

PRO PROFILE

By Gregg Wartgow



Get Green Acres Growing Again

When his design/build division was rocked by the Wall Street fallout late last year, this Connecticut contractor looked to his peers for help in getting his company growing again.

Presiding over a growing landscape business can be an exciting time. But what happens when things suddenly turn south and overhead soars toward 40% of revenue?

Craig Kopfmann of Green Acres Landscape & Design in Monroe, CT, had a pretty good idea what he needed to do when this happened to him recently, but decided to seek the advice of a half-dozen other contractors before implementing his 2009 plan of attack.

Green Acres was a focal point of consultant Jeffrey Scott's

Leader's Edge contractor peer group retreat in late-January (see page 10). After hours of reviewing financial statements, sales histories, organizational structure and marketing plans, the group agreed on a couple of main points:

- It's unrealistic to think you can simply sell your way out of a downturn, especially in a poor economy.
- Getting your company headed back in the right direction requires a thorough analysis of your finances, operating systems and market—and a focused approach to making things right once again.

Reversal of fortune

Green Acres Landscape & Design was established in 1990 as a one-truck, one-employee landscape maintenance provider for roughly 15 residential accounts. In time Kopfmann became a Certified Landscape Professional (CLP), and his company grew by branching into design/build work.

Green Acres tipped the million-dollar mark in 2004, and by 2007 sales were topping \$1.3 million. The company's maintenance division was growing with plenty of opportunity for continued expansion. Kopfmann hired

**GREEN ACRES
LANDSCAPE & DESIGN LLC**
MONROE, CT
getgreenacreslandscaping.com

FOUNDED: 1990

OWNER: Craig Kopfmann, CLP

EMPLOYEES: 11

SALES MIX: 57% residential landscaping, 33% residential maintenance, 6% commercial maintenance, 4% other (including snow removal and designs)

EQUIPMENT FLEET includes an Exmark riding mower, Ferris mid-size walk mowers, Echo backpack blowers, a LESCO tank sprayer, a John Deere 110 tractor, Wacker compacters, Stihl cut-off saws; skid steers and compact excavators are rented as needed, along with other specialty tools and equipment

TRUCK FLEET includes a Chevy dump rack body, two GMC 4500 dump bodies, three Chevy Silverados, a utility box truck, two open trailers and two enclosed trailers

* data based on 2008

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a maintenance manager (Mike Hehir) to spearhead this effort. He also bought a new truck, and had big plans for finally purchasing his own facility.

Enter the second half of 2008. "Revenues through June were in line with '07 numbers, with design/build slightly off and maintenance up," Kopfmann tells. "But after June the bottom fell out. Maintenance was holding its own, but my design/build sales for the summer months were down 80%."

Installation projects were being cancelled almost as quickly as the Wall Street mess was unraveling in nearby New York City. By the end of 2008 Green Acres' overhead burden was roughly 37% of total sales, up from roughly 19% of gross sales in 2007. In fact, the company was now spending an additional \$59,000-plus on overhead with dramatically reduced

sales. "I had a serious issue to deal with," Kopfmann says.

The root of the problem

But for every problem there is a solution, and Kopfmann was banking on the Leader's Edge peer group to help him find it. After studying Green Acres' financial statements and sales histories a little further, the following key indicators were uncovered:

- Despite the company-wide sales decline, residential maintenance and snow-removal services were both up in 2008.
- On the other hand, commercial maintenance dipped around 30%, residential installs were cut in half and commercial installs dropped to a big fat zero.
- In the meantime, more money was being spent on equipment and administration.

The good news was that,

"The value of the Leader's Edge has shot through the roof. Chemistry is vital to the success of any group, but diversity is the key to true effectiveness and value."



– Craig Kopfmann

from a project quality and reputation standpoint, Green Acres Landscape & Design was on a very solid foundation. The management team was very strong as well, with Kopfmann being a very beloved employer. But improvements could be made in the way of operating systems, the use of technology, more focused marketing efforts, and the effective utilization of managers, administrative personnel and an accountant.

First things first: a marketing plan

There was a lot that could be done, and like any spirited entrepreneur, Kopfmann wanted to tackle it all. But he knew a more systematic approach would be needed, and the first thing to address was the company's sales and marketing strategy.

"Maintenance saved us in 2008, and I've come to realize that you shouldn't avoid it just because it's not as glamorous as design/build,"

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Kopfmann says. Already a player in the residential arena, Green Acres looks to strengthen its foothold by offering new maintenance packages via highly targeted marketing tactics in specific cities and neighborhoods. Plus, past installation customers present a prime target for maintenance services. In 2008, roughly 57% of the company's revenue came from residential landscaping.

