Okay, I’m done for the day (or, evening, weekend, vacation, etc.).”

This can become overwhelming, particularly to your spouse and children. (See Disneyland example above.) This is excruciatingly obvious if they say that you are constantly working on the business and not paying any attention to them. When I was starting my business in the ‘90s, I even brought my laptop and cell phone to the beach with me on our family vacation. What a great way to spend time with family and get work done, too, right? *No!* My family felt like they still didn’t get to spend time with me and I actually “won” a prize on a radio show for never being able to stop and put work aside. (I must hang my head and ask, “Is this the very definition of workaholic?!?”)

Later, my wife insisted on my coming home at 6:30 p.m. every night. I was convinced that it would make me less productive. After all, it was much earlier than my typical 8 p.m. However, to my amazement and surprise, I actually became more productive by focusing on leaving by 6 p.m. every day.

One additional element of time usage while at work is to be sure to follow the NOTs! That is, do NOT:

- use your time unwisely;
- use your time inefficiently; and,
- EVER use your time for something that does not promote the growth and welfare of your business!

You do need to make sure you spend time on your company, especially as you first get started and go through the busy seasons. Make sure, however, that you don’t miss valuable time with your family. You can always focus on making money tomorrow. However, what you miss today with your spouse and children is gone forever!

So, as a business owner, you have the opportunity to use your time whenever you want, however you want, for whatever you want, but use it wisely and with caution!

No Nepotism Laws Here!

When deciding whether to start a business of your own, I feel the ability to involve or train your children in the business is very important. There are child labor laws that prevent me, as a business owner, from being able to hire my nephews and nieces and other children that show great potential and interest in becoming involved in a business.

However, there are no such laws or, at worst, minimal constraints, related to involving your own children in your business and you can bring them in as early as you want. (DISCLAIMER: I am not a lawyer and do not profess to be a lawyer, so be sure to check with your local labor board.). In fact, I have seen situations where people own a business because they knew they wanted to be with their children and they also wanted to be able to work, so they created a business just so they could bring their babies with them to work (maybe placing them in a playpen in their office). You're not going to be able to do this if you work for someone else.

More importantly, when I bring my children into the business and when I involve them in the different functions and jobs that we are doing here, it begins to teach them how a business works, how trade works, what a work ethic is, etc. This has been extremely important early on in our family. Of course, giving them money for their work always helped encourage them in business as well.

I would bring things home for them to work on. Let's say we were working on a mailer and I had a lot of postcards to mail. I would bring home the postcards and the labels and I would say, "Hey, we're going to have a labeling party!" We would all get together around the coffee table and label the postcards to try to get them out.

From the time my children were very young, 5, 6, 7, years old, I would bring these types of projects home. During these family "work" sessions, I would ask questions like, "Okay, how does this make us money?" At this point, I would have the opportunity to tell them all about the process of sending the mail out, getting responses back,

Why Own a Business?

sending out demos, getting responses back, etc. I believe this knowledge and effort was crucial to my children's awareness of business development, even though they might not have realized this at the time.

My two oldest children obtained business degrees when they went to college and, when they started taking their business classes, they were sort of yawning through class because they already knew the principles being taught. These same principles were learned around our coffee table when they were pre-school or early elementary age!



When I bring my children into the business, I usually put them under one of my trusted supervisors and, as they grow into their teens, I might assign them to work in the office so they begin to understand what takes place “inside”. That’s great because I get reports back from my own supervisors as to how well my children are doing. I think that’s wonderful training for them later on in life.

I also get to talk to my children on the way in to work as well as on the way home. I get to talk to them about:

- what happened that day;
- their reaction to things that happened;
- the customers they talked to;

- their reaction to their supervisor; and,
- how their supervisor treated them.

All these things are extremely important in teaching them how to live, how to treat others and how to conduct their lives.

I can't imagine how I would try to get that type of training across to my children without a business. By owning a few different businesses, I am able to place them into their separate niches. Also, if you have sons and you have a lawn maintenance business, you will find out that it is so handy to be able to send them out to work and work hard, as they are coming into puberty and growing into their teen years.

These young men need a lot of work. They have so much energy and we need to work them. We need to show them the way and give them a productive task to do so they can actually work to accomplish something, instead of sitting in front of a computer playing games and posting to social media sites. This has been a Godsend to most business owners.

I'm Retiring! Who Wants To Be Boss?

The ability to pass your business on to your children is my fourth reason for owning a business. Once you have children, your whole life changes and you start thinking, "Okay, how am I going to pass this on to my children? How am I going to be able to help them in their life? Isn't it wonderful that I am able to involve them during the summers when they are in college?"

During college breaks, my children know where they are going to work and they know what they are going to be doing. This is such a blessing to them. And, how can this continue to be a blessing?

I only have one son. He is currently working with me in our business and he is obviously going to inherit it in some way, shape or form (at the very least, as an officer of the company) sometime in the future. It is so rewarding to be able to hand the business over to your children so they do not have to be out in the world, wasting precious and valuable years trying to figure out what they are going to do. They can become effective immediately.

Why Own a Business?

I would not propose that you take your children and immediately position them in places of responsibility, make them officers, etc. However, bring them up through the ranks and let them learn how the business works.

These are my four reasons why you might want to own your own business:

- 1.) the ability to control the culture;
- 2.) the opportunity to use your time as you want to;
- 3.) the ability to involve and train your children; and,
- 4.) the gift of passing your business on to your children.

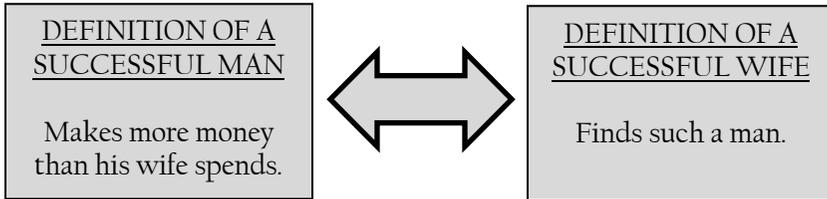
There are many other reasons why you might want to go into business but at least these are a few to get you started.

Owner “Job” Description and Requirements

As with any “job”, even owners have job descriptions and requirements which are necessary in order to start, operate and succeed when owning a business. When you start your own business:

- You have to be self-disciplined because you will be your own boss.
- You have to be self-motivated.
- You have to be able to sell, at least a little. This doesn't mean that you need to be the top seller, just be able to sell some. You cannot grow a business without sales.
- You need to have some confidence, i.e. you need to believe in yourself. (What a cliché!)
- You have to be able to swim against the current.

- You need to have a reason for why you want to do this. Keep this goal in mind. Put it in front of you. Put it right where you can see it. It might be a picture of your wife or family, a mortgage deed you want to pay off or a new investment portfolio you want to grow.



Conceptualizing Business and the Importance of the Business “Why”

Definition of a Business

I like definitions because they clarify what is happening. So, let’s talk about the definition of a business. I would say that the definition of a business is an entity that serves customers that want something and employees or vendors that have that same thing to sell.

I like to explain simplistically about concepts so, let’s say we have some customers that desire a service and are willing to pay for it and let’s say they’re in my left hand. Then, we have employees, in my right hand, who are willing to provide the service or product for pay. You can see that this is a perfect match made in Heaven. You have customers who are willing to pay for a service and employees who are willing to provide this service for pay.

What does the business do? The business just pulls these two entities together. It connects the employee with the customer so that the two of them now have a transaction. Through that transaction, wonderful and beautiful things happen.



Why Own a Business?

The business is really only an organizing tool that connects the employees and the customers. When viewed this way, a business is a very simple thing.

One of the first things you do when starting your business is get business cards. The only thing that business cards tell a customer is where they can find employees who will provide the service which the customer is seeking. As you get employees and customers to talk to each other more and more, you want to keep the business as small as possible because the business is overhead. That's not to say the business in itself should be small but rather the organizing factor needs to be as small as possible in order to increase profits and increase the communication between customers and employees.

The Business "Why"

When you start your business, you need to determine the "why" for having this business. I think this is very important. It functions, in part, as a road map for your business and guides its operation. It also gives you the rules of the road. In other words, why am I doing this? The "why" question! I think this "why" question is one of the most important things you can ask yourself when contemplating a business venture.

I have done this very thing for my business. My response is that I want to have a business that will provide for my family's needs, which include financial, time, freedom and creativity aspects.

I also decided that my faith would play a major part in the running of my business. To this end, I defined additional faith-based purposes for my business. My purpose in serving God in my business is to be an example to the world and to enable me to be generous and a blessing to others.

So, you can see that the purpose of a business encompasses many different things:

- The business has to exist to provide for my family's needs. My family's needs are defined by financial, time, freedom and creativity aspects. I have more than just financial needs. If my family only had a financial need, I think this would make me a workaholic and I would neglect my family.

Lawn Maintenance and The Beautiful Business

- I view the purpose of serving God as being very important. Being an example to the world means that when my customers receive my product or my service they say, “Wow! He’s doing a good job!” This is an example of how a business should be run.
- A successful business led by God should enable me to be generous and a blessing to others. It is really fun when your business begins to be successful and you can reach out and start helping others. You are able to not only mentor others but to help those in need. Most business owners end up in this situation. Of course, one of the most recognized examples of this is the Bill and Melinda Gates Foundation. Bill Gates, current Chairman of Microsoft, has set a purpose for this Foundation, which is to give away most of the money he has made. He spent part of his life making his fortune and now he is spending part of his life trying to give it away. Most business owners want to give back.
- So, determine your company’s purpose. Get a pen and paper, sit down and start recording why you want a business.

Chapter One Summary

- You can control the culture of your workplace by managing the environment, stress level and moral standards.
- Time is a hot commodity that you can now use any way you want. You can focus on your family or become a workaholic. It is up to you!
- Your children can be a part of your business and experience valuable life lessons at a young age.
- A thriving business provides your family with a legacy that will live on from generation to generation.
- Define your own reason(s) for starting a business - whether it be faith, generosity, family or something else.

Lawn Maintenance and The Beautiful Business

Chapter Two: Why Lawn Maintenance?

Okay, so you've decided to start a business and you're reading a book that's titled *Lawn Maintenance and the Beautiful Business: How to Start, Run and Succeed in Lawn Maintenance*. Chances are you have already decided that this is what you want to do. Since this is the case, let's discuss why I feel you should choose a lawn maintenance company.

Different Types of . . .

Different Types of Businesses

I'd like to just go back for a moment and talk about the different types of businesses and why you would choose lawn maintenance as your business of choice. There are many different types of businesses from which you could choose. Your business could be based upon products, assets, retail sales, hospitality or professional services, to name a few.

A product-based business is where you invent and manufacture a product(s). This is what happened to my brother-in-law. He is the owner of Wright Manufacturing, Inc., which produces lawn mowers, Velkes (little one-wheel trailers that you stand on behind a walk-behind mower), grass catchers, etc. But, he started with a lawn maintenance business. Many times, it is best to begin with a business 1) that is easy to start, 2) that has a low barrier to entry and 3) that can put you in the position of quickly creating your own income stream. If you follow the principles in this book, eventually you will have time on your hands and you can develop products, either for the lawn maintenance industry or other industries. I've seen many of my customers become involved in other types of

The Ed Mann Landscaping,
LLC Journey (cont'd)

Today, my company has become almost recession proof as we have expanded our expertise from not only landscaping, maintenance and hardscaping but also general construction work. This type of work has challenged all of us from the very beginning. Going into the construction field has taken the company to new horizons. Every day is a new challenge or a new project or a new phase in an existing project.

Follow the Journey on page 76.

businesses. However, their lawn maintenance company was the launching pad and foundation for what came later.

Some other types of businesses deal with assets. Assets would entail owning rental properties or owning trucks or land that you can rent out for various uses. Some people begin with storage units. Storage units are a great way to begin an assets-based business. With an assets-based business, you often need to create the income first before you can buy the asset and own something of value to lend or rent out to someone else for payment. Assets would be another type of business you could get into later on.

Another type of business is retail-based and is where you have a store or go door-to-door selling a product, such as Amway. With a retail business you sit in the store and wait for someone to come to you. I have never cared for this type of business model for a number of reasons. One reason is I hate being passive, just sitting there waiting for someone to walk through my door. That's very irritating to me. Also, with retail, you are always working when nobody else is. You have to work evenings, weekends and holidays. As far as I'm concerned, I would stay out of it. I wouldn't touch a retail-based business with a 10' pole!

Hospitality is another type of business. For a hospitality-based business you would own a hotel, restaurant or maybe a roach coach (a truck from which you sell food items). Again, I don't lean toward these for a number of reasons. One reason is that they require someone to do something with them constantly. As with a retail-based business, a business focused on hospitality requires you to be working when nobody else is, i.e. evenings, weekends and holidays. With this type of business there is a lot of pressure to be away from your family because it requires so much time. In addition, it is much harder to create a system that actually produces money for you with a hospitality-based business.

There are also professional services businesses, such as medical, dental, legal, computer programming and web designing. For these, you possess a skill and/or knowledge that you are able to sell to a customer. My daughter-in-law is a nurse. By attending four years of college, graduating with her degree and passing the exams, she was able to immediately start making decent money in a hospital. This is one way for a young person to make money, but right now we're talking about starting a business. Many reading this book are probably beyond the

Why Lawn Maintenance?

time in their lives where they want to go back to school and spend 12 years getting some kind of degree. (I certainly know that I am!)

The other problem is, with a professional services business, if you can't make it to work, you don't make any money. However, if you create a beautiful business, the business will run itself. You will be able to step away from it and it will continue to function without you. This is actually your goal when starting a business.

A lawn maintenance business is considered a service business. There are other service businesses you can start, such as housecleaning, child care, pest control and pool maintenance, to name a few. Some service businesses are dependent upon the area of the country and what is going on around you. I know that in Arizona there is even a business that goes out and rakes the rocks on people's lawns because they don't have grass. There are many categories of businesses you can begin in the service-based industry.

Different Types of Offers

As you consider the different types of businesses you can choose from, you want to start thinking about the different types of offers. I'm going to give you a couple of offers to contemplate.

One offer involves going to find your customers. This may mean going door-to-door selling products like Cutco, Amway, vitamins, etc., but you are physically going out to seek and locate your customers in order to offer and sell your products or services. Some of this will happen with a lawn maintenance business. With this type of offer ***YOU*** are engaging the client or customer.

Another offer is waiting for the customer to come to you. This would be the case with a retail-based business where the ***CLIENT OR CUSTOMER*** engages the seller. You would be sitting in a store and waiting for your customers to walk through your door. In essence, you would be waiting for someone to pay attention to you and praying for repeat business.



Waiting for a customer . . . as mentioned earlier, I personally don't like this type of offer. (As a lawn maintenance business owner, I possess the "Job" Requirements (See page 11.) necessary for this type of business so this offer doesn't work well with my Go Get 'Em personality!) My main reason for disliking this type of offer is because I don't like to sit around, waiting and hoping that someone will call me. I want to be proactive! I want to get out there and do something! For me, I find that it is easier to "find" work than to "wait" for it. You cannot drive a parked car! You cannot direct a drifting boat! So, I feel some action on your part is necessary.

Different Types of Selling

There are also different modes of selling. This is, again, when you think through this whole business venture scenario of "why" a lawn maintenance company would be best for you, these are all the different options that you can choose. Your options include selling over and over again to the same customer or selling only once to each customer.

Let's say that you are going to start with landscape construction. Landscape construction would involve, for example, creating a flowerbed and adding some plants, building a retaining wall, restoring an old decorative pond . . . in other words, making some place that looked rather bad into something beautiful. A lot of people get very excited about this because you are taking something that is kind of ugly and making it an eye-catcher. Certainly, there is a lot of satisfaction from seeing this take shape - a sort of instant gratification.

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But, the problem with a landscape construction company is that you constantly have to seek and land that next sale. How often are you going to come back to the same customer? Probably not often! I am sure you can think of other examples similar to this one where you sell something once and then never sell to the same customer again.

I like the idea of selling once to a customer and then repeating the sale over and over again. This is what happens with a lawn maintenance business. The business model for a lawn maintenance company is such that you obtain a signed contract and then repeat the service 25, 30 or 50 times, depending upon where you are in the country. This requires only one sale and you perform the service multiple times for the customer for the contractual period, usually one year. This means you will need to “sell” your service again once the contract has been satisfied; however, this normally means selling only once a year to each customer. In other cases, you could actually sign a contract for multiple years so you only have to sell to the customer once every 3, 4 or 5 years. This way, you can build upon what you have.

Residual income, also known as passive or recurring income, is something you will learn about when you read business books. It is so nice to have this residual income because every month you know that a certain amount of income will be coming in to your business. This is one of the reasons I would be much more inclined to start a lawn maintenance company than a landscape construction company.

Pros and Cons of Owning a Lawn Maintenance Business

Pro - Easy to Start

One of the great reasons why you would want to start a lawn maintenance business is because it is relatively easy to start.

The Successful 11-Year-Old Entrepreneur

Let me tell you about my nephew, James, and how he started his own lawn maintenance business. James wanted to join me on a mission trip down to Mexico and he was quite young at the time. I believe he was about 11-years-old.

Lawn Maintenance and The Beautiful Business

James applied to the Missions Committee for funds in order to help pay expenses for the mission. It was customary at that church for the church to pay 50% of all expenses and the missionary to raise 50% of his or her expenses through donations, letters, work, etc. The trip was going to cost \$1,000 so he had to raise \$500 himself.

The Missions Committee told James that he was too young but, because I was leading the mission to Mexico, they would let him participate. However (and, here is the catch!), James would have to raise the entire \$1,000 for the trip.

Now, we're talking about an 11-year-old boy. His mother was a single parent and struggling to get by. His father was not really involved with the family. James wants to do good by working the mission trip with me, but finds himself in the unenviable position of having to raise \$1,000.

James came to me and to one of my daughters, who was a good friend of his, and said, "Uncle Dave, what do I do? They say I have to raise \$1,000 for the mission trip."

I remember looking at him and saying, "Well, you know what, raising \$1,000 when you're 11-years-old, that's a lot of money. But, if you can overcome this obstacle, you'll be able to overcome anything in life. Let's talk about it and do what I know how to do which is lawn maintenance. Let's start a lawn maintenance business for you and see what you can do."

James, under my guidance, borrowed a lawn mower from another person in the church in exchange for mowing this person's lawn. Now equipped with a lawn mower and living in a somewhat densely populated neighborhood, he went out into the community and started knocking on doors. He told his prospective customers that he was trying to raise money for a mission trip and would like to mow their lawn to raise the needed funds.

It turns out that James was a good salesperson and reliable worker. By the end of the summer, he had raised not \$1,000, which is what he needed for the missions trip, but "profits" to the tune of \$2,500.

Why Lawn Maintenance?

To this day, which happens to be several years later, he continues to operate that same lawn maintenance company that he started when he was 11-years-old. He is in high school now and works less than one day a week, making \$150+ per week, all the money he needs.

In addition to this, James came to me with some of his money a few years later and asked me to help him purchase a cruise for his mother for Christmas. (She went on the first cruise of her life and loved it!)

If an 11-year-old boy can start a lawn maintenance company and make it successful, then, I think, we, as adults, can do the same thing!

Pro - Relatively No Road Blocks

Barriers to entry - things that stop you from being able to start a business - are very low. Most of us already own a lawn mower - granted, it likely is not a commercial lawn mower and it may not work as fast as we want it to (which means it may take us longer to mow each lawn!), but we do own one. So, we can actually start bringing in some income right away.

Most of us can start a lawn maintenance business by working on Saturdays and/or during the evenings. Even if you work a day job, you can initially work any time you are not working your day job in order to build up a clientele, which will allow you to eventually quit your day job and make your lawn maintenance business your only business responsibility.

A lawn maintenance business is easy to start, with few to no barriers to entry and you're able to get going almost right away. You couldn't do this in the dead of winter, for obvious reasons, but you certainly could start it as soon as there are any cleanups or any other types of lawn work to be done.

Pro - Ease of Systematization

Another reason, a long-term reason, for going into lawn maintenance is a lawn maintenance company is fairly easy to mold into a system that makes it work. One of my great passions in life has been to create the system within the business or to shape the business into a system that is

self-sustaining. A lawn maintenance business is a snap to systematize because:

- You only have to sell a lawn maintenance job once to a customer and then you might have that customer for ten years. This makes the sales process very simple, very easy and very predictable.
- Training employees in the basics of lawn maintenance can be effortless.
- It is very straightforward when placing a value on each job you are estimating.
- You can very painlessly create a system where others can make money within your company, so each employee can have his or her own little company.
- A lawn maintenance business requires very little oversight.
- There aren't a lot of emergencies that come up with a lawn maintenance business, if you prepare yourself beforehand.

All of these reasons point to the fact that lawn maintenance is one of those businesses that is universal in the United States and in other first world countries where people want businesses to provide this type of service. You can even use employees who cannot speak English in order to get the work done.

This is an opportunity that is just sitting there waiting. A lot of people look down on it and say, "Oh, lawn maintenance, probably just for the neighborhood kid." (In *Chapter 16*, we will profile some success stories of multimillion dollar companies that started small.) They used the lawn maintenance business as the basis for creating an additional future business, creating assets, purchasing houses and rentals, etc. All of these reasons make lawn maintenance a wonderful business to start.

Con – Seasonal Outdoor Work

With lawn maintenance, when you do any kind of work, your business is dependent upon Mother Nature. You could have a dry year, a

Why Lawn Maintenance?

particularly rainy season, lots of snow, no snow, etc. Not to mention that your business changes with each season. Springtime will be crazy with just trying to keep up with the grass as it grows so incredibly fast and the rain comes down and prevents you from mowing. Winter time, depending on where you live, could be stagnant with no work at all or busy as springtime with a heavy snowfall year. Seasonal work will require that you stay on top of your finances to make sure you and your employees survive the slow season. It can be hard to retain good employees as most employees like to have year-round pay. By using the H-2B program (See [Chapter Twelve](#)), you can work to alleviate this challenge, but labor will almost always be a challenge.



Con - Physical Labor

You don't need to be in the greatest shape when you start a lawn maintenance company, but you do need to be able to mow grass, handle hot weather and do physical work for 8- to 12-hour days in 100 degree weather some days. If you throw your back out, you may be down for a week or two and this will necessitate your finding a substitute. One year, our manager had an emergency appendectomy so my 18-year-old daughter (who had never used a mower in her life!) drove my 14-year-old son and 14-year-old nephew from house to house for a week as he recovered. They had some long days that week and we had some extra expense with payroll, but we got through it! Mowing grass takes a lot of physical labor, but it does get you in great shape!

Lawn Maintenance and The Beautiful Business

Below is a poem I wrote while working at Lawn-Wright. I think it expresses my sentiments to a "T"!

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Lawn-Wright is the place to work;
the benefits are great!
A steam room and a workout gym;
complete with heavy weights.

It's all included in the job;
as you will soon all know.
It's just a way of looking at it;
as I now will show.

The steam room comes in August;
one hundred degrees they say.
With ninety percent humidity;
I lost ten pounds today!

As for a fancy exercise room;
who needs a stationary bike?
By walking forty miles a day;
You get all the workout you like.

The gates on the trucks are better;
than the finest Nautilus weights.
By lifting them twenty times a day;
your muscles will look great!

What more can I say of the benefits?
For a shower you have a hot hose.
The tan that you get, the air and the sun;
why the pollen even cleans out your nose!

Mr. Owner, we, the workers, salute you;
For the shape that we all are in.
If we had the time and the effort,
Mr. America we surely would win!

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The Vision: Begin with the End in Mind

Let's talk a bit about the vision for your company and what kind of company you want to have. A lot of books, including *The 7 Habits of Highly Effective People* by Stephen R. Covey, talk about how important it is to begin with the end in mind. What this means to me and what it should mean to you is, we need to sit back for just a few minutes and envision what our company is going to look like sometime in the future.

In the previous chapter we talked about determining our goals and setting the company up to perform in such a way so these goals are met. We determined that we want our company to provide for our family. In addition, we don't want our company to take up all of our time so we can do the things that we like to do.

So, how do we get this company, which also needs to reward the employees and serve our customers in a way that they are satisfied, happy and delighted to have our services, to provide the goals we have established? You need to be able to think forward into the future five, or even ten, years and envision where you want your business to be in its evolution.

You want your employees to be doing their jobs efficiently and effectively. You want them to be trained and aware of the cutting edge technology and information.

You want to have systems in place, such as job descriptions and systems' knowledge databases, which work like clockwork and take care of each area of your business. In other words, you have a knowledge base that takes care of sales. Another knowledge base handles operations. Another knowledge base addresses employee issues that may come up. Another knowledge base focuses on customer issues.

All of these major systems are made up of a group of little systems that work together. Think about it like you would a vehicle. Have you ever thought about how many systems are in a car? There are a lot! There is the electrical system, the brake system, the power train system, the cooling system, etc. Within these systems are sub-systems, if you will, that work together, such as the radiator for the cooling system. There are a lot of different systems that run a vehicle and allow it to operate smoothly and efficiently.

Once it's all together, you sit in the driver's seat and everything is at your fingertips and feet so you can drive successfully. This is why, when we fly to an unfamiliar place, we can rent a car and immediately sit down and start using it. Cars have been systematized to the point where, as we call it in the industry, they are a commodity.

If you think about your company being systematized, just like a car, you are going to have everything working and all you will have to do is oversee how the various parts of your company are working together. Once you understand this vision, you will begin to see your company working correctly and all the parts meshing together.

Mow, Blow & Go vs. Landscape Construction

Thinking about your company from this point of view, we would then take this vision and compare the differences between a landscape construction company and a lawn maintenance company. Like we said earlier, one of the differences is that a landscape construction company has to seek and land new customers constantly. To do this, we would require a marketing system that is fairly active. If you deal with marketing, you're going to have to deal with presentations.

Another challenge, if you go with a landscape construction company, is that once you find your customers, they will then have to explain exactly what they need or desire for the landscape job. Nine times out of ten you are going to come up with a bid based on their expectations and they are going to tell you that it is too much money. Then, you and the customer will begin negotiating to see what you can do to get the bid down, such as removing portions of the job, exchanging one or more items, doing something differently, etc. There is a lot of interaction with this and you will need someone who is fairly intelligent and trustworthy who can handle the bid efficiently and correctly for your customers. The last thing you want to do is end up losing money on the job!

The sales process for this customer base is fairly intense. It might be a large sale, \$10K, \$20K, \$30K, \$100K, but it takes a lot of time for this type of sales process, not to mention the time spent to actually close the sale. There is also the possibility that the customer will not accept the final bid and will decide to scrap the whole job or will move on to

Why Lawn Maintenance?

another landscape contractor. A significant amount of time may be spent, after which you may ultimately lose the bid.

The sales process, as you can see, takes a long time. It might take four to six months to close the sale. It might also include financing so you will need to provide the customer with blueprints and drawings. The customer will take these to the bank and the loan processor might have some questions which will need to be answered. Somebody needs to be there to answer these questions. It's just a big process that's very customized and cumbersome.

What happens if your guy starts digging and finds out that there are huge boulders right under the surface and you can't really put in that pond where you want to without using dynamite? This is a whole other set of circumstances to consider.

As you can see, it becomes very intense and time-consuming. Your guys are going to start pulling everything together for the job and will need a lot of different types of machinery, including a lot of heavy equipment, in order to do these jobs. The guys you hire will have to be skilled. The guy who puts in a retaining wall is not necessarily going to plant trees or put in a pond. You're going to need highly skilled employees who are being trained in these different functions in order to effectively perform these different jobs.

Personally, when I consider all this, I just shudder and think, "There's no way I want to get into this type of business." The reason I don't want to get into it is because it takes way too much thought and work and my vision for my company is going to be a company that is self-sustaining with all of its systems working smoothly and efficiently. I ask myself where I would find someone who is intelligent and dedicated and who would be able to work this business. He or she would have to be able to present themselves well to the customer. There are all these things to do with this type of business. Then, I realize, it's always going to be me! I'm always going to have to be the one responsible for making the sale.

Many landscapers have been very successful with landscape construction companies. Marty Grunder is one and he has written a number of books. Marty Grunder, however, is a salesman. If you go to his seminars or listen to him, you will find that he is very good at motivating

people and is superb at salesmanship. But, he's always got to be there to sell. If he's not there to sell, then he's not going to get what he needs out of the company.

Let's contrast the picture we just drew of a landscape construction company with what we know about a lawn maintenance company. A lawn maintenance company requires just one sale. You present the offer to the customer once and the customer either accepts or rejects the offer. If the customer accepts the offer, you can start mowing his grass.

How long does it take you to teach someone to mow grass? Not very long!

How long does it take you to teach someone the route? Again, not very long! We have GPS units that help us find our way but, once the guy has done the route two or three weeks in a row, he's got it.

How many variables are going to change from one week to the next? Not very many! Hardly any at all!

How well is your guy going to be able to adjust to these variables? Very easily and quickly!

What level of communication skills does your employee need in order to fulfill his job? Hardly any! In fact, in our lawn maintenance company we have employees who don't speak English. They don't typically communicate with the customer and, when they do have to communicate with the customer, they use their phone and call back to the office where we have some bilingual employees who can answer the questions.

After considering the lawn maintenance business model, I think, "Whoa, this can be done. Once I get this set up, I can create the system and it will just run itself." With a lawn maintenance business model, I can watch my company grow, tweak it and continue upgrading it so it just gets better and better.

You can see that a landscape construction company involves a lot of artistry, knowledge, intensity, training and large equipment, which makes it kind of an interesting business but, at the same time, all these aspects make it very difficult to run the business using systems. On the

Why Lawn Maintenance?

flip side, you can turn a lawn maintenance company into a system very easily. You can create a company that has the right systems in place, walk away from it and still continue to receive residual income.

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To Diversify Or Not To Diversify, This Is the Question!

So, the next question that you ask yourself is, “How much should I diversify?” When we talk about diversifying, we mean branching out and doing more than one thing. Should you do more than mowing, trimming and blowing? If your customer calls and asks you to plant a bush, should you? If a customer calls and asks you to trim the hedges, should you? If you get a call and are asked to rake leaves, should you? If you are strictly a mow, blow and go business, adding one or more of these services will diversify your business. These additional services will mean moving away from your core services. Your core of mow, blow and go.

If you have a mow, blow and go type of company and someone calls and asks if you can do their bushes, you should consider this carefully before agreeing. Let me give you an example of what happened to us fairly recently.

A customer called us up and said, “Can you come and do a cleanup for me? The mulch beds need some TLC and things like that.”

We charged him \$200 to do this. We went out and did the mulch beds and other things included in the estimate. We came back and the customer called and said, “You didn’t trim the hedges around my house.”

We told the customer that trimming the hedges wasn’t part of the estimate. The customer began to argue with us saying that his understanding was that trimming the hedges would be included in the estimate. In the interest of customer service, we said we would trim the hedges.

We sent a guy out to trim the hedges. He was in the process of trimming the hedges when he accidentally cut the Freon line that goes to

the outside compressor for the air conditioner. Now, our guy has trimmed the hedges, but he's also broken the air conditioning unit.

We had to pay to repair the broken line, which cost us \$600.

Then, the customer is upset because he had to go without air conditioning for a few days and he decided he wasn't going to pay us even the \$200 he had agreed upon.

You see, we went outside our core, outside the things that we normally do, and started to diversify into something else. Doing so, we ended up with a huge headache and not even enough money from the job to purchase some Tylenol!

How much did this cost us in profit? A lot!

How can I systematize this? I can't! And, I shouldn't!

If you own a small business, you shouldn't diversify. However, you are going to be very, very tempted to diversify because you are going to be hungry for work. When we talk about how to actually start your business, I'm going to tell you what to do with that time, when you are really hungry and you really want work. For now, just remember . . . do not get sucked in by diversification.

Scott Brickman, The Brickman Group

At one of my conferences, Scott Brickman, who is one of the main owners of The Brickman Group, a \$200M company that focuses mainly on lawn maintenance for commercial properties across the United States, was asked by customers at the conference, "How much do you diversify?"

Scott Brickman responded to this question by saying, "We don't, because we're not big enough." Can you imagine that? Scott Brickman stating that his company is not big enough to diversify when his company is bringing in \$200M a year in sales!

He gets it. He understands that a business is something beautiful!

The “Beautiful Business”

“YOU’RE FIRED! You will never work for *CLIP* Lawn Care again!” Debi said, as she looked at me after taking the customer complaint. Now, those are tough words!

