

2023

# STATE OF THE INDUSTRY REPORT

Unpredictable weather, the supply chain, and of course, labor, were some of the major challenges landscapers faced.

**S3**

**EXCLUSIVE RESEARCH**

**S10**

**SOUTH**

**S20**

**NORTHEAST**

**S6**

**WEST**

**S16**

**MIDWEST**

Illustration by  
**ALEX GREEN**  
(FOLIO ART)

A SUPPLEMENT TO

**Lawn & Landscape**

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## KICK-START INNOVATIVE THINKING FOR A STRONG 2024

No matter where you live or work in the green industry, and no matter the size of your business, you remain concerned about inflation, controlling costs in an unpredictable environment, finding or keeping qualified help, and weathering the storms (both literally and economically) season after season.

While we've all been bracing for a recession since 2022, the economy overall has been surprisingly resilient to date. But does that mean we may end up experiencing a little softness in 2024? Perhaps, but we can still look to the year ahead with optimism while also being realistically prepared for the unknown.

How? It's time to kick-start that same innovative thinking that fueled you to start your business. You need to revisit that entrepreneurial spirit and same creative thinking to keep your business thriving in uncertain times. You wouldn't be in business today if you weren't a risk-taker willing to try new things.

So, set your intentions now for a strong 2024. It might be time to add new technology so you and your team can work more efficiently, or it might be a good time to introduce new services or consider new equipment for your fleet to serve more customers or larger properties, or you may need to

get more aggressive with your marketing strategy. Whatever the case may be, taking calculated risks and staying nimble may just be the boost you need to keep you thriving in the year ahead.

At Kubota, we are doing just that. We are constantly innovating our products and processes — in fact, while manufacturing is at the heart of our business, innovation is the engine that keeps us pushing forward as we look to 2024 and well beyond. We started with an entrepreneurial spirit more

than 50 years ago, and it's that spirit that plays a pivotal role every day across our products, productivity, and our people.

For 2024, we are harnessing new technologies, automation, and innovating our business and our dealer systems to be more productive and efficient to stay well-positioned to serve your needs. We are primed to catch up nicely on our turf business inventory, building out our supply chain to put more products in Kubota dealer showrooms.

We are bringing to market more cutting-edge, award-winning mowers like the newly introduced Kubota F3710 front-mount mower, recently recognized as an industry 'Editor's Choice' and a 'Top 20' new product award for 2023. When added to the Kubota one-stop-shop fleet program, you'll have the newest equipment backed by extraordinary service in place and ready for the busy spring season.

And lastly, much like you, we are working hard to maintain a strong future workforce to serve your needs today, tomorrow and well into the future.

By getting back to the core spirit that built our businesses, we will continue to grow together in the year ahead and beyond. Best wishes for a prosperous 2024.

Sincerely,  
**Todd Stucke**

# GOOD-LOOKING NUMBERS

The industry continues to thrive even after business slowed slightly following the COVID-19 boom.

The industry saw quite a jump in revenue in 2022, according to our 2023 State of the Industry survey. Last year's research showed mean revenue was \$1.74 million, but that grew to \$2.32 million in this year's report.

The median revenue in 2021 was \$604,000 and that number moved to \$1 million in this year's report, making it the first time in recent memory that both numbers were \$1 million or greater.

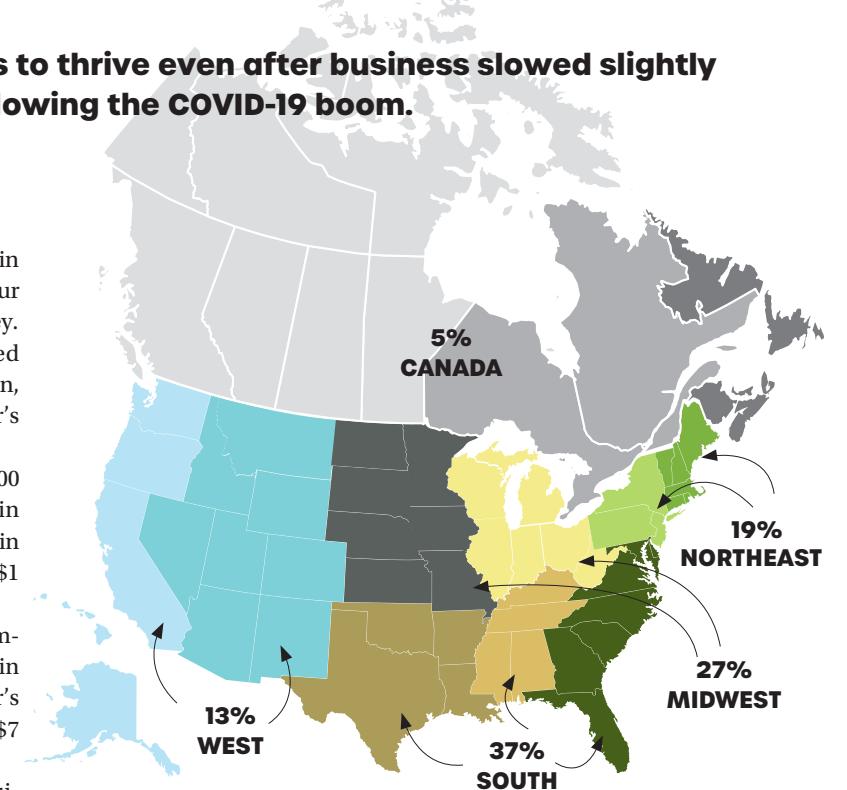
In this year's report, the number of companies reporting more than a million in revenue was 48%, compared to last year's report of 39%. Companies larger than \$7 million grew from 9% to 15%.

