Enhancements: The Big Win-Win



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Three years ago, John Newman, president of <u>Classic Landscapes</u>, got aggressive with the Hampton, Georgia-based company's enhancement sales and reached out to all of their maintenance clients about potential add-ons. Every single one did an enhancement. Every. Single. One. And all it took was that extra effort. Some of the enhancements were small-laying straw or replacing a plant-but every client did something.

The truth is that enhancement sales can be a nice way to generate additional revenue from existing clients. Sometimes all it takes is asking. Newman says his company's push to add enhancement sales was a good lesson about the value of being proactive. But contractors lose sight of those opportunities for many reasons. They either fail to take the time to seek out possible enhancement work or they simply ignore the opportunities that present themselves. In time, those missed opportunities add up. Whether it's seasonal color, tree or shrub installation, or even irrigation upgrades, selling enhancement services has a number of benefits.

Building on relationships

Enhancement services generate new business from existing clients, which takes out a lot of the legwork.

"If you already have a customer who trusts you and has proven willing to spend money with you, then it's much easier to get them to spend additional money on enhancements than it is to go after someone you've never done business with," says Steve Hill, president of <u>Turf Tenders Landscape</u> <u>Services</u>, Raleigh, North Carolina. "You're also the one who brought them the idea so it's unlikely they're going to go out for bids. If they decide to do it, they're going to go with you."

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"You already have a relationship with these clients," adds Newman. "You're

not just some guy off of the street. If you approach it from the standpoint of improving their property and wanting to help, it can be a relatively easy sale. The hard part-forming the relationship with the client-is already done."

Jason R. Fawcett, president and COO of <u>Elizabeth River Landscape Management</u>, Suffolk, Virginia, agrees that once the initial groundwork is laid with the customer, selling enhancements is the logical next step.

"We look at maintenance as our foot in the door," Fawcett says. "Then it's our job as managers to sniff out where there's room for improvement. That could be in drainage, shrub replacement, paver replacement or something as simple as an additional tree and shrub application. Whatever the enhancement may be, it's our objective to find it."

Fawcett says his company has recently shifted its focus to enhancements. He admits there was a time they'd let those opportunities "blow by us" as they were so focused on maintenance. But Fawcett says intentionally slowing down, taking the focus off of growth and looking more at selling to existing customers is the company's new objective.

"When we become too focused on expanding, we lose the ability to focus on what's right in front of us," Fawcett says. "If you take a look at the clients you're already servicing, there are likely opportunities already there. We've started doing property reviews and tours where we gather the managers and just walk the property. We look at what enhancements might make the property better and what existing work we can do better. My advice would be to slow the pace and not be so worried about growth that you lose sight of an existing opportunity."

Operating the service

Most contractors who offer enhancement work keep it entirely separate from maintenance work. Whether it's one crew or multiple crews, it's typically specialized and offered by a dedicated group.

Fawcett says he not only has a separate team, but he employs an enhancement manager who oversees it. The account manager sells the enhancement and turns it over to the enhancement manager. He points out that small projects may still be tackled by maintenance crews. "If it's something like replacing a dead plant and our maintenance crews are already on that route, we'll just have them do it," Newman says. "But it has to be a small job that's not going to disrupt their route. In most cases, the enhancements are done by the guys who specialize in design/build work."

In terms of pricing, enhancements can have a nice profit margin. Hill says they aim for a 60 to 65 percent margin on enhancement work, whereas maintenance is traditionally around 50 percent. Enhancement work typically winds up driving approximately 30 percent of the company's revenue. "You're offering something more—something above and beyond," he says. "So it should be priced that way." The installation of this drought-tolerant bed is an enhancement that saves the property owner irrigation water and reduces maintenance costs. PHOTO: GACHINA LANDSCAPE MANAGEMENT

As far as what to charge, it really does depend on the service. Newman says clients are willing to pay more for enhancements that are detail-oriented and require a special set of skills.

"It's easier for clients to perceive the value of expertise with larger enhancement projects, such as paver work," Newman suggests. "Clients tend to be price sensitive about smaller projects like replacing a plant. The more skill involved, the more you can charge."

Pitching the idea

There is no right or wrong time to sell landscape upgrades, but there can be times that are better than others, depending on the client, landscapers recommend. If you're selling to an HOA, for example, keep their budget season in mind. July or August may be a good time to talk to commercial properties about potential landscape upgrades in preparation for their budgetary planning meetings, which may be in October, says Newman.

"You'll be in a lot better shape if you plan ahead," he adds. "Just because December is slow, it may not be the best time to try to bring upgrades to a commercial property owner's attention. They will already have the budget set for the entire next year. So the timing does matter on some of these jobs."

