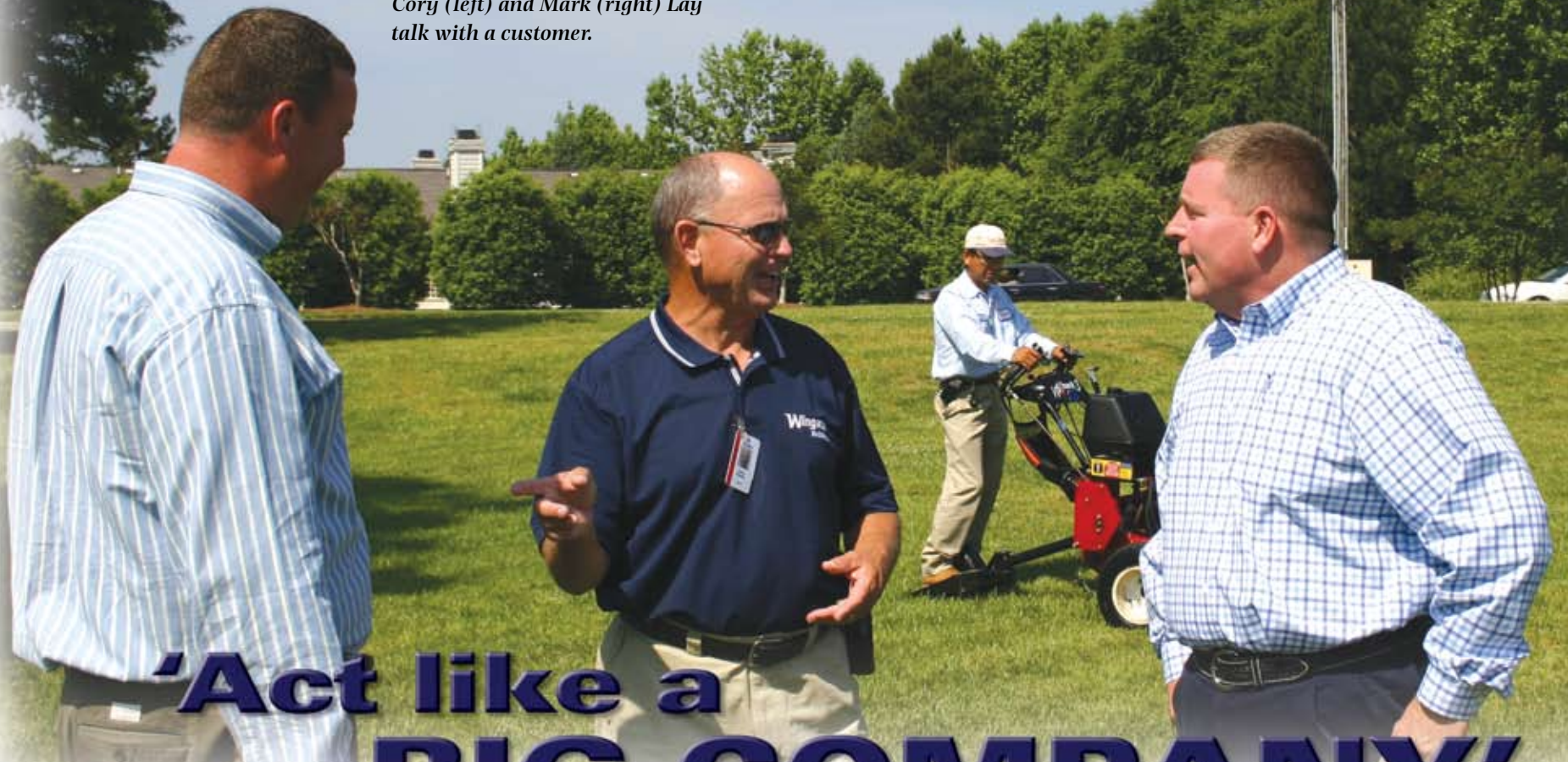




## PRO profile

- Have a detailed plan for your company and tie all aspects together
- Identify market indicators in the plan to monitor progress
- Use the wisdom of others to improve your business
- Have fun!

