



SUMMARY OF IDEAS FROM 2009 CALSCAPE ROUND TABLE DISCUSSIONS

I. Green Roofs & Green Walls / Capitalizing on the Opportunities

(A.) Green Roofs

- Seems to be a lot of interest from many building owners and the design community, but you really need to know what you're doing before jumping into it.
- Still a large learning curve for the industry as a whole.
- Lot more complex than most interiorscape projects; i.e. weight and safety factors, environmental extremes, new palate of plants to learn and understand needs, irrigation systems, what type system works best for different customer needs, etc.
- Plantscapers see things with a different eye because a lot of green roofs use "native" plants and we use beautiful tropicals, which are more pleasing to the eye. We need to change our perception of what is beautiful, and consider what works and why we're doing it.
- Plant material will vary drastically from region to region that can be successfully used on green roofs.
- Sedum family is a "go-to" plant ...can handle freeze in winter and heat in summer, and has few pest problems.
- Native plants are often used, but sometimes hard to grow, because of limited depth of most green roofs.
- Important to be aware of the watering needs of different type plants due to the format of the planting.
- Suggested that you test different plants and watering needs to see what works best in your area and with different type planting formats.
- There are a number of systems on the market..."intensive" and "extensive". If you're not already experienced using them, it is suggested that you do lots of research on the different systems and test a number of them.
- Green roofs must be irrigated.
- Most of the planting media typically has little organic matter, so not much in the way of fungus gnat problems.
- Green Roofs for Healthy Cities has great educational programs ... www.greenroofs.org. Also, they offer a Green Roof Professional certification.
- Must have green roof team to include engineer, roofer, architect, landscape architect and green roof installation contractor.
- To become successful as a green roof contractor you have to become very knowledgeable on the subject. Becoming certified as a Green Roof Professional will probably be required to work on many larger projects in the future. Becoming a LEED AP will be of a major benefit as well.

- Becoming one of the most knowledgeable people in your area about green roofs and developing relationships with the other professionals in your area that make up the “green roof team” is the best way to achieve success as a green roof contractor.
- The safety factor is HUGE with green roofs. Structural safety requires that an engineer be involved. People safety requires lots of training for this type of work.
- If you’re going to get into green roof installations, it is suggested that you set up a separate company due to potential liability issues. Also, the workers comp rates are extremely high when working on roofs, and will negatively affect your overall rates if you mix it into your interiorscape business.
- Science Daily Website: Univ. of Michigan is studying the impact of replacing standard roofs with green roofs.
- Seattle, Chicago and New York seem to be the leading cities in the green roof movement.
- In cities with high rise residential facilities, such as New York, roof top vegetable gardens are becoming popular...may present additional opportunities for those in cities with these type buildings. Also, it may increase the need for the use of organic pesticides, fertilizers, and beneficial insects.

(B.) Green Walls

- A lot easier and less complex than green roofs.
- Many of the new green wall / living wall systems are very easy to install.
- Green walls are something relatively new and different that can be used to peak the interest of some property managers, owners and the design community.
- Also, there are smaller wall units available for other uses, such as reception areas.
- Some of the green wall units are designed with irrigation, which makes the servicing very easy and cost effective.

II. Reinventing Your Business

(A.) Why?

- Many are concerned that the industry is mature and future opportunities are limited, especially with the changes they see in the current and future economy.
- Some company owners have lost lots of business during this economy, and feel it is important to find additional revenue streams and ways to reduce costs in order for their company to survive and prosper.
- Reinventing will most like improve your future growth opportunities.

(B) How?

- Changing or reinventing means different things to different people...some feel it means changing what they offered, others feel it is how they run their business, market their products, how they provide service to their customers, ways to streamline and reduce costs, improve their productivity, improving the quality of their staff, etc.
- Reinventing might just mean doing something better in your business, not necessarily offer more or different products or services.
- First, determine what is right for your company and in your market.
- Make sure whatever you do, don’t forget to also look at it with the customer in mind.
- If diversifying is your answer, do market research with your customers to see what they need, and then determine if you can effectively and efficiently offer it to them.
- Does it make sense for you to do it, and does it make sense for your customer to have you provide it?

- Educate yourself and your key people in the area you choose to focus on.
- Get help from outside your business from an expert in the specific area you want to add, change and/or improve.
- Work on making sure you define your goals, and develop a good business plan to get there.
- Develop yourself and your people so you can better accomplish your goals.
- Everyone will exit their business some day, so make sure your current plan is in line with where you want to end up in the long run.
- Utilize technology...it is a must in today's business world...don't be afraid of it.
- Know your strengths and the strengths of your organization...build on them and your unique value...make sure you promote and market them.