With the number of mergers and acquisitions the industry has seen, that's not surprising. Speaking of M&A activity, the number of people approached about selling their business has grown from 43% to 50%.

Confidence is growing for owners as well. Last year, 10% of respondents weren't confident their company would grow in revenue, while only 5% said that this year.

And it wasn't just revenue that increased. Those who said they turned a profit increased to 87%, up two points from last year's report. For the first time, we asked if you have private equity investment in your company, of which 4% confirmed they did.

— Brian Horn



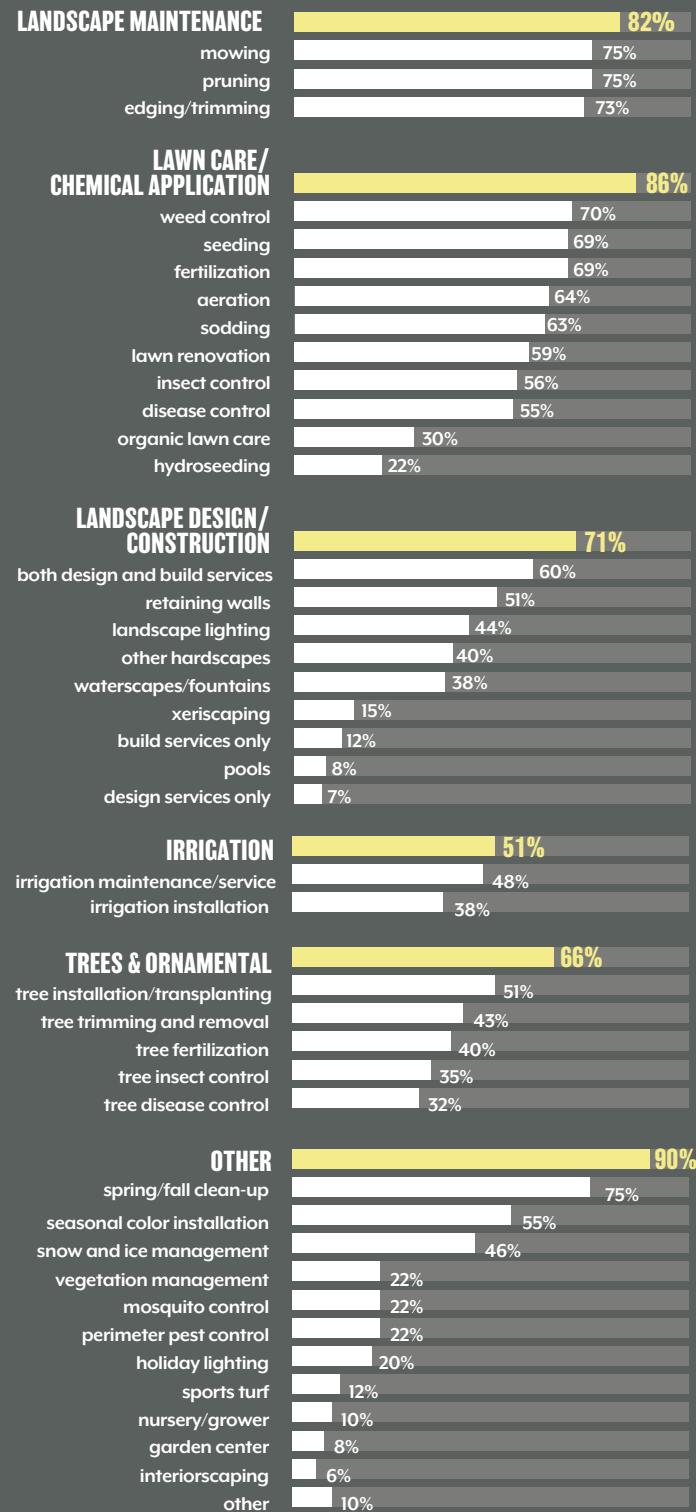
- New England (CT, MA, ME, NH, RI, VT) .....8%
- Middle Atlantic (NJ, NY, PA).....11%
- East North Central (IL, IN, MI, OH, WI).....18%
- West North Central (IA, KS, MN, MO, NE, ND, SD).....9%
- South Atlantic (DC, DE, FL, GA, MD, NC, PR/VI, SC, VA, WV).....25%
- East South Central (AL, KY, MS, TN).....5%
- West South Central (AR, LA, OK, TX).....7%
- Mountain (AZ, CO, ID, MT, NM, NV, UT, WY).....4%
- Pacific (AK, AS, CA, HI, OR, WA).....9%
- Atlantic Canada (NB, NL, NS, PE).....0%
- Central Canada (ON, QC).....3%
- Western Canada (AB, BC, MB, SK).....2%