*Cory (left) and Mark (right) Lay talk with a customer.*



# 'Act like a BIG COMPANY'

### PROFILE

**AA Tex Lawn Co.**  
Indian Trail, North Carolina

**Owners:** Mark Lay, CLP, CLT and Cory Lay, CLT

**Business founded:** 1980

**2004 gross sales:** \$890,000

**2005 gross sales:** \$1.4 million

**Employees:** 12 full time, 10 seasonal

**Client mix:** 60% multi-family, HOAs and apartment complexes, 38% commercial, 2% high-end residential

**Business breakdown:** 24% landscape, 76% maintenance, some snow

**Business philosophy:** Serve others. And have fun!

**Equipment:** 1 16' trailer; 1 12' trailer; 26 Husqvarna line trimmers; 6 Shindaiwa line trimmers; 15 RedMax and 4 Shindaiwa backpack blowers; 4 Peco push blowers; edgers: 7 Husqvarna, 2 Stihl, 2 Shindaiwa; 8 Husqvarna zero-turn riders; walk-behind mowers: 3 Husqvarna 52", 4 Exmark 52", 1 36" Bunton, 5 21" Husqvarna; 1 Giant Vac leaf truck loader; 2 Stihl pole chain saws; 1 Stihl and 4 Husqvarna chain saws; 14 Husqvarna hedge trimmers; 1 Bobcat skid steer; 1 Brown bed edger; 3 Honda tillers; 2 Lesco tank sprayers; 1 First Products aerovator; 2 Ryan aerators; 5 Lesco spreaders; 3 Meyer snow plows

**Vehicles:** 4 GM cabover enclosed box trucks; 1 GM and 1 Ford F-350 open dove-tail truck; 2 GM cabover dump trucks; 3 4x4 2500 GM pickups; 1 2500 GM pickup

*This North Carolina contractor had a vision for his company, and found the help he needed to get there.*

By Noël Amerpohl

**M**ark Lay has been a landscape contractor in North Carolina for 25 years. Like many, he says he got into this business "by accident," starting part-time as a teenager. And though Mark's been in business for a quarter of a century, he'll tell you that AA Tex-Lawn Co. didn't become a "player" until five years ago. "It was then we decided we wanted to act like a big company," says Mark. "Until then, it seemed like we were stumbling through it. We worked hard, but we didn't have any real systems in place. Nothing much was happening."

Looking back, Mark says there were two main factors that led to the decision to revamp the business. "One, we weren't making too much money," says Mark. "And two, we were having trouble finding good help. Every time we were a person short, it was such a hardship on everyone."

So Mark and his brother Cory entered into the plan with some simple goals: To have bigger paychecks and more (and better) employees. "I had a friend give me that old saying about 'working ON your business, not IN your business,'

and it suddenly made much more sense to me," says Mark. "He told me that when you turn 40, you're gettin' too old to cut grass, so you'd better have a plan. It was time to build my business."



### 'Where do we start?'

Mark and Cory knew what they wanted to do. They just didn't know how to do it. Where to start? They began by attending some industry seminars. "Every seminar was like a foreign language to us," says Mark. "We were learning so many things we should be doing in the business. We made some grandiose plans. We felt empowered."

The Lay brothers also joined ALCA (now PLANET) and the local landscape association, and attended several professional development events a year. With so many new ideas, the Lays started a lot of great programs and brought in a lot of new business. "We were doing all right," says Mark. "Business doubled. We felt like there were no limits."

### 'That was one cold day'

Implementing so many new programs gave a jump start to several areas of the business, but caused the Lays to lose focus ... and some control over the bottom line. They weren't too worried, though, because cash flow was steady.

Then something happened that made Mark and Cory all too aware of the weaknesses in their business. "We had a

huge account that gave us a great profit margin," says Mark. "And we lost it to one of the nationals. That was one cold day. For a minute, we honestly feared we couldn't continue in business."

Back then, losing that job was devastating. Today, the Lays will tell you it was a blessing, because it changed their outlook on the business. With the high-margin job gone, the team at AA Tex Lawn tightened their belts and got a handle on expenses. "We began to really work some of the things we learned. We focused on the key areas necessary to stay afloat. We astounded ourselves at what we could do."