Here I am, 50 years old and not in the best of shape. But, I have to tell you that I was glad to hear them . . . in fact, I was downright giddy and grinning from ear to ear!

You see, I had helped out with a fall cleanup after all of our seasonal help had returned to Mexico. The job notes told me that the owner wanted us to mulch the leaves, not bag them. Well, I followed the instructions and I mulched the leaves completely. There wasn’t very much grass so the mulched leaves laid about 2” thick over the grass. I kind of knew that even if the customer says, “Mulch the leaves, don’t bag them,” they don’t really mean it. Knowing this, I should have bagged them anyway.

So, at this point, you may be wondering why I had a big smile on my face. Well, the reason rests in the fact that I left out one significant detail which, admittedly, provides a new perspective to this real life story.

What’s the missing link? Well, you see, I am the majority owner of *CLIP* Lawn Care, LLC, and I never work in the lawn care division. Knowing this would be the last time I ever had to do any actual “work” in my lawn maintenance company was music to my ears. My goal has always been to become completely “useless” in the running of my companies. By this I mean that my goal is to structure my businesses to run themselves. This is my thought - if I can get fired from ever working in my business again, but still collect a paycheck every two weeks, I would call that a “sweet deal”.

Most people who start businesses end up creating “jobs” for themselves. They create a business that provides a service for its customers and they have to work at it every day. In this case, they have only created a job for themselves.

On the other hand, a “beautiful business” is a system that you develop to serve customers, employees and the owner. It is not just creating a job for you. When you can sit back and get “fired” from your

Lawn Maintenance and The Beautiful Business

own business and still collect the paycheck, you know that you have created a beautiful business!

I think of a landscape construction business as a company that is usually run by an artist. This type of business requires a creative type who loves to take things that look ugly or so-so and make them beautiful. By doing this, they feel self-satisfaction and experience a feeling of accomplishment.

But, for me, as a businessman, I like to take a business and make the “business” beautiful. There is a difference. I don’t really care about the lawn maintenance aspect of it. What I do care about is making the business beautiful. The business is my end product. It happens to be lawn maintenance but the business is my product, not the mow, blow and go. My end product is not the finished lawn maintenance job, but the lawn maintenance business itself.

We will discuss this concept more and I will explain how to go about this later in the book. First, though, we need to talk about the basics of starting a company.

Chapter Two Summary

- A lawn maintenance company has low barriers to entry so it is easy to start and can eventually run itself. Other types of businesses based on products, assets, retail sales, hospitality or professional services have higher barriers to entry, such as educational requirements or expensive up-front investments.
- A lawn maintenance company enables you to seek and locate your customers instead of waiting for them to engage you.
- A lawn maintenance company provides you with repeat sales so you are not constantly in need of finding new customers.
- A lawn maintenance company is easy to start and simple to systematize. However, it also has a varied seasonal schedule and requires hard physical labor.
- Lawn maintenance in an easy mow, blow and go system is conducive to simple employee training. Landscape construction necessitates seeking and locating new customers constantly, expensive equipment and involves much more employee training.
- A simple mow, blow and go business model is easy to start. However, diversifying can bring a lot of extra expenses and headaches.

Lawn Maintenance and The Beautiful Business

Chapter Three: Business Considerations

Below are a few things that you will need to know when setting up your business.

You should legally form your business so you are protected. It is fairly easy to form an LLC (limited liability company) while forming a corporation takes a few more steps. You will need a Federal Employer Identification Number (FEIN). This is like a social security number for your business. You can apply online for a FEIN by going to:

[http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Apply-for-an-Employer-Identification-Number-\(EIN\)-Online](http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Apply-for-an-Employer-Identification-Number-(EIN)-Online)

You will need this in order to create your “legal entity”.

A business is considered something like a separate individual that exists under the law. This “individual” can own assets, conduct business, pay taxes (Darn!) . . . almost everything a normal human can do (Marriage is excluded!). Once it exists, a separate tax form will need to be completed each year. Also, it should have a separate bank account. This allows the company to transact business without commingling the funds with your personal accounting.

In an ideal world, this entity will sell something (either a product or service) and pay employees for their time when manufacturing or selling the product or providing the service. It will conduct business and end up with a profit. The profit will eventually be shown in a growing checking account balance. When the balance in the checking account is sufficient, this entity will write a check to its owner(s) to decrease the checking account balance but, yet, retain enough of its funds to continue business as normal. If you create this entity, you are the owner and this money

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for all links, notes about the book and other helpful information.

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will be distributed to you. Once distributed, you can use the funds for anything you desire.

Because this is a separate entity, you can see why people say that creating a business gives you protection from lawsuits. If a company employee does something that damages someone else's property or (God forbid!) a person, the lawsuit will be brought against the company and possibly against the employee, but it cannot go through the company to the company's owner(s), unless they are in some way considered negligent. So, if you have been running this company for a few years and have used its profits to pay off your house, your house is safe because it belongs to you, personally, and is not an asset of the company. The company might own assets, such as trucks, equipment and other assets needed to operate the business, but that would be the extent of any lawsuit. (DISCLAIMER: I am not an attorney nor do I profess to be an attorney. Every state has its own statutes and regulations, so please seek advice from a licensed attorney prior to forming your business.)

Please consult your CPA or tax attorney for more detailed information and to provide specific legal advice. I merely want to give you an idea of how a legal entity works.

Once you have your FEIN number, you will need to decide what form of company you wish to create. There are four types of legal entities:

- C-Corp
- S-Corp
- LLC
- Sole Proprietor

The last one, sole proprietor, isn't really a company. It means you are doing business and people are paying you, personally, not paying a company for its products or services. So, let's not even consider that one.

C-Corp

The C-Corp business formation is usually used for larger companies that want to have thousands of stockholders. A C-Corp is a company that really stands on its own, apart from its owners. The C-Corp can have a fiscal year that begins on any day of the year.

Business Considerations

A C-Corp, when it makes a profit, is required to pay taxes to the IRS at corporation tax rates. This means that if the C-Corp makes a profit, it must pay taxes; then, if it has any profits remaining after paying taxes, it may distribute dividends to the stockholders (owners). Once the stockholders receive their dividends, this is considered income to them and they will be required to pay taxes on the dividends. This brings about double taxation wherein the profits are “double taxed” - once at the corporate level and then again at the stockholder level.

Example:

- C-Corp makes \$1,000 in profit.
- C-Corp pays 23% in corporate taxes, equaling \$230 (Ouch!).
- C-Corp has \$770 left and distributes this amount to its stockholders.
- Stockholders receive \$770 and pay passive income tax (about 20%, or \$154).
- Stockholders have \$616 to spend as individuals, after tax.

S-Corp

The S-Corp business formation is usually used for smaller companies or companies that have fewer stockholders. The S-Corp has the same protection as the C-Corp but it has a few limitations. Among them, the S-Corp is required to use a January 1st to December 31st fiscal year because the profits or losses will carry over to the owner(s) tax forms.

Example:

- S-Corp makes \$1,000 in profit.
- S-Corp does not pay any corporate taxes.
- S-Corp distributes \$1,000 to its owner(s).
- Owners (Stockholders) receive \$1,000 as a dividend distribution.

- Owners pay income tax on \$1,000 (about 20%, or \$200).
- Owners have \$800 left to spend as individuals, after tax.

You can see from the foregoing examples that the owner of the C-Corp ends up with \$616 but the owner of the S-Corp ends up with \$800. This is because the S-Corp is not taxed as a corporation. There are some down sides to the S-Corp business formation; mainly, if your S-Corp shows a tidy profit at year-end and you invest this profit in equipment, you could end up showing a huge profit at the end of the year, but no cash in the checking account. This would leave you with the unenviable position of having to pay taxes on money that you did not receive. There is a chapter about this in the book *The E-Myth Landscape Contractor* by Michael E. Gerber and Tony Bass which you might find helpful.

LLC (Limited Liability Company)

A Limited Liability Company (LLC) is very similar to the S-Corp business formation but you don't have stockholders. Instead, you have members and these members may have various stakes in the company. The paperwork required for a LLC is less intense and easier to change if the need arises. Profits and losses flow straight through to the members. Also, an S-Corp can own a LLC, but a LLC cannot own an S-Corp.

When I formed my own lawn maintenance company, I set mine up as a LLC. To form your LLC or S-Corp, I would recommend using www.legalzoom.com. You can complete the paperwork very inexpensively and it is done correctly. The prices are very reasonable and you can be set up in a matter of minutes. Again, please consult your attorney or CPA for advice related to your particular situation. (See www.TheBeautifulBusiness.com for all links in this book listed by chapter.)

Advantages of Owning a Business

The IRS has given you tremendous advantages in owning a business. Businesses only pay taxes on profit. You, as an individual, pay taxes on all monies that come into your home (income).

Business Considerations

A business, as I said, only pays taxes on profit. This means that when a business receives \$10,000 from its customers but pays out \$9,950 in expenses, it has a profit of only \$50. In this instance, the company would pay taxes only on the \$50 profit or it would pass the \$50 profit down to its owners, who would be required to pay taxes on this amount.

If you, as an individual, receive \$10,000, you are required to pay taxes on the whole amount, no matter what you decide to spend it on.

Now, your business is very kind to you because it values you as an employee. This means that if you find yourself in the position that a laptop is necessary to do the company bookkeeping, all you need to do is go to a store and purchase a laptop for the business, using the business's credit card or checking account. This laptop just became a business expense and it will lower the year-end profit of the company, which means you just purchased this laptop with pre-tax dollars.

Examples:

If the company purchases the laptop:

- The laptop costs \$1,000.
- The business purchases the laptop for \$1,000.
- It is recorded in the company's accounting records as an expense, i.e. payment of taxes on these funds is not required.

If you purchase the laptop as an individual with company funds:

- The business provides you with a \$1,000 bonus so you can purchase a laptop.
- You are required to pay taxes at 20% so you pay the IRS \$200 as tax for the laptop.
- Because of the tax consequences, you have \$800 with which to purchase a laptop.

When you own a business, you should try to pass as many legal and legitimate expenses as possible through the business, instead of

purchasing them in your own name. Think about everything you need to run a business and make sure that you are charging these items to the company.

The company can also provide you with certain benefits. There are limitations on this and you should consult your CPA for more information.

Is Business Insurance a Good Idea?

As we discussed earlier, if you form your company as a separate entity, the company needs to have insurance of its own to prevent the loss of assets to a possible lawsuit. Mainly, you need business liability insurance. You can shop around for business liability insurance but most large insurance agencies will have what you need.

Think about how much you will need. If you only have \$50,000 worth of assets in your company, you don't need \$500,000 worth of insurance.

Here is a suggestion - If you keep a large amount of cash in your business bank account, you can increase your deductible, thereby reducing your insurance premiums quite a bit. Basically, you are buying your own risk.

CYA (Cover Your Assets)

Why You Need Business Insurance . . . and, Employees Who Tell the WHOLE Truth!

We have a policy that says if you cause damage to a customer's property you need to report it to the customer. If the customer is not at home or is unavailable, leave a note and then inform the office as soon as possible. If the employee adheres to this guideline, he will not have to worry about any ill effect from the incident.

As I was receiving the crews - back in my days as foreman of a lawn maintenance company - Joe told me that he ran over some flowers in the flower bed at Mrs. Smith's house and that he had left a note for her. I told him that I would handle it and, being a man of my word, I called

Business Considerations

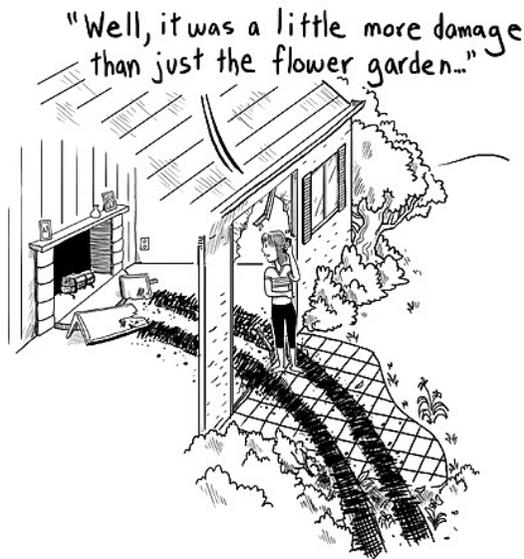
Mrs. Smith. She wasn't home when I called so I left a message telling her that we would replace the flowers in the next couple of days.

An hour later, in the evening, I received a call from Mrs. Smith. She thanked me for leaving the message but told me that things were a little more serious than what I had described. This piqued my interest and I asked her to elaborate.

She went on to say that there were muddy tracks from lawn mower tires that started at her fireplace, where the coffee table was smashed against the hearth, and that the tire tracks continued over the white carpet, through the smashed sliding glass door, out of the house over the brick patio and into the flower garden.

Upon questioning Joe the next day, I found out that he had disabled the operator presence levers and had let the mower cut under a fruit tree (Fruit trees are the worst things to cut under because the limbs are stiff!) and had run around the tree but failed to catch the mower before it cut through the flower garden, over the patio, through the sliding glass door, smashed the coffee table into the hearth and sat there, grinding the wheels into the white carpet, spewing smoke into the living room with the blades churning over the rug!

Yeah . . . he might have damaged a flower garden!





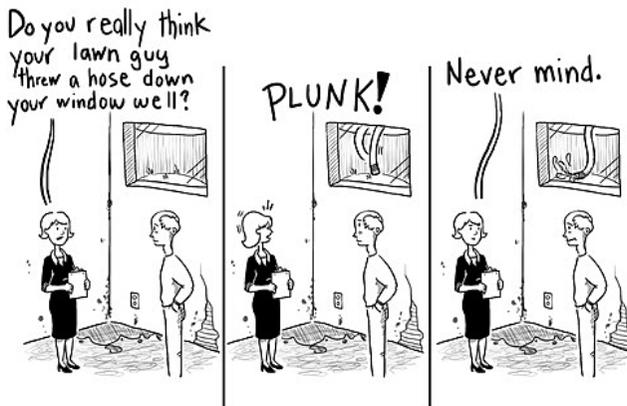
Another time, as the manager of Lawn-Wright, Inc., I received a phone call from a customer saying that when he arrived home there was 3" of water in his recently finished basement. He thought that one of our workers had taken the hose he had left in the back yard, soaking his grass, and thrown it against the house, where it landed in a window well. The window well then filled with water and overflowed into the basement. We checked our records and agreed that our employee had been there during this time.

The whole basement needed to be refinished since the carpet and lower part of the drywall was ruined. We called the insurance company and they set up a meeting at the customer's home.

As they were inspecting the damage, the customer was explaining what he thought had happened. The insurance agent was a little dubious until they both realized that our same employee was back to cut the grass again.

As they watched out of the basement window, he came around the house, saw that the hose was lying out, soaking the grass, picked it up and flung it over toward the house. The end of the hose fell perfectly into the window well . . . mystery solved!

The agent signed the claim form and called to tell us to train our employees a bit better!



Business Considerations

And, if these two stories don't convince you to get insurance, here's another one!



The trucks were always parked in a garage bay and had to be backed out of the garage at the beginning of each day. The insurance saleslady had come early for an appointment to see if we could save a little money on our insurance.

As she was sitting in the office, which happened to be between the garage bays, listening to us tell her how safe our company was, one of the employees, who was not allowed to drive the trucks, got into a truck to back it out. He turned the wheel to the right and, when he saw that the corner of the truck was pointed toward the office, tried to stomp on the brake. He missed the brake and hit the gas, causing the corner of the truck to come through the office wall, right where the insurance saleslady was sitting.

The drywall was destroyed. The ceiling tiles came down on her and she was immediately covered with dust.

She just got up, brushed herself off and left. We never received a quote from that company. I wonder why?



Chapter Three Summary

- Make sure that your business is set up legally as a separate entity so you don't have to worry about losing your personal assets!
- Determine if a C-Corp, S-Corp or LLC business formation is best for you.
- Use your tax advantages wisely.
- Cover Your Assets (CYA) - Get business insurance!

Chapter Four. When is the Best Time to Start?

So, you've decided that you might give this a try. Good for you! You just made the hardest decision!

Let's talk about when to start your business. What's the best time to start a lawn maintenance company and how do you start planning for what's going to happen?

The Seasons of Lawn Maintenance

Since I'm operating my business in the United States and I am located in the mid-Atlantic region, close to the D.C. area, the best time to start a lawn maintenance company is January. It's not actually time to begin working yet but, rather, getting ready to work by making sure everything is set and in place . . . by making sure you have your contracts and marketing in place, your equipment maintained and ready to go, and your employees trained and pumped up. In other words, you are just preparing for the coming season.

By February, you should start putting some of your marketing information out. Some of this depends on whether there is still snow on the ground. You'll quickly find out that there's very little interest in lawn maintenance or landscaping if there is still snow on the ground. Imagine that!



Your customers are not going to respond very well to your marketing if this is the case. We've had situations in the past where we had a snow storm at the middle or end of February and this has always played havoc with our timetable. We end up having to delay until March and this causes more of a rush than if you can start in February. The important thing is you must have everything in place and ready to go.

In February, you should begin to put out flyers. There is a lot of cleanup work that can be done following winter so you should put out some information about cleanups. At this time, most people want to start cleaning up their yard and any debris that came down from the trees during the winter storms. They begin to think about their mulch beds and the planting of annuals, which are plants that only bloom once. February is the time to start helping with these cleanups. You can start as early as the first or second week of February in the mid-Atlantic region.

If you are farther north, let's say in the New England area, you will want to start a bit later, probably a month or five weeks later.

If you are in the south, let's say someplace like Georgia, you will begin cleanups in January.

If you are in Florida, you never stopped!

So, where you are located across the nation and what type of climate you have will determine the best starting time for your company.

Where I am located in the mid-Atlantic region, April 15th is our magic day! Some years, there will be an early spring and you will be mowing slightly earlier than that, but mow, blow and go should be fully mobilized by April 15th.

Plan Your Seasons!

This is how you want to plan your start-up. You want to make sure that you have some money set aside. Money is freedom and having a nest egg set aside will be very helpful.

Let's say you are reading this in September. Before you decide to launch your company in September, think about what you are going to

When is the Best Time to Start?

do because you really don't have much time left in the season. Your best bet is to start by laying aside money so you have some financial wiggle room.

You want to put some money away because in the springtime you will begin to do mulch and cleanup jobs and you'll be putting a lot of work into these, but you won't be getting paid for them for maybe three or four weeks. So, initially, you will have a large outlay of money as you purchase mulch and pay employees, if you begin with employees on the payroll. You will need to have some cash available to keep this going, i.e. funding payroll, purchasing mulch, buying gasoline, etc. You will need this nest egg at the beginning of the season because it takes a little while for the cash to catch up to where you are.

You will benefit from this, if you can handle it all the way up to August, when the cash flow begins pouring in and you have more cash than you need to get the work done. However, you have to be very conservative and think long and hard about spending the money that seems to be flowing into your bank account. Stay conservative; you will need this money for next spring.

If you are going to start your lawn maintenance company in the summer or fall, make sure you put some cash away for the cash crunch that is going to come in the spring. You need to have a good grasp of your family's finances and expenses so you have money saved up for the off-season as well as a typical emergency fund equal to 3-6 months expenses. Dave Ramsey's book, *The Total Money Makeover: A Proven Plan for Financial Fitness*, is a great resource to help you organize your finances.

If you are working alone, you want to start putting out your flyers in February or March. In your first year of business, you probably won't want to hire anyone and you should do the work yourself. There is going to be a transition period as you spend less and less time at your current job, which is initially producing the income necessary for your family to survive. You will be transitioning into your own business which will become the income producer for your family.

During the transition period (and this is the hard part!), it is like having a foot in two different boats and trying to pass from one boat to the other. Your "traditional job" will be slowing down and your business will be ramping up. You will need to be able to make this transition. This

is where a lot of people stumble and fail. According to the Small Business Administration website, “[s]even out of 10 new employer firms survive at least 2 years, half at least 5 years, a third at least 10 years, and a quarter stay in business 15 years or more.” This means that three out of every 10 new businesses do not survive their first two years.

[<http://web.sba.gov/faqs/faqindex.cfm?areaID=24>; Source: U.S Dept. of Commerce, Census Bureau, Business Dynamics Statistics]

I feel that often the reason businesses fail is people don’t know about or can’t accomplish this transition. Assets, equity, liquid assets are what are going to make it much easier for you to make this transition.

So, you should have some money in the bank. Let’s say you have 3-6 months’ worth of living expenses in the bank. At this point, you should be able to confidently jump in and say, “Okay, we’re going to live off of this nest egg for the next 3-6 months. I’m ready to jump in and get going.”

At this point, I would say you need to determine an estimated start date which, as discussed earlier, will be dependent upon your location. In the mid-Atlantic region, you will likely want to quit your “traditional job” at the end of February, but no later than the middle of March. Beginning in March, you will need all of your efforts geared toward the season.

Gear Up For Spring Fever!

Let me warn you about springtime! Springtime is a very busy time of year for a lawn maintenance company. You have a lot of people calling you for estimates. You have a lot of things going on. This is when you have your most arduous work schedule because the grass is growing like crazy! It has been sitting dormant all winter long and, now, it is springtime and it’s growing so fast that you can practically stand there and watch it grow!

You are going to have problems. You are going to be busy cutting customer’s lawns and people are going to be calling you three, four, five, weeks into the season that have not cut their lawn yet because they can’t get their mower started or some such thing.

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These are great opportunities if you can handle them but, again, it is a very, very busy time of year so you may not be able to handle them very easily. You have to be able to live past this. You have to psychologically prepare yourself for being extremely busy for about five weeks. After this first five weeks of the season, things drop off. It's amazing! It's like someone turns off the switch. All of a sudden, you won't have nearly as much work but, during this 5-week period, particularly your first year, you are going to think, "What in the world did I get into!?" You're going to be working 12- to 14-hour days and coming home physically beat!

Psychologically, you will need to adjust your internal time clock. I have seen many companies fail because the owner believes that this is the way it's going to be for the rest of his life. Because of this, he decides it is too much and goes back to his 9-5 job.

Hang in there! It's a hard time of year but you'll be able to make it. Just remember, there is a light at the end of the tunnel. This normally comes in early June, depending upon where you are located in the country. It could come earlier or it could come later, but it does come. It is like someone turns off a faucet. Hot days, warm evenings and not quite as much rain set in and the grass finally begins to slow down.

Everything is working against you! The grass is growing like crazy. In the spring, it's raining so you can't get out to accomplish the work as easily. This means you will have to play catch up. You will have two or three days of rain and, during this time, the grass keeps growing . . . and, you weren't able to cut it. As a result, it will be harder to cut each lawn because the grass is longer. You will likely have to bag the grass because the customer won't want clumps all over the lawn. There are just a multitude of issues that will take place during the spring.

What you have to do is rejoice in these challenges. You know that it's going to be absolutely brutal at the beginning of the season; however, hike up your belt and get a firm grasp on your determination and courage . . . and, get through it! Trust me when I say there will be other people who have the same idea and want to start a lawn maintenance business but, when they see these problems rise up, many will fold up and get out. Don't allow yourself to become a statistic! Meet the challenge head-on and conquer it!

You will find that you will pick up more customers toward the end of May, at least in the mid-Atlantic region. Toward the end of May, you start to pick up customers that went with another start-up company, which subsequently ran out of gas, money or whatever, and decided they didn't want to do it any longer. Now, you have these customers who don't have anyone to mow their lawns. This is when you come to their rescue and say, "Okay, great. I'll do it for you."

What's more, you have just made loyal customers of these people because their prior start-up lawn maintenance company left them in the lurch by quitting, but you picked up the slack and finished out the season. It is likely that they will use your services again next year!

Let me stop for a moment and address office systems. As you already know, we invented *CLIP* (www.clip.com) for Landscapers to be able to handle the bookwork and alleviate some of the stress of springtime. You need to use *CLIP* to keep track of your customers, to know what jobs need to be done, to watch your expenses and to bill the customers to make sure you don't run out of cash. I have seen many companies fail during springtime because they did not watch their office systems. They did jobs and did not bill for them. They just concentrated on getting the work done, but you have to finish the job and this means doing the paperwork. We can help with this. We have been doing it for the last 25 years.

Once you make it through the springtime rush, it is time to be intent, steadfast and focused on gaining more customers. You must push yourself as much as you possibly can to try to obtain customers during this period because you are going to need these customers come August. You must strive for as many customers as possible because you're going to find yourself working about three to four hours a day in August and thinking, "Man, I've got to have some more work." This is all part of owning a seasonal business. You should be fine as long as you understand this and prepare for it.

You have to be flexible. This is not a government job. This is not some place where you just show up at 8 a.m. and leave at 5 p.m. It has its challenges and one of these challenges is that you have to be flexible.

There will be weeks when it rains two or three days and your schedule is pushed back. As mentioned, springtime is brutal . . . but you

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need to do everything you can to get as much work as possible in the springtime because this is what will hold you over in the typically lean months. This is what will provide your nest egg in order to pay the bills during the fall months. I look at it as if you're trying to cram 12 months' worth of work into nine or ten months. For nine months you're going to work harder than anyone else but, once these nine months are over, you're going to have a few months when you can sit back and rest. So, make sure you get as many jobs as you possibly can in the springtime. This is crucial for the survival of your company!

This time of year is really rigorous because you are working as hard as is humanly possible and, on top of this, I'm telling you that you need to find more work. So, again, engrave this on your mind and be ready to sustain your current jobs while actively working to bring more customers onboard. Just remember, it's going to be tough during the springtime, but you will complete the race and it will be great when you reach the finish line!

Springtime is followed by summer and, once June, July and August, especially August - speaking for the mid-Atlantic region, are upon you, the grass slows down. It starts to go dormant because it's hot. All of a sudden, the lawns that were taking you an hour to mow are now only taking about 20 minutes. You don't have the rain to contend with. Now, you start to worry about the lack of rain!

When August comes in like a lion, you will be done early each day and this is when you should take some time to rest, breathe and rejuvenate yourself because you will have a "small spring season" in the fall. (Yep, you read this right!) When September rolls around, it cools off and you start to get some rain. The grass will begin to grow again. During this time, you are going to market other services like aeration, lime applications, fall cleanups, etc.

You need to push to fill up your fall time because this is your last real opportunity before winter sets in, at which time you may have no work at all. I'll provide some ideas on what to do during the winter months in [Chapter 13](#). One great idea is to sit back and relax and get ready for spring!

You now have an idea of how your work will ebb and flow throughout the year and what to expect. If your seasons are similar to the mid-Atlantic region:

Lawn Maintenance and The Beautiful Business

- In January, you are going to be getting all of your systems together for the season. You will be working on your internal systems, such as your office, marketing, etc.
- In February, you will start some marketing efforts, depending upon if there is snow on the ground or not. You will start sending out flyers and putting out some door hangers.
- In March, you will start your spring cleanups, such as mulching and planting annuals. You will have already signed up some customers from your marketing efforts in February. This whole time (January through March) you should be trying to conserve your cash.
- In April, look forward to full blown mow, blow and go! Put the pedal to the metal! You've got to mow, mow, mow!
- In May, it's all about survival! It's just a super busy, chaotic, demanding, relentless time!
- In June, the chaos ends!
- In July, it gets a lot easier.
- In August, it's a piece of cake! It's so easy you can do it with your eyes closed and one hand tied behind your back, and still get all the work done quickly and efficiently. Also, in August, you will begin to put out flyers for fall cleanups, liming and aeration.
- In September, you are going to have a "small spring season". It might be only two weeks long. The grass is going to start growing really fast and you are going to have to energize yourself after the July and August lull in order to survive this. This will be a walk in the park compared to what you did in May.
- In October, you will be handling leaf removal.
- In November, you will continue to perform leaf removal and cleanups but it will start to taper off as you get closer to December. When your first snowstorm arrives, you're done!

When is the Best Time to Start?

- In December, conserve your cash! Have a blessed time with your family during the holidays and then, in January, you're ready to start-up again!

In Florida, the grass doesn't slow down until December and then picks up again in February.

In Maine, on the other hand, they stop cutting at the end of September and don't start again until May. In a climate like Maine's, you should have another source of income like snowplowing to get you through the off months.

Chapter Four Summary

- Track the typical season in your area to get a good idea of when your seasons begin and end, especially spring and winter. Remember that potential customers never think about mowing until the snow has melted!
- Get signed up with *CLIP*, www.clip.com, and make sure that your office systems are in place.
- Set money aside before you begin. Spring comes with a cash crunch and winter can halt all of your activities, depending upon your area.
- Springtime brings long days and short nights, but if you can survive until late summer, it will pay off!

Chapter Five: How Do I Get My First Jobs?

Does “Marketing” Mean Going to the Grocery Store?



Let's talk about marketing now. Marketing is simply making your customers aware that you are offering your services. Remember, in [Chapter One](#) we talked about how the company is just an organizing agent between employees who are willing to do the work for pay and customers who are willing to pay money to get the work done. Your job is to be the middle man and to organize this. When you are a small company, you are going to be fulfilling all three of these roles - organizing the customers, doing the work and billing the customers.

What's My Message and What Am I Trying to Sell?

For right now, let's talk about how you get customers. First, in marketing, you have to think about your message and what it is that you are trying to sell. A long time ago, I read about a boy who was trying to sell candles for his Boy Scout club. The idea was he would sell each candle for \$15 and a lot of that money, of course, would go back to the Boy Scout club to allow them to buy the equipment and other things they wanted.

He went to the first house and knocked on the door. A man came to the door and the boy said, "Would you like to buy this candle for \$15."

The man looked at the big, thick candle and didn't think it was worth \$15. He responded to the Boy Scout, "Why are you selling me a candle for \$15? No, no, thank you. Move on."

The boy went to the next house and the same thing happened. At the third house, the same thing happened.

The boy sat down on the curb and thought, "I need to think about this and figure out how to sell these candles."

At the next house, instead of saying, "Do you want to buy this candle for \$15?" he said, "I am a Boy Scout and I am trying to raise money for my club. If you give me a \$15 donation, I will give you this candle." With this approach, he started selling candles.

Each Boy Scout was supposed to sell 20 candles. Most sold them to their parents, family members and family friends. (Isn't this the way it always happens!) But this little boy sold over 400 candles in the same amount of time.

The reality is that he really didn't sell any candles. By asking the customers if they wanted to purchase a candle for \$15, he was insulting their intelligence, insulting their thrift. However, by laying everything on the table and saying he would like a donation for his Boy Scout club and, in return, he would give them a free gift, he was appealing to their generosity. This changes the whole perception. He received donations and then gave a candle in return. His approach of turning the transaction into a donation created a paradigm shift, as Stephen R. Covey would say in his book, *The 7 Habits of Highly Effective People: Powerful Lessons in Personal Change*.

This change in marketing strategy creates a paradigm shift and changes the whole mentality of the customer. The customer is no longer looking at this as purchasing a candle for \$15 but, rather, as purely giving a donation and getting something in return for that donation. By handling the sale this way, the Boy Scout was not insulting the customer. Never, ever, insult your customer!

Never think you are going to pull a fast one on them. Always be straightforward. Always offer your marketing as a straightforward and

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honest offer. If they want it, they will accept it. You have to remember this about marketing.

Know Your Customer

Here is another example of marketing strategy taken from James, my nephew, who started his lawn maintenance company when he was 11-years-old. You remember the story.

James went on his mission trip that summer and had a blast. To this day, he still runs his lawn maintenance company, even though he still is not old enough to drive!

How did he market? James and I talked about his marketing strategy and he said that the person that answers the door makes a big difference.

James would go to a house and knock on the door. If a man answered the door, he would just want the straight and skinny, the short and sweet. My nephew would tell him, "I'll cut your grass for \$22." That's all most men wanted to know. You don't have to tell much of a story. You just tell him, here I am, I'm trying to make money mowing lawns, and this is how much it costs.

However, if a woman answered the door, my nephew would say, "I'm mowing grass to raise money to go on a mission trip. Can I mow your grass for \$20 so I can earn money for my mission trip?"

Again, it's reading your customer, understanding what's important to your customer and deciding the best approach to appeal to your customer.

This is a marketing lesson from an 11-year-old and I think it is something we can all learn from.

Researching Your “Market”



So, how do you go about this market research? I think this is an important part of marketing. As you likely know by now, I go to church rather regularly and it is an important part of my life. As this is the case, I use my Bible study group as my marketing research venue.