In order to be successful in selling enhancements, it's critical to understand who you are selling to and customize the pitch.

While selling to an existing client is obviously easier than a new one, there can still be challenges when suggesting enhancements. Stacie Callaghan, customer experience manager for <u>Gachina Landscape Management</u>, Menlo Park, California, says that educating the customer can pose challenges. "You need to have them see the long-term benefits of investing in their landscapes," she says. "They must understand how spending money now will reap future cost savings. We continue to teach, train, implement and practice the latest strategies and techniques to help our clients protect their valuable landscape investments."

Hill agrees that helping clients see the value can pose a difficult challenge, depending on the client. "I have a few clients who just don't see the value in having anything nicer added to their landscapes," he says. "You have to sell them on the benefits. For example, the fact that it makes their company look more successful."

Fawcett adds that getting clients to actually follow through is also a

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challenge. They may initially say "yes," but you have to follow through. And sometimes you have to keep following through until that yes turns into actual action, Fawcett says.

"Basically you have to hold their hand every step of the way," he says. "That's what it boils down to. Making the sale isn't really a success until you're following through on it."

Sometimes work doesn't come to fruition right away. Hill advises trying to be patient after making a pitch. Just because it doesn't go right on the client's budget, doesn't mean it won't get done. "You may present your idea one year, but it may not actually get done for another year," he says. "You're planting a seed that won't necessarily be harvested right away. You have to be understanding of that going in—though it's admittedly challenging."

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Making the Sale

A lot of the successes in selling come from the ability to customize the pitch. Hill says that it's critical to understand who you're selling to.

"For example, we have a customer in a retail tire store," Hill says. "Suggesting that we put new flowers at their front door isn't going to appeal to them. Flowers aren't going to get people into the shop to buy tires. But what might be beneficial in their eyes is trimming the trees and shrubs so that people can see their sign better. Flowers might be a better sell to a nursing home, hotel or apartment complex. You really need to understand who you're selling to and what they do. Telling them you can make it look better isn't enough. Go the extra step and explain why making it look better will benefit their business. You have to know what's important to the client."

Once you open that course of dialogue with the customer, it can have added benefits as well, Hill says. For one, it shifts your perception from just being the landscaper, to being someone more valuable. It portrays you as someone who is "proactive" and customers like that.

"Even if the customer turns you down, you've still showed them that you're someone who does more than mowing," Hill says. "That's valuable in itself."

Hill compares it to the upsell at fast food restaurants—"Do you want fries with that?" Even though the customer doesn't always want it, they appreciate being asked.

"They suddenly view you as someone who is actively trying to make their property look better or more functional, and they will value that effort," Hill says. "When they do want something else done, they'll come to you as opposed to looking elsewhere because you've already set the stage and built the relationship."

But the other benefit is that it takes away the perception that you're trying to nickel-and-dime them. "If you were having trouble with your brakes, you

would expect your auto mechanic to replace the system— not one part at a time," Hill compares. "In the same way, if an irrigation system isn't operating as well as it could be, we're not going to replace one head at a time. We're going to suggest they replace the system and explain the benefits in doing so. Suddenly they're not looking at you as someone that mows and nickels-and-dimes them for some added income. They're looking at you as a consultant."

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Installing and keeping this beautiful seasonal bed in full color adds much-appreciated curb appeal to this site. PHOTO: HIGHGROVE PARTNERS

The Latest Trends

It's hard to pinpoint trends in enhancements as it's a service that's tailored to each client. But for those doing irrigation or lighting upgrades as part of their enhancement packages, it's safe to say that LED lighting and smart water technology can definitely be counted as trends. Installing drought-tolerant plants is also popular right now.

"The current trend is drought management," says Callaghan. "That includes water savings, sustainability and cost savings. Gachina accomplishes this by utilizing cutting-edge water conservation techniques. The team at Gachina will continue to invest and be an industry leader in sustainable landscapes and water management. Removal of water-loving turf, irrigation retrofits and the installation of drought-tolerant plant material is the way to go. These enhancement programs are well-received due to the drought, being environmentally conscious and in light of current and future water restrictions."

Fawcett agrees that in terms of irrigation system upgrades, watersaving technology is definitely a hot trend. "We consider our irrigation department an enhancement service and will renovate old systems with new technology," he says. "That's making the system better and saving water at the same time—the key points behind enhancements."

COVER PHOTOS: CLASSIC LANDSCAPES, HIGHGROVE PARTNERS, GACHINA LANDSCAPE, MICHELLE DERVISS LANDSCAPE DESIGN