Mark and Cory came out of that experience wiser, but also a bit humbled. They knew they needed help with direction and focus, so they could channel their efforts on things that would have a direct impact on their business success.

Mark and Cory continued to attend seminars and network with fellow contractors through the associations and locally. "You can learn so much from other contractors," says Mark. "There's no need to reinvent the wheel." In fact, when you visit the AA Tex Lawn office, you will see a "wall of fame," which includes framed photos and articles of fellow contractors from around the country that the Lays have met and visited.

## Getting help in the right places

Mark and Cory attribute two other key sources, in addition to networking with contractors and the attending association events, that helped them finally get the business on a steady course. First, they joined JP Horizons' People Solutions for a year. In addition to learning how to better train and motivate their workforce, the Lays developed clear roles and developed job descriptions for everyone in the company. "As the owner, we all have a tendency to have our hand in everything," says Mark. "But as the company grows, all that means is that you work around the clock trying to do everything yourself. You don't focus on managing and growing your business.

"In other words, it's not fun anymore," says Mark. "And if you're going to put your heart and soul into your business, it better be fun." Mark says defining roles and delegating responsibilities helped him gain focus on growing the company. While letting go of certain tasks is difficult at first, he now enjoys saying, "You take care of it."

The second key component to AA Tex Lawn's success came from a tour of D. Foley Landscape in Massachusetts during an association event. There, Mark and Cory met consultant Dickran Babigian. Dickran is what contractor Dan Foley describes as "the part-time outsourced CFO/controller for D. Foley Landscape." Turns out, Dickran serves this role for about 25 contractors around the country. Mark and Cory knew they had to hire him for AA Tex Lawn.

## Make a plan, get results

The role Dickran serves in a contractor's business starts with the financial aspect, but revolves around a

360° look at the business, and the systems necessary to move forward and be profitable.

Dickran visited AA Tex Lawn and, together with Mark and Cory, went through every aspect of the business to create a detailed plan. "Mark and Cory suffer from the same problems most contractors face in their businesses," says Dickran. "As they grew, they took on a lot of overhead, and didn't have a comprehensive plan in place."

He maintains that every aspect of the business has a financial component. You have to develop a master plan with a detailed budget that outlines the actions and systems — in every area — to reach your goals. Dickran walked through every aspect of the business and had the Lay brothers identify not just where they want to be, but how to get there. "Okay, you want to grow. But what does that mean?" asks Dickran. "How many new hires will you have to make? What investments in capital equipment? What is your plan to recruit new customers? Map it all out."

Mark says it's all about not just making a budget, but making sure the whole budget works. "Dickran leaves no stone unturned in this process. Hours on jobs, sales, retention goals, turnover rate, equipment investments ... it's all there. He makes us estimate how much oil and fuel we are going to use. It's full circle."

For more on Dickran's methods and process, turn to "Working the plan" on page 26.



Mark and Cory swear by Dickran's process. Here are some benefits they get from the relationship:

**An accounting system that works.** Once the budget was set, Dickran not only helped the Lays interview and hire an accountant that better suited their needs, but also set up a system where they use QuickBooks to their fullest advantage. "Most people use QuickBooks, but it is a disaster," says Dickran. "Most people's data is only minimally correct because they only partially implement the system. You can't get good financial data that way."

In fact, Dickran brought in a certified QuickBooks advisor to help the AA Tex Lawn team fully understand how to use the program. "There is no way you can monitor your budget and have confidence in your numbers if you aren't using your system correctly."

**Accountability.** Monitoring the numbers is just one aspect of the accountability factor that Dickran gives the company through his process. After setting goals, the Lays report monthly to Dickran where they

stand vs. all their targets. Together they analyze the numbers and the process, and correct problems before they get out of hand. "Dickran coaches and monitors us the whole way," says Mark. "We don't just create a plan and a budget once a year and throw it on a shelf. It's a living document that we continually analyze and adjust. It's our roadmap to our goals."