Many years ago when we were just starting our lawn maintenance company, I had this idea of using door hangers and offering \$20 for the first cut. Before putting this into play, I asked my Bible study group, there were about six or seven couples attending, if they had ever received an offer for a free estimate from a lawn maintenance company. Everyone said, yes, they had. I asked if they had ever called that lawn maintenance company to obtain the estimate. Every one of them said they had not. I asked why they had not made the call. The reasons ranged from 1) they did not want to waste someone’s time to 2) they did not know how much it was going to be to 3) they didn’t want to feel stupid by telling someone the estimate was too high. There were too many unknowns to make the call. Basically, these are good people who didn’t want to waste someone’s time.

As a business owner, you want to go out into the community and give estimates because out of every 50 estimates, you might get one or two customers. But, people, for the most part, are good people and they don’t want to waste your time.

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I told them that I was toying with this idea of door hangers and asked what their reaction would be if I put a door hanger on their doors that said I would do their first cut for \$20. They said, yes, sure, \$20. They would much rather receive something that tells them the price and lays out the service provided.

This is how we developed our door hanger marketing campaign. We completed our market research with our own Bible study simply by talking to them.

Unique Selling Proposition

The next question you need to ask yourself is what is your USP? (USP stands for Unique Selling Proposition.) In other words, why are you different from everyone else? What are you offering, that you can state in maybe two or three sentences max, that makes your company different than anyone else's.

At *CLIP* Lawn Care we use the phrase, "We give you your weekends back." What's behind this and how did we come up with this phrase for our USP?

We were thinking about whom our primary, or best, customer should be and we decided to target small residential properties. You can target whatever works best for you and your company. We just decided this would be our target market. Down the road, we will talk about how you need to have a unique company and serve a unique type of individual.

The type of property and customer that *CLIP* Law Care is looking for is:

- a small residential property that has young trees;
- a fairly new residence, not more than 5-10 years old;
- located in a fairly dense type of community;
- most of the lots that the houses sit on are the same;

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- the houses are about the same size; and,
- the income of the residents is about the same.

We identify our best customer as someone who has just moved into the area and is thinking, “Do I go down to Home Depot and buy a \$200 lawn mower? Do I keep a can of gas and some oil in my garage? Do I want to deal with winterizing the mower in the winter and trying to start it when the season begins?”

This type of person is who we are trying to target and to whom we are offering an alternative by saying, “For \$20 per week during the summer, we can take all this bother away from you. We will give you part of your garage back because you won’t have to store a lawn mower. You won’t have to worry about spilling oil. You won’t have to worry about all the hassles of maintaining an internal combustion engine. We’ll take care of all of this for you. For \$20 per week, we’re also going to give you your weekends back.” We explain through our marketing that we do this for a living and they can leave it to us while they spend their weekends however they like.

How long does it really take you to mow the grass? If you started on a Saturday morning, you would get up and go down to the gas station for gasoline. You’d put gas in the tank and bring it back to the house. You’d check your oil and, finding that you need to add some, you would begin to add the oil. During this process you spill some so you have to put some kitty litter down to absorb the spilled oil. You then fill the mower up with gasoline which means you now have gasoline on your hands. You smell cruddy. You take the mower out and begin to pull on the cord to start it but, of course, it won’t start. You keep pulling and pulling on the cord until it finally starts. You finish mowing and then you need to start the trimmer . . . but, of course, IT won’t start either. Then, you need to get the blower going, but IT ALSO WON’T START! Four or five hours later you’ve finally cut your grass.

Our point? Is all the aggravation AND a lost Saturday morning or afternoon really worth \$20 to you? Or, would you rather just come home on Friday night to a mowed lawn that is looking fabulous?

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This is our unique selling proposition. We made that a concise statement by saying, “We want to give you your weekends back. Don’t let your lawn eat you!”

This is why our company is what we, in the industry, would call a mow, blow and go business. This means, we just mow, trim, blow off the driveway and then move on. We’re NOT going to make your lawn the prettiest lawn in the neighborhood. We’re NOT going to make it the envy of the community. What we ARE going to do is keep the grass down, keep you from getting letters from the homeowners’ association and we’re going to provide a cut lawn where you can then have fun. (We also have a chemicals division that will actually keep it green as well, but this is a discussion for another time.)

Do You Like Pink? Maybe You Should!

Are you stymied by the USP concept? Can’t think of what you might do to **STAND OUT**? Well, here are a few real-life examples of companies we have come across that have definitely **STOOD OUT**!



Harry Collins, owner of Total Lawn Care in Tupelo Mississippi, decided he wanted something to differentiate himself from his competitors and one way to do that was to have a different company color. He chose hot pink for his color. He painted his trucks pink, gave his employees pink overalls and pink hats, and changed his logo to hot pink. By doing this, he created an awareness of his company. Nobody could remember his company name, but everyone knew he was the “pink” company.

<http://www.facebook.com/pages/LANDSCAPE-SERVICESTOTAL-LAWN-CARE/315181186920>



Ed Bartz of Eco-Scapes in Bend, Oregon, made his company stand out by using a bright yellow and red scheme. He made his company and personnel easily recognizable. His stationary is bright yellow, his trucks are red and yellow . . . you get the picture?

<http://ecoscapelandscape.wordpress.com/>



Lawn-Wright, Inc., of Gaithersburg, Maryland, painted their trucks with a tan and brown color scheme. This happened to match the county trucks. The idea was to appear much larger. Their customers would see county trucks and think they were Lawn-Wright's.

<http://lawnwright.com/>



An opposite effect of this came from the Lawn Ranger in Mechanicsville, Virginia. They keep their trucks white with no logo on them. They do this because they specialize in cutting medians between the roads and they found that if they had logos and easily identifiable trucks, people would claim that their windshield was damaged by them, just to get a new windshield. If a car is actually damaged, the driver can always stop and ask for a business card.

<http://www.facebook.com/pages/Lawn-Ranger/135075096541437>



Another smart idea I have seen is a magnetic business card holder that can be placed on your truck. Put a big sign by it that reads, "Please take one". This way, when you are mowing, someone can still get your business card without having to stop you.

http://www.amazon.com/Outdoor-Business-Exterior-included-Pictured/dp/B002NVOMU8/ref=sr_1_1?ie=UTF8&qid=1361294381&sr=8-1&keywords=vehicle+business+card+holder



Great, My Market Research is Done! Who is My First Customer?

Let's move on and answer the question of how you get your very first job.

Door Hangers Work!

I would recommend that you create a door hanger like the ones shown in Figures 5.1 (a) and (b) and 5.2. You can purchase door hangers very inexpensively from different sources and you can even make them yourself with a computer and printer. They don't have to be real snazzy. There doesn't have to be much more than saying the customer's first cut will be \$20. We usually get our door hangers printed at:

DoorHangersDirect.com
A Division of SOS Products
404 Mountain Drive, Destin, FL 32541
Email: sos106@sos.gccoxmail.com
<http://www.door-hangers-direct.com/door-hangers.htm>

Easy access to all of these links can
be found at
www.TheBeautifulBusiness.com.

Figure 5.1(a): Door Hanger - Sample #1 (front)

\$20
Lawn Mowing*

**Relax While You
Leave The
Mowing
To Us**



- Mowing & Trimming
- Lowest Price
- Fast and Professional Service
- Fully Insured
- We will beat your current lawn service price* *

* One time service. No obligation. We will leave you an estimate to free up your weekends starting now! Most Residential lawns up to 20,000 sq ft—Additional charge for extremely overgrown lawns
**Call for details

CLIP™
Lawn Care LLC

800-774-CLIP
Sign Up At
cliplawncare.com

Figure 5.1(b): Door Hanger - Sample #1 (back)

**Greener on
the other
side?**

**Enhance your Lawn's
Health and Appearance.**

Fertilizer and Weed Control
First Application
\$30 Special*

- Call today to schedule your first application! After the first application CLIP will leave you an estimate for continuing with a lawn care program.
- Call for more details or sign up online to get started right away.
- CLIP Lawn Care is Maryland licensed and fully insured.

 **CLIP** Lawn Care LLC

*One-time offer only. No obligation. Most lawns up to 5,00 sq. ft. If larger, we will contact you with price.

800-774-CLIP
Sign Up At
Cliplawncare.com

Figure 5.2: Door Hanger - Sample #2



\$20
Lawn
Mowing*

- Mowing, Trimming and Blowing Service
- Relax and leave the mowing to us!
- Service agreement to continue service sent after first mowing.
- Professional and Fast Service
- Frees up your weekend!

\$30
Lawn
Treatment*

- Fertilizer and Weed Control Service
- Improves health and appearance of lawn.
- Call today to schedule your first application!
- Service agreement sent after first treatment.
- Fully Licensed and Insured

Sign up and manage your account online at:
www.cliplawncare.com
800-774-CLIP(2547)



- Affordable Prices
- No obligation to continue*

* One time service. No obligation to continue service. We will leave you an estimate to free up your weekends starting now! Most Residential lawns up to 10,000 sq ft—Additional charge for extremely over-grown lawns.
* \$30 Lawn Treatment Details: after the first application CLIP will send you an estimate for continuing with a lawn treatment program. If you do not wish to continue, simply cancel within 30 days. Otherwise, we will continue with the subsequent applications.

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Why do we do this whole thing about the first cut being \$20? Well, like I said before, it provides comfort for your prospective customers in that they do not have to make a commitment, they know what the price is ahead of time and they feel they are not wasting your time.

How does it help you? It helps you by:

- Allowing access to the property;
- Allowing you to mow the lawn for the first time;
- Allowing you to see whether it has a lot of dog poop (for lack of a better word!);
- Allowing you to decide if there are a lot of toys to pick up or lawn furniture to move;
- Allowing you to see if there is a lot of landscaping to navigate around in the back; and,
- Allowing you to determine if there is a gate big enough to fit your mower through.

It helps to understand all these issues that many, many times will be a surprise to you later on when you actually start mowing the grass on a regular basis.

Remember, what we will be selling is time. So, the main thing that you want to know is how long it will take to mow the grass. You should be getting anywhere from \$35-\$50 per man per hour if you are using good equipment. (We discuss equipment in the next chapter, *Chapter Six*, so just hold on to your horses! We'll get there!) In order to maximize your profit, it is very important to understand how long it will take to mow each property. If you use the \$20 offer, you will now have an estimate as to how much to charge for future mowing. This \$20 offer is so crucial to us at **CLIP** Lawn Care, LLC and you will find that the whole **CLIP** software program is based on this one question.

The other thing we like about this method is that we let our employees do the estimating for us. We don't have another estimator who runs around in a nice little pickup truck. This is pure overhead. We

like to keep the customer and the laborer as close in proximity as possible. We feel this creates much greater efficiencies in the company and greater profit.

You want to make sure you do that \$20 cut. What I would suggest is make up 3,000 door hangers that say, "First cut, \$20." Then, spend a day getting these into circulation. My son and my employees are able to put out 100 door hangers per hour. This, then, makes a 10-hour job for three people. For ten hours, you just walk from house to house putting these door hangers up.

You need to include some mowing limitations on your door hanger. For example, we limit the mowing to 20,000 sq. ft. We have some other limitations that are built in as well. (See Figures 5.1(a) and (b) and 5.2).

In general, this is what you want to do. We have found in our area that if we put out 100 door hangers, we will end up with at least two people who will ask us to mow for them. On average, out of every two people who respond to our door hanger, we will pick up 1½ who will become our regular customers.

You can figure it out. If you want 300 new customers, you can calculate exactly how many door hangers you need to obtain and hang. It is honestly almost a science!

Here is what a new company wrote after following our advice:

"Interesting how your mathematical calculations were right on target for us last year. (1400 door hangers = 14-15 clients)"

Mike Steiner

Owner, Amazing Grass Lawn Care

Your first jobs are going to be from putting out these flyers. Do this and get ready for the phone to ring. You may not get all, but you will get some.

How Do I Get My First Jobs?

Another advantage to using door hangers instead of using something like the Yellow Pages, a newspaper ad or something along these lines, is door hangers are going to force your area to be concentrated. You lose so much time when traveling between jobs. You want to make sure that you minimize travel time as much as possible. The way to minimize your travel time is to make sure your customers will be close together - one after another after another.

By using the door hangers you have chosen exactly where you will be working. If someone who received a door hanger calls, you know that they are in your chosen area and that you can easily fit them into your route. It saves so much time and effort. Otherwise, you are taking calls constantly from all over the city and you don't want to be traveling all over the city. You want to keep your area very tight and the door hangers help to do this.

Marketing with Postcards

You can market with postcards as well. We have found these to be less effective than using the door hangars, but they can work. The U.S. Postal Service has a program, Every Door Direct, where they will deliver a postcard to every house on a postal route. This is much less expensive (about 15¢ per postcard) than using postage. You can also have the postcards delivered on the day you desire. Check with your local post office for pricing. You can get the postcards printed at VistaPrint.com or your local printer.

We used postcards in a community near us that prohibited “Soliciting” or placing anything on the doors. We paid the postage and sent out postcards. We actually received a good amount of business from this community and a number of people said they chose us because we followed the rules; whereas other lawn maintenance companies were placing flyers on the doors, in spite of the posted signs. By following the rules, the customers respected us and we enhanced our reputation. Always remember . . . it takes years to build a good reputation and seconds to lose it!

If you are interested in using postcards for marketing, take a look at one we used, Figures 5.3(a) and (b).

Figure 5.3(a) – Post Card – Front

CLIPTM
Lawn Care

www.cliplawncare.com
800-774-CLIP

\$30
First Fertilizer and
Weed Control Treatment*

- Improves health and appearance of your lawn.
- Fully Licensed and Insured
- Service agreement sent after first treatment.
- Call today to schedule your first application!

\$20
First
Lawn Mowing*

- Mow, Trim and Blow Off Clippings
- Professional and affordable.
- Service agreement sent after first mowing.
- Relax and leave the mowing to us!

CLIP Lawn Care is Locally Owned and Operated

Figure 5.3(b) – Post Card – Back

PRSRT STD
ECRVSS
U.S. POSTAGE
PAID
EDDM RETAIL


Lawn Care LLC
218 W. Patrick Street
Frederick, MD 21701

www.cliplawncare.com
800-774-CLIP(2547)

\$20 Mowing

\$30 Lawn Treatment

- Hassle free sign-up and easy online payment.
- No obligation to continue (see details below)

* One-time service. No obligation to continue service. After the first service, we will email you an estimate to free up your weekends! Most Residential lawns up to 8,000 sq ft—Additional charge for extremely overgrown lawns.

* \$30 Lawn Treatment Details: after the first application CLIP will leave you an estimate for continuing with a lawn treatment program. If you do not wish to continue, simply cancel within

Local
Postal Customer



Angie's list.
Reviews you can trust.

My First Customer! Stand Back While I Do My Happy Dance!

When you get the call for your first job and you make good on the \$20 offer, you should pay attention to a lot of different factors. For example:

- Does the customer insist that they be there when you come to mow the lawn or are they easy-going?
- Do they come out and follow your mower around? We've had some customers who do that.
- Do they want to ask you all about your company and spend a lot of time talking?
- Is the property fairly easy, fairly flat?
- Are there ditches that cause a degree of difficulty?
- Are there a lot of trees? Do the trees have mulch beds around them? Mulch beds will make trimming easier.
- Is there a lot of sidewalk?
- Is the driveway in good shape or are you going to have a problem blowing the leaves or grass off of it?
- Look up. Look at the trees and see how many leaves you are going to have to pick up during the fall.

Take note of all these things you are doing to the lawn and think again about your perfect customer. The type of customer you want to deal with and for whom you want to perform work. Look for these customers and begin to accumulate them. This is how you're going to create a beautiful business. You've got to find your target market.

Going back to the type of customer *CLIP* Lawn Care wants, it was interesting that in that Bible study, one of the men, when he found out what companies I owned said, "What kind of customer are you looking for?" After I explained, he said, "Well, you did it because that's exactly who I am and I've gotten two of your flyers so far." I was able to

How Do I Get My First Jobs?

interview him and ask what it was that made him not go with us. He told me he already had a lawn mower and he was doing it himself. He was part of my target market, a perfect customer for me, and we had hit him with a flyer. Do your market research by talking to people.

Talking about market research, never be afraid to ask your customers. I was providing consulting services for a company once and they told me that they didn't know why their potential customers weren't accepting their bids. They could not understand what was happening.

Maybe the bid is too high! This is the first thing that always goes through someone's mind. Perhaps lowering the price would solve their hesitation.

This is not always the case. Although it may seem like the easiest thing to do, don't lower your prices. What you really want to do is ask your customer for his reason. When you call the customer back and ask about the bid you left for him for, say, \$22 a cut, and the customer says that he decided not to go with it, don't be embarrassed to ask why. Tell the customer that you hope to do business with him in the future. Ask the customer to explain what prompted this decision. Explain that you are doing some market research and would like to know why he didn't accept the bid. Normally, he will tell you. Maybe he couldn't afford it. Maybe he received a bid from another company.

If you gather this knowledge, you can definitely do something about it. If you don't have this knowledge, you're operating blind and just guessing! The first thing you always guess is price. However, price is not always the deciding factor. In fact, rarely is price the determining factor.

Honesty, Trust & Commitment

People generally buy from people they like and trust. Rarely will a customer contract with someone they either don't like or they don't trust.

An easy example of this is the way eBay conducts business. When you work with someone on eBay you see what their rating is and how they have provided their services to others. This gives you a "good

feeling” about this vendor and allows you to make the decision to purchase from him.

Stephen M. R. Covey wrote a book called *The Speed of Trust: The One Thing That Changes Everything*. In this book, he explains that when you trust people, business moves much faster. Think about business

The Ed Mann
Landscaping, LLC
Journey (cont'd)

Over the years (the many years) there have been highs and lows, good years and not so good years, good customers and bad customers, great employees/crew members and some employees I could have lived without. I have always been a fair and honest person; my company does good quality work at a fair price. I have been known as not the cheapest guy in town but one of the most reliable, trusting, knowledgeable and an all-around good man.

Follow the Journey on page 121.

transactions that you have completed with someone you trust. They go very quickly. When you have employees that you trust, you will be able to give them instructions quickly and they will trust you as well.

Now think of doing the same thing with an employee you don't trust. You will take a lot of time to explain things carefully and completely and probably will check up on the employee's work afterwards. You can see that the more you trust someone, the faster you will be able to work with them. So if I, and my company, can be trustworthy, my customers will be more willing to do business with me. They will want to receive more services from me and will be willing to do it quickly. This school of thought mirrors Prov. 22:1 (NASB) which says, "A good name is to be more desired than great riches; favor is better than silver and gold."

Remember to think about this when you, as a vendor, are providing services or goods. When you meet people, make sure that you come across friendly and trustworthy. Don't be down, depressed, anxious or desperate.

When you are faced with a situation where you need to follow through with something you promised but now it will hurt you, go for it and do it anyway. An example of this took place with us two years ago. We sent out a new guy to do some chemical spraying on five lawns. He was supposed to be using fertilizer but

How Do I Get My First Jobs?

someone else had put Roundup (herbicide) in the tank that usually held the fertilizer. By the end of the day, we had sprayed five lawns with herbicide. This happened in the fall so the grass was already beginning to go dormant and we might have been able to get away with it . . . but we called each customer, told them that we had made a mistake and offered to replant their lawns in the spring. We were rewarded with customer loyalty from these customers and they recommended us to others.

To bring this home, I would like to quote a portion of Psalm 15:4 (NASB) - “He swears to his own hurt, and does not change”. This means that a man should be good to his word. If you earn a good name in the marketplace, people will buy from you and it won’t be because of price.

Estimates, Contracts & Agreements

Estimates

Let’s talk about estimates, contracts and agreements. An estimate, or proposal, is where you provide your customer with a written document that states what you will charge for a certain job. This is what you would normally leave with the customer after you perform your \$20 special.

An estimate is not binding. You are just providing information for the customer’s use. The words “Estimate” or “Proposal” at the top have legal implications and help to keep you out of legal hot water.

It is very simple. There are no huge complications when completing this document. It can be just like Figure 5.4.

All you need to do is complete the customer’s name, address and the amount you are estimating for the job. We add that the customer can make payments throughout the year if they would prefer. This evens out your cash flow quite nicely and helps with bills later in the year.

Figure 5.4: Estimate - Sample

 218 W. Patrick Street Frederick, MD 21701 Fax 301-263-7698 800-774-CLIP (2547)	PROPOSAL Jonathan Coleman 175 Weathering Court Frederick Customer # 61
Please initial next to each service you approve.	
<input type="checkbox"/> Make it Look Great! Spring Cleanup Trim bushes as needed; Re-edge, weed and mulch beds. General Notes: Unless otherwise noted above: - The edging, weeding and mulching includes only existing beds and tree rings (has defined edge and old mulch). - Bush trimming includes only bushes under 10'	Total..... 260.00
<input type="checkbox"/> Pre-Emergent Weed Control For preventing re-growth of weeds. (Even after weeding during the clean up, there are still weed seeds in the soil.)	Total..... 22.50
For totals over \$100 please include a 50% deposit with the signed estimate.	
Terms: Estimate is good for 30 days. You will be billed the remaining balance on completion of work. In consideration for the work performed, said customer promises to pay for all work within 15 days of the bill date and agrees to pay a service charge per month of 2% per month on all past due balances. In the event any third parties are employed to collect any outstanding monies owed by said customer the undersigned agrees to pay reasonable collection costs, including attorney fees. Whether or not litigation has commenced, and all costs of litigation incurred.	
CLC Representative 	Date 02/28/13
Customer Approval _____	Date _____
Date Printed: 02/28/13 Jonathan Coleman	Page No.#1

Contracts & Agreements

As far as I am concerned, who I am dealing with is more important than what kind of legal contract I have with this person. Having said this, let's tackle contracts first.

Contracts are legally binding documents and the obligations you agree to are legally binding. In addition, there are liabilities that you agree to as well. A contract is something that I personally try to stay away from. There's no reason for it.

Why is this? If you are new to business, you probably think that all businesses have these big contracts and they hold the other party to the letter of the law for each provision of the contract. In other words, a business will take another business to court if the contract is not fulfilled exactly as outlined in the contract. However, even the best written contracts are very difficult and costly to enforce. Unless you are contracting for a multimillion dollar deal, people are not likely to take you to court.

An Agreement is a legal document that has "AGREEMENT" in large letters across the top.

Depending upon how your Agreement is worded, my understanding is that you probably are pretty safe from legal liability with an Agreement. You can stop performing the work anytime you want and your customers can stop paying you anytime they want. Agreements are very loose and are hard to enforce.

I try to do almost everything I can with Agreements. For an example of the type of Agreement that I use in my company, please see Figures 5.5(a), (b) and (c).

DISCLAIMER: Every state is different and I am not an attorney, nor do I profess to be an attorney. Please seek the advice of a licensed attorney in your state.

Figure 5.5(a): Sample Agreement - Page 1

CLIP Lawn Care LLC Yearly Lawn Maintenance Agreement

Customer # 9999 Name: COLEMAN, JONATHAN Area: 9000
 Street Address: 169 Poinsetta Lane, Germantown

Lawn Mowing:

 **"Just Mow it!"** – You will be billed monthly for services performed.
 Weekly - \$35.00 per visit

Lawn Treatments (Fertilizer & Weed Control, etc.):

 **"Make it Green!"** –Lawn Treatments Program*

Check desired options. → 6 Fertilizer and Weed Control Applications for **\$57.00** per visit
 → 1 Insect and Grub Control Application for **\$85.50**
 → Fall Aeration and Overseeding for **\$225.00**

*As required by law, the lawn treatments program requires a \$30 soil test.

Monthly Discount Plan:

 **"Mow it AND Make it Green!"** – (10% Discount on all services)

- Weekly mowing as needed – (28 visits max.)
- 6 Lawn Treatments + Fall Aeration and Overseeding

Price: 7 Monthly Installments of **\$198.90 - First Payment Due Upon Signing**
 Check here to add 1 Insect and Grub Control Application for \$85.50

*As required by law, the lawn treatments program requires a \$30 soil test.

☺ **Give me some extras!**

 **Make it Look Great! Spring Cleanup**

- Clean leaves and debris from beds, Trim bushes as necessary, re-edge, weed and mulch.
 (We will contact you with an estimate for final approval.)

 **Fall Leaf Cleanup** – Billed at \$45 per man hour. Choose an option:
 Weekly Bi-weekly Twice – Middle and End of Season Once – End of Season
 Optional: Remove leaves from property - \$50 per load.

I request that CLIP Lawn Care provide the maintenance services that I have selected above. I accept the terms and conditions on the enclosed terms and conditions document.

Purchaser/Owner/Agent

Date


Clip Lawn Care Representative

2/7/2013
Date

SIGN & RETURN THIS COPY

www.cliplawncare.com • 800-774-2547 • Fax 301-263-7698 • 218 W. Patrick Street, Frederick, MD 21701

Figure 5.5(b): Sample Agreement - Page 2

CLIP Lawn Care LLC Yearly Lawn Maintenance Agreement

Customer # 9999 Name: COLEMAN, JONATHAN Area: 9000
Street Address: 169 Poinsetta Lane, Germantown

Lawn Mowing:

 **Initial**

"Just Mow it!" – You will be billed monthly for services performed.
 Weekly - \$35.00 per visit

Lawn Treatments (Fertilizer & Weed Control, etc.):

 **Initial**

"Make it Green!" –Lawn Treatments Program*

Check desired options. → 6 Fertilizer and Weed Control Applications for **\$57.00** per visit
→ 1 Insect and Grub Control Application for **\$85.50**
→ Fall Aeration and Overseeding for **\$225.00**

*As required by law, the lawn treatments program requires a \$30 soil test.

Monthly Discount Plan:

 **Initial**

"Mow it AND Make it Green!" – (10% Discount on all services)

- Weekly mowing as needed – (28 visits max.)
- 6 Lawn Treatments + Fall Aeration and Overseeding

Price: 7 Monthly Installments of **\$198.90 - First Payment Due Upon Signing**
 Check here to add 1 Insect and Grub Control Application for \$85.50

*As required by law, the lawn treatments program requires a \$30 soil test.

☺ **Give me some extras!**

 **Initial**

Make it Look Great! Spring Cleanup

- Clean leaves and debris from beds, Trim bushes as necessary, re-edge, weed and mulch.
(We will contact you with an estimate for final approval.)

 **Initial**

Fall Leaf Cleanup – Billed at \$45 per man hour. Choose an option:
 Weekly Bi-weekly Twice – Middle and End of Season Once – End of Season
Optional: Remove leaves from property - \$50 per load.

I request that CLIP Lawn Care provide the maintenance services that I have selected above. I accept the terms and conditions on the enclosed terms and conditions document.

Purchaser/Owner/Agent _____ Date _____  CLIP Lawn Care Representative Date 2/7/2013

KEEP THIS COPY

Figure 5.5(c): Sample Agreement - Page 3

Terms and Conditions

1. Auto-Renewal: This agreement will renew each year automatically. If you are set up for automatic payments, we will continue billing with that method as long as the agreement remains active. If you would like to cancel you must submit your request to cancel in writing via mail or email.
2. Mowing services includes mowing, trimming and blowing off driveway and sidewalks as needed. Bagging/Collecting clippings not included (may be requested for additional charge).
3. 2 business days' notice is required to cancel, suspend or skip service. (If you request to skip service and we find the lawn to be overgrown on our next visit there will be a 30% surcharge.)
4. For customers on a "Just Mow It" plan, 2 skips are allowed per season. For additional skips, there will be a 30% surcharge on the next lawn mowing after the skip.
5. For customers on the "Mow it and Make it Green" plan, you may request to skip service, but we may not complete the contracted visits by the end of the season. You will still be responsible for the entire contracted amount.
6. For all customers on the Lawn Treatments Program, a soil test is required by law. The fee for the soil test is \$30.00 and will be billed to your account one time per year.
7. If you are on a per service mowing plan, we will continue mowing into the Fall until the grass stops growing (according to our discretion). If you would like to suspend service earlier, please notify us.
8. A late fee of two percent (2%) or \$5.00 per month, whichever is greater, may be applied to any past-due balance owed. Any collection related fees will be charged to you.
9. Monthly agreement may only be cancelled with 30 days written notice. If you cancel, your discount will be forfeited and you will be required to pay the difference for all services done to date. Without 30 days written notice to cancel, there will be no refunds on the Mow it and Make it Green monthly installment plan.
10. Prices subject to change with 30 day written notice.

Initial

Please provide your email address for billing purposes.

Email Address: _____

.....

Automatic Payment Authorization (Optional)

If you are already set up for automatic payments, we will continue billing with that method. If not you can sign up below.

I hereby authorize CLIP Lawn Care LLC to charge the credit card/bank account assigned below, every month for the total amount of my bill.

Signature: _____ Date: _____

Credit Card Number: _____ Expiration: _____

OR

Bank Account No.: _____ Routing No.: _____

Alternatively, you may set up Automatic Payments at <http://cliplawncare.com/payment-2>

SIGN & RETURN THIS COPY

www.cliplawncare.com • 800-774-2547 • Fax 301-263-7698 • 218 W. Patrick Street, Frederick, MD 21701

How Do I Get My First Jobs?

Contracts, agreements and estimates all depend upon how good the people are with whom you are dealing. Are you dealing with people who are reasonable, people who are good to work with? If so, then it doesn't really matter what kind of agreement you have with them.

If you are dealing with a shyster, it doesn't matter if you have a contract at all! It's not worth the hassle of taking them to court to try to get your money. Give up on the whole legal thing. It's not worth it!

You want to find customers that are going to fit your company. Part of fitting with your company is that the customer is good to his word (just as you should be!). When you find these customers, you accumulate them. This is how you build your business and what is so neat about a lawn maintenance business. You can build it little by little, customer by customer and, after a period of time, you have this beautiful business that is producing income for you.

Don't get hung up on the legalities. If I am honest and I am dealing with honest people, they will be good to me. If I am dealing with dishonest people, it doesn't matter what type of signed legal document I have!

Chapter Five Summary

- Decide what you are selling and create your perfect marketing message.
- Study your potential customers and find the best way to appeal to them. Do your market research!
- Find your USP - Unique Selling Proposition!
- Try to pull in customers by distributing door hangers with a fixed price for the first cut.
- Understand that price is not always the determining factor of whether you get the job.

Chapter Six: What Equipment Should I Use?

Now, we're going to talk about something that influences many people to become involved with a lawn maintenance company - equipment!

You will be tempted to buy a lot of equipment; however, I would caution you against going hog wild and purchasing every piece of equipment known to man. Be extremely careful and avoid getting hung up on this whole equipment frenzy sensation, especially when you are just starting out.

Equipment Frenzy

**LANDSCAPE BUSINESS 4-SALE - \$3000
(AOTB)**

Date: 2012-11-28, 7:31 AM EST

Reply to this post: [Removed]

Generators, blowers w/backpack, saws, comalongs, hand tools and more. 23' Sailboat, complete w/2010 Honda Outboard Motor and every tool imaginable to restore this beautiful slope w/trailer and JET SKI w/trailer. Boat cabin has a

I ran across this ad on Craigslist. It is a listing for someone who is selling their landscape business. They probably ran out of money. Now, notice that what he or she is selling is equipment, but then they throw in a sailboat and a Jet Ski? I think this landscaper has no idea what a beautiful business actually is! Did the owner go nuts buying equipment and boats because it seemed he or she had the money and could afford it? Where is the business here? It certainly isn't the equipment! If the owner wanted to sell the business, it should read, "Great customer list, produces \$100,000 in profit every year. All systems in place. You simply need to check the reports that the secretary emails you. Labor, management, customers, computers and all systems are currently

active.” Do you see the difference in how this owner presented his company and how I would describe my company? If you look at it as a bunch of equipment, you have a lot of junk to sell. If you create a “beautiful” company, you would be selling the company and the equipment would be an afterthought. It would simply exist because it is part of the systems to produce the profit.

Equipment is not an asset. Equipment is a tool that you use and which will be used up and depreciated over time. Eventually, it will not be worth anything. The point of using equipment is that it will produce money for you. It’s not because the equipment is worth it. If you pay \$10,000 for a piece of equipment, as soon as you begin to use it the equipment depreciates at an alarming rate. This is just like purchasing a car. Once you drive it off the lot, it loses 30% of its value! Likewise, with the \$10,000 piece of equipment you purchased above, you haven’t even cut a single lawn and it has already lost \$3,000 of its value. How are you going to make this up?

I am reminded of a situation that happened to me a number of years ago. A neighbor of mine, a young man, decided to get into lawn maintenance. I told him I would be happy to help him out and give him advice.