	Northeast	Midwest	South	West
mean (millions)	\$2.24	\$2.19	\$2.22	\$3.28
median (millions)	\$0.76	\$1.03	\$0.92	\$2.67

### SURVEY METHODOLOGY

Data for this survey was collected from June 27 to July 14, 2023, and is based on 414 responses. The margin of error for percentages based on 414 landscape contractors/lawn care operators is ±4.8 percentage points at the 95% confidence level. Mean: The average of all respondents. Median: The number in the middle where extreme outliers are removed.

Which of the following services does your location currently offer?



How many full-time, part-time, and seasonal employees does your location currently have?

24 full-time

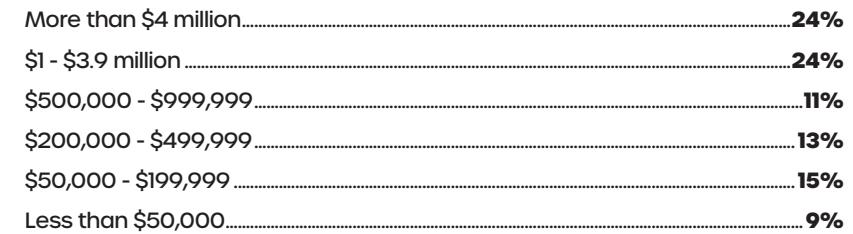
8 seasonal

2 part-time

34 Average number of Employees



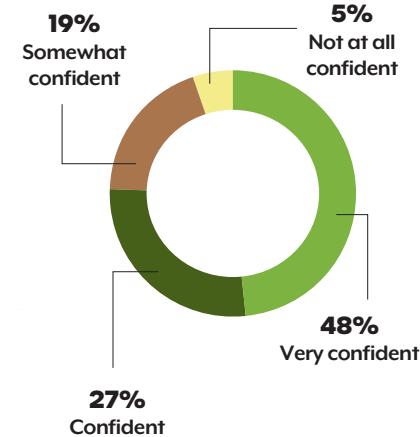
What was your 2022 revenue?



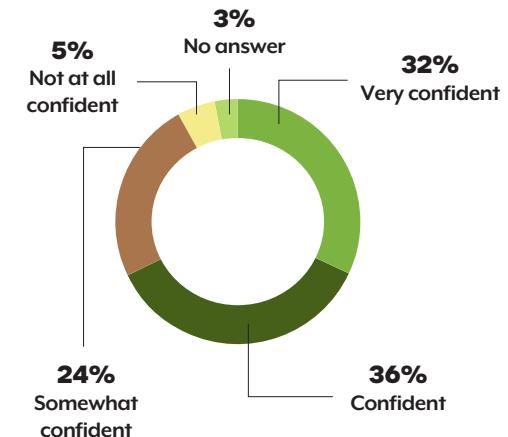
**\$2.3 MILLION**  
Mean Revenue

**\$1 MILLION**  
Median Revenue

How confident are you that your location's business will grow in revenue in 2023?



How confident are you that the national landscape industry will grow in overall revenue in 2023?



Does your company currently have private equity investors?



Do you anticipate your business will be sold in the next 10 years?



do not know: 32%

Approximately what percentage of your location's 2022 gross revenue came from each of the following property types?



# WEST



## A LOT RIGHT ON THE LEFT COAST

Business is still strong out west, even though there have been some hurdles.

Story by  
**KIM LUX**

Illustration by  
**ALEX GREEN**  
(FOLIO ART)

### Jennifer Chaplin

CEO, Botanica Landscapes,  
Yuba City, California

**EVER SINCE THE COVID-19 PANDEMIC**, Botanica Landscapes has seen a boom in design/build projects. Now, a few years removed from the shutdowns, CEO Jennifer Chaplin says she thinks that trend is here to stay. In fact, it's helping the business reach about \$4 million annually in revenue.



