



Cover Story: With a little help from my friends

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Peer groups offer business owners insight into their own operations.

Oh, I get by with a little help from my friends ... Mm, I get high with a little help from my friends ... Mm, gonna try with a little help from my friends who knew 42 years ago The Beatles were delivering some solid business advice in their classic "With a Little Help From My Friends." OK, so maybe the second line of the chorus doesn't quite fit, but we're going to assume they meant higher profits.

Business advice takes all forms — rock songs, books, family, friends, customers, strangers, professional associations, trade magazines and consultants, to name a few — and they all offer varying degrees of credibility. Of all these, few extend the intimacy of the peer group.

"Anybody who is interested in having their business grow should be a part of something like this," says John Rennels, owner of A Plus Lawn and Landscape, Lawrenceburg, KY. "The information is invaluable. As a business owner, whom do you bounce your ideas off? I'm constantly looking for areas where I can pick up information. It might be on a service offering, on financials or on customer service. This is an opportunity where you can share people's successes and failures and learn from those, and maybe save yourself some heartache and financial loss."

Rennels isn't alone. More Green Industry professionals are joining peer review groups, sharing more openly and honestly their issues and shortcomings, which often leads their sales and margins to new highs — with a little help from their friends.

There are a number of approaches to the peer group process. This article explores one.

Rennels has spent a little more than a year as part of a peer group run by consultant, author and business owner Jeffrey Scott. Having spent years in Europe and the United States both running and participating in groups, Scott now runs a consulting operation facilitating peer groups. And he's written a book on the subject, "The Leader's Edge," which at press time was on its way to the printer.

"You learn good stuff," Scott says about the peer group process. "The core process is the opposite of how (a group) of guys getting together without a facilitator might work. What they do is just bat around ideas. We try not to do that. We try to have somebody there to put a specific problem on the table to discuss."



John Rennels

Why it works

Scott assembles his peer groups from business owners around the country.

Members of Scott's peer groups must open their books and operations to other participants, so having non-competing group members is essential.

"The more you share with the group, the more the group is going to help you," Scott says. "You'd better be comfortable sharing everything, really."

Matt Kulp, owner of Showcase Group, New Holland, PA, agrees.

"These guys basically became my Board of Advisors," Kulp says. "I finally realized I'm not the only one in the Green Industry dealing with these same issues. It is about meeting with others confronted with the same issues. We are all able to learn from each other."



Learning from unbiased peers is one thing that makes the process valuable, Rennels says.

"If you were to ask your employees or your friends any family business-type questions, you will get a slanted answer," he explains. "Unfortunately, a lot of times (employees) are going to tell you what you want to hear, and friends don't want to hurt your feelings. And friends don't necessarily come from a position of knowledge about what you're doing."

That's not the case with members of a peer group.

"It's invaluable information," Rennels says. "They're honest. They're going to tell you information whether you want to hear it or not."

The group meets formally four times a year either through a phone conference or a visit to one of the group member's offices.

During a conference call in April, Rennels mentioned he was working between 100 and 120 hours a week. Yet he took four hours out of one of those weeks to participate in the peer group — and that doesn't include the time he took to prepare for the discussions.

"People join because they think they're going to copy the other guy's good ideas," Scott says. "That's not what happens. What happens is, the other guys hold up a mirror and help you uncover your own opportunities you're not seeing within your business."

Size matters

It is important to have enough people in the group to keep the ideas flowing.

"A small group can feel more intimate initially, but also can run out of steam," Scott says. "At some point, (a small group) settles down into a way of working where the innovativeness can get tapped out."

Small groups also can suffer from what Scott calls "group think," when one strong personality dominates and the rest of the members adopt his opinions. That doesn't happen as easily in a larger group.

Scott likes double-digit sized groups.

"Ten or 12 are fine to have in a group," he says. "It sounds like a lot, but you actually get more value with nine guys looking at your problem versus three. It requires good facilitation. You need a guy who knows how to handle that size group. Short term, a small group feels better, but it's really not."

Over the years, during the natural course of life and business, a group's members might change.

"People come and go, and they do it because their lives change," Scott says.

It could be divorce, selling a business, a merger, a new partner, or any number of reasons. But changes to the group don't mean the group dissolves.

Exploring an issue

For each meeting, members of the group come prepared to discuss a single, narrowly focused issue and to explain the steps they took on the issues discussed during their most recent meeting.

At the April meeting, Scott begins with a reminder about the process: "We're just going to ask John questions. We're going to ask him single questions. We're not going to give him any advice up-front. We're going to help peel the onion to his issue."

For the next several minutes, Rennels explains details about the actions he took on the issues he raised at the past meeting. He talks about working more closely with his accountant, pushing 12-month contracts with commercial clients and a couple of other related issues. The others listen quietly.