The first thing he did was to purchase a lawn mower. There are a number of different kinds of lawn mowers out there and he bought one that had a very nice cut, just a beautiful cut. (Yes, there are lawn mowers that give better cuts than others!) However, it’s a very delicate machine. If you pick up a stone, you’re going to have a lot of problems because the blades for this particular mower are gear driven so they go faster. He bought this mower because it would give him the best cut for his customers.

Lo and behold, a couple of days later he purchased another lawn mower. This one was a belt driven, walk-behind mower. He purchased this one because he wanted to use it for the rough cuts.

Then, he purchased a larger trailer to hold more.

After this, he purchased a sit-down hydro and another lawn mower.

What Equipment Should I Use?

Becoming worried, I approached him and explained that I thought he might be buying way too much equipment. He let me know that he purchased the equipment with no payments due until the following year. He was thrilled and thought it was a wonderful situation. His pleasure was evident when he added that he could purchase as much as he wanted.

I asked him who was signing for the loans. His father was! (Hearing this, I felt a chill run down my spine!)

Talking to his father later, I expressed my concern related to the continual and varied equipment purchases and told him that I didn't think things were going to turn out for the best. His father said he understood, however, he had been experiencing issues with his son and, now, he seemed happy every time his father would co-sign for a loan.

Later on, the son told me about a great job he got. There was a lawn that someone wanted him to cut and he would be paid \$80 for each cut, but the customer wanted it cut with a certain kind of lawn mower so he went down and bought another lawn mower.

He went on to tell me that the customer was going to let him store the lawn mower at the customer's home. (Oh, my!) I started to scratch my head and explained to him that I thought this was NOT a great idea. I went to his father and told him that he shouldn't be co-signing on these loans because this situation was headed for disaster.

When it was approaching winter that year, the son told me that he had bid for a snowplowing job for a huge park. (Oh, yes, did I mention that the "huge park" was 65 miles away?) He was very excited and thought this was a wonderful opportunity. I asked how much he was going to make per man per hour. He had calculated that he would make approximately \$12 per man per hour. I asked him how much he was paying for labor and he told me that he was paying \$15 per man per hour. Immediately, I see a huge problem looming!

He would be losing \$3 per man per hour and this does not even take into account the cost of the equipment. In addition to all of the already apparent issues, it's snowplowing, which means he would have to travel 65 miles just to get to the job. As if this isn't bad enough, he would be

driving in the middle of a blizzard because this is when you would be snowplowing!

This story does not have a happy ending. His parents were forced to sell their house in order to pay off the loans for all of the equipment. The young man went out of business and, because his parents still had to pay for all of the equipment which was now worth about 25% of its purchase price, they were financially devastated.

As you can imagine, it is imperative that your company be able to pay for its own equipment. The company must be profitable so that it can purchase what it needs. This means that your total revenue must be enough to operate the business, including the purchase of equipment it needs. This is why I am putting the chapter related to equipment after the marketing and customer accumulation chapter.

Do not get hung up on equipment! Avoid doing this! Don't use loans to purchase your equipment! Buy your equipment in other ways! If you stay out of debt, then you will be able to manage all the ups and downs of lawn maintenance with relative ease.

Where Should I Look For My Equipment?

You may be wondering where you should buy your equipment, where it won't cost you an arm and a leg. If you are just starting out, you don't walk down to the dealer and buy a brand new piece of equipment - unless you've got a lot of money in the bank. Otherwise, I would say get the company to produce its own money to buy its own equipment for you.

How do you do this? I would start out on Craigslist. I would go online and start looking for commercial lawn mowers. There are a lot of good brands out there. I would recommend that you get a 36" walk-behind mower. A 36" walk-behind mower can be had for as little as \$1,500, while a brand new one will cost approximately \$3,600. (The rule of thumb for new mowers is \$100/inch.) You can purchase used equipment pretty inexpensively.

I would also recommend that you purchase a good engine with it. I don't want to say this, but I have to tell you the truth - I've had problems with American made engines. Foreign made engines seem to be built

What Equipment Should I Use?

better and last longer. However, you make your own choice on this. Just be sure to get a good engine with it.

Some mowers are going to be a lot cheaper than others and there is going to be a difference between belt drive and hydro mowers. A belt drive basically uses a fan belt - like the kind in your car - to drive the wheels. This works really well when everything is dry and you are mowing a flat lawn.

However, when you're trying to mow right after a heavy rain, early in the morning when there's still dew on the ground, or going up a steep hill, you will find that the belt drive does not have the kind of grip that a hydro does. A hydro doesn't have any belts and uses a hydro-static pump (a hydraulic pump) and hydraulic motors on the wheels. These motors are firm and will turn the wheels whether it is wet or dry. Hydros will work a lot better than a belt drive in these types of situations. Repairs for a hydro mower can be more expensive, but they tend to break down less often. Maintenance costs on belt drive mowers are higher because you have to replace the belts three or more times per season.

If you need to get started with a belt drive mower, by all means, go ahead and buy a belt drive. These are less expensive to purchase.

When I started mowing grass, way back in the 80s, belt drives were the only type of mower available and we created a sizable company based on this type of mower. Don't think I am saying you can't use a belt drive. I'm just saying they don't work as smoothly as a hydro mower.

Types of Mowers and Velke Accessory

Sit-Down Mowers

I would not recommend a sit-down mower, Figures 6.1(a) and (b). Sit-downs look really cool and you think it will work really well for you. (Think again!) You envision yourself sitting on the mower and driving it around.

Sit-downs are good and they DO look cool, but:

- They cost two to three times the amount of a walk-behind.

Lawn Maintenance and The Beautiful Business

- They are more complicated to repair.
- They are harder to maneuver under trees.
- They are harder to fit into small corners.
- They are harder to get into backyards.
- They take up a lot more space on the trailer.
- They are just less versatile.

Figure 6.1(a): Sit-down Mower – Left Side



Figure 6.1(b): Sit-down Mower – Right Side



What Equipment Should I Use?

Walk-behind Mowers

A walk-behind mower is much better, Figures 6.2(a) and (b). My recommendation would be a hydro-static, walk-behind 36" mower with a Velke (See Figures 6.4(a) and (b).) on the back. If you have this set-up, boy, you can go to town and start mowing grass! It's so much faster than a 21", \$200 mower from Home Depot. The walk-behind mower will have a life span of about four years when used for commercial mowing. The Velke should last about ten years.

Figure 6.2(a): Walk-behind Mower



Figure 6.2(b): Walk-behind Mower



Stander Mower

There is another kind of mower on the market called a stander, Figures 6.3(a) and (b). It is a stand-up mower that you can stand on while it moves you around. This was invented by my brother-in-law, Bill Wright, who owns the patents. This is a great mower and it's actually better than a walk-behind. However, they are more expensive. I would highly recommend that you purchase a Stander. The Stander mower typically lasts about four years if used for commercial mowing.

Figure 6.3(a): Stander Mower



Figure 6.3(b): Stander Mower



What Equipment Should I Use?

Velke

There is a way to take a walk-behind mower and transform it into a “stand-on”. If you purchase and install a Velke, Figures 6.4(a) and (b), it will pull you along so you don’t have to walk. The Velke basically creates a stand-on for much less money than buying a sit-down. The Velke is an innovation that we invented at Lawn-Wright when I first started mowing grass. The Velke attachment has a typical life span of ten years.

Figure 6.4(a): Velke Attachment



Figure 6.4(b): Walk-behind Mower with Velke



The typical equipment that we provide a crew is a 36” walk-behind mower with a Velke and a 52” stander. We find that with these two pieces of equipment we can cut the small residential lawns lickety-split.

Lawn Maintenance and The Beautiful Business

We usually spend an average of 8-12 minutes per lawn. This includes cutting, trimming and blowing. Our guys are very, very quick.

For long-term planning, you should look for a 36" walk-behind with a Velke and a 52" Stander as your set-up for mowing.

If you are buying these mowers new, you can expect to pay approximately \$5,000 for the 52" Stander and \$4,000 for the walk-behind mower with Velke attachment.

Additional Equipment

Trimmers and Blowers

You also need a trimmer; two is better. We purchase top of the line trimmers at Home Depot. We like these instead of going with the more expensive commercial trimmers because we just switch them out every year. High quality trimmers will typically last two years if used for commercial purposes, but they require maintenance. We've found that it just isn't worth it to deal with 2-cycle engines. It's just easier to purchase new ones. We sell them off at the end of the year and purchase new trimmers for everyone.

We do the same thing with our blowers. We have a little bit better quality blowers on our trucks than consumer grade. Blowers will typically last two years if used for commercial purposes, but they require maintenance.

On each truck we will have at least two trimmers and we try to have two blowers. This way, if one breaks down the job can still be completed.

This is the equipment set-up that we use for a crew.

If you are buying this equipment new, you can expect to pay approximately \$5,000 for the 52" Stander, \$4,000 for the walk-behind mower with Velke attachment, \$300 for the trimmer and \$250 for the blower. The total cost for all of this new equipment is a little under \$9,550.

Transporting Equipment

On top of this, you need a truck, trailer or some other mode of transportation.

Trailer

When starting a lawn maintenance company, you almost always want to start with a trailer. Trailers are cheap. You can get a brand new one at Home Depot for \$1,200. With this, you would be set-up and ready to go. Just hook it up to the truck and drive away. You could even attach it to the back of a minivan.

The problem with trailers is that they are very low on efficiency. They are hard to back up and many people find that it is hard to drive with a trailer. Later on, when you bring on employees, you're going to have trouble finding employees that know how to drive with a trailer attached. It's just really hard to get around. Additionally, you're going to cause damage by, for instance, backing into mailboxes. But, they are an inexpensive way to get started.

The best thing to do is stop using the trailer as soon as you can. Of course, this means more money.

The Cage

What you want to grow into is a modified or custom-made cage, Figures 6.5(a), (b) and (c), which goes on the back of a pickup truck. We buy a used pickup truck and take the bed off. Then, we put on our own homemade, per se, custom-made beds with a big beavertail and gate to let the mowers out.

This way, you are dealing with just a truck. It's something that people are used to driving. It's something that can fit in traffic. It's very, very quick for the guys to get around in so they can mow all their lawns.

You can see how the bed is put on. Adding the bed to your truck is going to be the best thing you can do to speed up your company.

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You can purchase a “cage” from a few different vendors or just go down to a welding shop and show them these pictures. We have found that the cost is between \$3,000-\$10,000. You can also find them used. I saw a used one for \$950.

Below is a link to a company that makes these beds:

www.pjstruckbodies.com/pjs-manufactured/truck-landscape-bodies/

ALL LINKS CONTAINED IN THIS BOOK CAN BE FOUND AT

WWW.THEBEAUTIFULBUSINESS.COM

Figure 6.5(a): Truck Cage (from side)



What Equipment Should I Use?

Figure 6.5(b): Truck Cage (from back)



Figure 6.5(c): Truck Cab and Cage



Chapter Six Summary

- Equipment is a tool to help you make money. It is never an asset.
- Always start with something you can afford.
- New is rarely better. Look for used mowers on Craigslist or other websites before you commit to buying a new one. Remember, a new mower will lose 30% of its value when you take it home from the store.
- Mower Tips & Set-up
 - Foreign made engines are often better than domestic.
 - Look for a hydro engine. Hydro drive engines cost more, but are less prone to breakdown and require less maintenance.
 - My favorite mower combination is a 36" walk-behind mower with a Velke attachment and a 52" Stander.
- Other Equipment to Have on Your Trailer
 - Two trimmers - Pick the top brand from Home Depot and plan to replace them each season
 - One or two blowers
- The most efficient transportation set-up (When you can afford it!) is a truck with a modified truck bed that includes a big beavertail and gate.
- For more information on how to choose and maintain your equipment, see *Appendix B*.

Chapter Seven: What If I Can't Drive? (And, Other Ways to Think Outside of the Box)



What if you are a young person who is thinking about starting a business, but you're not old enough to drive? I love these types of problems because, basically, a small business owner is a problem solver. This is what we do! If you don't like solving problems, you likely won't enjoy going into business because there are always challenges that are cropping up - whether it has to do with a customer, how to fix a piece of equipment or employee problems.

Thinking about our driving scenario, I have known and met a number of young people who have wanted to start their own lawn maintenance business, but were too young to have a driver's license or did not yet have a vehicle.

Remember, your company must pay for everything. So, we must position the company so it is producing revenue. This way, you can be paid and the company can purchase the equipment (vehicle) it needs.

There are a couple of different ways you can do this. One option I have seen people use (and, use successfully!) is to start with a small trailer. You get a small trailer - one of the smallest trailers you can find at Home Depot or somewhere similar - and pay just a few hundred dollars for it. You can even look for one on Craigslist.

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You would put your trimmer, blower and the miscellaneous tools you would need on the trailer. Using either a walk-behind or Stander mower, you would attach a trailer hitch to your mower. Once this was done, you would be able to move around the neighborhood, even if you don't have a driver's license.

You would need to check with your local laws, but I believe this is perfectly legal in most areas.

You would drive the mower just like you would a bicycle at about 8-12 miles an hour. You can drive the mower along the street, even if you don't have a driver's license. You would use this set-up to move from job to job.

Doing this means a competitive advantage for you in comparison to the larger companies because you are able to keep things close and you don't need to have all the equipment, like a truck. Trucks are expensive and have a lot of associated expenses, such as insurance and repairs. This allows you to keep your prices lower and keep your service area and customers tight while making a very good profit. This provides an advantage to both you and your customers.

Another way you can solve this dilemma is by hiring someone who does know how to drive and has a vehicle. I've seen companies that actually do this. Remember, you are trying to create a company that works without you so this is a great exercise when starting out.

If you are 14 or 15 years old and are starting a lawn maintenance company, you can build your company up to the point where you can eventually hire someone to do the driving. This is perfect! It is exactly where you want to be. This is exactly the kind of thing you want to do.

Think about it, if you are older than 14 or 15 years old, then you can think about it from the perspective of what if I couldn't drive? If I couldn't do the work, how would I create this company so I would be able to perform my tasks and duties? This is exactly the mentality I want you to have. Act as if you are not necessary or not available to do the work. If you act like this, eventually you will be in the position that I talk about in this book - having a company that runs without you.

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How do you hire someone to be your driver? Well, you may be able to find someone out there who, for whatever reason, thinks that he might like to be in lawn maintenance. You have already found the customers. You're the one who has put it together. You're the one who has bought the equipment. And, you're ready to go!

You just need somebody who can drive so you find a driver and hire him or her to work for you. You may have to increase your customer base in order to handle this additional expense, but this is what life is all about.

If you are underage, it doesn't mean that you shouldn't set-up an actual company. Look at Legalzoom.com and set-up an LLC so you can be legal and have all of your ducks in a row. It is worth it to keep things clean and neat. One note, if you are underage, your parents will need to form the company for you and then, when you reach the age of majority in your state, they can transfer the company into your name.

It's a great dilemma to have and, hopefully, you think your way through this type of problem because this is what a small business owner is - a problem solver!

You Can Mow At Any Age

Derek

I met Derek at a *CLIP* conference in Baltimore, MD. He was 16-years-old and had purchased our software. We were all interested in him because he seemed to be exceptional. Most of us were in our 30s and 40s and had owned our companies for a while. I walked over to Derek to ask about his "story".

It turns out that he was from a "rough" section of Washington, DC, and he witnessed his friends and relatives get sucked into the drug and criminal culture. One day, as a young man, Derek saw his cousin shot, right in front of him. Derek decided at that moment that he was not going to walk down that road. He had no mentor and no example around him.

Derek simply started mowing grass to make money. He stayed away from his "friends". Most of the "old gang" made fun of him as they slid

into the underworld. Derek worked hard and, once he had enough money to purchase a truck and trailer, he hired a young guy with a driver's license to drive him around and help him out. He had to hire and fire a few times, but he kept it going.

He realized that he needed software for his company. Derek found *CLIP* and purchased it. This gave him control so he could actually make a profit. Eventually, Derek got his own license and hired helpers. He decided that he needed to learn more about business and bought a ticket to our conference.

By the time I met him he had three trucks and crews and was making a very decent profit. We followed him for a few years and found out that Derek was able to move his mom to a better part of town and help his younger brother. As business owners, we rallied around Derek and gave him a lot of help and advice. It was so great to see a young man decide to change his future and pull himself off of the road everyone thought was inevitable.

Dale and Peggy Moyer

The story of Dale and Peggy Moyer is another example. Dale and Peggy are siblings. I met them back in 1987 when they came to me and purchased one of the first copies of *CLIP* that we sold. At the time I met them they were in their mid-20s and had a company with 25 trucks and the necessary equipment.

Dale and Peggy's story begins when they were young, around 10- or 12-years-old. They found themselves in a hard situation. Their father had abandoned them and their mother had an alcohol problem. Dale and Peggy were hungry and did not know what they should do. In order to buy some groceries, they started wandering the streets to find some work.

They found a man that had a truck full of Christmas trees that needed to be cut at the bottom and a stand nailed onto them. Dale went up to him and asked if they could do it and be paid. The man said that he would pay them by the hour, but Dale insisted that they be paid by the piece.

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From this humble start, they began mowing lawns for the neighbors, just to have enough money for groceries. Once the business started to grow, they hired someone to drive them to their jobs. When they got their own driver's licenses, they hired helpers. By the time I met them, they had a thriving company.

Now, years later, Dale and Peggy both support an orphanage in a third world country and are involved in multiple charities. They never went to college. Who do you think knows more about business - Dale and Peggy, successful business owners, or a 21-year-old that just graduated with a business administration degree?

Think Outside of The Box!

As a small business owner you will be constantly challenged to come up with ways to solve problems. As we said before, you need to be creative and use some of those mental juices to come up with solutions to problems you didn't even know existed before. Business is all about solving problems in creative ways that lead to success.

When I worked in manufacturing I did a lot of part production. What this means is that I cut metal into lengths, drilled holes and welded small pieces together that were later used in an assembly of a piece of equipment that was sold to the customer. Every task was rated in seconds, minutes or hours depending upon its complication and detail work. Most pieces were completed in a fraction of a minute.

My goal was to complete eight hours of work in five, eat lunch and then complete another eight hours of work before going home. Since the "times" were set to help the worker "reach" his or her maximum efficiency, it was hard to beat the clock unless you applied your head.

One task was to use a band saw and cut square tubing to length. The tubing came in 20' lengths and was ½" square. The way I was taught to handle this task was to take a tube, move it to the stop, clamp it in the vice and then lower the band saw to cut the tube; then, repeat the process. If you worked hard you could do about 70 minutes of work in an hour.

I spent a little time thinking this through after I had completed a few hundred. All of a sudden, it dawned on me that there might be a better

way. (The proverbial light bulb came on!) I decided to try taking nine square tubes and welding the ends of them all together. At this point, I had nine square tubes that were all welded together at the very end so they would move together. I moved all nine pieces at once, clamped them in the vice, cut the nine pieces and then moved them again. In 45 minutes, using the new method, I did 10 hours' worth of work!

I went into my supervisor's office and showed him the tubes and asked him if they were acceptable. He said, yes, they were, and then I told him that I had just done 10 hours' worth of work in less than an hour. He was intrigued and asked me to show him how I had done it. I did and then I asked him to give me five hours of pay instead of the ten hours and lower the times from then on to something more reasonable. Now, note who benefitted from this:

- I made five hours of wages in one hour.
- The company lowered the cost of the tube cutting task.
- The company lowered the price of the end product.
- The customer benefitted from having a less expensive product; and,
- The customer's end user benefitted by slightly lower rates on their lawn service.

This is how the economy works and how we all earn a higher standard of living! Long live entrepreneurship, ingenuity and small business!

Another example of this is a company in Virginia that was responsible for keeping the medians mowed and edged. They figured out that they had about ten miles of edging to do every four weeks. When they started this job, they would assign a guy to complete the edging and would tell him to keep working till the sun went down. Obviously, even with a great edging machine, it was taking a long time to get the whole job done. They kept trying to improve the edger until they just couldn't get any more out of it.

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The owner sat and thought for a while about how to do the edging quicker? His answer came after a lot of trial and error, but the end result was that he obtained a snowplow attachment (even though they did not do snowplowing), welded a disc (like a disc from a tractor implement) to the end of a pipe and attached it to the snowplow attachment. He could adjust the height and angle from the cab. He could now drive along the median with the disc sticking out of the front right-hand side of the truck and edge at about 12 miles per hour! What used to take six days now took about three hours! He could lower his bid and still make more profit than before.

Another innovation this same person thought of was to attach brackets on his commercial sit-down mowers that could hold a trimmer, wastebasket, extra gas and tools for the mower to allow the laborer to do everything he needed to do while working far from the truck. Instead of travelling back to the truck to get the trimmer and then walking around the property trimming, his workman could just reach around behind from his seat, get the trimmer and trim around the traffic signs without even getting up. This saved a great amount of time and effort and produced a better product for less cost, which, in turn, benefitted everyone!

Move Faster

Quite often, as a business owner, you will have to evaluate whether an employee is capable of moving up to the next level. I like to use the following example for determining if an employee (or you!) has reached the pinnacle of his abilities.

Let's say you have an employee and you are standing in an open field with him. You tell him (or her!) that you want him to move towards the north. The employee will begin (hopefully!) to walk toward the north (Unless he doesn't know which way this is, which touches upon another problem entirely!).

Now, you say, "Move faster," and he starts a slow jog.

You say, "Move faster" again and he starts a slow run.

You say, "Move faster," and he starts running.

You say, “Move faster,” and he begins running as fast as he can.

One last time, you say, “Move faster,” and he stops running altogether and says to you, “I am running as fast as I can. I can’t move any faster!” This employee is at the end of his abilities.

But, you have another employee who you put through the same paces. When he is running as fast as he can, you say, “Move faster!” This employee, however, stops and says, “Wait a minute!” He leaves and comes back with a bicycle, then a motorcycle, then a car, then a jet!

Get the picture? You never said that he couldn’t use something to help him move faster. He thought outside of the box and came up with a solution that enabled him to do what you needed.

Another real life example of mine took place back in the late 90s when I realized that unless I figured out how to “dump my brain” into something, I would never be free of my software company. It was necessary for me to always be available to answer the multitude of questions and issues that would arise. It would take me six months to train a support tech and even then I wasn’t sure if he was going to be good at his job!

I spent time alone, in my office, just thinking about these problems. The result of that careful and methodical thought process was that I conceived the idea for a computer application now known as KnowItAll. KnowItAll stores all of the information related to my companies in an easy to retrieve manner. This solved one of my biggest problems – the ability to pursue other businesses and take the time to better the businesses that I had.

An example of how KnowItAll solved problems for me is the “Pizza Problem”. My business had done well that week and I decided to buy pizza for everyone as a perk for a job well done. I asked one of the newer guys to go and buy pizza for the office. I told him that there were 14 people in the office that day and to get enough pizza for everyone. I told the office that pizza was on me and to just wait for lunch. By 2 p.m., the employee still wasn’t back and I was about to have mutiny on my hands.

He finally came in around 3 p.m. with 14 pizzas, all cold. I asked him what had happened. He told me that the pizza parlor he likes was

located near his home (45 minutes away!) and that he did not know how much to buy, so he just got one large pizza for each person. (Talk about evaluating an employee's capabilities! Please reference "Move Faster" on page 107!)

Well, I wasn't going to ask him to get pizza again and this would result in my company becoming "people dependent", instead of "systems dependent". KnowItAll solved this for me forever. I added an "article" in KnowItAll that tells the reader where we purchase pizza, a map showing how to get there, how many pizzas to purchase per number of employees, how long it takes for the pizza parlor to make the pizzas, what time to leave the office, the phone number for the pizza parlor and the preferences of the people in the company. See, this employee is long gone ("Move Faster!"), but the system is still in place (KnowItAll).

If you continually see these problems in your business as ways to look around and find a bicycle, motorcycle, car or jet plane, you have no limit as to what you can achieve! The same will be true for you and your business. You will encounter problems that might seem insurmountable - like not being able to drive, having to edge miles and miles of curb or, Heaven forbid, being hungry. The question is, will you throw up your hands and say, "I am at the end of my ability. I cannot do anymore!" or will you look around and find a tool that will enable you to do more?

How to Start Young - Creating a Company with No Cash

Well, take heart! I already told you the story of my nephew, James, who was 11-years-old, had no savings, his parents couldn't help him and he needed to raise \$1,000 by the latter part of the summer. It turns out that he made even more money than he needed in that one short summer.

Let's say that you are young, don't have any money and you can't drive. How in the world do you get started?

So, here is the strategy: Find someone in your church that wants his or her lawn mowed and, in exchange for your mowing his or her lawn, you borrow the lawn mower to mow other people's lawns. A variation on this would be to go around and ask your neighbors if you could mow their lawns with their own equipment. Please note that this is only to get you started. You really want to own your own equipment so you know that it is maintained in a state of readiness and so you get to know

your equipment well. Also, you want to continue obtaining better equipment until you have the professional type that “cuts the work in half” (Pun intended!). These machines are expensive and you need to raise enough money to purchase one, but this is how you could start.

Once you have access to a mower, you can now go door-to-door asking people if you can mow their lawns. Keep within a few block radius of your home because you will be walking to the jobs. Two opening dialogs, to fit our two previous scenarios – borrowed mower and no mower, would sound something like this:

“Hello, Mr. Smith. My name is John and I am trying to raise money for [college, mission trip, to pay my own expenses, etc.]. I would like to mow your lawn this season so you can have more time with your family. I have my own lawn mower so this is not a problem. How does \$22.50 per week sound to you?”

OR

“Hello, Mr. Smith. My name is John and I am trying to raise money for [college, mission trip, to pay my own expenses, etc.]. I would like to mow your lawn this season so you can have more time with your family. I don’t have my own equipment right now but I can use your equipment and I promise to take care of it by keeping it clean and running well. How does \$22.50 per week sound to you?”

Now, note a couple of things:

- 1.) You have personalized the conversation by telling Mr. Smith that you are raising money for a worthy cause.
- 2.) You have explained to Mr. Smith how your offer will benefit him (more time with his family).
- 3.) You gave Mr. Smith a price that was not an even amount like \$20 or \$25; it had cents in the price which gives the impression that you have a reason for offering this price. There is much less negotiation when the price is precise.

You should also wait for him to answer you. Don’t say anything else, just wait for an answer. It is up to your customer to say “no” and this is a

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hard thing to say to a young kid. Don't lower your price during this silent time. Just smile and look him straight in the eye.

Once you have the okay, you have your first customer! Congratulations! Now . . . go get another one! You should be able to do 5-10 lawns in one day. This means between \$112.50 (for five lawns) and \$225 (for ten lawns) per week. Compare this to working for a fast food business - \$7/hour, minus taxes. If you worked 35 hours at the fast food job ($\$7 \times 35 \text{ hours} = \245 , minus taxes), you would make about the same amount (actually a bit more!), working 12 hours for your own lawn maintenance business ($\$22.50 \times 12 \text{ hours} = \270).

Once you get a commercial lawn mower, you will be able to do 20-30 lawns a day. This will raise your income from \$112.50 (for five lawns) and \$225 (for ten lawns) per week to \$450 (for 20 lawns) and \$675 (for 30 lawns) per week. If your season is 26 weeks long, this will amount to \$11,700 (for 20 lawns) to \$17,550 (for 30 lawns) per season and that's just working one to two days a week for 26 weeks!

Having said this, I feel it is important to add that you will, of course, need to report this income to the IRS and your state taxing authority. You will also need to be prepared to pay taxes on this income so make sure you hold some money back for this purpose.

I want to note something now that I feel is VERY important. You must ALWAYS be true to your customers. You must ALWAYS deal with them honestly and openly. You must ALWAYS keep your word. If you do not follow these absolutes, you will lose your customers and your integrity will be tarnished. Please read Honesty, Trust & Commitment, pages 77-79, where I discuss this in greater depth.

My nephew once told me that he wanted to try a "regular" job. But, when he saw what they would pay him and how long he would have to work, he turned it down flat. I told him, "You will never work for someone else. Owning your own business at such a young age has 'spoiled' you!"

Another question to consider is, "What if I don't have a place to store my equipment?" Again, this is just a problem or puzzle to be solved. Think about it as a challenge. I have seen a number of creative solutions to this.

Some lawn maintenance companies just run out of their garage until they outgrow it and then they rent or purchase a place of their own. This is the easy way but let's say that you don't have a garage and you live in a community that does not allow you to park commercial equipment out front. Well, a solution to this is to rent a bay in a U-Rent self-storage type of place. You just go there to pick up your equipment before starting work. This works well and is a pretty inexpensive solution.

Other options I have seen include renting the back of a gas station or even just a shed on someone else's property. You can purchase a plastic shed from Costco or Sam's Club for \$400-\$600 and have it set up in a couple of hours. If you use it for only one season, you are still ahead of the game because it would have cost you this much to rent a place for a year.

Case Study - Zachary Stock, Owner of Zach's Lawn Care

The remainder of this chapter was written by Zachary Stock.

For those of you who don't know, I started cutting grass for my neighbors when I was 14-years-old and have slowly grown my business ever since. Two months ago in February 2013 I turned 20. Today, my lawn service consists of a pickup and trailer with equipment related to my services.

My advice would be more related to a small service with no employees and some basic grassroots (pun intended!) advertising.

Okay, here are some things that may be helpful:

Equipment

- Look for used equipment at garage sales, estate sales and Craigslist.
- Honda makes an awesome small engine. They require low maintenance and start on the first pull EVERY TIME!
- Check with your local rental company for equipment as well. This way you can try it before you purchase. The guy in my area will sell pretty much everything he rents. If you want to buy the

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equipment that you just rented, he will let you subtract the cost of the rent from the cost of the equipment. Make sure the equipment is in good condition before you buy.

- I was given a used, beat-up Echo trimmer and have to say it is the best brand out there. Very easy to start, extremely light and easy to find parts. If you find a cheap one with missing parts, it might be worth it to fix it up.

Advertising

- I would start out by finding an area where you would like to provide service, the closer to home the better.
- Then, go door-to-door with full color brochures and give your sales pitch to whoever answers the door. Mine was simply, “Hi, my name is Zachary Stock. I am a homeschool graduate working my way through college and was wondering if you would be interested in [fill in here with whatever services you decide to offer]?”
- Going door-to-door like this creates an instant relationship and a wonderful first impression on a potential customer.
 - Leave the potential customer with the brochure and a magnetic business card (This way you know it will have a better chance of ending up in a visible location rather than stuffed in a drawer.)
- Pick a business name that is short, easy to remember and stands out. It can be as simple as “Joe’s Lawn Care”, which will fit easily on the side of your truck (along with a catchy phone number), and will be easy to read when driving in traffic. Starting here can save you hundreds of dollars in alternative advertising. I started out as “Zach’s Lawn and Garden Care” but I recently shortened it to “Zach’s Lawn Care” for the reasons mentioned above. I am simply known as ZACH to all of my customers and this is the name they use when referring me.
- If the person you speak with shows interest in your service, take down their name, address, home phone, cell phone and email. I

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- have found that most people do not mind giving the information and, though it may not be used right away, having alternate methods of communication really help in the future.
- Ask if they prefer text messages to calls. (I found this is a quick and easy way to contact customers about small alerts or issues.) If the text I am sending ends up longer than two lines, I call instead or send an email.
- For existing, consistent lawn customers I will usually give them 5 bucks off their next service if they refer me to someone who signs up for a consistent, lawn service. Most of the time, however, my customers are more than willing to refer me to others without any incentives.
- Making a QR code is a cool, free way to advertise. I was able to easily make one using the RedLaser app on my Smartphone. (Other barcode scanning apps have this feature as well.) Putting a QR code on your business card, postcard, truck, etc., can take Smartphone users straight to your website when they scan the code and can also give scanners the option to save your info as a contact file in their phone.

Follow-up

- Responding to a call immediately (“Are you able to come today to cut my grass before 3 p.m.?”) scores BIG points with new and existing customers.
 - Keeping your schedule a little open for calls like these can help you expand your business. For example, you are cutting a lawn and the lady next door would like hers done as well. If you can do her lawn right away, she will most likely have you come back and do hers every week.

Pricing

Consider these things when determining your prices.

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➤ **Competition**

See what the going rate is in the area you plan to offer your services.

➤ **Time**

Set your prices based on the time it takes to complete the job. (Example: Dave Tucker's \$20 estimate system)

➤ **Cost**

After a few weeks, you will begin to notice how much gas, labor and other expenses are cutting into your profit. Trying to be efficient in your expenses can keep your costs low and your profits high.