"For us, this year is going well," she says. "When COVID hit, our residential construction portion of the business really increased and it has pretty much stayed at that point. We are booked three months out for appointments. That's just scheduling a visit."

Chaplin, who has been CEO of the 40-year-old business for a few years now, says that while having all this work is great, the most challenging aspect can be managing customers' expectations.

"We have customers that we're doing installation or maintenance for that've been our customer for over 30 years," she explains. "And they want us to do it the same way we've always done it. So, we work with them on that. Then, we have other customers who are brand-new to us and come into it with brand-new ideas and things that they've seen on Pinterest or something like that.

"Some of them have very grandiose ideas," she adds. "They don't know it but what they want a quote on is a concrete planter that costs \$4,000. And their budget is \$3,000 for the whole renovation."

Chaplin says as social media and other technology continues to be more of a mainstay in people's lives, it can be harder to bring them back to reality.

"That's something we've really been working with people a lot on — they just don't know. They just know what looks nice to them, but they don't have any concept of how much things actually cost or how difficult it is to install," she says.

Also, when it comes to their customers, Chaplin admits she thought they'd be a little more upset about a recent price increase than they were.

"We've raised our wages of our employees and therefore we raised the rates for our customers. We implemented an annual 3% increase," she says. "I was curious when we did that how much pushback we'd get from people, but we really didn't get hardly any. I had a couple of people ask where I came up with that number, and I told them the Consumer Price Index and then they were O.K. with that.

"We had some other customers who were not thrilled we were raising their rates, but then we went and talked to them

Is there an exit strategy to sell your location's business?

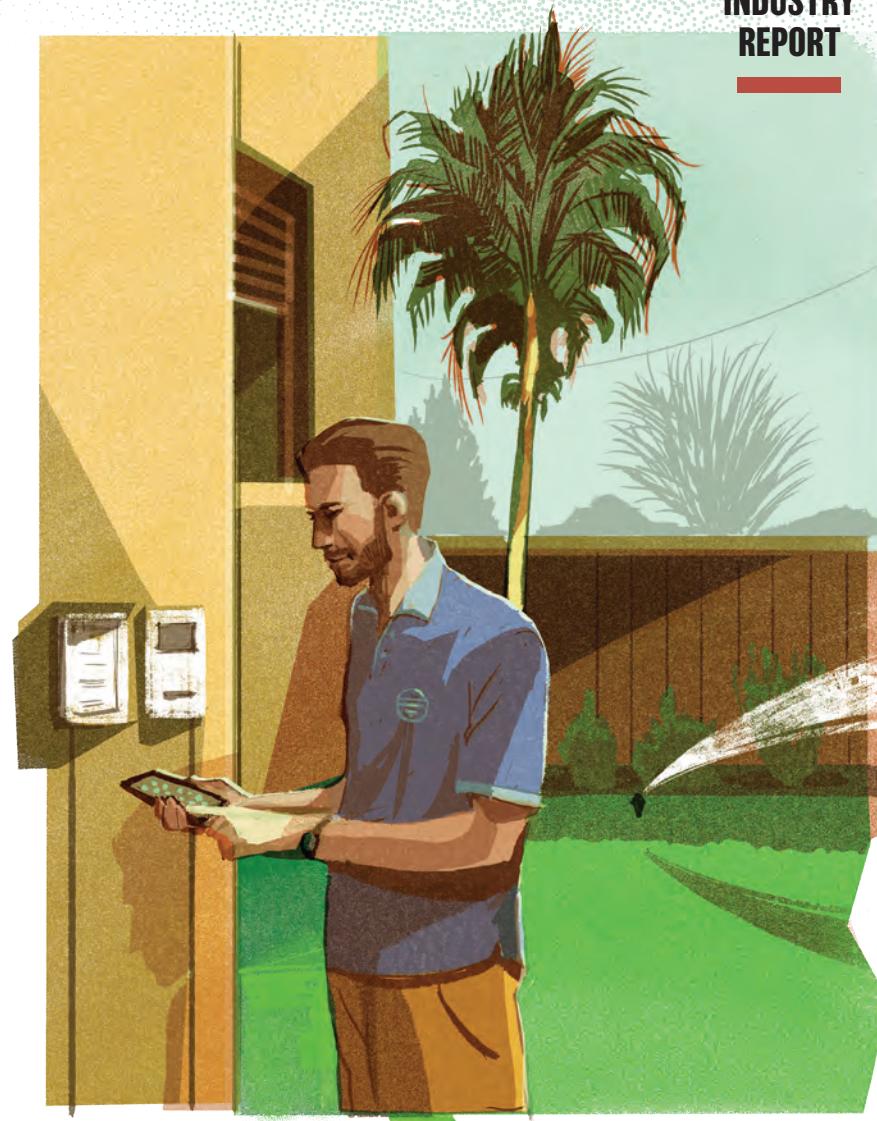
50% **yes**      44% **no**

do not know: 4% / no answer: 2%

and explained that one of the reasons why was because we were paying our employees more," Chaplin adds. "Once they learned that was why we were raising our rates, they were happy about it. It's because they're happy with the crew members who work on their homes."

