Hitting the Wall

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While growing his South Florida company, Stephen Miller was used to what typical companies face at $1 million, $2.5 million and $5 million in revenue: Running into the proverbial wall, finding out how high it is and then jumping over it. What he didn't anticipate was that once his company, Top Cut Lawn Services, attained a financially stable $8 million in revenue coupled with a decent level of customer satisfaction, he would hit the wall again. But this time it was at a level too high for him to jump over all by himself.

Miller came to the realization that what was keeping him from jumping over the wall was that both he and his team lacked the management skills necessary to fix years of redundant systems and processes relating to operations and delivery of services to clients.

"Hitting the wall for me was all about not having the right people in place to help navigate our business properly," says Miller. "This time, I felt like the wall shot up twice as tall. I preached accountability but couldn't quite obtain it from anyone. The key people I put in place couldn't be counted on to do the right thing because they didn't have an ownership mindset. I was constantly frustrated because every problem ultimately came back to me despite having a management team to handle it."

At this point, Miller thought about the only three routes open to him:

1. He could sell his business, taking one of the many offers that had been made over his 17 years in business.
2. He could live with the constant pain of operating his business in its present state knowing that he was still making good money.
3. He could buck up and endure his present pain while working to fix the problems that eventually could make the pain go away.

The first option wouldn't work for Miller because it wasn't just about the money for him, and he didn't want to let his team down. The second option wouldn't work either because he was not the type of businessman that could operate within the status quo.

So, Miller decided to hang in there and grin and bear it while working on making the necessary changes.

Through a recommendation from one of his peers, Miller checked himself into a “business therapy” group operated by a local chapter of Vistage, a company that oversees organized packs of executive advisory groups. Through active participation in just the first few sessions, he realized that he had the ideas, technical know-how and a good head for numbers, which was critical for operating a successful landscaping company, but he had difficulty clearly communicating to the rest of his team what needed to be done. He had created an enabling vs. accountable company culture.

Miller’s resulting first plan of action was to surround himself with new managers who could complement his own weaknesses.

From temperate to subtropical

Growing up 35 miles north of New York City in Spring Valley after graduating from the **University of Buffalo** with a management degree in finance, Miller started his first company, Green Valley Landscaping, in 1985 with a business partner. In 1987, he took a winter vacation in Florida and never came back. He soon called his business partner in New York to tell him to sell the trucks with the plows and send the remaining landscape equipment down to him in Florida.

While his company’s equipment sat in storage, Miller decided that he needed to learn a thing or two about the different landscaping market he was now living in before starting up his own business again. Several weeks after arriving, he secured a position with a large regional landscape company (his prime competitor today), then hopped to a second one. On the job, he learned all about the nuances of landscaping in subtropical South Florida with a far different climate, soils and vegetation than he was used to in the temperate Hudson Valley.

Both employers allowed Miller enough flexibility to join his business partner in the evenings for side jobs cutting residential lawns. They started Top Cut Lawn Services one year later by going door-to-door with hangers and leaflets, building the business one account at a time. Four years into his South Florida business, Miller got married and soon had his first of four daughters. In 2002, after revenue went over $1 million, he bought out his business partner.

While not actively seeking sales, Top Cut has grown over the years from either existing relationships or word-of-mouth. PHOTO: TOP CUT LAWN SERVICES

Top Cut has grown over the years despite not originally having a well-charted plan, systems and processes in place to support the growth. “We have been fortunate in that our client base has remained stable and revenue has grown, despite hitting the wall at four different stages," says Miller. While not actively seeking sales, Top Cut's growth has been purely organic from either existing relationships or word-of-mouth. Miller is now controlling growth until he fixes some of the challenges at hand.

Company upgrades with change management and a new T.E.A.M. culture

Miller's primary focus for 2015 is to build company culture, deploy new systems and processes and forge a foundation for long-term success. In order to help him do this, he brought in a strategic adviser to map out an 18- to 24-month change management initiative and also added a new operations director to process improvements and raise service delivery.

"Our change management initiatives are covering every aspect of our business model," says Miller. "I brought a strategic adviser in for the specific reason of leading the change management initiatives of Top Cut. Our priority No. 1 is company culture. We want to build a culture of T.E.A.M. (Together Everyone Achieves More), being transparent with our vision, goals and expectations of our T.E.A.M. members. Our change management goals are to grow a sustainable organization built around people and processes."