- As you grow and establish yourself, you will worry less about your competitors' rates. If your customers are happy, they will not feel the need to shop elsewhere when and if you add more services to your business. Loyal customers are a great asset!
- If you are not sure how much a project will cost, charge by the hour with an estimate of how many hours you think the project will take . . . only do this for projects you may have never done before. Try researching online to see if others have documented about that type of project. As you learn what the particular project involves, you will be able to give a solid estimate next time.
- Have a set hourly rate. Know how much your time is worth. For example, when I first started, I charged \$15 per hour for just me (say someone needed help with an outdoor project), \$20 per hour for myself and my equipment (For example, someone needs help with an outdoor project and you bring your own shovels, rototiller, etc.) and \$25 per hour for myself, my equipment and debris haul away. (This was my fall cleanup rate.) As my business grew and I incurred more expenses (insurance, higher gas prices, etc.), I have raised my rate to \$35 per hour with a dump fee, if necessary. Your

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- price will change as your business grows. Keep in mind these rates are for my local area. Your rates may be higher.
- Find out where you can get rid of debris because this will definitely affect your pricing. Most city dumps require you to be a resident of that city and usually will not allow commercial dumping. The definition of “commercial” can vary depending on where you go. For the places that charge for dumping, try to get an estimate of how much a pickup bed full of grass or leaves will cost to dump.

Services

- Grass cutting
 - Include trimming and cleanup
- Edging
 - Most customers want it done once or twice a month
- Spring/Fall Cleanup
 - Rake lawn
 - Clean out leaves from flower beds
 - Trim bushes & prune plants
- Dethatching
 - Can be done spring/fall
 - I rented a dethatcher until I made enough from dethatching to buy the rental.
 - Usually a 2-step process - dethatching the lawn; then picking up the thatch with either a lawn vac or lawn mower with bag. Note: The dethatchers with a built-in bagging system do not pick up ALL the thatch. It is important to go

What If I Can't Drive? (And, Other Ways to Think Outside of the Box)

over the lawn again with a vac system to make sure all is picked up.

- Aerating
 - Spring or fall
 - I would recommend renting.
 - Price according to cost of the rental per day/hour, size of the lawn and the number of lawns you can aerate in the time that you have the machine.
 - Ask in advance if your customer's lawn has an inground sprinkler system. The sprinkler heads will need to be flagged.

- Debris haul
 - This is most popular in areas where local laws do not allow burning on your property.
 - If you know one of your customers will be having a small tree removed, offer to haul away the branches.
 - I have made a lot of money just going from customer to customer charging a flat rate for picking up piles of brush, grass, leaves and such.

- Dog Doo pickup
 - You can easily make an extra \$5-\$10 on a grass cutting job by offering to pick up the dog doo before you cut. This takes the stress off the customer of having it done before you come. I just leave it with their garbage to be taken out when the city picks up.
 - Usually charge \$5 per dog. Great Danes may require more! :)

➤ Fertilizing

- I do not recommend offering this service when first starting out. Leave it to the experts as there are many different factors that affect the product. A burnt lawn is not good for your reputation!
- I currently work with a local company who only offers fertilizing/weed control services. The company sells me their services at a discounted rate (around 30%). I then have the option to offer all of their services to my customers by acting as the middle man. The lawn program services are included in the bill I give my customers and the local company bills me. This is a plus for your customers because they do not have to deal with two separate companies and benefits you as you can make several dollars for every application you sell. I also have the option to pass a portion of the discounts to my (good) customers and I tend to make around \$10 per application without ever touching the lawn. As the business grows, I know much more can be made by offering the service yourself, but this is a great way to get started.

Chapter Seven Summary

- When your company has an issue, you need to think outside of the box to find a way to overcome the obstacle. This is what being a business owner is all about!
- Think of any challenges as just another “business problem”, and find your own creative way to solve it!
- If you can't drive, get a small trailer to hold your trimmer, blower and other tools and attach the trailer to your mower. Once this is done, you can drive your mower to your jobs.
- You are never too young to start a company of your own.
- Don't give up! When you think you are beaten and things seem insurmountable, step back and look for a better tool to use . . . or, create your own tool.
- Always remember the inspiring stories of Derek, Dale and Peggy Moyer, Zachary Stock and my nephew, James. If they can do it, so can you!

Lawn Maintenance and The Beautiful Business

Chapter Eight: When Do I Hire My First Employee?

If you talk to most small business owners, one of the main issues they will tell you about is employees. Employees are your pseudo partners in this endeavor. It is almost always difficult to find employees that will work like you do. You've been taught to be good, honest and to honor your promises to your customers. You've learned to be the responsible one which is why you are willing to take on the responsibility of owning a business.

Almost by design or by default, if you start looking for an employee and find someone willing to work for you, they are rarely self-driven. This creates a problem immediately. One of the things I like to say is –

The key to happiness in life is low expectations.

(Probably best not to repeat this in connection with your spouse!)

I had a situation when I first started my lawn maintenance company. After several employee problems, my lead manager came to me to discuss the issues. I remember sitting with him outside in the driveway when he asked me why he couldn't just do the work himself and not bother with having employees. He was under the impression that he might make more money this way.

On a certain level, this may be true. You could just remain the sole worker, use a helper every once in a while and, yes, you can make money this way. But, then, you really don't have a business. What would we call it? Well, you have actually created a job for yourself, which is nice. You would be a freelancer, per se. However, as a freelancer, if you're not working, you're not making money and this type of situation isn't the point of this book. The point of this book is to create a company that is going to produce income when you are not there. You're never going to be able to do this unless you hire employees.

If you expect to hire an employee who will work just like you, well, you've got something else coming. You see, this is the point of them looking for a job. They can't do what you do. When you hire your first employee, don't be surprised if he or she costs you more than what he or she is going to produce for you. However, you've got to bite the bullet

and hire that first employee. I won't lie to you. It's probably not going to work out, but this is fine because you will learn some things.

A Matter of Judgment!

It was really a matter of judging distances and measurements. See, when an employee came to me and told me that he had had a small accident with the mower and the customer's automobiles, he blamed it on the fact that he was not that good at judging distances.

When he and his partner got the mowers down, he took the 48 inch mower and his partner took the 36 inch one. They could have driven the mowers around the cars and into the back yard but it seemed quicker to just go up the driveway between the two cars.

The 36 inch mower went right through with no problems. The 48 inch mower started to go through but it is difficult to fit 48 inches of hard steel between a new BMW and a new Mercedes when these cars are only 46 inches apart.

Since they were parked on a small angle, the backs of the cars were about 50 inches apart, making the whole situation a bit deceptive, you see. As the employee drove his mower between the cars, they seemed to get closer and closer until he ended up denting and scratching the left side of the BMW and the right side of the Mercedes. He was able to force the mower through but only after damaging the bumpers of both vehicles.



This was why the times on this property were a little slower than usual. He promised that next time he would try to go faster!

When Do I Hire My First Employee?

How much should you pay this first employee? One of the rules of thumb in the industry, keeping in mind that wages are different all over the country, is to find out what McDonalds' and KFC's hourly rates are. Then, offer that much or maybe \$.25/hour more. This is where you can start. You want somebody to feel more attracted to the work you are offering - mainly because they like being outdoors, getting exercise, green stuff, handling equipment, etc. - but also because they can make a bit more money. It is a much harder job than flipping hamburgers at McDonalds.

Next, you need to determine what kind of person you are looking for. Again, you are looking for someone who can't be a business owner. Personally, I prefer to look for people who would like to be business owners but, for whatever reason, cannot. It could be they never saved the money to start their own business. It could be they are adverse to the risk involved. It could be they have had some personal difficulties in their life that precludes them from dedicating themselves to a business. There are so many reasons why someone might not be able to own and operate a company. If you can find this type of person, you are in the perfect position to take advantage of it. It's a wonderful position to be in. However, these types of individuals are hard to find and are far and few between.

The Ed Mann
Landscaping, LLC
Journey (cont'd)

My team members have stayed pretty consistent over the years as they enjoy the diversity of the jobs. Some call the company "Ed Mann Landscaping fitness and tanning salon". I have always believed that treating your crew members with respect and honesty is the way to go. We all try to work as a team.

Follow the Journey on
page 136.

You're not going to attract a guy who wants to make \$40K-\$50K a year, is very responsible and knows mechanics. You're not going to attract them to a start-up company. They are not going to come so don't expect them. If they do, they will come, look at you and tell you to call them in a couple of years. It's an uphill battle at first but, like anything, you have to gain momentum first. Once you have a bit of traction taking place, these other people will begin to come into your life and you'll be able to use them.

One thing to remember is that you will need to provide for the employee something that he does not have. It could be that he does not have a way to make money at this point. He might have a car payment, rent and other bills to pay and needs a paycheck next week. If he finds himself in this position, he cannot start his own company because there will be lag time from the time the first flyer goes out to when he can actually bill for work done and receive payment. Many people can be great employees but have structured their lives in such a way that they cannot be without income for any period of time and this traps them into being an employee for life.

What I like best is finding an employee who would like to have his own company but, as I said before, for whatever reason, doesn't have one. You can get him interested in you because you provide him the opportunity to develop his own company inside of yours. You're probably thinking, "Wow! How can I do this?"

There are a lot of people out there that like working outdoors, like lawn maintenance, like being in the business. They like doing the work. However, they don't understand how to run a business. They don't know:

- how to run the accounts receivable.
- how to perform the routing and scheduling.
- how to create job costing.
- how to attract the right type of customer.
- what type of equipment to buy.

All of the things we have been talking about at which you, of course, must excel. This is where you shine! Creating this beautiful company, this is what you do. If you create a company where your employees can create their own companies inside of yours, then you start seeing these very responsible people who want to join your company.

One of the ways we create this type of company is by paying our employees by piecework, which I will cover in *Chapter Nine*.

When Do I Hire My First Employee?

This means you may have to settle for whoever responds to your ad. However, believe it or not, very few positions are filled by help wanted ads. Most of the time, your best employees will turn out to be people who know somebody that you know. The connection may be through relatives, business associates, church, etc. Like I said, at first you are going to have to deal with having a bit less than what your ideal employee is but this is okay because your company will be changing and growing. In other words, employees will come and go and this is just fine. In fact, this is the nature of the beast!



Some of this also depends on where your company is in its evolution and growth at the time you begin to think about hiring your first employee. If you are just starting out, you need a different type of person than you will need after your company has been established and has more going on.

When I started the software company, I was the one who was doing most of the work. I was doing the programming. I was doing the tech support. I was designing the product. I really needed someone who could take over everything else and just manage it for me.

God put this in my heart and luckily, or providentially, brought this employee into my life. She was wonderful! She was great! She took care of everything. She just took over. I remember her sitting at her desk and yelling out, "I NEED MORE WORK!" She wanted to do everything for me. She worked for me about ten years and she was fantastic at the beginning of my business because, like I said, she took charge of everything and just ran the place for me so I could concentrate on developing the software product and all of its technical aspects. However, in lawn maintenance you don't want this personality.

My point is this, as the company grew and I had 20 employees or more, it became much more difficult for her to run the company because she wanted to run it in a very black and white, highly structured manner. Unfortunately, because of the tight reins she held, I discovered I was losing some good people to whom I could have delegated more responsibility.

Your business has different stages and you have to realize this. At the beginning, when you're just starting your lawn maintenance company, you need somebody who knows how to mow. He's not going to be perfect and he's not going to show up all the time. You have to wrap your head around this and understand that this is fine because this is who you need at the moment.

Try to remember to think about it this way - What can I provide that this employee can't provide for himself and how can we benefit each other? How can we make this a win-win situation where:

- our customers will be better off;
- our employees will be better off; and,
- I will be better off?

This is the beautiful company that we are talking about, that you need to create, where everyone benefits.

Don't be discouraged by your first employee! It's important for you to realize that this first employee might not be everything that you are looking for, but he's going to be what you need.

Well, maybe . . .

**After all,
Not Everyone
Can Mow Grass!**

Not Everyone Can Mow Grass!

When I was a crew leader, my supervisor came to me and asked if I could take this guy (We'll call him Jose.) and see if he could work for the company. Evidently the other crew leaders had said that Jose couldn't do it; but, the guy was from Latin America and I am fluent in Spanish, so they wanted me to try to train him, as the last resort.

My partner and I took him for the day and our first property was a church. There was a wide, expansive field behind some pine trees so I took Jose over there and told him to cut the field and come back to the truck when he was done.

After 45 minutes, my partner finished his part and I finished what I was doing. We met at the truck and expected Jose to be there, but no Jose! He should have been done a long time ago so we went to see what he was doing. We found Jose working hard behind the mower, but instead of cutting straight rows on the lawn, he was haphazardly cutting in any and every direction with little spots of grass poking up all over the place. I was a little surprised that he did not know how to stripe a lawn, but figured I would show him at the next property.

When we arrived at the next property, I

with the spinning metal blades!) right by my heels! He was literally following me!

I was starting to understand why the other guys said he couldn't cut grass, so I told Jose to just get the plastic bags and help my partner pick up the clippings as he cut the front yard. I wanted Jose to wait until the catcher was full and then empty it into the plastic bags. Seems simple, doesn't it?

Well, my partner takes off with the 36" mower, cutting without the catcher at first because we did not need to catch everything. I looked back to see how things were going and Jose was running alongside of the mower holding his bag open, trying to catch the grass as it came out of the shoot (along with stones and anything else that might have been left in the grass and could have killed him)!



I yelled for them to stop! After that, I told

Chapter Eight Summary

- It is almost impossible to hire someone who will work like you do because these people already own their own companies, just as you do.
- Realize that the employee you need when you first begin your business may not be the one you need as your business grows and evolves.
- Find the right fit for your business's current needs and be prepared to go through some trial and error before you find the "ideal" employee model.
- You will need to eventually hire employees if you want to grow your company into a "beautiful" business that produces money *even when you aren't there!*
- Try to offer hourly wages that are slightly above the fast food industry wage rates.
- Do what you can to attract people who love the outdoors and can easily learn to mow.
- The best employee is one who wants to own a business but, for some reason, is unable to.
- Try to create a win-win situation for your customers, employees and yourself! Everyone should benefit!
- Most employees are hired by word-of-mouth, not a help wanted ad.

Lawn Maintenance and The Beautiful Business

Chapter Nine: How Do I Pay My Employees?

When I worked as a lawn maintenance crewman and foreman, the piecework system allowed me to make a lot more money than did the hourly system, and have a lot more fun while doing so. There are a number of *CLIP* users who have decided to try the piecework system and are having some pretty phenomenal results!

Definition of Piecework

With the piecework system you pay your employees by the job, instead of by the hour. You pay your employee for getting the job done; it doesn't matter how long it takes him. For example, each job is rated as "X" number of man-hours. A job that is worth \$45 is approximately a 1.0 or 1.2 man-hour job, either \$45/hour or \$37.50/hour. If your labor costs average 40%, you can pay your workers 35% of the billing price, or \$13.50. This gives your otherwise \$8/hour employee the opportunity to make \$13.50 per job, no matter how long it takes him.

Pros of Piecework

The one big pro is obvious: The employee begins to think like an owner. Let's take a look at how some specific circumstances might affect a fictional business, Growing Greener. We'll call our fictional employee Able Bodd and our fictional employer Lot A. Bucks.

Repairs

You will be pleased to note that under the new piecework system, Able's sun-shiny face is less frequently gracing your shop. He will now think twice before coming back for a broken bracket on a trimmer. Time is money! If he does have to come back, he'll make smart decisions, like leaving the other workers on the job. You'll also find him amazingly anxious to vanish from your presence in order to get back on the job. Nice, yes?

Routing

You also will be pleasantly surprised at Able's new interest in charting the best routes. He will probably even want to help you enter

his route into *CLIP*. His 7-11 stops will suddenly seem much less necessary and become less frequent. Truck time simply does not pay anymore – and, you haven't nagged once. Nice, yes?

Production

Able now correlates maximizing his paycheck to maximizing your product or service. Upon arrival at the job site, he no longer is inclined to wait for the song on the radio to end, finishing the conversation regarding the latest subtleties of the O.J. trial or last night's game scores. Able Bodd wants to start cutting as soon as he parks his truck.



Bodd is surprised at his budding organizational skills. He will find that he is remembering to put those blades on the mower BEFORE taking it to the back field!

In addition, instead of three of Mr. Bodd's crew members waiting around for the last crew member to finish up, amazingly, they are all finishing up at the same time! (Let's face it, wasted minutes add up quickly. If Bodd's crew does 20 jobs in a day and wastes five minutes on each job, this is 100 wasted minutes per crew member. For a two-man crew (200 minutes) this would be three hours and 20 minutes per day. Can you afford it?)

Okay, now let's get the perspective of the owner of Growing Greener. We'll call him Lot A. Bucks. Mr. Bucks was a regular kind of

How Do I Pay My Employees?

guy with all the regular frustrations associated with business ownership . . . until he decided to try out the piecework system. He was hesitant when he first considered it. How much more would he have to pay in hourly wages? What about quality? These are the concerns most often expressed by owners. Here is what Mr. Bucks found out.

Salaries

When considering piecework, Mr. Bucks first thought of the wage difference between his lowest and highest paid employees, a difference of about \$2-\$4 an hour. The difference in output among these employees was quite significant. Would it stand to reason that if higher pay was an incentive, he could attract better workers and retain them longer? As in most regions, Mr. Bucks loses potential employees to such high paying, fine establishments as Mac-A-Dees and Roy Boys. What if he could compete with the fast food joints by attracting intelligent, motivated and hardworking employees who'd rather work in the great outdoors? Within the piecework system, he'd be able to offer a hardworking individual the possibility of \$20/hour.

Upon implementation, Mr. Bucks was pleased to find that not only was he able to compete with Mac-A-Dees, but employees were also less likely to start their own businesses because he was handling all of the paperwork headaches and they were satisfied with their net pay. He also found that his least productive employees were not so satisfied with theirs and quit for the fast food option. How's this for a self-weeding system?

Management

Mr. Bucks found that by using the piecework system he was spending less time managing employee problems and more time developing his business. In aligning his employee's goals with his own, Mr. Bucks and his workers had become the team he'd worked so hard to produce.

Costs

Mr. Bucks' employees now only make money when he does. When the grass is long and wet, they make less money, just as he does. Initially, when the dry season came, Mr. Bucks balked at paying some of his

employees \$20/hour, until he realized the same employees were providing him with \$150/hour in billables. Wouldn't you like to be paying \$20/hour to your best employees?

In addition, Mr. Bucks's equipment was better used and better maintained - no more stalling when beginning a job upon arrival at the job site, fewer occurrences of mowers in back fields without blades, etc. Because his employees were working more efficiently, Mr. Bucks was able to take on more work than his competitors with less associated cost.

Quality

Mr. Bucks found that the piecework system required employees who were concerned about quality, not simply in making more money. This system needs the right kind of people. With piecework, employees need to be smart enough to realize that their paycheck depends upon satisfied customers.

The adage, "Inspect what you expect," proved very true for Mr. Bucks. He now conducts more frequent inspections. Initially, he had to replace several of his employees who were not up to the responsibilities that piecework entails (quality workmanship). However, by offering the possibility of higher wages, it was not as difficult to attract higher quality workers.

Mr. Bucks became more creative using the piecework system. If a customer called and complained about an employee's workmanship, that employee had to correct the problem on his own time or had to "pay" another employee to fix it.

Sleep

Sound dumb? Well, Mr. Bucks also found that because employees no longer had any incentive to stay late, they were less often meandering in after 5 p.m. By using the piecework system, Mr. Bucks not only sleeps better, he sleeps longer!

Implementing Piecework

Growing Greener's owner, Lot A. Bucks, was a smart man. He knew that any time a change is implemented by an employer; employees immediately assume it is to make the owner's pocket fatter and theirs thinner. Mr. Bucks introduced the piecework system gradually. At first he instituted a substantial production-based bonus system. His goal was that approximately 10-20% of his employee's pay be a result of production bonuses. He began by paying \$1 per man-hour produced in a week, AFTER 50 hours had been produced. His employees were able to see the immediate benefits of the system.

Conclusion

These are the facts as presented by Mr. Lot A. Bucks, and also attested to by me at Lawn-Wright, Inc. When Lawn-Wright, Inc., first adopted the piecework system, the morning "prep" time was reduced from 1 hour to 15 minutes. It was amazing to see how fast the guys wanted to get to their jobs when they were no longer making money by just standing around. Our production increased so dramatically we would often finish our work early on Fridays. And, as a foreman, it became easier to motivate the workers! After implementing the piecework system, some *CLIP* users have doubled their production without increasing costs.

Ask yourself why you can be so much more productive in the field than your workers. Are you not, as an owner, already on the piecework system? Put Able Bodd on the same system and you'll find that you not only hired brawn, you hired brains. Your employees will not only work better, they'll work smarter!

Chapter Nine Summary

- Piecework is a great system that pays your employees by the job, instead of by the hour.
- Employees on the piecework system are smarter with repairs, routing, production, management and costs.
- You can afford to pay your employees more and obtain better quality employees because when they work hard you earn more profit to pass along to them!
- When you gradually implement the piecework system, your employees will immediately see the incentive and find the drive to increase their own paychecks.
- By using the piecework system, you provide your employees with a sense of ownership because a portion of your profits goes straight into their pockets - and this provides you with better quality workmanship and a great team of employees with which to work!

Chapter Ten: How Do I Grow My Business?

You're off to a great start! You've got your first couple of customers and you're mowing for all you're worth! You're taking care of business like a pro! This is all fantastic and feels good, doesn't it?

Once this is the case and you have most of the headaches out of the way (and, hopefully, are running *CLIP* Software to help reduce or eliminate future headaches), you should be considering how to grow your business. (See [Chapter 15](#) to learn about the systems you should have in place.) How can you make it bigger? You want to reach the goal of having your business run itself - what I like to call "beach management". To do this, you need to position yourself and your company. This means you need employees.

One book that discusses landscaping, called *The E-Myth Landscape Contractor* by Michael E. Gerber and Anthony C. Bass, talks about this very thing and says you can have a job (which means you work by yourself for yourself) or you can have a business (where you work for yourself and have some employees) or you can have an enterprise (where you have various offices spread throughout a county, state, or country, and possibly even have a global presence). You can set your sights on how large you want your business to be. Each one (job, business or enterprise) has its own challenges.

To begin, your first thought is to get yourself into a job where you can do work for someone and they will pay you. What a great feeling!

But, how do you grow your business? First, you're never going to be a million dollar business unless you start acting like one early on. I find with a lot of people that instead of trying to plan and visualizing what types of problems may occur in the future and preparing for them, they try to operate by the seat of their pants.

Let's say that you have systems in place and you have marketing ideas. Great! However, you're never going to be able to handle all this by yourself unless you actually put things into a type of system.

The Ed Mann Landscaping, LLC
Journey (cont'd)

For many years we have relied on technology to keep the company on track. *CLIP* has helped us to do just that. My company bought the *CLIP* program in 1990 and started using it in 1991. We still have a lot of the same customers from 1991 and we can go back and view all of the work we have done on their property to date. The *CLIP* program has helped us through the years with routing and scheduling, billing and job costing just to name a few. My wife (Joanne - who has been the office manager since the early 80's) and I have been faithful customers using the product, telling others about the product's capabilities and going to many of their conferences (with infants in tow - a.k.a. 'Little Clippers'). Dave Tucker, his employees and his family have always treated us as part of their family. If Dave wasn't around personally to help with a problem one of his team members were ready and willing to help us out with the many technical questions or problems we have had over the past 20 plus years while we were using *CLIP*.

Follow the Journey on page 189.

Let me give you an example of what I'm talking about. Let's talk about something easy like collections. At first, when you only have five or six customers, you might have one customer that consistently pays you late. You give the customer the bill on the first of the month and the customer doesn't pay you until, let's say, the 15th or 25th of the month. This is just messing with your finances. However, eventually, you get used to the fact that the customer is going to pay you on the 15th or 25th.

This works for a while, especially if you only have five, ten or twenty customers and only two or three of them are paying late. However, if you plan to expand and have, say, 100, 200, 300 customers, you cannot have one out of every ten paying late. You need to create a system that actually works on its own to prevent this.

This is where *CLIP* Software comes in. *CLIP* Software can tell you that someone's payment is overdue. It can also automatically tell the customer that their payment is overdue, within a few days of the due date. This is how you create these systems that then take care of the business.

When you are small and only have 20 or 30 customers, software

seems like overkill. It seems like you are using a chainsaw for something that only requires a carving knife. What you really have to keep in mind is you are trying to grow a beautiful business. It's not that you are just trying to make it through. It's not that you are just trying to provide your own job. You're trying to grow a beautiful business so you need to have the software in place to take care of this business and to run the systems required that will allow your business to grow. Software is a huge part of your business and will play a colossal part in how you are going to achieve your goals.

The two software applications I recommend are *CLIP* (to manage your lawn maintenance company, <http://www.clip.com/>) and KnowItAll (to manage your knowledge base, <http://www.knowitall.biz/>). You should have both of these programs in place as you start your business. There are payment plans for small, medium, large and extra-large (Wouldn't this be nice!) businesses.

Utilizing these two programs will tremendously assist you in growing your business.

Make Profit to Grow!

Let's address another thought that people consider (erroneously!) - I'm not making much money now but, when I grow, I will be able to make a profit. STOP . . . stop right there! If you can't manage a business when it is small to the point where it can be profitable, you are NEVER going to be able to manage a business when it is large!

When you make a mistake bidding on a small job and wind up underbidding it, you might lose \$5 or \$10 a week on this job. But, if you have a large job and underbid it, it will sink you because you will be behind by tens of thousands or maybe even hundreds of thousands of dollars. This will sink your business PRONTO!

You want to make sure you are profitable before you grow. Do not grow if you are not profitable. You need to take your time and make sure that you have a profitable company - then, you can grow!

Remember, this statement - You do not grow to make profit, you make profit to grow.

The other thing is you want to avoid debt. No company can ever go bankrupt if it has no debt! The only way you can go bankrupt is if you have debt because your creditors will be coming after you and trying to collect what is owed to them. However, you won't have the money to pay. If you don't have any debt, then you cannot go bankrupt because you can close the business down if you want to or you can shrink the business down until you are again the only one mowing.

Make profit to grow!
Don't grow to make profit!

Stick to Your Knitting!

The next thing about growing is that you need to remember to keep to your knitting, or stick to your knitting. This is a saying I like a lot.

What this means is to continue doing what you know how to do. Again, you're making a profit to grow so let's not leave the realm of what we know how to do.

You know how to mow.

You know how to blow.

You know how to trim.

You know how to put an edge on a lawn.

You should stick to these services because if you can get these services going and going well to the point of having your employees work for you using the piecework system, you'll find out that growing your company will be so much easier. Stick to your knitting! Do NOT be tempted to say "yes" to everything!



I have seen small companies end up with a bunch of equipment that only gets used a couple of times a year, if even that. They have to become experts at estimating all types of jobs and be able to train their employees in multiple disciplines to the point that the owner has to be present at every estimate and at every job. You have now created an “ugly” business because it requires so much management and so much of your time. You are a slave to your company, instead of your company serving you. I saw a sign on an auto repair shop; it said, “We specialize in all makes and models, foreign and domestic”. What does this mean? It means that they specialize in nothing! To specialize in everything is to specialize in nothing.

On the other hand, I have seen another little mechanic’s shop that has nothing but VW Beetles around it. It doesn’t have a sign saying that it specializes in VW Beetles but, if I had a VW Bug, I would most certainly take it to this shop. I would know that they would be able to help me better than an auto shop that “specializes in everything”! Decide what your company will do and do it well. Limit your scope to what you know and know well. Train your employees to do a few things very well. Fight the urge to say “yes” to every request you get and you will be well on your way to building a beautiful business.

Routing

The area most lawn maintenance companies lose efficiency in is its routing. You **MUST** keep your routes very, very close to your central location - be it your home, office or where you park your trucks. Don't go traveling all over the county to do a job that seems very attractive. Hold yourself back.

The biggest thing to address when we talk about growing a business is the ability to say "no". This is so important! You have to be able to say "no" to these opportunities. You're going to have people coming to you and asking you to do jobs for them. You will be so tempted to pick it up because you will need the money . . . and, I'm not saying that you will never ever do this. It is possible. It is possible that you might be in the position where you need to take on a job like this. But, what I am saying is to be very, very careful and try to stick to your knitting. Remember, keep the end in mind as it relates to this beautiful company that you are trying to build. Make sure your routes are very close. Don't go outside of your perimeter. Pick a perimeter on a map and decide that this will be your target market.

This is why it helps so much to be using the door hangers as your primary means of marketing.

Customer Profile

Another thing to keep tight is your customer profile. Make sure that you know exactly who your perfect customer is. Is it a small residential property? Is it a medium-sized residential property? Is it a high end property? Are you trying to become the best landscaper in the area and make the prettiest lawns on the street? Or, are you just trying to keep the grass down in order to keep the homeowners' association away? Either way, you have to pick the customer profile for your company and then keep it tight.

Again, be able to say "no". The thing about growing your business is always be able to say "no" to things that don't work for your company. If you see something and it doesn't seem like it is going to do what you need it to do, just say "no".

How Do I Grow My Business?

As I noted earlier, our customer profile is someone who is in a fairly new neighborhood, has small trees on his property, has recently moved in and is thinking about going to Home Depot to purchase a lawn mower. This is the person whose attention we want to grab by telling him that there is a better way. He can pay us \$20 per week and we'll take care of his lawn for him. He won't have to worry about the gas, oil, etc. This is our customer profile and we do very well with this customer profile.

We have taken on a few other customers (Just for the fun of it!) to see if there was any money to be had with these types of jobs. For instance, we cut the grass for a city owned dog run. This has been a TERRIBLE job for us! I think the money we're making for the dog run is in the low \$20s per hour, while our residential properties are making \$44-\$48 per hour. You can see from this example that it is just not a good idea to go outside of what you already know.

Don't worry about growing unless you know what you are doing and are conscious and purposeful about growing in this area. If you decide you want to grow, do more of what you already know. Stick to your knitting!

Chapter Ten Summary

- You do not grow to make profit, you make profit to grow!
- Make sure that you stick to your knitting. Do the jobs that you know how to do. Don't do the jobs you don't know how to do. Stick to what you know and build your business. Remember and keep in mind, you are trying to build a beautiful business, not an "ugly" business.
- Keep your routes very close. Make sure that your chosen geography will not kill you.
- Keep your customer profile tight. Make sure that you pick the customer profile that you want and with which you are comfortable.

Chapter Eleven: Management by Measurement

“You get what you inspect; not what you expect.”

If you measure something, it will get better. Think about the biggest “pain” in your company. I don’t care what the pain might be. The pain could be any number of things. It could be:

Customer complaints.

Productivity woes.

Employee turnover.

Equipment maintenance and repair.

If you begin to measure your pain, just the exercise of measuring it will improve it. If you don’t take anything away from this chapter other than this concept, that’s fine. Just make sure that you wrap your head around this statement. Let me repeat it, if you begin to measure your pain, just the exercise of measuring it will improve it.

Let’s talk about a business. What is a business? A business is the organizing entity between the employees and the customers. This is really all that a business is. I think the simpler you think about your business, the better off you will be.

Employees are people who are willing to sell their time or expertise for money.

Customers are people who are willing to buy time or expertise for money.

The business, which is what you are, organizes the people who are willing to sell their time or expertise and the people who are willing to pay money for time and expertise. For you, management is key! The more

efficiently you can get your employees to work for your customers the better off you will be as a business.

This was an epiphany to me! I'm not sure where I learned this but it was like a light bulb being turned on!

This concept explains what a business is so begin to wrap your head around it. We think a business must be very complex, but it is not. It is very simple. A business simply organizes employees and customers. The business connects its employees with its customers, collects payment from its customers and pays its employees. From this service of organizing both employees and customers, the business makes a profit.

It's sort of like eBay. eBay offers a vast array of people who are willing to sell their items and connects them with people who are willing to purchase their items. As a result, eBay makes a profit from these purchases. By doing this, eBay has become a very successful company.

The Four Measurement Areas

In talking about a lawn maintenance company, I would say that your lawn maintenance company consists of four measurement areas: 1) equipment, 2) employees, 3) customers and 4) management. At this point in the book, we are going to talk about how to measure each one. How do you measure equipment, employees, customers and management to determine the effectiveness of each?