Despite the recent price increase, Chaplin says Botanica isn't even looking to grow — but rather improve profitability.

"That's what I've been working on are systems and efficiencies and things like that," she says. "It's difficult to try and change a company culture in a company that's been around for this long. There's not pushback, but sometimes I think people don't really believe the changes are going to happen...now that I've been CEO for a few years they clearly know that I mean what I say, and I say what I mean, and we've enforced change. People have been more onboard."



### Cody Rindlisbacher

Owner of CPR Services, Riverton, Utah

**CODY RINDLISBACHER** has been in the green industry mowing lawns since he was 11 years old. Now, after starting CPR Services eight years ago, it's him and a small team of five employees working around the clock.

"It's been busy," he says. "All the contractors I know — everyone's been loaded with work. Everything is still booming and there's

been a lot of commercial landscape projects, though the residential market has slowed down a little bit."

Rindlisbacher says the company is expected to do over \$310,000 this year if all goes well. Though, he says most of his struggles currently stem from a lack of labor.

"We cannot find people who are willing

to work or want to do manual labor," he says. "We've had to turn down a lot of work and we've just been able to keep our steady load that we've had. We haven't picked up much more work than we can handle."

He adds that he's done about everything and anything he can to try and entice prospective employees but even

HEADSHOTS COURTESY OF RESPECTIVE COMPANIES

getting them in the door is harder than expected.

“We’ve had job listings posted everywhere online,” he says. “We’ve tried word-of-mouth and contacted a lot of people to let them know we’re hiring. We’ve been so slim on interviews and applications.”

As much as he hates having to turn down work, Rindlisbacher notes CPR is growing.

“We’ve had steady growth every year,” he says. “We’ve grown 15-20% at least every year. We don’t do any marketing. Everything we do is through word-of-mouth. I attribute our growth to doing good work and our clients talking to people they know about the work we’ve done for them.”

Outside of looking for labor, Rindlisbacher says the weather can also pose challenges and that droughts have caused some new trends in landscaping and stricter irrigation practices.

“We’ve noticed a lot of people in our area are doing xeriscapes, because we’ve been struggling with a drought here,” he says. “There’s been a lot of people removing their lawns and putting in gravel and low-water-use plants.”

Though watering regulations are common in Utah, Rindlisbacher says they haven’t been too bad this season.

“This year we haven’t run into too many regulations or issues that’ve caused problems for us,” he says.

And while xeriscapes are trending, Rindlisbacher says it’s not something he pushes his clients toward.

“We offer those things, but we try to stay away from the trends in that aspect,” he says. “We figure that by installing a proper irrigation system and educating our clients on how to water, we aren’t going to have to tear up the whole yard to do rock, which will just be hotter on the house.”

## Dave LaFore

President, Colorado Green Pros, Sheridan, Colorado

**SERVICING MORE THAN 300 COMMERCIAL LOCATIONS,** Dave LaFore says changing his business model years ago and relying on technology will help his company reach over \$3.5 million in revenue this year.

“I have a group of subcontractors and partners that’ve been the same group of people since 2012,” he says. “Back before that I had about 50 employees, 30 trucks and was the typical landscape operation.”

In addition to his subcontractors, LaFore explains he has two employees in-house helping to manage everything.

“We’re a highly automated operation and we’re using a lot of technology,” he says.

Colorado Green Pros utilizes a mobile phone-based app that has crews uploading photos and recordings out in the field.

“I give my corporate clients an account and they can see basically a live feed,” he says. “They can see everything in that feed and what’s going on at that property. It’s a real good tool for engaging the clients.”

Engagement and communication are some things LaFore says can be difficult in the commercial realm.

“Because they’re corporate clients, they aren’t at the property while the crews are there. They might be in New York or Chicago or somewhere else managing hundreds of properties across the country. The technology helps connect everybody,” LaFore says.

Another aspect of the app is accountability for his subcontracting partners.

“Instead of doing paper timesheets, they record everything in our mobile app,” he explains, “which is also available in Spanish. That’s huge and it’s a big impediment of technology these days because most of it is built only for English speakers.”

