

Kentucky Firm Evolves With Success From One Generation To The Next



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Perpetual change and innovation characterize today's rapid-fire business environment. What worked five years ago, perhaps even last year, may not work today. Smart business owners know that as markets, customer desires and technology evolve, they also must adopt, adapt and change.

Stephen Hillenmeyer realized this almost a generation ago. He saw that the model his family had successfully relied on for generations in central Kentucky was no longer working – at least not to his satisfaction.



In 2003 he committed to making a change in the family business – a big change. Hillenmeyer, company president, says it wasn't as difficult a decision to make as most people might think.

Hillenmeyer moved his company away from the nursery business, which had helped sustain the family for well over a century. He also closed the family's popular garden center while also de-emphasizing landscape construction and landscape design/build.

In the place of those services he embraced a new client-service model by redoubling the family operation's focus on landscape maintenance and related property management services. He also acquired a Weed Man lawn care franchise. That's where the sixth generation of the family – Chase, 31, and Seth, 27 – enters the picture.

"We were always involved at some level in the family business. And the business always interested me," says Chase. "But our dad also encouraged us to do something outside of the family business."

Both he and younger brother, Seth, (great-great-great-grandsons of founder

Francis Xavier Hillenmeyer) graduated from Miami of Ohio in Oxford. Both concentrated on business and finance while at the university.

While Chase was considering a career opportunity and searching for an apartment in Chicago, his father approached him, seeking help with the family business. "I gave it a lot of thought and decided it was the best opportunity for me to grow in the long term," recalls Chase, who became part of the company in 2007.

"Two things played into me joining the family business," adds Seth, who had worked in commercial banking in Chicago before returning to Kentucky. "One was the success my brother and dad were having, and they were generous enough to want me to be a part of that success and help grow that business.

"Number two, I decided I didn't want to spend my life behind a desk giving out loans. Two years in commercial banking convinced me the corporate world wasn't for me," says Seth, who joined the family firm in 2012.

While Chase runs the day-to-day operations in both [Stephen Hillenmeyer Landscape Services](#) and Weed Man, Seth's task is building lawn care.

The family is confident it will continue to grow its business and is pleased with the progress of its Nashville location, now in its third season. Even so, Chase says challenges remain.

"I'd like to say that we have everything down pat, but I certainly don't think we do," he says. "Obviously, it's a challenge to maintain the same culture among the two locations (Lexington and Nashville) separated by a few hundred miles."

In addition to making frequent trips to Nashville, the brothers bring technicians from Tennessee to Lexington, not only for training but to share Hillenmeyer culture and history with them. "It's eye-opening for them to come here and see all of our operation," adds Chase.



Neither brother has regretted their decisions to join the family firm, especially given their success in growing the Weed Man franchises to \$3.5 million through the 2016 season.

And their father has no regrets about dramatically streamlining the family business after acquiring its full ownership in 2002. In fact, it turned out to be a very smart move.

This became apparent within a few short years with the implosion of the economy during the Great Recession of 2009-2010. As economic gloom descended on the landscape industry, both the live plant business and design/build suffered in central Kentucky as well as nationally. By contrast, Hillenmeyer's combination of basic landscape services aimed at the commercial market and Weed Man lawn care maintained sales volume.

"The foundation of our business had been the growing operation, the nursery,"

says Stephen. "That's a very capital-intensive business that you invest a lot of money in ... then have to wait five to six years to get a return on your investment. During that time people may decide they don't like those types of trees, and you end up with several fields of inventory that might not be as valuable as you had planned."

As for spinning off the family retail business?

"In that business you hope you have good weather and that people come to see you. You can't be very proactive. And then there's the competition from Walmart, Lowe's and every gas station selling mulch," continues Stephen. "Retail was one of the first things I wanted to get out of."

Over a few short years Stephen had redirected the family business into the recurring revenue model.

"It's hard to be all things to all people, so we knew we had to simplify the business," he adds.



That's not to say the Hillenmeyer family is content to stay put. It's not. It's just that whatever new endeavors it gets into must fit its business model, which includes being able to achieve a relatively high customer renewal rate from year to year.

Hillenmeyer's most recent acquisition, a Mosquito Authority franchise for central Kentucky, fits this model. "That business doubled in size last year, and we're seeing a nice increase this year, too," says Stephen.

With so much going on, Stephen is extremely pleased to have two talented sons in the business to help write the next chapter in the remarkable Hillenmeyer success story.