Remember, we said that there is a basic human tendency, human nature, that supports the statement that if you measure something, it will get better. This human nature is huge to us.

Think about almost anything in your business. Let's use productivity as an example. If you put up a big whiteboard and assign a number to productivity as your measurement, you can look at this number and say, "Today, we were 100% productive," or "Today, we were only 75% productive." You don't even have to say anything. Employees will come up to you, look at this number and ask how they can improve this number or question how you calculated the number. Just the fact that employees are asking you, will improve your productivity.

Measuring Equipment

Let's delve into the first area - equipment. How do you measure equipment? You want to create a report that lists each piece of equipment with 1) a column on each line which will be used to note each piece of equipment that is working/not working and 2) a place to enter notes for each piece of equipment that is not working. For an example, see Figure 11.1.

Figure 11.1: Equipment Measurement

Date:		Operator:		
ID Number	Description	Hours/Mileage	Condition	Notes
			W=Working M=Minor repair needed J=Major Repair	
SC001	36" Scag			
SC002	36" Scag			
SC003	36" Scag			
ST001	52" Stander			

How often have you wasted time because employees went out with broken equipment? They didn't remember to tag it or tell you. Again, if you start measuring your equipment and have one of your employees report to you every week with the status of equipment, immediately your equipment will be better maintained and issues noted. If you post the list in a public place, there is a good chance that you will get even better results. This is the first way to measure your equipment.

The next thing you want to find out is how much your equipment is used. So often I have been to lawn maintenance companies that buy a huge amount of equipment and they don't even use it all that much. Typically, in this line of work, people love equipment. They love things that go vroom, vroom. And, we love buying things. Buying equipment gives us some sort of high or power that we feel in the back of our minds.



You need to determine how much your equipment is being used and you have to decide if it is giving you a good return on your investment. We have an Excel spreadsheet called Equipment Tracking. With this Excel spreadsheet, if you start entering all of your pieces of equipment and how many productive hours each is used, it will provide you the information on how much each piece of equipment costs you per hour. If you go to www.clip.com/webinars.asp, you can download this Excel spreadsheet anytime you would like.

If you look at the MHR Rating, man-hour rating on the equipment cost spreadsheet, you will be able to enter each piece of equipment and how much each piece of equipment is costing per man-hour. As you fill in the columns with the information for each piece of equipment, the spreadsheet will tell you how much each piece of equipment is costing you per day.

This spreadsheet will tell you what your overhead is, what you need to make per man-hour and how much you need to make in man-hours. When we do consulting for companies, many times we will fill this information in and tell them what their minimum man-hour rate must be to break even. This way, they know that to make a profit they must bill their man-hours at a higher rate than the minimum. This makes it very easy for them because they can go back to their historical customer data and see what their man-hour rates were and analyze their estimating process with better understanding of what needs to happen going forward.

Management by Measurement

I would recommend that you take the time to download this spreadsheet. (There is no cost to download! WooHoo!) You will find it at www.clip.com/webinars.asp; click on Man-Hour Rating and save it.

In addition, you can set up your equipment inside of *CLIP* Software.

I have been asked if this can be done using MowerMeter Software and the answer is, yes. Actually, MowerMeter is much better to use for this. MowerMeter was created by Glenn Zior. Glenn is the Vice President of *CLIP* Software, a co-owner of *CLIP* Lawn Care and does many of our *CLIP* customer site visits. MowerMeter will do all of this for you if you track it, plus many other things.

Measuring Employees

The next thing you need to measure is your employees. The Number One product you sell is employee time. I've said over and over and over that you need to know everything about your man-hours, what they cost you, wages, benefits, etc. (All of which are extremely important to know! You should know this information like the back of your hand, your dog's birthday, your anniversary date . . . better, actually!) You can measure all these items with an efficiency report.

Efficiency reports are so useful and chock full of important information. You need to compare your employee efficiency (What they've been doing and how efficient they have been.) with what you are paying them. This will give you a true measure of your employees and their productivity. I cannot stress enough how vital it is to have a handle on this information. When it comes to employees, we know this is especially true because usually anywhere from 40-60% of your total cost for the year relates back to employees, their payroll and benefits.

Another way to measure your employees is by their total productivity. For this, you want to determine the brute number of hours that your employees produce. This should be based on your man-hours. One guy may go out and work really hard but only produces 30 hours because he leaves early. You may have someone else who takes a bit longer but produces a brute number of maybe 45-50 hours. You might have someone who is not fantastic on their efficiency but they have produced a huge number of hours. You want to know and keep track of this type of information.

Two other things to measure are the compliments and complaints. Since your company is the connection between the employees and the customers, you have to know how well your employees are serving your customers. You are the one who will have the communication that goes back and forth between your employees and customers. Remember, compliments are worth ten times (10X) more than the complaints. Why? Complaints happen fairly easily, whereas compliments are extremely difficult to get from people.

Another measurement to consider is the effect your employees have on the productivity team. A couple of years ago I created an Excel sheet called Employee Value, which is an attempt to measure the worth of each employee. It might work differently for your business, however, I know that if you don't measure it you'll never get any kind of results. Make sure you get the results that you want by changing the columns to reflect what you think is important. You will find this spreadsheet at www.clip.com/webinars.asp; click on Employee Value and save it.

Measuring Customers

Your third measurement is customers. I would highly recommend that you look at the free webinar on the www.clip.com website entitled "Are You Making 30% Net Profit?" under Job Costing & Revenue Tracking. This webinar presentation will explain how to make 30% profit and how to watch your job costing. This will tell you which of your customers are paying the most money. This is the most important thing you can know about your customers.

There is a Job Costing Report in *CLIP* which will tell you what you are making. This report will give you the information that is most valuable when it comes to measuring your customers. This report will tell you how much your customers are paying per hour.

You should also measure your customer retention rate. Let's say you have a lot of good customers. However, if you have to replace them every year, this is a pain for management because management must continue to seek and land new customers to replace the ones lost.

You may be wondering how you can track your customer retention rate. This is very easy to do with *CLIP*. *CLIP* allows you to create a report that will tell you how many customers you have brought onboard.

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There is also a report which will tell you how many customers you have lost. It is very important to measure this.

Measuring Management

Management is the most important part of your business. Management is the system that sits between your employees and your customers. You would think that you, as the owner, would be part of management but I would propose that you are not. Management is actually the system by which your employees are connected to your customers.

This system requires someone to manage it; someone who can take the bull by the horns and run the system. This could be me in my company or you in your company, but this system requires one person who will be paid by the system to keep it running. Let this sink in for a moment.

The system, or business, is not made up of people. The business is a system. It requires a person and it should make enough profit to pay for this person or persons to actually run the system.

I said we just need to start measuring something and it will improve. If management is the most important part of the company, then it definitely needs to be measured, right? So, how do we measure management?

I really like this little set of equations that I found on the internet (author unknown):

Management Equations

1. A Smart Boss + A Smart Employee
= Profit
2. A Smart Boss + A Dumb Employee
= Production
3. A Dumb Boss + A Smart Employee

Think about this for a bit and, of course, it's not gospel truth necessarily, but it does have some truth to it. Let's see if we can get the Smart Boss and Smart Employee together. This is what I mean when I say let's train your employees to be piecework employees so they will use their smarts for you.

Profit is the best measurement for management. Why does the company exist? The company exists in order to make a profit. The problem with profit is that you normally only know your profit at the end of the year, unless you can keep track of it in other ways. This is one area where your job cost is important. You determine your target by deciding what you want your profit to be. In other words, you determine what your gross sales should be. The question is, are you hitting your profit goal?

Smart Boss + Smart Employee = Profit

You want the smartest employee you can get, but this doesn't always happen. One way to make your employees smarter is to create clear manuals for everything.

You should read *The E-Myth: Why Most Small Businesses Don't Work and What to Do about It* by Michael E. Gerber. It's hard to get a copy anymore. You can get *The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do about It*, also written by Michael E. Gerber, which is good, but I actually prefer the original. This is a fantastic book! It will open your eyes and change the way you think about your business because it talks about working on your business, not in your business.

Take yourself out of the business system and think about how the system works. The most important thing you can do to "smarten up" your employees is to create clear manuals for everything. If you have clear manuals containing clear answers to questions and clear systems, soon you will be able to walk away from the business with few, if any, concerns.

Why are manuals important? If you can document every single thing that happens and create a system where it works more and more without you, it will free you up to do more work (to do more productive work, that is!), to do new things, to do things faster, to expand into new areas of the business, etc. Basically, if you find yourself very, very busy,

something's wrong! You should, and need to, get to the point where you are not busy anymore. You should be sitting around and wondering what you should, and can, do next. What part of the business can you conquer next?

You should make sure that your manuals are readily available to your employees. At *CLIP*, we use an application called KnowItAll, which we initially created for our own internal use. KnowItAll is now used by over 1,000 companies nationwide. This is one solution, and I feel it is the easiest solution, for making your manuals accessible to your employees. You can learn more about this program at www.knowitall.biz.

You will need to spend at least one year documenting your procedures because this will bring you through a full year business cycle. After this, things will calm down but you will always be in documenting mode because things constantly change. This is why using KnowItAll is the way to go. You simply create a new article when you need it or edit or enhance an existing one, as needed. KnowItAll makes this documentation process easy and semi-painless because you will do it in an organic, natural way instead of sitting down and thinking that you need to create this massive manual for your company. Write your "manual" in small pieces using articles as the need surfaces.

You can try other ways. For instance, you can try doing this by creating a computer directory structure and adding folders for your manual chapters or topics, but we all know these things sometimes get lost or moved around. Using keywords to find your information in KnowItAll is so easy and so much faster.

The key to productivity with management is to be able to handle a greater amount of gross sales with a smaller and smaller management force. Every manager is overhead. This includes you!

What a Difference One Dollar Makes!

Think about it this way. If you move One Dollar from management to production, how does this affect your bottom line? Let me walk you through this Math and see if it makes sense to you.

So, One Dollar is removed from cost. We are taking One Dollar from overhead and placing this One Dollar into productivity. In a real life

situation, this would mean getting rid of one of my managers or moving one of my managers to another position outside of management.

If your hourly rate is \$45/hour and you have an average employee cost of \$15/hour, you have a productivity rate of three because 45 divided by 15 equals 3. I'm using round numbers to make it easy to grasp.

You can increase your sales by \$3 for every dollar you move into production. Why? Well, if you're paying a guy \$15/hour, he's producing \$45/hour. If you move One Dollar into production, you have actually increased your gross sales, or the possibility for gross sales, by \$3.

Moving One Dollar to production also means that you have decreased your cost by One Dollar. This creates an immediate profit for you because you are not paying one of your managers now. So, you have saved One Dollar in your cost and have realized a \$3 increase in gross sales.

If you are maintaining a 20% profit, this means you will get 60¢ back in profit. By moving One Dollar from overhead to productivity, your bottom line will increase by \$1.60. Well, this is pretty good! This is the equivalent of increasing your sales by \$8 because in order to make \$1.60 at 20% profit, you would have to be paid \$8 more for sales.

In other words, if I kept the manager in place and didn't move him into productivity, I would have to increase my sales by \$8 to have the same effect.

In essence, if you move One Dollar from overhead to productivity, you will have a gain equivalent to increasing sales by \$8. If you move a manager's salary of \$35,000 into productivity, you would have a gain equivalent to \$280,000 in new sales.

This begs the next question of, is it easier to become more efficient and eliminate a management position or to raise your sales by \$280,000? If you are only at 10% profit, instead of 20% profit, then the gain is doubled, which means your gain is equivalent to raising sales by \$560,000.

I don't think a lot of us understand the huge amount of money that goes into overhead. Remember, if your business is the system that

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connects your employees and your customers then, if you are spending money on that system, you are losing it!

So, is a program like KnowItAll or spending time creating manuals or creating systems whereby you are going to measure each one of these four areas worth it? I would say they are well worth it! If you don't measure the effectiveness of your management, you are missing out on huge profits.

How much can you manage? Remember, the key to productivity with management is to be able to handle a greater amount of gross sales with a smaller and smaller management force!

So, can you handle more sales with the same amount of people in your office? This is going to be your big question.

If you don't measure the effectiveness of management, then you are missing out on huge profits. So, what should you do? **MEASURE EVERYTHING** - especially your equipment, employees, customers and management!

Chapter Eleven Summary

- Equipment - What's working and what's not working?
- Employees - Which employees are the most productive?
- Customers - Which customers are paying the most?
- Management - Can management handle a greater amount of gross sales with a smaller management force?
- If you would like more information on management by measurement and how to measure these four areas, please go to <http://www.clip.com/webinars.html>. We have webinars and documentation which you may download free of charge.

Always remember that . . .

if you measure something,

IT WILL IMPROVE!

Chapter Twelve: Can I Use International Employees?

What is the H-2B Program?

In this chapter, we will be talking about the H-2B program. H-2B is a government program to bring unskilled workers into the United States to perform jobs that United States citizens do not want to do. This is a way to get legal workers from other countries, mainly Mexico, El Salvador and other Hispanic countries from Central and South America. You can get these workers to the United States and they will be legal, which is a huge difference from illegal workers.

I would never advise you to hire illegal workers. I know of a company in Baltimore, Maryland, that was running a lot of illegal workers and INS came in and shut them down. I believe they had 60 laborers and out of the 60, 35 were deported. This took place right in the middle of May, so it was during one of the busiest times of the year for a lawn maintenance company. More than one-half of their workers were lost during this busy time because this company was using illegal workers. Recovering from this type of situation would be difficult at best!

However, if you use the H-2B program, you can obtain legal workers. The request must be based on a seasonal, temporary or peak-load need. You cannot get workers for 12 months of the year and there is a limit on how long they can reside here. You can rotate H-2B workers so some would be here for the lawn maintenance season and then others would be here for the snowplowing season.

In our case, of course, it is lawn maintenance. However, you could also obtain legal workers for nursery work. (Actually, for nursery work you would be able to obtain legal workers using H-2A, which is the program for agricultural laborers.) If you have a lawn maintenance company, you really need to use the H-2B program.

There is also an H1B program which is for professionals. In other words, people who have a college degree or higher; however, this would not apply to lawn maintenance.

Here, in Maryland, one of our U.S. Senators really pushes for employers to use the H-2B program. This is because we have the crab

industry in Maryland. This industry brings people up to process the crabs, which takes place only a few months of the year. The crab industry brings up a lot of workers for the manual labor associated with this industry. Because of this industry, this U.S. Senator has been an advocate in the U.S. Senate to keep the H-2B program alive.

Before we get into the “nuts and bolts” of the H-2B Program, I feel it is wise to take a moment to make a couple of disclaimers.

DISCLAIMER #1: Let me say, again, right up front, that I would NEVER recommend or suggest that you hire illegal workers.

DISCLAIMER #2: I am not a lawyer and am just providing information as I understand it from the experience I have had with this program. You should embark upon and complete your own research if you are thinking of using the H-2B program.

All right, with this done, let's move on.

Why Is It a Good Reason to Use the H-2B Program?

One of the main reasons my company uses the H-2B program is because we have been unsuccessful in finding hard-working, dedicated team members locally. We have found that local people find it very difficult to fit into our business model. We find it hard to locate people who are willing to work hard, be committed to our company for a whole season, do quality work, etc. I have heard that this challenge is not only a Maryland issue, but that other areas of the country also face this challenge.

It was for businesses like ours that the H-2B (visa) program was created. It is meant for businesses like lawn maintenance companies that have been unable historically to find American workers to fill these jobs in an efficient and dedicated manner. This is the main reason we have switched to using the H-2B program.

Since we have started using the H-2B program for our seasonal workers, we have found many benefits associated with the people we have brought in from Mexico, not the least of which is their work ethic and dedication to our company. These workers have been transformative

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to our business in that they have been such hard workers and dedicated to doing a good job for our company.

A couple of years ago we did not get the H-2B workers as planned. There is a cap associated with how many visas the government issues each year. The cap is 66,000 per year and is split into two rounds, determined by time of year. In other words, 33,000 visas can be approved for an entry into the United States on January 1st and 33,000 visas can be approved for an entry into the United States on April 1st.

Two or three years ago was a peak time for companies applying for H-2B visas. During this time, we were using a law firm to do all of our paperwork for this program and, as luck (or the lack thereof) would have it, one thing lead to another and, ultimately, we did not get our request for visas in prior to the cap being filled. This meant that we were left during that year trying to scramble to locate American workers. Unfortunately, I would say that this was the worst year that *CLIP* Lawn Care has ever had since its inception! Sadly, the work ethic was just non-existent.

We had a lot of issues with people not showing up on time as well as not showing up at all. In contrast, with the H-2B guys we have used, it was very rare for them to miss a day even for a legitimate reason. This was a huge difference for us.

In addition, our American workers always asked when they would be able to get off next. Conversely, our H-2B workers' first question is usually to ask when they can work again! There is just such a 180 degree difference in mind-set. Our H-2B workers viewed the job as an honor and privilege to work with us while their American counterparts viewed the job as a bottom of the barrel position.

The H-2B guys come up alone, i.e. without their families, so they are here by themselves. They don't speak the language. They don't really have a social life while here. But, the attitude is different because they came here to work. They left their families and everything else to work in the United States. Probably the most important thing to our H-2B workers is having telephone cards they can use to call their families. They want to work hard and, in the case of some of our current H-2B guys, they're trying to work a few years here to come up with enough

money to set up a carpentry shop back in Mexico so they can have their own business.

Because of socialism, it is really hard for small businessmen to get started in Mexico. One way to overcome this obstacle is to come to the United States to work. Many of our H-2B laborers send almost all of their earnings back to Mexico.

Employee motivation and employee dedication with our H-2B workers, when we contrast these attributes with hiring local people, is like comparing apples and oranges. Our local people never produce. They never see it as a great job.

For us, using H-2B workers is one of the keys to our success! If we don't have H-2B workers, we know it's likely to be a hard season!

How Does the H-2B Program Work?

Generally, it will take a few months to complete the H-2B program requirements. Much of this depends on how quickly you process the paperwork and how long it takes the government to process the visas. Multiple steps, which I will discuss later in this chapter, are required in order for you to get your H-2B workers here by March 1st or March 15th. To be safe, we start our process in September. This way, we make sure we have enough time to gather and complete all of the necessary paperwork. There are multiple steps with multiple agencies and you know how the U.S. government works. It can take a while to process the paperwork through the bureaucracy and its red tape.

I would suggest that you apply for a few more visas than you expect to use because things always happen. For instance, you could hire someone who, for family reasons, ends up leaving mid-season. I usually apply for 2-3 extra visas.

Most lawn maintenance companies are looking for H-2B workers to start in the spring and work through the fall so the time to start the H-2B process is in September. This is a fairly conservative estimate.

Many people ask what the cost is for this process. Basically, if you complete the process yourself, getting the applications processed, running the ads in a newspaper, the fee for the interviews at the

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Consulate in Mexico, etc., you can expect to spend \$3K-\$4K. If you decide to hire an attorney to do this for you, you will need to add a few thousand dollars to this figure.

You may be wondering how much of our costs are recouped from the workers. The answer to this question is, not much. We ask our workers to reimburse us for their airfare and their passport fee. However, we understand that asking H-2B workers to reimburse the costs incurred in processing visas is illegal. Their hard work and great work ethics make up for the cost!

The H-2B Process - Step-by-Step

Step One - Department of Labor Determination

The first step in the process is to complete a Prevailing Wage Determination. If you will be hiring foreign workers, the Department of Labor wants to make sure that you will be paying a fair wage. You will submit paperwork describing the job and what will be required and the Department of Labor will issue a determination based upon research of other workers in your area who are performing similar jobs. The determination will let you know what the minimum wage for your job must be. This is important because this is the wage you will use throughout this H-2B process.

Step Two - Offer the Job to Local Workers

You must offer the job to local workers. Generally, you are required to do this in two ways, although it can be more. The two required ways are 1) posting an ad with your local work force agency and 2) running position advertisements in a local newspaper.

A work force agency is a state government's labor department that posts jobs for prospective employees. These jobs are posted on the labor department's website and, if someone applies for benefits from the unemployment office, they are required to go through the process of looking at this job bank to see what jobs are available. If I type "Labor Department Maryland" into Google, Maryland's labor department website will pop up and I can look at the posted jobs.

Lawn Maintenance and The Beautiful Business

When running a position advertisement, you must use a major newspaper in your town. You must run it on a Sunday and one other day during the week. You are required to leave these job opportunities open for at least ten (10) days. After this time period has run, you file a Recruitment Report which states the reason you didn't have any workers apply or, if you did, why they were not hired. This whole process is overseen by the local state labor department and then the federal Department of Labor. You need to either hire a service to do this for you or spend a lot of time researching the paperwork. As with anything related to the government, it isn't easy or cheap. Remember that they, the government, set the rules and we have to just abide by them - be patient, be calm and try not to get anyone mad at you.

We will post an ad and get a lot of resumes because people have a tendency to blast their resumes all over the place, whether they are really interested in the job or not, which is very frustrating from the business side. This lack of real interest is yet another reason we seek out H-2B workers.

When we post our ads we are very honest about the expectations of the position. We explain that it is hard work and that the work takes place in all types of weather conditions. We hope our honesty will deter people from applying who are not really up for the challenge and who might only be looking for a temporary fix.

Since we are required by the H-2B program to follow the recruitment process through to fruition, we will schedule interviews with those we feel are qualified and, hopefully, truly interested. We schedule our interviews beginning at 6:30 a.m. at our shop. Out of maybe 25 applicants, two might show up.

If someone does meet all of the requirements set for the position, you are required to give the Department of Labor this information. This will mean one less visa that you are allowed to have.

Understand that using H-2B workers can add risk to your business. I visited a company in Baltimore, Maryland, and the owner of the company has decided that he will not have more than 50% of his workers supplied by the H-2B program because of the risk associated with not being able to renew their H-2B program.

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Then, you have companies like **CLIP** Lawn Care that feel the benefits of 100% H-2B workers far outweigh the risks taken in possibly not having the H-2B workers for a season.

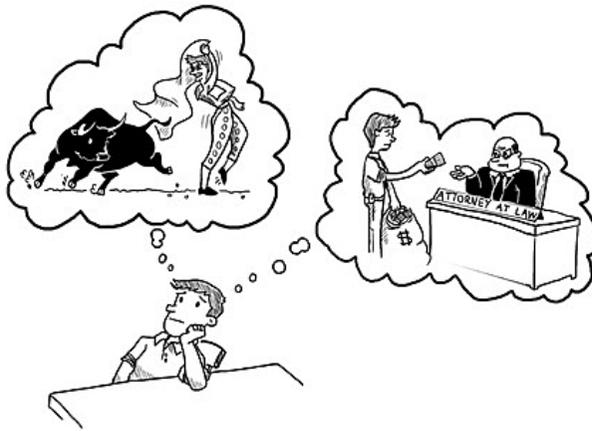
Do I Need an Attorney or Can I Do This on My Own?

Most people who embark on this process will hire a law firm or some organization that processes these visas. As I said earlier, we hired a law firm the first few years, until we felt our law firm did not have our best interests at heart and was not as quick with the paperwork as was necessary to be successful.

At this point, we decided to figure out the process ourselves so we could be the master of our own destiny. We read up on the laws and went to the Department of Labor website. It's a lot to sort through but, when it comes right down to it, it is possible to accomplish the H-2B process without the assistance of an attorney. We have processed our own paperwork for the H-2B program for the past few years and have been successful in obtaining our visas. Be aware that if you do this on your own, you will need to be able to sift through a lot of information, complete paperwork and be detail-oriented.

The initial application to the Department of Labor seeks a grant to hire foreign workers because American workers could not be found. In one instance, we had a couple of snafus with the paperwork. We did not carry our job postings' information regarding our drug test requirement through onto all of the forms. Also, one of the forms we used had been updated so we neglected to use the most current form. Because of these two reasons, we received a rejection notice. We went ahead and appealed the decision but we didn't catch and fix everything that needed to be addressed so the decision stood. Just so you know . . . if this should happen to you, you can re-apply if you get a rejection the first time, which is what we did.

This is one of the risks of taking the "bull by the horns" and doing it yourself. However, hiring an attorney to do this is a risk as well . . . as we found out the hard way!



If you decide to apply for the H-2B program, be aware and prepared that there are a lot of little details that must be followed. Remember, this is a government program so the “devil is in the details”. Every “i” must be dotted and every “t” must be crossed. Otherwise, you run the risk of denial.

One word of caution, if you have not heard from the Department of Labor in two to three weeks, it would benefit you to contact the Department of Labor. We had a situation where our paperwork was not being processed, but we had a person who was very diligent in tracking someone down to speak to about our paperwork so we could determine where the Department of Labor was in the process. Many people at the Department of Labor were very reluctant to give us information. However, we finally found someone with some pull and miraculously we received our approval the next day.

Step Three - Petition for Visas

After you hear back from the Department of Labor and have been granted your visas, you will file a petition with the U.S. Citizenship and Immigration Services (the “USCIS”). This petition is called the I-129. This is an official petition for visas.

Before, you were dealing with the Department of Labor; now, you are dealing with the U.S. Citizenship and Immigration Services. I haven’t had any issues with this step; however, an issue would arise if the cap is

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filled prior to your paperwork being submitted. This is where the visas are counted and the cap is filled. BE SURE to get your paperwork submitted before the deadline.

If you receive notification from the USCIS that you will be allowed a certain number of visas, you will schedule interviews at the Consulate in Mexico or El Salvador or whichever country the employees will be coming from. The employees go through the interview process and, if they are hired, they will receive their visas and are then able to work for you in the United States.

The interview process has been streamlined in the past few years. You can schedule the interviews with prospective employees using a website or by email. This is done by a private company in the United States which works with the Consulate to schedule the interviews. You would send an email requesting an interview at the Monterey, Mexico Consulate. You will receive an email response stating the date and instructions which you will need to pass along to your prospective employees. You must pay a \$150/person fee, which includes the cost of fingerprinting and other paperwork necessary for the interview process. You can pay this ahead of time with a credit card on the website, <http://monterrey.usconsulate.gov>.

The interview is a two-day process for the guys. The first day will consist of fingerprinting, completing paperwork, etc. The second day, usually in the morning, they will have their interview and, in the afternoon, if they have been approved, they will receive their passport back with their visa.

Great! Where and How Do I Find Workers?

For me, it just happens that I was raised in Mexico. My parents were missionaries down there.

The first time we applied through the H-2B program for workers, my very, very good friend down in Mexico gave me some recommendations which I took to heart. A couple of them were people I already knew from my childhood and I had a pretty good feeling about them . . . and, they had a good feeling about me and trusted me. You have to think about the dynamics from their perspective. They are coming to a strange country, alone, thousands of miles away from home.

Today, we are directed to workers by the people who are already working for us. The guys we currently have recommend family members or friends who would also like to come to the United States to work. This is a wonderful way to find your workers. I am sure all of you have experience with referrals from current employees and have found this to be one of the best ways to locate new employees. I believe this is the case because these family members and friends are likely going to share similar values as the people recommending them.

Another way to find workers is through the law firm that is processing your H-2B paperwork. They may have a pool of workers for you to choose from who either do or do not have experience. The firm may find the workers for you.

Particularly in Mexico there are a lot of problems with alcoholism. You don't want to get someone who thinks he will make money really easily by sweeping it up from the streets and who has a goal to party hardy. This is part of the reason I listen to the people I know in Mexico who recommend workers.

If you don't know anybody in, say, Mexico, El Salvador or any other country where you want to find workers, this could make things a bit more difficult. Some of these services that find workers for you are great if they have connections.

In my company, I have a couple of local workers and almost all the rest come from Mexico, the northeastern portion of Mexico right now. This H-2B Program has certainly changed the character of our business and how we do things. We think that the downside is so much less than the upside of what we have in the United States. We would be hard pressed to run our business the way we have if we did not have these exceptional workers.

I Have My Workers! What Should I Expect When They Arrive?

We talk about Americans experiencing culture shock when they go to other countries to live. Well, these guys experience culture shock when they come to the United States. Many of them have never seen highways like we have. Many have not seen the type of society we have.

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A very natural and engrained cultural expectation in Mexico is the expectation that the owner of a company is a “Patron” There’s a feeling and expectation that you are the “daddy” and you are going to take care of them.

Americans, on the other hand, are very independent and come in ready to work. If we were to travel 1,000 miles to some place to work, we would have money in our pocket. We would be ready to set ourselves up with the clothes we need in order to work, etc. With our workers, this is not the case!

When these guys come, especially the first time, they have no money in their pocket. They’ve got the clothes on their back. They don’t have much in the way of a suitcase. They don’t have proper shoes to wear. So, one of the first things you have to do is set them all up. As an American you may think, why do I need to baby these people like this?

The guys will often come here with nothing but a backpack containing a few items. They don’t really know what to expect. They don’t know what they should bring. They don’t know what the weather is going to be like. Many times they are arriving in March and they experience, likely for the first time, weather as cold as we sometimes have in March. There are just a lot of things they are not expecting.

In order for them to work well, it behooves us to set them up ahead of time. We provide a place for them to live, for which they reimburse us. This is one of the differences between, say, the H-2A and H-2B programs. With H-2A, you have to pay for and provide a place for them to live. With H-2B, they are responsible for their living expenses, including rent if you arrange for an apartment. I would go with the cheapest option possible because, as I mentioned earlier, they are here to make money, not settle in for life. They want to send as much money as they can back to Mexico. One guy wanted to camp in the woods so he could live cheaper!

We’ll set them up with a place to live and provide them with some basic furniture, sheets, etc. We also give them a starting allowance of about \$150 to buy groceries, shoes, etc. They often come here with something akin to casual business shoes, rather than boots or tennis shoes which they need for work.

The attitude is certainly evident that when they have a problem, they will come to you for help. For example, the Mexican culture does not recognize saving funds for an emergency as a priority. What happens is they have very strong ties to their family and work. These relationships help smooth out the bumps in the road and the unexpected expenses which come along. For example, the mother of one of the guys who was with us one year died rather suddenly during the summer. I was the one who received the phone call that this had happened. I got into my truck and drove to the job he was on. I pulled him aside and explained what had happened. I told him that, if he wanted to go back for the funeral, I had already viewed some airline flights for him. (In Mexico, they have to bury the deceased person within 24 hours so you don't have a week to get there.) I fronted all the money, purchased the tickets and helped him through the process.

He needed me to do this and this is normal for the Latin culture. They wouldn't know what to do otherwise. They don't have a savings account. They don't have much money because they have been sending it back home.

This past summer one of our workers wanted to purchase a piece of land in Mexico and requested an advance. I have found that our workers will pay off a loan very quickly. They will put a lot of their money toward the purchase because they live VERY modestly. However, as the Patron and because of their culture, they expect you to take care of them. They do not understand the American way of life and our values and rights regarding independence.

The positive to this is that they want to help and be a part of the big picture. I had a situation where I needed some help from the guys with a house we were fixing up for my son when he was getting married. They helped me every spare moment they had and some of them didn't even want to get paid for it. (We paid them anyway!) They completed their work quickly and early and came over to the house and wanted to help. They wanted to do everything! It is a two-way street. It's not just one-way where you are taking care of them and they aren't doing anything for you. I have truly found that when I need something, they are there for me. They'll do everything they can to help me.

Another thing about the Latin culture is that they have different classes. It's not like India where you are born into certain classes.

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Though, in some ways, it is similar. In Mexico, a business owner almost never talks to the low-end worker. He just wouldn't have that conversation. He would go through his managers and would never see the low-end workers.

One of the things I do, because I speak Spanish fluently, is to try to spend a bit of time talking to them. This impresses them to no end because they are not used to this. In the United States, management walks around - this is what they need. So even if you don't speak Spanish, take the time to just say "hello", ask them how they are and ask about their families. This makes a huge difference to them and they feel very, very special.

What Communication Barrier? Habla Español?

We have to recognize that there IS a communication barrier. To help alleviate this issue, we have on occasion provided cards to the crews which say, "Sorry! I wish I could help you but I can't speak English. What I will do is call my office and have someone there translate our conversation."

A big portion of this challenge can be taken care of by just acknowledging up-front that this will be the case and not trying to make it all go away by creating some elaborate system - just acknowledge that this challenge exists but that a simple system is in place for handling it.

We also do a lot of text communication. We like our guys texting on their cell phones, rather than calling. This allows our office personnel to use a translator on the internet to translate a message to the crew. The crew can then text her back and she can use a translator to understand the text message they sent. Of course, this is not 100% accurate, but it's better than nothing.