LaFore adds Colorado Green Pros has had to deal with its fair share of material costs rising and other expenses going up.

“One of the challenges is insurance,” he says. “If you’re in the snow removal business, the insurance costs are just horrendous. Our insurance costs have doubled within the last two years. And all the people I’m talking to in the business are just feeling that same pressure.”

LaFore notes higher costs for pipe, parts, fertilizer and other materials have caused him to make some major changes in pricing.

“Before COVID, we didn’t do many price increases, and the ones we did were few and far between,” he says. “But these last couple of years we’ve had to do some substantial price increases just to cover costs.”

Thankfully, LaFore notes that the reception to these price increases has been rather positive.

“A couple of clients made the comment that they knew this was coming,” he says. “Because they’re getting price increases from all their vendors and not just their landscapers.”



In the past 3 years, have you been approached about selling your business?

50%  
yes

49%  
no

no answer: 1%

## Craig Duttarar

VP of operations, Superscapes, Carrollton, Texas

**LAST YEAR WAS WHEN SUPERSCAPES** really felt like they were coming out of the pandemic lag, Craig Duttarar says. The company achieved \$39 million in revenue. With 350 employees, the company hopes to reach the \$50 million mark in 2023.

While he’s confident they will reach this goal, Duttarar says this year hasn’t been without its problems.

“In the landscaping industry, we’re always dealing with some sort of drama,” he says. “One of the biggest challenges we’ve had in 2023, and a lot of the drama, has been around environmental factors like too much rain, or it’s too cold, or there’s a shortage of a certain plant or tree that we have to overcome.”

Duttarar says he’s been in the industry for decades and never experienced the kind of chaos that a lack of available sod caused this year.

“This year is the first time in 25 years that I’ve ever experienced not being able to get sod from our sod farms,” he says.

“That’s a critical element to complete a project — you have to have sod.”

According to Duttarar, the problems all started back at the end of 2022 when another “Texas Freeze” wreaked havoc.

“Because of the freeze that happened in December, there were quite a few sod farmers that lost crops,” he says. “We’re talking 500-800 acres that they had to till over because it died. And then we had an excessive amount of rain in March and April. So, they were getting hit with all these rain showers where they couldn’t cut viable sod. A lot of projects were impacted by that in the months of May and June.”

There wasn’t anything they could do about the unexpected interruption, Duttarar explains, though they did start widening their circle of suppliers.

“We had to wait it out,” he says. “We did find one supplier who was in a different area of Texas, and we brokered a deal. We pre-bought 100 pallets of sod just to get us over the hump. It was like 30 truckloads of sod.”

While too much rain was an issue this year, Duttarar notes that almost every year his market deals with some type of drought and watering restrictions.

He says this summer’s high temperatures have caused more of the same.

“They haven’t fully gone to any dramatic decreases in water usage on new construction yet,” he says. “That’s always something to be mindful of because some municipalities will start to shut off water and water is critical to our installation process.”

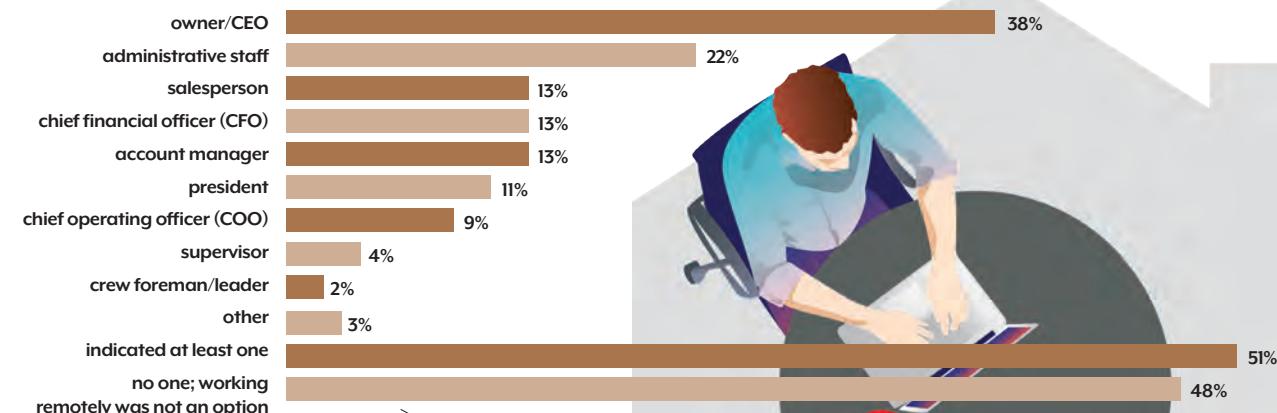
But despite the curveballs of Mother Nature, Duttarar says growth has been steady at Superscapes and the company hasn’t had to do anything out of the ordinary to expand.