Residential maintenance aside, Kopfmann does anticipate growing each segment of his business this year, including snow removal, and commercial maintenance and installation. While opportunity exists in several market segments, the Leader's Edge peer group did concur that Green Acres should focus on its core business: high-end residential. There's a tendency to try and do too much too quickly, in too many directions. During times like these, it's often best to focus on what works—and where you know you can make money.

Then, the Leader's Edge group offered this advice regarding Kopfmann's desire to eventually grow his commercial maintenance business:

- Partner with professionals such as real estate agents and other

contractors in the area

- Join the local chamber and/or a civic group—and get involved
- Be patient, because relationships take time to build in the commercial sector

Get more efficient

Developing systems to streamline operations also takes patience and time—but is a necessary part of running a profitable landscaping business in today's marketplace. The Leader's Edge group helped Kopfmann identify a few key areas where improvements could be made.

Technology. Industry-specific software packages could greatly assist with estimating, routing and customer relationship management issues. Even some basic Excel spreadsheets could do wonders for administrative efficiency. Currently, post-it notes and handwritten logs, which later lead to a fair amount of double-entering of information into the computer, are the norm.

Administrative overload.

Speaking of administration, the group wondered if Green Acres' office manager, Karen Paiva, had too much on her plate. Certain tasks could be transferred to division managers, such as maintaining customer files and contacting clients about certain billing and contract issues. Payroll could be outsourced. And again, more effective use of the computer and a transition to "paperless" for certain functions could dramatically reduce the time spent filing paperwork and double-entering information.

The role of the

accountant. The Leader's Edge group also advised Kopfmann to make his accountant an integral member of the Green Acres team. "Currently, our accountant visits us

Gaining That Leader's Edge

Contractor-turned-consultant Jeffrey Scott held one of his Leader's Edge contractor peer group retreats January 30-31 at Green Acres Landscape & Design in Monroe, CT. Five contractors from around the country joined Scott and Green Acres owner Craig Kopfmann to share best practices and assist Kopfmann in developing a strategy to grow his business more profitably.

The five contractors were:

- John Newman of Classic Landscapes in Hampton, GA – classiclandscapesga.com
- Noel Ortiz of Great Outdoors Landscaping in Oceanside, NY – go-landscaping.com
- David Wright of Wright Landscape Services in Bloomingdale, ON, Canada – wright.on.ca
- John Rennels of A Plus Lawn & Landscape in Lawrenceburg, KY – apluslawnlandscape.com
- Matt Kulp of Showcase Group in New Holland, PA – showcasegroup.biz

While the first day of the two-day event was focused on learning from and helping Green Acres Landscape & Design, the entire second day was focused on the other five contractors listed above.

"The Leader's Edge meeting was an eye-opening experience," said Matt Kulp of Showcase Group. "When dealing with business issues as an owner, you always have the misconception that you are alone, when in fact, that is furthest from the truth. I know that from here on out, I have a team of advisers who will help me through any problem I am having. Not going it alone, and learning from others' experiences and accomplishments, adds value that long surpasses the monetary investment I made to become part of the Leader's Edge."

"The group got together, and within a half day we were sharing our biggest opportunities and problems with each other," added Jeffrey Scott. "What is tremendous is that the support continues after the meetings. Many of the members call or email each other to trade systems or forms, and to gain quick insights into their day-to-day issues."

For more information on The Leader's Edge peer groups, visit GetTheLeadersEdge.biz or jeffreyscott.biz.



Jeffrey Scott



approximately twice a year, and is always available by phone if any questions or special requests pop up," Kopfmann points out. "But this isn't the attention we need to grow successfully and profitably—and I accept most of the blame.

"In the future, I would like our accountant to play a more active role in my company. I need to understand my finances better than I do now, and I need to consistently ask for advice. I need help with budgeting, allocating overhead and estimating, and understanding tax opportunities."

Kopfmann's not alone, and the Leader's Edge group attested to that. They also agreed that Green Acres Landscape & Design

is a fantastic company with great staff, quality workmanship and a strong leader in Craig Kopfmann. "There's no doubt that landscaping is the right business for you Craig, because you love what you're doing and you do an excellent job," said David Wright of Wright Landscape Services in Bloomingdale, ON, Canada.

With the zeal to do even better, and an eagerness to seek sound advice from his peers, Craig Kopfmann is on his way to gaining that leader's edge. And check this out—two of those install projects that were cancelled last summer are back on the books for this spring. Things are already moving in the right direction. **PRO**

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