I'm sort of the last resort in the communication process but I've even received calls when everyone else is busy, not around or out-of-town. Jorge or one of the workers will call and ask if I can translate for a customer. They just hand the phone to the customer and I ask the customer what he or she would like and the customer lets me know. They hand the phone back to the worker and I explain what the customer would like. The worker takes it from there.

We also allow our guys to do estimates for neighbors and others who might ask. We use a form that is English on top and Spanish below. Our workers fill in the blanks on the form. This is another way that our workers are able to deal with the communication barrier.

We tried to get our workers interested in English language classes, but there really has been no interest. However, if your workers are interested in doing this, a lot of churches offer free ESL classes in the evenings. Just call a few churches in your area and you'd be surprised at how many churches are offering this as a free service to Hispanics. If they could go back to Mexico and know some English, it would really help them back in their country to obtain better situations for themselves.

I would like to note that *CLIP* Software includes a translator module so route sheet notes can be translated automatically. Route sheet notes are notes that you enter into *CLIP* and are printed on the crew's job list each time the job is scheduled to be done. These notes can be anything from "Don't let the dog out!" to "The combination to the backyard lock is: 12-45-82" to "Make sure that you blow off the front steps, the owner is very picky about this."

What about Citizenship for My H-2B Worker?

So, you have an H-2B worker who is by far the best worker you have ever had from any country. Can you help him obtain citizenship so he can continue working for you? Yes, you can. The process is the same as for anyone else who desires to become a U.S. citizen. It will be very hard to obtain a more permanent visa or citizenship, considering that he is working an unskilled job. I have heard that the process takes about seven years, at a minimum. However, it is possible.

Interesting Tips Regarding Culture

Below are some of the things people talk about -

- Never put San Salvadorians on the same crew as Mexicans. The different countries, believe it or not, see each other differently. We tend to call everyone Mexican. Mexico is a richer and larger country than most of the other Central American countries and they sort of feel like they are a bit better than Salvadorians or Nicaraguans or other people from Central America.

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- They like to listen to music. The Latin culture is full of music. They love music constantly and they would do this if they could.
- They love to work. They want more and more and more labor - constant labor.
- You might want to set up occasional inspections of the trucks they use and where they live, if you own the rental as I do. If you have ever traveled in Latin America or third-world countries, you know that it is acceptable for garbage to be lying about all over the place. It really looks junky. Most Americans would look at this and say they couldn't handle it. However, your workers will likely be perfectly comfortable living like this. You need to be careful with this and should inspect regularly. I have had to do this a few times where the guys are living. However, the guys will normally be pretty good for periods of time if you set down the rules.

Useful Web Links for the H-2B Program

<http://www.foreignlaborcert.doleta.gov/h-2b.cfm> - The Foreign Labor Certification link is the most helpful link when it comes to the H-2B process, up to the USCIS I-129 step. On this webpage, there is a detailed step-by-step process. It won't give you 100% of the information, but it will give you 90%. It will also give you the basic outline of everything that needs to be done. This is a good guide!

<http://www.uscis.gov> - This link is for the USCIS (U.S. Citizenship and Immigration Services) and you can find Form I-129 and the related instructions on this site.

<http://www.fewaglobal.org> - This link will take you to the Federation of Employers & Workers of America (FEWA) website. This company will complete the H-2B Program paperwork for you and guide you through the process.

Chapter Twelve Summary

- H-2B is a government program to bring unskilled workers into the United States for a few months of the year to perform jobs that United States citizens do not want to do.
- The H-2B Program helps you hire hard working, trustworthy and dedicated workers if it is hard to find them locally.
- It usually takes a few months to process the paperwork for the H-2B program so do your research and/or hire legal help ahead of time.
- To obtain approval, you need to carefully follow each step of the H-2B program.
 - Step 1 - Department of Labor determination
 - Step 2 - Offer job to local workers
 - Step 3 - Petition for visas
- Initially, you will need to find a contact in Mexico or a referral to a source company from your lawyer to find your potential employees. Once you have a team of workers, they can refer you to other potential workers.
- Realize the culture shock your new employees will have.
 - Set up their living quarters, give them seed money to get started and expect to act as their “Patron” in the United States.
 - Find a solution to the language barrier - translators in the office, translated route sheet notes and text communication can help.

Chapter Thirteen: How Can I Make a Living During the Winter Months?

Are you afraid of losing good employees? Or, maybe you're just afraid of cabin fever! Either way, below are some tips and ideas for what you can do during the long winter months.

Look around your area and see what business is being done during the winter. Are people delivering coal? Is there holiday type work? Some business owners have found jobs for their employees at retail stores for the Christmas rush or at ski lodges or ski shops.

There are businesses that have the same problem that you do, but in reverse. They are open during the winter when you are closed. If you use the H-2B program (See Chapter Twelve regarding the use of international workers), you avoid a lot of this hassle by letting your workers go back home during the winter. This way, your payroll goes down to almost nothing during the winter months when there are no jobs. We use this method at *CLIP* Lawn Care.

The other way to look at it would be to work very hard and push through for 8-10 months in order to have enough money to survive on for 12 months. This would give you the opportunity to travel during the winter months. You could use this time to do some missionary work. You could have a home in Florida or Texas and go there for the winter.

The question is, what kind of life do you want? If you can envision the life you desire, add the possibility of having some free time during the winter months to the equation. How would this change your vision? Think it through and figure it out. These two sayings remain true:

**“MOST PEOPLE DON’T PLAN TO FAIL,
BUT, THEY FAIL TO PLAN!”**

AND

**“IF YOU AIM AT NOTHING,
YOU WILL HIT IT EVERY TIME.”**

Lawn Maintenance and The Beautiful Business

Below are some examples of what you can do during the winter months from other lawn maintenance company owners.



“You need to offer more services during the winter, i.e. Holiday Lights), or, better yet, have you thought about offering additional services that you could continue through the winter like parking lot cleaning. I did this last year with some of the CVS Pharmacy stores in our area. If we had snow, we would plow; if we did not have snow, we would clean up the parking lot when they had trash. In our city, a large landscaper sells X-mas trees. They set up in about 4-6 areas around the city. They have their little heated trailers and sell like crazy. Do you have customers that mow their own lawns? Offer to have their mowers serviced before they store them for the winter, i.e. change the oil, spark plug, sharpen the blade, etc.)” - Mark E.



“Probably not for everyone, but one contractor buys wrecked up houses and then cleans and repairs them during the winter. He sells them in the spring and makes a healthy profit.” - Dave T.



“In order to keep my best employees throughout the winter, I purchased a Christmas lighting franchise.” - Kevin T.



“Build a house through the winter by hiring a reputable builder, providing laborers to him at an hourly rate and installing the landscape. Pick a builder you’d always want to do installs for and hire him with the understanding that you’re going to get his work from now on!” - Ian M.



How Can I Make a Living During the Winter Months?

“We have spent years building and refining our snow removal operation and now our old winter sideline has become a major profit center in our company and in many ways supports other parts of the operation. I am finding that commercial customers are having a harder time finding companies to handle their snow removal operations, and we have received many calls this season to take over properties at whatever price we ask. Few companies now offer snow removal, and even fewer will clear walkways so it can be a great need to fill.” - Allan D.



“The winter months are the best time for self-education and studying your business and looking at everything!” - Jerry



“We offer a seasonal contract to everyone in the neighborhood. This way, if we don’t have a snowy winter, we still have the cash flow to pay our bills. We then have our commercial accounts that are charged per push, so if it is a snowy winter we still are making \$\$\$\$.” - Wayne B.



“We schedule leaf cleanups until the end of Dec. We also schedule hard-scape installs during winter. We let the guys collect for 2-3 weeks in Jan-Feb if the ground freezes. Otherwise we work.” - Christopher O.



The thing to remember is that you need to look around and see the opportunities that exist in your area. You need to think it through and plan for the winter months.

“Go to the ant, O sluggard,
Observe her ways, and be wise,
Which, having no chief, Officer or ruler,
Prepares her food in the summer,
And gathers her provision in the harvest.”
Proverbs 6:6-8 (NASB)

Notice that way back in Solomon's time wisdom dictated that we prepare ourselves when things are good so we would be prepared when times were lean. Make sure to keep some funds back, saving them for the wintertime. Work very hard during the spring and summer so you will be able to relax a bit during the winter. You need to see this as an opportunity because your competition will probably not save nor plan for the coming winter months. They will have truck payments, equipment payments, rent and other bills to pay all winter long.

If you buy things with cash and make due with beat up trucks, you will be able to weather the winter season and, come spring, your competitors will be out of business. I have seen this happen over and over again. A business owner will get started early in the year with the savings and capital that he has. He will market to obtain jobs and this, in turn, will produce income. He will look at his books and think, "This will never end! It's great! All I have to do is get another job or two and I will bring in even more money!" But, since he doesn't see the winter coming, he uses credit for all his purchases.

By November, things are coming to a close. He looks at his account and realizes there isn't enough to carry him through the winter. The payments are still due, but the mowers are just sitting idle. The truck is nice, but it doesn't produce income sitting in the bay.

Somehow, he survives until February/March when he gets his first cleanups. He underbids because he needs the money so badly! He tries to get the customer to pay right away.

But, he also has a backlog of debt and now he has payroll to deal with as well. He needs to repair some of the equipment. The little bit of money that he gets seems to just disappear and pretty soon he is asking his employees to forego their paychecks for a few days.

Then, the day comes when the credit card is maxed out. It was a glorious morning . . . until he goes to the gas station to fill the truck up and the card is declined. He can't put gas in the truck or the mowers. He is done.

On the other hand, if you have planned accordingly and kept yourself out of debt, you will have this other guy's customers calling you and saying, "I don't know what happened to Larry! He was supposed to

How Can I Make a Living During the Winter Months?

come, but he hasn't showed up. No one answers his phone. Can you just come out and do the job?"

By keeping your doors open and your business operational, your customer list will begin to grow and you will have loyal, long-term customers.

Chapter Thirteen Summary

- Look around to see what types of work others in your area are doing during the winter months.
- To alleviate this issue, use the H-2B program. Using this program will mean that your workers will return home for the winter months.
- Consider it your annual vacation! Plan to only work 8-10 months of the year.
- Find out what other companies have done in the past and brainstorm to discover what is best for you and your company!

Chapter Fourteen: Extreme Profit

Accurate Job Costing

Job costing is one of the most important tasks you can do for your company. Unfortunately, many owners are too busy to job cost or their dislike of math or bookkeeping keeps them from job costing. If you are the type who is intimidated by math, this chapter is for you!

As you read on, you might find yourself feeling a little skeptical and wondering how some simple math can possibly make that much difference in your bottom line. However, I am convinced that it is no coincidence that, of our 7,000+ customers, the ones with the highest profit margins are the ones who track their job costs.

Here are a few easy steps to help you achieve healthy profit margins.

A Big Question

First, you should ask yourself, “If I am going to lose my shirt, am I likely to lose it in labor or in materials?” In other words, if you miscalculate on your bid, will you blow it in man-hours or in other unforeseen job variables?



A common misconception in the green industry is that construction jobs are more profitable than maintenance jobs. I believe that this

misconception is perpetuated by those who job cost maintenance jobs by the same methods that they use for construction jobs. But job costing maintenance is VERY different and should be estimated differently.

To job cost construction, you add all your materials, labor, contractors, overhead and other costs, and contrast total costs with total revenue. Materials often constitute a large proportion of the costs, and it is more likely that this is where a miscalculation may occur. Not so with maintenance. If you are in the maintenance business, it's more likely that you are going to miscalculate labor dollars rather than materials.

Job Costing - The Short Way

Job costing is so important that I recommend you look into a workshop or seminar for a more thorough explanation of it. In essence, there are long ways and short ways to job cost; so to get you started, let's look at a shortcut.

The most important figure related to labor-intensive jobs is the amount of gross dollars per hour your employees need to generate to meet your expenses AND your profit margin. We refer to this target figure as your *man-hour rate*. Man-hour rates allow you to compare one job against another to precisely identify which jobs are "bringing home the bacon" for you and on which ones you are losing your shirt.

To arrive at your man-hour rate, you first have to answer the following questions:

- How many production workers do I have?
- How many hours do my production workers work per week?
- How many production weeks are in my season? (Use the actual number; don't just plug-in 52 weeks.)
- What are my total yearly costs and my desired profit margin? (Hint: A good place to begin gathering costs is your income statement.)

Extreme Profit

For an example of simple job costing, see Table 14-1. In this scenario, your gross dollars per production hour (or your man-hour rate) is \$24.69. To arrive at this figure, take the figure in Column A (Total Costs & Profit/Year) and divide it by Column E (Total Man-Hours/Year). This is the first step in job costing.

Table 14-1: Simple Job Costing Example

Job Costing					
A	B	C	D	E	F
Total Costs & Profit/Yr.	No. of Production Workers	No. Hours/ Wk. Worked	No. Production Weeks/Yr.	Total Man- Hours/ Yr. (4 x 45 x 45)	Man- Hour Rate
\$200,000	4	45	45	8,100	\$24.69

The Next Step

The man-hour rate tells you what you need to make per hour on each job to meet your expenses AND your profit margin. Knowing what your bottom-line dollar figure MUST be enables you to make more accurate proposals.

However, it won't tell you which existing jobs are the most profitable for you and which ones are losing money. You've identified \$24.69 as your (bottom of the barrel / point of no return / absolutely no lower) target man-hour rate per job. Now, put this figure to use by comparing it to the *actual* man-hour rate you are getting for various jobs. Use this equation to arrive at your *actual* man-hour rate per job:

$$\begin{array}{rcccl} \text{Amount of} & & \text{Gross Revenue} & & \text{Actual Man-} \\ \text{Man-Hours To} & + & \text{From Property To} & = & \text{Hour} \\ \text{Date} & & \text{Date} & & \text{Rate/Job} \end{array}$$

Did you get the idea from the "To Date" in the equation that it is important to track your jobs continuously? This can be a tedious process and one of the reasons why many companies don't track their man-hour

rates. However, computer software now exists that allows you to easily keep track of income, time and expenses. This makes it simple to keep accurate, long-term records. Such software also allows you to manipulate the numbers and perform calculations to easily arrive at the all-important man-hour rate.

Don't Fall into the "Shiny Apple" Trap

It's tempting to think that the more dollars a job brings in, the more desirable the job is and the more valuable the customer is. But, beware . . . a lot of our customers find that once they start tracking *actual* against *projected* costs, they are in for a big surprise.

To illustrate this point, examine the following scenario.

You just closed two contracts - one with Mr. Smith and one with Mrs. Jones. (See Table 14-2.)

Table 14-2: Summary of Customer Contracts

Customer	Charge/Visit	Visits/Season	Expected Annual Gross Revenue
Mr. Smith	\$175	10	\$1,750
Mrs. Jones	\$28	10	\$280

You are especially pleased with Mr. Smith's contract because total revenue for the job is \$1,750. Mrs. Jones' contract is substantially less. While it is nice to be adding more customers, it's a smaller property with gross revenue of only \$280.

Mr. Smith looks pretty good so far, but let's take a closer look.

After completing 10 weeks of service, you print a job-costing report (which you really should have been printing all along!) with the results indicated in Table 14-3.

Table 14-3: Job-Costing Report

	Mr. Smith	Mrs. Jones
Charge / Visit	\$175	\$28
Visits (To Date)	10	10
Man-Hours (To Date)	97.3	8.3
Gross Revenue (To Date)	\$1,750	\$280
Gross Revenue / Man-Hour (To Date)	\$17.99	\$33.73

Now that you are tracking your costs, which job would you rather have more of? Servicing Mr. Smith is actually costing you more money than you are receiving! The money you make on Mrs. Jones' property is helping to subsidize Mr. Smith's job. Obviously, you don't want to perform jobs at a loss. But how do you know whether this is the case if you never run numbers like these? There's a lot at stake in knowing! Sometimes, poor man-hour rates are disguised in large gross revenue numbers, as is the case here.

We just had this happen to us this past year. We received a rather large contract to maintain a dog run for the city of Frederick, MD. We thought that this would be a "sweet" deal since the contract was several thousand dollars a month.

Problem is, we found out that we were only grossing about \$21/man-hour. Our costs are closer to \$26/hour so the reality is that we could have been more profitable by sitting in our trucks and watching the grass grow!

We are rebidding this job and will probably lose it, but it will be with a smile on our face. Some other lawn maintenance business owner will think that he just got the "deal of the year". While we will add 3-6 more residences, make around \$45/man-hour and smile all the way to the bank.

Remember that the point isn't how much you make, it is how much you keep. In the case of this dog run, we were keeping less than zero. Assuming we could get it at cost (no profit, no loss), we still would have made more by replacing it with a \$22 lawn cut that we could do in 20 minutes. Knowing this makes it much easier for you to walk away from these types of jobs.

It is certainly not always the case that smaller maintenance jobs are more profitable than the larger ones. But, when you track your man-hour rates, you have the ability to know whether your actual gross revenue meets your expectations. It will reveal which types of jobs are your most profitable and enable you to focus on these accounts. Just as important, you can analyze the jobs that are not meeting your expectations. This will allow you to adjust rates accordingly and bid more accurately on future jobs.

There is a lot of money to be made in lawn maintenance. But you must track your gross dollars per hour on each and every job. The beauty of lawn maintenance jobs is in their predictability and manageability. Why not take advantage of this? Tracking your man-hour rates takes the guesswork out of lawn maintenance. Unlike landscape construction jobs, once you are awarded a contract and satisfy your customer with good, reliable service, it is likely that you will continue to service the property for years to come. You should be sure you're doing so profitably.

Chapter Fourteen Summary

- Make sure that you are using accurate job costing. Know exactly what it costs your company to complete each job.
- Determine your man-hour rate. This is the amount that your company needs to be paid to cover overhead, payroll, expenses and your desired profit margin.
- Know your numbers. Be sure to find out exactly what your cost/profit is on all jobs.

Lawn Maintenance and The Beautiful Business

Chapter Fifteen: Beach Management

The sun beams down on rolling waves as the sea breeze fills your lungs with a sigh of contentment. Glancing at your beautiful wife, she smiles back at you.

“This is amazing, John. I love the beach!” Her eyes shine as she gets up to help your 5-year-old daughter build a sand castle.

“Ahh . . .” you think to yourself. “What could be better?”

“John! Are you in there? I still can’t get this to work!” You shake off your daydream realizing that someone is at the door. Not only are you stuck in your office, but it is another late night of training your newest employee.

Where did your mind go? It’s already 8:30 p.m. and the business checking account still doesn’t balance. You just missed your daughter’s bedtime for the fourth time this week and you shouldn’t even be dreaming of taking a vacation! After all, you are the only one in the office that knows anything.

“I thought that owning my own business was supposed to give me more time!”

Actually . . . it is!

Many business owners today make the mistake of creating companies that revolve around people instead of systems. When your company revolves around people, business owners are tied to the office, pessimistic know-it-alls can’t be fired and two-week vacations are out of the question and obsolete.

How did it all happen? What part of the “freedom of owning your own business” took away your freedom to do anything else? This problem is the result of your company relying on individuals instead of systems. When a problem occurs in your business, you need to ask “What system broke and how can I fix it?” instead of “What did they do wrong?”

Without Systems



With Systems



What is a system? According to the dictionary, “a system is an organized and coordinated method; a procedure”. Systematizing your business involves documenting everything that you do and following these systems. A company with good systems set in place can fire their foreman, hire new employees, send their CEO on a month-long vacation; and still make a great profit. How can this happen? *If all of your company systems are documented, all you need to run your company is someone who can follow these systems.*

Business systems should work like a brand new car. A new car is made up of many systems: brakes, lights, engine, etc. These systems make it possible for any driver to sit in the car, start the ignition and drive away. Since the systems are in place, the driver can focus on getting to his destination without worrying about the brakes failing. *The driver trusts the systems to take care of themselves because they have already been proven to work;* and, this is exactly how you should run your business.

There are four basic types of systems that companies need to put in place. These four types are customer systems, employee systems, vendor systems and financial systems.

Customer Systems

Customer Contacts Database

You should be able to find information on your customers within seconds. The more you know about your customer’s needs, the better you can serve them. *CLIP* Software, www.clip.com, is a great resource for tracking customers, notes, billing, routing, scheduling and job costing. What systems do you have in place to collect information about your customer’s needs and wants?

Customer Service & Satisfaction Systems

Every employee in your company should follow a set procedure when placing an order, handling a complaint or scheduling a service. Consistency will build trust and loyalty in your customers because they know what to expect from your business.

Services

All of your services should be documented with complete descriptions and prices. What services do you offer that are different from your competitors? Make this known to your customer. What statements can you make regarding your services and what systems are in place to support them? Give this information to your employees so they can help your customers efficiently.

Pricing

How do you price your services? Are you competitive? Research your competition's prices, specials and giveaways to determine how to price your services.

Marketing

Do you use the yellow pages? Do you hand out flyers? How does this local gazette work? Use programs like Microsoft Publisher, Microsoft FrontPage, Adobe Photoshop or outsource to a marketing consultant to help you create logos, brochures and websites to market your services. Once you put these marketing methods in place, you need a system to track which marketing methods work the best for you.

Employee Systems

Scheduling

How do you schedule your projects? What happens when the weather makes it impossible to work? Your business needs to have systems in place that schedule the work effectively and assign the right employees to the job.

Pay & Bonuses

How do you determine how much your employees make? When do they get a bonus? What do they have to do to get a raise? Do you pay them a salary, an hourly rate or by piecework? If your payroll plan is consistent, it will keep your employees happy and give your company the opportunity to grow.

Company Policies

How much vacation time do your employees get annually? What happens with lunch breaks? How do you deal with an employee who is consistently late to work? If you have solid employee systems in place, it will generate company loyalty. Decisions that are documented are easier to make because they have become company policy. Write out your policies and make them accessible to your employees.

Job Descriptions

What are your employee's titles and job descriptions? What tasks are they assigned to? How do they get their jobs done? If you need to hire a replacement, what qualifications are needed? Could anyone else take over if an employee calls in sick? Document everything that your employees do and keep it on file for future reference. When your job descriptions and requirements are clearly laid out, it is easy to let someone else do the hiring.

Vendor Systems

Vendors & Inventory

Who do you get your lawn maintenance products from? How much of each product do you keep in stock? Who are your contacts? Keep this information on hand so your employees can have access to it and deal with the vendors themselves.

The Ed Mann Landscaping, LLC
Journey (cont'd)

At the *CLIP* conferences we not only learned how to use the program to its fullest capabilities, many different ways to enhance our own business and some of its practices and procedures, & what was new on the horizon in technology; we got to Network with other business owners and their employees. The Networking was some of the most valuable information we could get anywhere and we have used this knowledge from others to help make our company what it is today. Joanne and I would spend hours with Dave or his team members picking their brains to help us figure out problems or to let them know what we 'as owners' needed to make our company function more smoothly - and they listened! We have researched many products over the years but none have been able to replace what we have gotten from the Sensible Software's program.

Follow the Journey on page 190.

Return on Investment

What is your return on investment? Are you making a profit on every job? What prices do you need to raise and which ones can remain the same? **CLIP** Software, www.clip.com, helps you see how much your prices need to change to get your desired profit.

The Ed Mann Landscaping, LLC
Journey (cont'd)

We also use other programs that Dave has developed, recommended and / or provided over the years such as KIA - Know It All, Mower Meter (thank you Glenn) & a couple of other modules that interact and enhance **CLIPS** capabilities. When we started to use Quickbooks the **CLIP** program was able to link with Quickbooks so that we could download vital information from the one program to the other. Dave and his company always seemed to be one step ahead in the computer world which was a big help to us ' **CLIP** Users'. For any business big or small it takes a lot of not only blood sweat and tears but an open mind and a willingness to try new things to see what works for your company to continue to grow and prosper especially in this day and age.

Follow the Journey on page 192.

Financial Systems

Cash Flow & Budgeting

How do you keep track of your accounting? What are your expenses? Have you made a company budget that you can follow? What profit do you want to make and how will you make it this year? Every strong company has a good accounting system behind it with valuable accounting software like QuickBooks, Peachtree and Microsoft Excel.

Investments

Do you have any company investments? Have you thought about what investments you would like to make? When do you plan on making them? Create a plan to accomplish your goals.

Loans

Which loans does your business need to pay off? Have you budgeted for them? How much do you need to pay each month? Plan a way to get out of debt as soon as possible.

Putting It All Together

Creating systems for your business is the only way to grow your company and give yourself the ability to manage it all from the beach.

Where should you start? The first step to beach management is to create methods and procedures for these four types of systems. After this, you need to document these procedures and make them easy to find.

The most important rule in using systems is to make them simple and accessible to your employees. Here's how. KnowItAll Software, www.knowitall.biz, is the key to systematizing your business because it will link every system to key words. KnowItAll *makes it easier for your employees to look up the answer than to ask you for it.*

Once your company's systems are documented and linked to KnowItAll, it's time for you to take that break and live the bliss of beach management.

See you at the beach!

Chapter Fifteen Summary

- Set up all four system types in your company to make your business run like a well-oiled machine. The four system types are customer, employee, vendor and financial.
- Customers – 1) have a contacts database, 2) create customer service systems, 3) document your services and pricing and 4) organize your marketing set-up.
- Employees – 1) determine how you want to accomplish both scheduling and payroll, 2) create company policies and 3) set up your job descriptions and requirements.
- Vendors – 1) keep track of your inventory, 2) document how and when to purchase from vendors and 3) create a vendor list.
- Financial Systems – 1) track your accounting, 2) set up your investments and 3) get out of debt by paying off your loans.

The Ed Mann Landscaping, LLC Journey (cont'd)

Now, I am ready to begin my 34th year in business and it is still going strong. I am a relatively small company but I am proud to say that I still have some of the customers from way back when; I now do work for their kids. I have said recently when I start to do work for the grandkids it is time for me to step down or pass the reins on to someone else.

Ed Mann & Joanne Mann
Ed Mann Landscaping, LLC

Chapter Sixteen: Success Stories & Murphy's Law

Success Stories

So, you always thought that lawn maintenance work was for kids or for “beer money”. (No, I don’t drink beer, but you get the picture.) So many people have told me this or made similar statements like: “Yeah, my son cuts grass for spending money but, eventually, I want him to get a real job.” Marty Grunder, owner of Grunder Landscapes, Inc., in Ohio, a multimillion dollar company that has allowed him to be involved in owning racehorses, a business consulting company and various other endeavors, tells about a high school reunion he attended. All of your regular people were there, mostly employees of banks, businesses and such. One, a bank teller, came up to Marty and asked him what he was doing now. Marty answered that he had a lawn maintenance company. The lady looked at him sadly and said, “I hope things turn around for you someday.” Little did she know that he had 30 employees and was well on his way to becoming a millionaire!

Lawn maintenance companies might not get the most prestige in this world, but if you want a good company that can provide very well for you and your family, you might want to go ahead and put the title “Lawn Maintenance Business Owner” on your business card. Then, join those below with your own success story!



Maintenance is not a very exciting topic - not nearly as exciting as landscape design or landscape architecture. The outcome is not always as dramatic or tangible. But, it’s in the absence of maintenance where you can truly grasp its value. An unmaintained yard is unpleasing to the eye and a stressful reminder of work to be done. Compare that to the consistent and subtle beauty of an orderly and well maintained landscape and you can see why we are passionate about landscape maintenance. That passion has made all the difference for our company.

At Southern Exposure Landscape Management, we understand that landscape maintenance is more than manual labor; it is a work of art. Art that evolves and grows with the landscape we are managing. Our key to success has been hiring people with a passion and respect for the living,

Lawn Maintenance and The Beautiful Business

breathing landscape that surrounds us. Since our humble beginnings of one man, a mower and trailer in 1995, a stubborn standard for quality has been our driving force to success. Today, Southern Exposure Landscape Management has over 20 employees, providing 3D landscape design and installation, hardscapes, lighting and maintenance. And, in 2008, in response to our growing business and the need for quality maintenance, not only in the lawn care business but also landscape lighting, we added Southern Lights: Custom Landscape Lighting, as a division of Southern Exposure. As we continue to grow and our company expands to provide more services beyond landscape maintenance, we remain committed to quality and passionate about our art form, remembering that maintenance is the root of our company.

*Pete Bryant, President
Southern Exposure Landscape Management, Inc.
Southern Lights: Custom Landscape Lighting
North Carolina*



Ed Laflamme started his company, Laflamme Services, with only \$700 cash in 1971. He grew his landscape management company to be the largest in Connecticut and it was named one of the top 25 companies in the United States. Ed ended up maintaining 10 company world headquarters at one time before he sold it to a public company in 1999. Then, with his knowledge in the green industry, he began a new career in writing, speaking and consulting!

*Ed Laflamme
The Harvest Group*



We started our business in 1986 as a one-man operation doing lawn applications. Over the years we have grown to a full service landscape company with 20 employees during the busy spring and summer seasons. We could never have done this without using **CLIP** Software. Previous to going into this business we had no computer experience at all so this was a big learning experience for my wife. But the people at **CLIP** Software were very helpful in getting us up and running. They, as a

company, have also come a long way from when we started with them back in the DOS era.

With us living in a low populated rural area we had two options for growth. We could expand our service area or expand our services to the area that we covered. We chose to expand our services that we offered. Our company now offers mowing, landscape design and installation and maintenance. We also offer hardscapes and water features. *CLIP* has taught us to manage our time and to be more efficient. We use Wright Mowers and also a Perma-Green spreader for efficiency.

TIPS FOR SUCCESS:

Listen to your customers.

Do what you say you are going to do.

Manage your time - this is what we sell.

*Richard and Lou Ann Lauger
Pennsylvania*



Tony Bass started his Landscaping Company just after college and five years later he discovered the systems of “*The E-Myth*” book by Michael Gerber and the *CLIP* Software program. His landscaping company became so successful from his learning process of redefining, repurposing and reinventing his small landscaping business that 14 years later he retired at the young age of 41. Tony Bass used his landscaping career to create an early retirement, begin a new lawn truck company (Super Lawn Technologies, Inc.) and enjoy and thrive in his family life.

In his own words, “I started with nothing but my mom and dad’s blessing. No money. No equipment. No practical experience. And, today, here is my reality. Entrepreneurism is the way to build wealth. And, yes, you can make all the money you and your family will ever need in the landscaping business. I am living proof.”

*Tony Bass, Founder & CEO
Super Lawn Technologies, Inc.
Georgia*





We have been *CLIP* users for 7-8 years and it has helped us organize our company to the point that last year we moved to Taiwan for full-time mission work. Our goal has been to use our company to fund us.

*Karen C.
Michigan*



We switched to a piece rate pay system and we have doubled our margins. In the process, I have been able to bill out an additional 36 man-hours per week per mowing crew with the efficiencies gained. This is without adding any additional employees or equipment on these crews. Since implementation, the whole culture of the company has changed and my “babysitting” has almost all disappeared! Outside of peak sales seasons I am working 4 hours a day. I have also removed 10-12 hours of physical labor that I used to perform myself every week from last year. In addition, I hired an admin 15-20 hours a week, rented an office and gave myself a 10k raise and have still doubled my profit this year even after taking a 10k loss in July with the drought. So, yes, anything that I can do to help show people the value of KNOWING YOUR NUMBERS and having SYSTEMS in place is the least I can do for turning me on to the piece rate system.

*Mike Callahan
Callahan's Lawn Care
New York*



There is something very satisfying about the smell of freshly cut grass or the appearance of a newly planted shrubbery bed. The more lawns we cut, the more shrubs and flowers we plant, the more we love our work. Over a period of 29 years, Professional Landscape Services, Inc., grew from a small group of four of us to a company of 20! First established in 1984 as a lawn maintenance firm, PLS was able to grow consistently with the opportunities that arose as a result of providing reliable and first-rate service.

CLIP has been an important part of our growth. With the ease of posting the work performed daily and the ability to roll that into the monthly billing, I no longer spent tedious hours doing redundant tasks. **CLIP** was a tremendous help in freeing up my time to work on growing our business to where it is today.

Our lawn maintenance and landscaping business has been a perfect fit for Peter and me, as we are both people with a strong need 'to be of use'. As Dave Smith (Co-founder of Smith & Hawken) put it in his 2005 book *To Be of Use: The Seven Seeds of Meaningful Work . . .* meaningful and useful work nourishes the soul and enriches the communities in which we live and work. We understand the benefits that our services provide to our customers, in giving them more free time to enjoy their families or participate in other activities that enrich their lives and our community. The services we offer provide jobs for people who love to work with nature. Even after 29 years, it is still gratifying for Peter and me to drive by a property our company maintains, appreciating the fruits of our crews' labor. The intrinsic value of being part of the personal growth of our employees as they develop useful skills and embrace the values by which we conduct business can't be measured.