“We’re kind of a woodchuck company — you know...how much wood could a woodchuck chuck if a woodchuck could,” he says. “We do what we do best and try not to get fancy with incorporating something new into our business. We do what we know and chuck as much wood as we can.”

The author is assistant editor at Lawn & Landscape.



### In the past 12 months, who at your location was permitted to work from home?



WORK FROM HOME ILLUSTRATION © KREKSAK | ADOBE STOCK



## PRICES AND POLITICS

Recent legislation and rising costs are at the forefront in the south.

Story by  
**KIM LUX**

Illustration by  
**ALEX GREEN**  
(FOLIO ART)



### Sam Creekmore

Owner of Creekmore Landscape, New Albany, Mississippi

**NOT ONLY HAS SAM CREEKMORE** owned his business since 1992, but he is also a Mississippi State Representative.

A policy Creekmore is looking to change has been impacting green industry companies for years. He says it's time to move past it.

"In Mississippi, a landscape architect and an architect cannot be partners," he says. "We are one of few states in the United States that has this archaic law."

Creekmore says he fears this law keeps fledgling and future landscape architects and horticultural students from settling down in the state.

"For the future of our industry and to keep our young people in the state of Mississippi, this needs to be changed," he says. "We're limiting ourselves with this regulation."

While Creekmore says he'd have no plans to partner with an architect if this stipulation changed, there are several other issues impacting his business.

"We service about a 90-mile radius, so travel time and gas prices have been an issue," he notes. "That's a challenge for us."

To combat the rising fuel costs, Creekmore Landscape decided to make a big investment to save not only money but also time.

"We installed gas tanks here on site to cut down on any stoppages along the way at convenience stores," he says. "We use GPS and we're constantly monitoring to see where there is idle time or any kind of breakdowns in our travel planning."

"We've absolutely seen savings," Creekmore adds. "The

biggest savings has been on man hours. We fill up at the end of the day, and then when they come in in the morning, they're out the door by 7:05 a.m. at the latest."

Another way they're saving time and money is by keeping a keener eye on overtime, Creekmore says.

"We've tried very hard to keep our hours down and to not have as much overtime," he says. "Sometimes that doesn't work out but for the most part, we're trying to keep crews at 45-46 hours. That also makes for happier employees."

Creekmore adds a recent price hike to combat wage increases and other rising costs was inevitable.

However, it's seemed to work out so far.

"We were behind on doing price increases, so last year we raised our prices an average of 20% on the project and the maintenance side," he says. "We knew there'd be some growing pains from that, but we were able to retain probably 80% of our work."

Now, in 2023, the company is expecting to earn about \$3 million in revenue. Creekmore adds that the goal for this year is all about customer service and building valued partnerships.

"With the price increases, we decided we can't just increase prices and have our clients expect the services to be the same, we need to improve it," he says. "We've been intentional on customer relations and trying to build up our relationships with each of our customers. We want their experiences with us to be memorable and pleasant."



### Pete Lucadano

CEO & co-owner of RedTree Landscape Systems, Tampa Bay, Florida

**TRYING TO CONTROL THE UNCONTROLLABLE** has been difficult for RedTree lately, Pete Lucadano says.

Everything from the weather to unexpected legislation has posed challenges for the \$8-million-dollar company.

Lucadano says legislation passed by Governor Ron DeSantis earlier this summer caused mass panic for much of the His-

panic workforce in Florida.

"Florida imposed several levels of legislation targeting illegal immigrants," he says. "There was mass panic, and it caused somewhat of a mass exodus of a lot of our industry employees here in the state of Florida. Every major landscape contractor that I know felt the adverse effects of it."

Lucadano notes that RedTree and other companies affected

weren't doing anything wrong and already E-Verified employees, but there was still stress and confusion in the Hispanic communities.

"That legislation is possibly the single biggest challenge Florida landscape contractors will face this year," he says. "We understand what our government is trying to do, but as is often the case, it tends to target the wrong people."

Immediately, Lucadano recalls RedTree strived to communicate effectively with its

crews about what was going on.

"This is where having good relationships with our people really paid off," he says. "Because being able to sit down with our entire team, in small groups, and give them assurances that this won't affect them...and that their employment here is secure...that helped tremendously."

Lucadano also recognizes state-level industry associations for helping to answer legal questions for business owners and their employees.

Lucadano says a lack of real storms and unusual weather patterns have also created difficulties.

"It was very dry for sections of time, so that caused a lot of horticultural challenges," he says. "Being in a tropical climate, a lot of that plant material and turfgrass really depend on water — especially when the temperatures get into the hundreds for the bulk of the day. Irrigation systems can only do so much. They aren't a 100% replacement for precipitation."