Top Cut's new strategic adviser, Steven Cohen of **GreenMark Consulting Group**, has been challenged with the primary goal of building a highly-charged company culture where team members are driven by the three Ps: purpose, passion and pride. "From there, we are focusing on our mindset," says Cohen. "Every action we take will be tied to customer satisfaction followed by financial decisions. We know how we think is connected to how we act, which is connected to how we perform, which is connected to how we deliver, which is connected to customer service, which is connected to profitability."

"Our biggest challenge is managing the ebb and flow of a change management culture," adds Miller. "We need to feed the monster, keep customers happy, work on our initiatives and keep our management team positive about embracing change. Creating revenue will not be our challenge, but finding passionate team members to help us support our growth and delivery to our clients will be."

Stephen Miller's focus for 2015 is to build company culture, deploy new systems and processes and create a foundation for long-term success. PHOTO: TOP CUT LAWN SERVICES

Staying local with single customer demographic

Top Cut has always benefited from its unique demographics. It derives its revenue from less than 40 customers who reside within a 15-mile radius from its corporate headquarters. The company is known for its expertise with HOA multifamily communities, many high-end and gated. Its service breakdown is 65 percent landscape management, 12 percent tree and shrub care, 12 percent landscape enhancements and 11 percent irrigation. The company also has a nursery, which is a separate business entity. The company maintains a renewal rate of 98 percent with average gross profit margins of 52 percent to 54 percent and net profits of 12 percent to 14 percent.

“Our goal is to keep a strong base of landscape management services to pay the bills and drive new revenue growth in all of our business units,” says Miller. “This includes our contract services; extras in irrigation, turf and shrub; and, of course, landscape enhancements.”

What is unique about Top Cut’s current business model is its route density. “We have jobs so close that our direct reports drive golf carts and utility vehicles to the sites from our facility,” says Miller. While Top Cut’s crews enjoy very little drive time now, Miller knows travel will be part of his geographic expansion. “We look to grow as far north as Port St. Lucie (55 miles away) and south toward Miami (60 miles away),” he says. “While we have clients that can take us to Orlando and Florida’s West Coast, we see enough work within one hour of our corporate facility to meet our five- to eight-year financial goals.”

Top Cut is also being proactive in its use of environmentally friendly turf and shrub care products with a goal to have best practice initiatives in every facet of its business by 2016. Its managers are challenged to stay on top of what are the latest and greatest green products.

“We are in the infancy stages of building out our sustainability platform,” says Miller. “As a company, right now we process all of our yard waste. We tub grind all landscape waste, compost and screen topsoil for our landscape and nursery operations. Office recycling is coming in the second quarter of this year throughout our organization. On the outside operations side, we are looking at using propane mowers, rechargeable hand-held equipment and a chemical reduction in our turf and pest business unit, as well as using better water management technologies and providing additional composting and recycling goals as they pertain to external operations.”

Charting growth by branching out

While Top Cut’s revenue has been organic for the past two years, it plans to ramp up business development in the third quarter of 2015. “We are in the process of realigning our organizational chart to include CRMs (customer relationship managers) and RRMs (regional relationship managers), which will be our version of business developers,” says Miller. “We want our growth to be consistent for the next three to five years, at an average of 12 percent to 15 percent.”

Although Miller doesn’t plan an expansion of services, he is taking a hard look at continued growth through additional branches in other nearby markets. In 18 to 24 months, he would like to take his company to $12 million in annual revenue. In three years, he’d like to take the company to $15 million, and in five years he’d like to take the company to $18 million. In eight years, his goal is $30 million.

The next year for Miller is all about learning. He knows the future of his company lies in the hands of his executive management team and is willing to take a step back and watch others lead. His goal is to give back to his team, wanting nothing more than to turn his company into an employee-owned one.

The best lesson that Miller has learned as a business owner is the need to build a culture and operational infrastructure in the early stages of the business so the business can climb over any size wall in its growth path. “The best advice I can give other landscape business owners is to be open-minded and realize that while you think you might know it all, you never really do,” says Miller. “Growing a business is not for the faint of heart; there are no shortcuts. Mistakes are going to happen, so learn from them.”