This is what we consider success - to love what we do, to provide a useful service and to enrich the lives of others in doing so.

Toni Schwalm
Professional Landscape Services, Inc.
Pennsylvania



Murphy's Law

Okay, okay, so you just read the success stories. You see, it is very attainable for you to start a fairly low "barrier to entry" business and make it a great, beautiful company. There are times when it is not always roses and perfume along the way, though. Don't get discouraged when you have these small bumps in the road. Things will happen, unexpected things, and you need to be able to work through them.

My mother always told me, "When something bad happens, you have two options: 1) cry about it and get discouraged or 2) laugh at it

and learn from it. I choose to laugh and learn.” These are very wise words and ones that I have tried to abide by.

I have paid so much more for education after leaving college than any tuition could have cost me. You learn from letting your employees take responsibility and finding out that they paid \$32,000 for a copier worth about \$1,000. You end up making payments on this for the next 5 years, long after the copier is gone. But, the lesson I learned and the one that my employee learned was invaluable and helped her to learn her limits and me to learn about delegation and systems. I have laughed about this quite often and really, it has been worth it just for the laughs!

The following are some “crying towel” stories from friends and customers who own lawn maintenance companies. We used to hand out “crying towels” for the best stories at our conferences. It was a lot of fun and helped us all learn while laughing. See if you agree and maybe someday you will have one of your own to add to the mix.



I have one 3-acre customer property with a 3.5 mil house sitting on it across from a bunch of other high dollar houses. There is a ditch in front, wind blowing crosswise. Back half, I blew all the leaves back behind pine trees, no problem. Got around to front, there was nowhere to blow without having high dollar neighbors complaining about my leaves getting in their space. Blew leaves in ditch thinking, “Perfect, all I got to do is grind ‘em up with my Encore.” Getting dark, forgot about Daylight Savings Time ending. Hurry up, things going well, leaves grinding up good, but forgot that leaves don’t give good traction. Encore goes down into ditch and disappears beneath leaves. I think, ‘No problem.’

Then, I see a biiiiig problem. Where the Encore should be, I see growin’ glowin’ movin’ light, with fingers of flame flickering about. Then, WHOOOOOSH!

Evidently while sliding into the ditch something dislodged the fuel line.

Stay calm, go up to truck to get fire extinguisher, only to be reminded when I get to truck that the fire extinguisher is at home.

Seems like nobody's home or cares enough to help or call rural fire department. Of course, it never occurred to me to go back to truck and get cell phone and make a call myself.

FOR SALE One Slightly Used Encore PRO 36 maintained at regular intervals. Recently modified. Needs paint, tires and belts. Excellent Condition, Handyman's Dream. Best offer gets it.



Well, today has been one of those days.

First, our son took a mower and weed eater next door to cut the neighbor's yard. No problem, right? Wrong! He comes back about 45 minutes later and my new Stihl weed eater is shaped like a "U". He had it lying on the mower and caught it up against something.

In the meantime, my husband was out at the garage fixing a grass gobbler. He was hitting it with a sledge hammer and I guess his thumb got tired on top of the gobbler because he put it down on the side and the sledge hammer did not have any mercy. So, we fixed his thumb and the gobbler.

Then, my husband decided to take the Dane 48 mower (He usually mows with the Snapper 52.) down the street to cut another yard. He goes out into the street and grabs the wrong handle and into the side of a bank he goes. This time nothing got tore up.



"#1 - Got a hot date (none-too-bright, her not me!) so I wanna leave an orange cone out on the country road that I live on so she'll not miss the drive (Never mind that the company sign is all over the only driveway for a couple hundred yards!).

SOOO, I get out of the truck, open the side gate on the trailer and set a cone on the shoulder of the road by the driveway, hop back in the truck and drive up to the shop/house. It's 600 feet with two, 90 degree turns.

Well, I cleared the first turn (right) BUT then when it came time to make the left over the bridge the 100 foot tall 8 foot around Ponderosa Pine grabbed that side gate and tore it clean off my trailer. (Did I mention that I had a date and was maybe a tad bit anxious?)

The trailer shop is 14 miles from the office. Couldn't get there for a few days so I just drove around town working with no side gate for a while. Cost me \$400.

At last, now the gate pins are reversed so that, WHEN it happens again, the gate will just fall off. Oh, yeah, did that and the gate falls off only after hitting the fender and giving it that nice little "experienced" look.



One time, I was dead tired and was really noddin' my head and the next thing I knew was this big old oak tree jumps out in front of my mower and seeings how I was asleep at the time, I was unable to avoid hitting it.

Follow up. Same property, one year later. Dead tired. Again, nodding head and . . . no, didn't run into same tree (would have been real good tho'); woke up when I hit splash block and almost ran into the fake stucco house."



Hiring problems

Several years ago, as my husband, R, and our company's partner, C, were preparing to go into full battle with spring start-up, they started whining about needing secretarial/receptionist help for the first time in our office. Then, R came up with another one of his bright ideas to add another division to the company. He swore the time was right, the market was ready and he was going forward.

I worked full-time in a different industry. I also helped out our company with the paper/computer work on evenings and weekends. After R's big announcement, I had to give in and told both of them to run

an ad and I would help interview, test and select one of the candidates for the office help.

After 2 days, R and C confronted me and in one sentence informed me that they interviewed and hired a girl for the position without my input due to my time constraints. They said they couldn't wait for me.

After her first week, I came in as usual on Saturday morning to do a little work and noticed that the office had been rearranged, including a new \$250 picture of a flower in a vase, candy bowls all over the place and our paper customer files were re-alphabetized -- BY FIRST NAMES. That's right, I'm not kidding! John Smith was filed under John. And, John Clark was also filed under John! What a mess. Good thing she hadn't been trained with access to *CLIP* yet - or my database would have been a disaster!

Because of my hectic schedule during her first week, I hadn't even met this new employee or even talked to her on the phone. You can believe that I quickly got ahold of R and C for a question and answer session - you know those real hard to answer questions like how many years of experience did she have, where did she work last, could she type, etc.

I cannot begin to explain the childlike expressions on these 2 grown men's faces as they sat across the table from me and did not have a single answer to any questions that I asked.

Well, all of my questions were answered when I finally got to meet this new hire (who was, by the way - a 21-year-old, blue-eyed, blond haired, well proportioned, sweet, short-skirted girl). :-) Yep. All the questions I had were indeed answered at that minute. She lasted about 6 weeks.

But, wait a minute, the reason for this entry was that it happened again a year or so later as the company grew and I had a little bit of trust back in those 2 -- they did it again when they hired a so-called office manager after embellishing her qualifications to me.

This new hire had much more office experience and was an absolute drop-dead gorgeous blond-haired, blue-eyed, southern accented girl WHO WAS SINGLE - and looking to not stay that way for long. Every

male employee was fair game. And, I mean, every male employee. How stupid could I have been!

This is my company, also, and it was time for me to jump in with both feet and get these guys straightened out. Needless to say, now that I am full-time with our company, I am responsible for hiring all the office staff! :-)

(Oh, by the way, R's bright idea of a new division that year grossed over \$400,000 with a 33% profit margin. I guess it was a good idea!)



Anyone ever hire “family” before?

I've pretty much gone through the whole family tree by now. Only one's left are too young to legally work. Their ma & pa can't wait for me to take them on though. Seems I've created a parental following of sorts.

After a summer workin' with my crews, I figured that I'm runnin' 'bout a 90% success ratio. Yep, one summer with me and they can't wait to leave for college - except for my son-in-law. Ever have one of them people that everything they touch just breaks? That's him!

So, I sent him out to do some edging on the sidewalks with my best John Deere edger . . . my pride & joy. Shiny green an' still looking brand new (my personal one, jus' for me, the one that only I'm allowed to use - uh, that's probably why it's still brand new looking).

Yep, he took it out on the job. He didn't lose it though. Just brought it back hanging off the rear of the trailer . . .

No wheels on it . . .

No belt on it . . .

No edging blade . . . or, for that matter, anything that the edging blade attaches to.

Did I mention that the engine was gone? Torn loose of the mounting plate.

Most of my shiny new green paint is gone . . .

The strap that's supposed to hold it down is still on the trailer . . . Yep, still sitting on the trailer floor where he left it.

One of the guys did point out that the throttle cable still looked usable though . . .

I'd fire him but my daughter would probably move back in.



I can feel your pain. :)

Had my brother work for me last summer and finally had to let him go. Never mind the small stuff . . . it was when he ran my 48" Scagg into the side of a 2000 Chevy pickup . . . Oh, yea, then there was the time he accidentally put transmission fluid in my 52" John Deere walk-behind. Fortunately, he realized what he had done and drained it.

Only thing, he didn't put any oil back in. Hour later, calls me about some clanking noise the mower's making . . . \$1500 later I have a new motor.

Lucky for me, he and I both knew it was time for him to go.



"Whoa iz me . . ." A few years ago, I hired a young fella who'd worked at a fast lube place for about 4 weeks. Seemed a real handy type guy. Definitely not dumb. Well, we ended up with a couple of rain days to catch up on some shop time.

Trucks needed an oil change & lube so I thought the new hire could handle the job seein' how he'd worked at the lube joint. I asked him and he said, "No problem."

At 12:30 we broke for lunch. As we were eating, I asked him if we were close to finishing up. He said it was going slow and he'd only got 2 trucks done so far.

“What!?! Only 2 oil changes done in 4 hours?!?” Indignantly, he replied he was going as fast as he could. It was lunch . . . I dropped it. (I try not to talk too much shop at lunch. It's their down time too.)

About an hour after we got back, one of my other employees came in smilin'. Told me he mighta figured out why he was going so slow. Turns out that the new hire had worked in the pit the 4 weeks he was at the quick lube. Takin' off the filters and doin' the lubes underneath. He never did work up top.

Filters and lubes were great . . . he'd just been puttin' the 6 quarts of new oil in thru the dip stick tube! Didn't know there was a filler cap on the valve cover!

Lesson learned: Never, ever, never, assume they know everything there is to know first time around.



The walk-behind stories are great.

One of my supervisors was mowing an apartment complex. He had 2 guys with him. The place takes all day to do. There is one area in the back where there is a hill with a chain link fence at the bottom. He told the guys to go ahead and get started on the front and he would do the back. He started mowing this 30-minute section of grass at 7:45.

At lunch time, the guys were wondering where their fearless leader was. The mower was a Hydraulic Exmark 48”.

They walk around to the back to find him, unharmed, but pinned between the mower and the fence. He was lodged perfectly between the grips and pressed firmly against the fence. He had been that way for almost 4 hours. Now, that is, as he said, “Unlucky”.





In my early days of using *CLIP* Software, we moved our landscaping office to the basement of the building that we had been sharing an office in upstairs with a friend of mine. Since the building was networked, I left *CLIP* on the Windows NT 3.51 computer upstairs and simply used workstations with *CLIP* icons on them downstairs to access the program.

Of course, it was July 28th, 1998, and I hadn't configured the backup to run since June 20th. In fact, we had our biggest sales month up to that point for July - 200,000! With a full month of activity, I was ready to send out those bills - oh, yeah!

Well, I came into our new basement office and double clicked the *CLIP* icon . . . I got some kind of "file not found error". I thought, "Gee, that's strange. The network must be down." I double checked everything . . . network is working fine. A tiny bit of panic creeps into my skin. A few people come in - "What's wrong," they say. "You looked stressed?"

"Oh, it's probably nothing. This stupid computer is acting like *CLIP* isn't there anymore."

My friend from upstairs wanders in. "Hey, Ralph, do you know why *CLIP* is acting this way? Did you do something to it?"

"Oh, no," he says. "Never touched *CLIP*." He starts heading upstairs. Now, I'm really panicking because I KNOW he did something.

Upon reaching the Windows NT 3.51 computer, he wants to know why I'm looking at that computer. I said, "I'm checking *CLIP*."

He says, "What do you mean, you moved that program downstairs to the basement."

I said, "No, I didn't. I just networked them together."

He then starts to turn a nice shade of green. "I didn't know that! I needed some more hard drive space and so I deleted *CLIP* to make more room!"

The nausea begins churning around in my stomach, tears form in my eyeballs and the overwhelming sensation of puking is nearing my throat.

I called Microsoft and it turns out Windows NT 3.51 has no recycle bin so what is deleted is GONE. Strangely, the *CLIP* folder was there but only with a handful of files inside. *CLIP* did not have much advice except chewing me out for not making backups - that is until Glenn Zior saved my life.

He said I could try copying the remaining skeleton files over the June 20th backup. "Not promising anything," he says.

I did it and the program crashed upon running.

Then, I installed the latest update over the hybrid file directory and everything was back!

I still have no idea why the whole directory didn't vanish when my dear friend, Ralph, chose "Delete"!



2 seasons ago, there was a horrible gasoline tanker fire on Rte. 71 -- it actually destroyed part of the road. My grading crew was working a mile down the road on 71 in a new neighborhood, finish raking and stabilizing the new lots.

After a couple of weeks, the repairs to the road were completed and my crew was able to use their regular travel route.

On this particular summer Friday, we had a 3-man crew in one flat-bed truck pulling a 500 gallon hydro-seeder, followed by a 2-man crew on a roll-back carrying one of our tractors.

The guys did a great job and were heading back to the shop at the same time. The tractor crew decided to stop at the store while the other truck proceeded to head back to the shop to try to beat as much beach traffic as possible. Rte. 71 connects into Rte. 1 with an on-ramp downgrade.

Our flat-bed truck had 30 bales of straw in it, hand tools and a 14 horse power straw blower. Our truck was heading for the ramp, down 71, when they noticed a car trying to pass them - they said they didn't pay much attention, they stayed the course for a mile or so.

As they entered the ramp for Rte. 1, this car came whirling around beeping their horn, flashing their lights and hollered to my American foreman that their truck was on fire!

I was told he stopped immediately, but from the length of the charred remains of roadside grass, I don't think he did (over 3,000 ft.).

I was told the following details:

- My driver stopped and hollered to our other employees to get out - who were Hispanic (3 weeks old with the company) and knew no English (my bilingual foreman was in the other truck at the 7-11).
- Our American foreman picked up the radio in the truck and was screaming asking what to do.
- The 2 new guys started to try to pull some hand tools from behind the cab of the truck to save them.
- The office immediately got on the phone to call 911 and were told it was already called in, but it was called in as another tanker fire on Rte. 71.
- What best describes the scene from here would be called over-reaction from the state of Delaware. There were 2 state police on the scene almost immediately, stopped traffic on Rte. 1, which is the equivalent to I-95, they stopped traffic on Rte. 71, they dispatched their emergency disaster response team with numerous emergency equipment, chemical fire retardant tanker and also a helicopter was dispatched.
- By the time that the police started rolling in the numbers that they did and tried with their fire extinguishers, the fire in the straw was too intense, so they pulled their cars back from the

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side of the truck at a safe distance, as the fire engines were on their way.

- My smart foreman tried to save of all things, his plastic playmate cooler and, of course, got very minor burns to his hands.
- Meanwhile, my 2 new employees who just finished 3 weeks of training using the hydro-seeder, etc., unreeled the hose on the hydro-seeder, fired up the motor and like trained firemen, proceeded to put out the fire - but what you have to understand with this picture is the position of the vehicles.
- The burning truck is on the right-side shoulder of the road at the point of merging. The first two police cars were on the left side of the truck with my driver between their cars and the burning truck waiting for the fire truck and holding back traffic.
- My 2 brave smart employees who were trying to put the fire out were on the right side of the burning truck - spraying hydro-mulch all over the burning straw, through the flames and all over the police cars and a little on the police themselves.
- There is a helicopter flying over now, the fire is almost put out, 2 state police screaming at my 2 new Hispanic employees, smoke everywhere, panic everywhere - What do you think happened when the 2 patrolmen came running around to the right side of the truck hollering?
- That's right, my 2 new guys took off running like the wind, with the hydro-seeder hose flopping on the side of the road.

This may sound totally contrived, but I have police reports, repair bills and dry-cleaning bills for the policeman's uniforms in a file to look at when I need a laugh.

One other thing, as unbelievable as it might sound, when the fire department made its way through the backed up traffic, one of the volunteer fireman that responded was on worker's comp disability from my company with a so-called back injury from 3 months earlier. How he could be able to put out fires, but could not work was a question I passed on to our insurance carrier.

Thank goodness no one got seriously hurt, but it was reported on the radio as another tanker fire on Rte. 71, but the silver lining to this dark cloud, is they did not say our name over the air.

How did the fire get started? Well, I was told it must have been from straw blowing against the hot manifold of the straw blower, etc. Even though the straw blower hadn't been used for over two hours previously (but, definitely not caused by a cigarette being thrown out the window!).

Our two employees that ran were back at work on time the next morning with smiles and it was explained to me that they misinterpreted what the officers were hollering to them. You can read between the lines on that statement :-)



Chapter Sixteen Summary

- Lawn maintenance can provide you with great success in your life as a beautiful business - don't believe the common perception.
- The best education comes from life. Remember to expect some difficult (though possibly humorous!) moments as you work to attain your success.

Chapter Seventeen: What Should I Do With My Profits?

Assuming that you now have profits and are making money, what should you do with those profits?

Yes, You Can Make “Enough” Money

The first piece of advice I would give you I actually heard from a very smart man who died a few years ago, Larry Burkett. He said that you need to decide what type of lifestyle you are going to live and then stop. So, when you get to a certain luxury level or lifestyle you want to set for yourself, stop there and find places for the extra money that you have to help others. In other words, give it away. This will allow you to take your time and spend more time with your family.

Create a lifestyle business. There’s nothing wrong with having a lifestyle business. A lifestyle business is a business that provides the lifestyle you and your family want. I would recommend doing this.

I had a lawn maintenance customer in Ohio and I thought what he did was great. He grew his company whenever the need arose. The primary needs for growing his company came about when his sons started coming back from college and back into his company. When they would come back, he would add some more work, some more customers, to his route, enough to take care of the next son. He just kept on growing his business based on his sons. I believe he had four sons that came in and he grew his company based on this need.

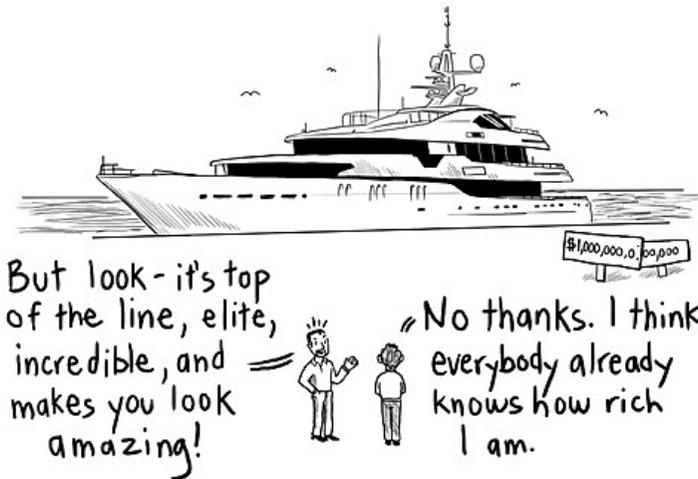
There’s a very large company down in Louisiana that we do a lot of work for and they have grown their company for the same reason. They started their business and grew it in a very short amount of time because they wanted to work together - a father and four sons. It is very profitable and they are doing a great job with it.

What do you do with your profits? My point is this, you want to grow your company to the point where it is producing what you need and giving you the freedom that you were pining for at the beginning of this book. This freedom is a freedom that says I can go in to work today or I don’t have to go in to work today. I can stay home and be with my

children if I want to. I can involve my children in the business as much as I want to.

You're not going to do this by having the latest and greatest truck and all brand-new trucks. But, you can if you do set your goal to a certain point and decide this is how you are going to live and this is the house you are going to live in.

Warren Buffett still lives in the same house that he purchased when he was younger. He has set himself. He's certainly rich enough to have yachts and anything else he might want, but he has set himself to a certain level or lifestyle. This is where I am going to live. This is the level of income I am going to live with. Everything else is extra and he is able to do all kinds of things with it.



Personally, I have become more “absent” as my businesses have grown. I've been able to spend more time working on projects (like this book), speaking at conferences, traveling with my family and helping with mission works in Mexico. I love spending the bulk of my time with my family and helping others.

What would I recommend that you do with your profits? Make sure that your obligations are taken care of. But, after that, just start living the life that you wanted to.

Remember, you want to create a beautiful business. If you do create a beautiful business, chances are someone may come by and want to

What Should I Do With My Profits?

purchase your business. If this happens, you can make the decision to sell or not to sell.

The good thing is, Praise God, you do have profits and you're able to move forward.

You have created this beautiful business and you can sit back and be proud of it. Be proud of what you were able to do and try to teach others how to do the same thing.

How Can I Help Others?

So, now that your company is profitable and at the point where you want it to be, how do you help other people to do the same thing? Well, it's really quite easy. You make yourself available. Make yourself available through your church, through the different organizations that you might be a part of, and begin to take your knowledge and teach it to others. Try to show them how they can do the same thing you are doing. It's not rocket science. It's pretty simple. You need to start doing this to give back.

You can join our forums. We have a couple of different email forums that are live and which you can join to share your experiences and advice. There are people who are struggling with the very same questions that you have already figured out and answered. They are looking for creative ideas, so get involved.

Another way to get involved is to take some young man under your wing and start teaching him how to start his own lawn maintenance company.

Enjoy your profits, you earned it! Remember what your original goals were though - Were they to make money forever or spend time with your family? Were they to live a long and happy life alone or to bless others? It is so important that you take this information and move it on to the next generation so someone else can make their own beautiful business.

Chapter Seventeen Summary

- Create a lifestyle business that gives you and your family the profit you need and lets you focus on what is important to you.
- Help others by guiding them through the same process so they can obtain their own level of success!
- Enjoy your profits but remember what your goal was when you started the business. Don't lose track of the important things and make sure that they center your life. Determine today what you want your own beautiful business to look like and go get started!

Check out our Reading Recommendations list at [Appendix C](#) and our website, www.TheBeautifulBusiness.com, to access all the links in the book and to learn more about creating your own beautiful business.

In the book, *The Magic of Thinking Big* by David J. Schwartz, he tells us all about “Excusitis” - making excuses for why you won't start your own company right now. He goes through them all and I don't need to repeat them here. However, you should read this book by David J. Schwartz and, trust me; you will have no excuse for not starting right now!

In your hands, you have the blueprint for starting, running and succeeding in lawn maintenance. Will you pick up the gauntlet and start to do this? In three years, do you want to have a beautiful business that will produce a great income for you and your family, free up time for you to spend on what is important to you, provide jobs and income for others, provide a desired service for your customers and change your life and your children's lives? If so, you need to put this book down and start the process. Three years from now, if you don't start today, you will be three years older and will think to yourself, “Why didn't I start this business when I read the book? I could be on the beach right now!”

In thinking about life, it has been said that the definition of insanity is: “Doing the same thing, in the same way and expecting a different result.” Your life will not change unless you do something about it right now!

It is not fair to you, your family, your church or your future customers if you do not do everything you can to create this beautiful

What Should I Do With My Profits?

business. As the saying goes, in business, as in life, “Lead, follow or get out of the way!”

Go get ‘em!



3 years later...



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Appendices

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Appendix A: What is a Porch Vision?

(See Dedication page for reference.)

Because of experiences in my family of birth, I see the importance of trying to keep a marriage, family, siblings and in-laws all together and in harmony. My family of origin has its problems and the wounds will probably never heal.

A few years ago, reflecting upon these things, I realized that unless I did something drastically different, I could easily end up in the same boat. This is when I developed the “Porch Vision”. The Porch Vision is basically thinking about my old age and wanting the vision to be me and my wife, sitting on the porch with our children, grandchildren and in-law children - just sitting, conversing together, enjoying each other’s company.

This vision comes into play whenever I feel that I am losing closeness with my wife, one of my children, their spouses or even my grandchildren. At this point, the vision starts to fade. Just like in the movie “Back to the Future” when Marty sees his family photo fade when it appears his parents might not get together.

These schisms are not caused by one, terrible event. They are caused by a slow breaking down of warmth, closeness, harmony and goodwill among family members. The small breaks add up to the large schisms that become irreparable (at least in this life). So, this vision compels me to try to repair any breaks in any relationship with any member of my family or lose the vision. I refuse to lose the vision so I will fight and fight hard to maintain it.

Think about yourself, especially as you start this company and need to spend time and effort on it. Don’t let this ruin something that is far more valuable. Keep yourself in balance and get your own “Porch Vision” and keep it present with you every day. It will help you pick the most important things in life, instead of just what seems expedient right now.

Appendix B: Getting the Most from Your Equipment

Value Your Time

There are many styles and sizes of equipment available and choosing the appropriate equipment can make a real difference in your profit. Most lawn companies' number one cost is labor. Most lawn companies spend more time in transit and moving equipment on and off the trailer than actually mowing grass - especially when working in suburban areas with small and mid-sized lawns. Realizing this will help you choose what types of equipment to buy and how to use it efficiently.

How does the cost of labor affect my equipment purchases? First, think about where you spend most of your time.

1. Driving from lawn-to-lawn is probably the most time consuming activity you do. Consider using a right-sized vehicle that is not oversized for the job. Also use more compact mowers so you are not taking the time to park a big-rig on every jobsite. Take the time to meet the neighbors of your current customers if you see them out in their yard. If you can do three lawns with only driving and unloading your mower once you can easily increase your incremental profits by 50%.

2. Loading and unloading is often the second most time consuming activity when mowing lawns that are ½ acre and smaller. Much of the time associated with moving equipment around is climbing on and off your mower and starting the engine - whether it's taking the first mower off so you can get to the second mower or stopping to pick up debris or branches. It's not uncommon to climb on and off a mower and start the engine 60-90 times a day. Look for equipment that is easy to get on and off with simple parking brake systems. This is a clear advantage of stand-on mowers over sit-down mowers.

3. Trimming takes a significant amount of time on every lawn. The easiest way to spend less time trimming is to be able to mow in tighter areas. When looking for equipment, consider how close you can mow into a corner and watch out for how long the mower is in the back because it could hit the fence when you try to turn out of a corner. Also, bigger is not better. If you have a large 60"-72" mower you will not be able to mow the spaces between most neighborhood trees.

Getting the Most from Your Equipment

4. Less than 25% of your time is spent actually mowing! Of the time you do spend mowing mid- and small-sized lawns, most of that time is spent mowing around obstacles, carefully making turns to not scuff the turf, and mowing in unique patterns to avoid throwing grass into mulch beds. What this means is that compact and maneuverable equipment is key to overall productivity. In one study it was found that a 52" mower out performed a 61" mower on a ½ acre lot with about 10 trees. One of the leading mistakes is to buy equipment that is too big for the job at hand.

Managing Equipment Operating Costs

1. Breakdowns and avoidable repairs are very costly. Good preventative maintenance will help you bring more profits home than using the most heavy duty equipment or running all new equipment. Set up a good preventative maintenance program and stick to it.

2. Focus on preventing the most costly and inconvenient failures.

a. Engines usually fail because of heat. Keep the fins clear. One easy way to keep the fins clear is to blow your backpack blower into the rotating screen on top of the engine. Also, every time you take the mower into the shop to replace the blades, blow compressed air into the engine guards where the air normally comes out - this will help break loose any accumulated grass. The life of your engine has a lot to do with oil maintenance. Change your oil regularly. Consider using good quality oils, like synthetic, that don't easily breakdown under heat. Never leave fuel in the engine for very long. As the EPA approves increasing levels of ethanol in fuels, this reduces the shelf life, reduces the amount of condensation it can absorb before gumming and increases the amount the fuel attacks your fuel system. These effects can be reduced by using a generous amount of fuel stabilizer for mid-term storage. Over winter, it's best to run the engine dry.

b. Transmissions properly maintained can often last twice as long as the engine. Temperature and contamination are what often damages hydrostatic transmissions found on zero-turn mowers. If your mower is equipped with an oil cooler, keep it clean. When changing the oil be very careful to not let dirt enter the system. Aggressive accelerations on paved surfaces are not good for your transmissions. Hot rodding is not safe and might end up costing you a lot.

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c. Avoid cleaning anything with a bearing off with a pressure washer such as blade spindles, idler pulleys, input shafts or axles. Any water that gets past the seals will result in a failed bearing.

d. Keep spare belts and a spare tire for your mower on your truck. This can save you \$100's in lost productivity.

3. Fuel costs can vary a lot throughout the year. About $\frac{1}{3}$ of the fuel is used to move the mower, $\frac{1}{3}$ is used to spin the blades and the last $\frac{1}{3}$ depends on how heavy the grass is. Cutting taller grass, when acceptable, will reduce fuel consumption. Buying a mower with a smaller engine will not save you fuel when cutting average grass, but it will cost you a lot more labor because the mower will run slower. A bigger engine that can keep up will be more efficient than a smaller engine that is being over worked. Fuel injection has become more popular, easy to use and more reliable. Closed loop fuel injection can reduce your fuel costs by about 25% and pay for itself in the first year.

Provided by Ed Wright from Wright Manufacturing
www.wrightmfg.com

Appendix C: Reading Recommendations

READ THIS BOOK BEFORE YOU EVEN THINK ABOUT READING ANYTHING ELSE!

7 Habits of Highly Effective People by Stephen R. Covey

Definite must read for anyone over the age of 10. The author has lots of good points to make you think, and helps you work on your life. Before you read another book, pick this one up and read it!!

BOOKS I HAVE READ IN THE PAST AND RECOMMEND:

The E-Myth by Michael Gerber

All about managing your company with systems and turning it into the business you can sell tomorrow.

The E-Myth Landscape Contractor by Michael Gerber and Anthony C. Bass

Expounding on “The E-Myth” and written specifically for the landscaping business.

The 4-Hour Workweek by Timothy Ferriss

Good book about how to do more with less time. How do I create good systems and let them do the work for me?

Blink by Malcolm Gladwell

One of the best thinking books I have read. How does your subconscious work when you’re not thinking about things?

The Go-Giver by Bob Burg and John David Mann

One of the best short business books out there. Think of the importance of creating Win-Win Situations instead of always thinking, “What can I take.”

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Do Hard Things by Alex and Brett Harris

Why are the youth wasting all of their time doing insignificant things? Why don't we (the youth of the nation) make good use of our time?

Who Moved My Cheese? by Spencer Johnson and Kenneth Blanchard

Great little book on accepting change and doing something about it.

50 Success Classics: Winning Wisdom for Life and Work from 50 Landmark Books by Tom Butler-Bowdon

Great summaries of 50 motivational books.

The Magic of Thinking Big by David J. Schwartz

A wonderful book about thinking right.

Good to Great by Jim Collins

Classic book on thinking about your company in the right way.

Green Side Up - Straight Talk on Growing & Operating a Profitable Landscape Business by Ed Laflamme and Cindy Code

A good overview of creating a large, landscaping business.

Proverbs

Ancient wisdom from God's Word that still applies today!

The Total Money Makeover: A Proven Plan for Financial Fitness by Dave Ramsey

A great resource to help you organize your finances.

About the Author

Dave Tucker



Dave Tucker was first introduced to the Green Industry in 1986 when he decided to work for his brother-in-law's lawn maintenance business because, as he explained, there was no other way to support his family. Within a year, Dave was the managing foreman and helped write a program to do the billing, scheduling and routing of the lawn maintenance company.

Soon that program did so well that Dave bought it from his brother-in-law and started **CLIP** Software - leading more than 12,000 lawn maintenance companies in systematizing and expanding their profits.

In 2001, Dave started his own lawn maintenance company with the systems in place that he had created. This company, **CLIP** Lawn Care LLC, was an immediate success and, even today, continues to run strong.

Dave also invented and patented KnowItAll, another software system to help people and businesses simplify their lives.

You would think that all of these companies keep him busy. However, with his time-tested and proven systems in place, he actually spends 90% of his time doing whatever he feels like - whether that be speaking at conferences, helping with mission work, going on cruises or spending precious time with his family. Having all of this time on his hands, Dave has been able to share his wealth of knowledge and vast experience by speaking at countless Green Industry conferences and counseling thousands in the industry.

Dave's life is proof that with hard work and good systems you can make your dreams come true!

To learn more about Beautiful Businesses, visit:

www.TheBeautifulBusiness.com