III. Increasing Add-on Sales

- Offer specialty top dressings like rocks, glass, recycled materials, etc.
- Put together a tenant gift program for property managers. This might also provide additional leads for new business.
- Pay techs and supervisors a small lead fee or commissions for add on sales.
- Add florals/cut flowers to your offerings for customers; partner with a local florist in the area to handle if you can't do the work, and make a reasonable mark up on it from 10% to 20%.
- Sell more trendy and more expensive items.
- Offer a discount to other tenants in the office buildings that you're already working in; improves route density and will lower your costs.
- Schedule walk throughs with your existing customers and look for opportunities to suggest design changes, update containers, plants for new areas, addition of blooming plants to help liven up the area...
- Sell quarterly cleaning contracts for silk plants.
- Periodically send out newsletters and always include something about design trends.
- Look at what businesses are doing well in your market, and visit them to see if they're expanding and might need additional plants, containers, etc.
- If you don't already do holiday decorating and/or patioscapes, look into offering them.
- Ask you customers what other services they might like you to handle and have just one monthly invoice to process.
- Use the benefits of plants (Green Plants for Green Buildings) to help promote the reason to add more plants.
- Make sure all your customers have access to your catalogues and marketing materials...printed and via website.
- Use incentives and promotions to promote new container sales to your existing customers...especially the ones that have old style and outdated color containers.
- Promote all the services you offer to every one of your customers; i.e. if you do holiday decorating, patioscapes, short term rentals, make sure they are all aware of it.
- Think about what other products and/or services you could offer that your customer might want/need, and that would make sense for you to provide.

IV. Growth By Acquisition

- If strategically done right, it will increase your route density and have a very positive impact on your profits.
- Staff, especially managers/supervisors, have to be capable of handling the additional responsibilities.
- Also, before doing an acquisition make sure you give some thought to the impact it might have on every aspect of your business, and make sure you're prepared to handle it. If not, work on the preparation before following through with buying a company.
- It's important that you do a cash flow analysis to ensure that you will be able to handle the cash requirements until you get the acquisition debt paid off.
- Look at the culture of the company you are considering buying and figure out how it is different than yours. Will there be any challenges? If so, decide how you will overcome them and effectively transition their staff to your culture.
- A few ways to find potential acquisition opportunities...
 - develop relationships with your competitors and let them know, if they would like to sell their business, you would be interested in discussing.
 - let your suppliers know your interest, and see if they know of anyone that wants to sell.
 - have a 3rd party confidentially search the market...NIN, your accountant, a local broker, etc.
- Make sure you do a confidentiality agreement early in the discussions to protect both of you.
- Don't try to do this alone, put together an acquisition team to include an experienced acquisition specialist that knows the interiorscape industry, your CPA and a good contract lawyer.
- Having someone help you through the process will increase the chances of making it a successful venture, and will allow you to spend your time running your business rather than being distracted by all the many details that need to be worked on during the process.
- It is helpful to have a credible source do a valuation to make sure you are paying a fair price. CPAs often do this, but they don't always understand the interiorscape industry.
- Things you will want to review are 3 years of financials, tax returns, employee history, organization chart (who is responsible for doing what), customer growth/reduction this year, etc.
- Make sure you look at including a "claw back" clause in your agreement to protect you in the event of any loss of accounts during a reasonable time period.
- Be prepared to spend the time necessary to complete the due diligence (inspection) process...reviewing the financials, inspecting their accounts, learning about their employees, taking inventory and inspecting the assets you're purchasing, etc.
- It is suggested that you do an "asset purchase" and not a "stock purchase", so you aren't assuming as much liability.
- It is recommended that you don't assume any of the seller's debts.
- You'll want to be careful if the techs are the only ones with long standing relationships with the customers. They might have too much influence with the customer, and if they leave the customers might leave.
- Ask if the techs have a non compete or non solicitation agreement.
- Be sure to include the fact that you're not only purchasing the accounts, but it includes their website, email addresses, phone numbers, fax numbers, etc.
- Determine if the accounts are properly priced and will make you money.
- Review where there accounts are located to see how well they match up with your service area.
- Selling a business is an emotional event. It usually helps to have a 3rd party assist with the negotiations.
- Do a pro forma to see how much profit you should expect to gain from the acquisition.
- Develop a good transition plan so you will be very proactive with the integration.

V. Expanding Holiday Sales / December and Other Holidays

- Look at your existing customer list and determine which ones you don't have as holiday decorating customers. Then put together a sales and market plan targeting them...sending them brochures, email promotions, calling each of them, etc.
- Make a target list now of larger projects you would like to have. Schedule to visit them after their current decorations are installed. If you could improve or provide something better or dramatically different, contact them to see if they would be interested in hearing more about your ideas. Be prepared with photo images, samples, etc.
- Looks at improving your holiday sales and marketing materials. Do they make your customers say "WOW"?
- Use digital imaging, especially when trying to get a new customer or up selling an existing customer.
- Seek out free type publicity about some of the projects you're doing this year...call local newspapers to see if they would be interested in doing a story about local holiday decorating.
- Promote your holiday decorating to everyone you know.
- Get involved with charity events that will allow you to display your holiday decorating.
- Use the term "holiday" designs" rather than "Christmas" in your marketing materials.
- Offer gifts for other holidays, such as for birthdays, Valentines, Easter, Secretaries' Day, Boss's Day, others...
- Stay up with design trends, popular colors, and new products.
- Add seasonal concepts and develop themes for a short term rental program for each season, and promote it to each of your customers.
- Provide seasonal theme type table decorations for the local BOMA or IFMA meetings.
- Offer to do a holiday decorating program for the tenants in major office complexes in your area.

VI. Indoor Water Features / How To Do Them Successfully

- If you're just starting out, seek out someone that knows what they're doing to partner with on your first project or two. This will allow you to learn what you're doing without making costly mistakes.
- Look for trade shows that feature at least some indoor water features.
- Talk with manufacturers and suppliers of these type products. Some may even provide training programs, so you can learn how to better use their products.
- Quality of the water is an important factor.
- You may need an electrician for some type projects.
- If you can find a good sub contractor for water features, it might be the best way to go.