When he finishes, Scott prods Rennels into the issue he needs help with today: "How to attract, qualify and retain an excellent, well-qualified landscape designer."

Rennels spends the next few minutes explaining what he's done so far. Rennels is on his seventh candidate, a landscape architect with an extensive background in high-end properties, who saw his business dwindle with the economy.

After detailing the situation, each member of the group asks a questions, without adding any advice. This has a dual purpose: It helps the business owner understand all aspects of the issue and starts him on the path to a solution.

"Sometimes, you realize the issue on the table is not the real issue," Scott says. "Sometimes, he's hiding it on purpose because he doesn't want to deal with it. He's happy when he finally shares it, but at the moment he doesn't really want to deal with it."

Peer groups can cover many issues from work-family balance to every business detail.

"Just having that soundboard there for getting ideas and listening to experiences is really beneficial," adds Kulp. "It's hard sometimes to get in an environment where you can really think things through and evaluate them unbiased when you're in your own company."

HE WROTE THE BOOK ON IT

Jeffrey Scott's latest book, "**The Leader's Edge: Join a Peer Group and Grow Your Business**," is due out this month. In it, Scott discusses how the peer group process can help Green Industry business owners grow their operations.



"What got you here, will not get you to the next level in your business," Scott tells members of the green industry peer groups he leads. You can't grow by simply by doing things the same old way.

"The Leader's Edge" shows owners and managers how to use Green Industry peer groups to step back from what isn't working and leverage the insights and experience of a facilitated peer group to do things differently — and secure better results.

The book is for owners looking to transform their operations and who are willing to consider a new approach to honing their leadership skills and management and decision-making practices.

Scott uses Green Industry examples and case studies to show owners there are quicker, less-stressful ways to grow their businesses, without the headaches and stress. The book shows professionals how to use peer groups to develop the strategies needed to grow your business and make it more profitable.

Scott also is the author of *The Referral Advantage*. For more information on these books and the facilitated peer review group process, visit JeffreyScott.biz.

THE SOCRATIC METHOD

Jeffrey Scott's Leader's Edge peer group process borrows heavily from the Socratic method — the process of instruction using guided questioning to lead the "student," or in this case, the business owner, to enlightenment.

Below is an abridged version of the peer group process facilitated by Scott earlier this year. John Rennels, owner of A Plus Lawn and Landscape, Lawrenceburg, KY, presented his issue to the group: How to attract, qualify and retain an excellent, well-qualified landscape designer. He currently contracts with a landscape architect on a project-by-project basis.

Instead of offering outright solutions, the following dialogue took place in the peer review group:

Rennels: We started as a maintenance company, and we're just now getting into design/build and construction. A lot of the issues related to that — I don't know what I don't know.

Dave Wright (president, Wright Landscape Services, Bloomingdale, Ontario, Canada): Are you looking for someone who is as strong as this person, or do you want somebody who can grow with your company and become a designer that fits your company?

Rennels: The projects we're going to be doing, at least starting off, are not going to be of the caliber of what he is capable of doing. So, no, I don't expect it to be someone as strong. I expect it to be someone strong enough to handle the size of projects and the kinds of projects that we're doing.

Craig Kopfmann (president, Green Acres Landscape & Design, Monroe, CT): John, do you have any design experience yourself?

Rennels: None. I couldn't draw myself out of a wet paper bag.

Matt Kulp (owner, Showcase Group, New Holland, PA): John, what current design/build revenue do you have?

Rennels: Probably less than \$15,000, \$20,000 — it's in its infancy, and that depends on what you consider "design/build /construction." The projects we're working on would safely fit into that.

Kulp: Let me rephrase that. How much revenue would you need for a designer?

Rennels: I'm not sure I'm following the question. Are you asking where you want it to go?

Kulp: How much revenue is currently there to feed a designer who would be on staff?

Rennels: I would say, "none," pretty much. I was planning on floating that person for a period. The nice thing, this current relationship, we've got the guys who can do the installs. I'm hoping to build that revenue using this current sub relationship to where I don't have to float this person when I bring him on.

Scott: Let me throw my question in: What's your 2009 projection?

Rennels: I don't have one for design/build.

Scott: What's your guess?

Rennels: If we were able to hit \$50,000 in the first year with that, I would be tickled. That's purely a guess.

The above conversation took place in April. It turns out Rennels' guess was a pretty good one. He has continued the relationship with the landscape architect.

"He's not an employee of ours," Rennels says. "Thankfully, the relationship has gone very, very well. He is one of the premier architects in Lexington (the largest city close to Lawrenceburg)."

Rennels estimates the company has done about \$55,000 in design/build revenue year-to-date, "but for us, that's a big deal. We've got our feet wet; we've learned a lot. We've refined our process." — *DJ*