## More time ... well, to do your own job.

Dickran's detailed plan further defined roles for Mark, Cory and the whole team. It also included a way to pay for hiring an office manager. The addition of Jane to the AA Tex Lawn team caused a major increase in productivity for Mark, who used to handle billing, receivables and general office tasks himself ... and not very well.

"Hiring an office manager was one of the single best things we've done," says Mark. "So much of my day is freed up now. Now I'm all sales ... well, about 90% sales and about 10% poking my nose in everyone's business. You can't completely take that away from the owner." Most of all, though, Mark says, "Now my job is fun. I've handed off all the office work that I hated to someone who thrives on it. Her level of office management expertise is eons beyond mine.

"We are organized now. We have reports, everything at our fingertips. It's the real deal. It's all getting done ... I have no more worries."

For people who don't think they can afford an office manager, Mark suggests this: "Write down everything you do in a day. Then divide out all the administrative tasks and assign them an annual salary. An office manager

doesn't cost you money, it adds value. Your salary should be spent growing sales for the company, not printing invoices. Really, it's the greatest thing coming down the pike."

**You can't do everything at once, and that's okay.** By going through this process with Dickran, Mark and Cory were able to identify a list of issues in the business that needed revamping. That can feel overwhelming to a company owner. "I tell my clients, 'We are going to pick and choose our battles.' The only way to do this is to work on the most important issues and ignore others, and address them later," says Dickran. "You can't fix everything today. Once you realize that, the task becomes manageable."

Mark says this is a very difficult — but very important concept for owners to internalize. "This was a revelation to me," says Mark. "There is always something that will be a little off kilter. And the minute you fix one, there is another. Employees, jobs, trucks, weather, etc. The most important thing is to address

*continued on page 24*



Jane, the office manager

continued from page 23

each one in a timely manner. We can do that now because we watch key indicators. It gives you confidence. What felt debilitating before are now just little problems that you know you can handle.”

**Top priorities: the people**

There are certain creeds of business that Mark and Cory always lived by, which have served them well over the years. In a service business, relationships and high service are crucial for success. That goes for

external customers and internal customers alike. “Our employee and customer focus has always been our biggest strength,” says Cory.

Even when AA Tex Lawn was a small, fledgling company, Mark prided himself in having a great core of employees, and making sure they knew their value. When Cory joined the company 15 years ago, that culture continued. As COO, Cory runs the operations side and has the most interaction with the crews. “I like working with the guys,” says Cory. “I want to see them be successful. That makes the company and me successful, and the customers happy.”

Since Mark and Cory are staunch believers in professional development themselves, they make sure to offer similar opportunities to their employees. “We send them to every training event we can that our local association puts on,” says Mark. “We also do a lot of in-house training. We provide opportunities for leadership and growth in the company.”

**“It’s okay to ask for help. You don’t achieve great things by yourself. It’s a team sport.”**

– Mark Lay

Mark says they take advantage of the many training resources offered by PLANET including books, videos and workbooks. Having a mostly Hispanic workforce adds the additional obstacle of a language barrier to training, but the benefits far outweigh the drawbacks. Between ESL classes and taking advantage of the bilingual employees to translate, the training gets done. In addition, all signage and training materials are done in both English and Spanish. “It’s harder to train through an interpreter, but our Hispanic workforce also tries harder,” says Mark. “They are hungry to learn. I’m amazed at the work ethic and the dedication of our crews.” That’s why AA Tex Lawn has participated in the H2B program for many years.

**‘We don’t want to let them down’**

Mark and Cory have worked very hard to get where they are today. But they are quick to tell you that there were many people who contributed to their success. Beyond a great team, a supportive family and a stable of consultants, the Lays again give credit to a network of fellow contractors and business associates who take an interest in helping AA Tex Lawn reach its potential. “I consider their help an outpouring of kindness,” says Mark. “So many people have invested time and energy into this business. We don’t want to let them down.”

Mark says it’s crucial for every landscape contractor to remember that none of his or her challenges are new and that they aren’t alone. Take advantage of the wisdom of those who have already done it. “It’s okay to ask for help,” says Mark. “You don’t achieve great things by yourself. It’s a team sport.”

*PRO*

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