Lucadano adds it's been one of the hottest summers on record for the state.

Like so many others, rising costs have caused RedTree to increase prices. Lucadano says the reaction has been mixed.

"The biggest struggle we have as contractors is being able to help our clients understand that these costs are rising," he says. "It's a challenge to try and explain to them that we as one landscape company can't shield them from the effects of the world."

## Grayson Smith

Owner of Elite Landscaping, Valdosta, Georgia

**ELITE LANDSCAPING** has been through a lot so far in 2023, and Grayson Smith notes there have been plenty of struggles.

“Last year our market was really good,” Smith says. “This year it’s been good, but about a month ago it tanked and went to virtually nothing. The maintenance is just like it was, but the installation side has basically gone away.”

“We never had to hunt for work really ever since I’ve started, and now I’m going around to the banks we do and apartments trying to sell enhancements,” Smith adds.

Currently, the company has about 32 employees divided up into nine crews. Smith says he’s hoping to reach \$3 million in 2023.

Unlike most of the industry, Smith says he hasn’t really experienced a lack of labor but just the opposite. With new legislation

being introduced in Florida, he says a large amount of the Hispanic workforce there has made its way into Georgia and his market.

“The whole deal in Florida has driven a ton of Hispanic workers to our area,” he says. “Every week we probably have 10 people calling the office wanting a job. We’re being flooded with a workforce now, which stinks because we don’t really need anyone.”

Smith says the major slowdown Elite’s been experiencing has forced him to look harder at his bottom line.

“Since we’ve slowed down in design/build, I’ve been analyzing my maintenance really closely because I know that’s what’s going to be carrying us through,” he says. “I’ve spent three weeks analyzing every account. We’re trying to get more efficient and trying to get our routes tighter.”

Smith says he was surprised to learn about 60% of his maintenance jobs weren’t breaking even.

“I’ve come up with a percentage for every account on what they’d have to go up to be

in the green,” he says. “I’m having to battle internally and figure out if I should call the worst ones and say, ‘I can’t do it for this price, it’s going to be \$200 more a month.’ or what the best decision is. That’s a huge hurdle of ours currently.”

Smith says the lack of profitability is due to a combination of pricing and crews taking longer than they should to complete the work. To combat the latter, he has instituted a new bonus program that he hopes will boost efficiency.

“We put GPS on our trucks a couple months ago and we’ve been catching them sitting in the vehicle, making extra stops and all that,” Smith says. “So, we brought the crew leaders in and said if they can meet each jobsite’s estimated time, and they don’t miss any for that pay period, they’ll get an extra \$125...So they can get an extra \$500 a month if they do it consistently.”

“We just implemented it this week,” he adds. “So far, they’ve totally changed what they’re doing but who knows if they can do it consistently.”

## Scot Williams

General manager of GLS Landscaping and Maintenance, Greensboro, North Carolina

**SCOT WILLIAMS SAYS IT’S BEEN** a banner year for GLS as the company is expecting to grow by about \$1 million in 2023.

“The commercial industry is blowing up now,” he says. “I’m finding three more accounts a day... we’ve signed so many accounts today.”

Williams says he attributes this most to a “return to normalcy” after the COVID-19 pandemic and big, commercial office sites getting back to the status quo.

“We’ve stayed pretty stagnant coming out of COVID, but it really boomed in 2023,” he says. “It’s an unusual year for us... I think the next two to three years will be pretty solid for everybody.”

He adds that the company’s 15-20 employees, depending on the time of year, have been working tirelessly — and he wishes there were more hands on deck.

“We’re working a lot of overtime these days,” he says. “The guys don’t mind that. They’re picking up probably two or three extra accounts a day. We’re still not to the point where we have to work on the weekends.”

“The only problem we’ve really had so far is labor,” Williams adds. “People still don’t want to work.”

In addition to commercial work returning to pre-pandemic levels, Williams says some new marketing tactics are also playing a role in their growth.

“For the first time, we got talked into working with a new marketing company,” he says.

“It was pretty much all in-house before then. We started working with them about three months ago and they’ve revamped our website, our Facebook, Instagram and all that. The phone is starting to ring a lot more than it used to.”

With the future looking bright, Williams says he’s turning his attention to something he feels is on the horizon for all landscaping companies — battery-powered equipment.

“I’ve looked into electric and autonomous units because I think we’re going to start getting pinched more on gas-powered equipment,” he says. “I think it’s coming...I don’t think it’ll be in the next three to five years, but probably hit after that.”

While they haven’t purchased any new mowers just yet, Williams says they are working with battery-powered blowers and hand tools.

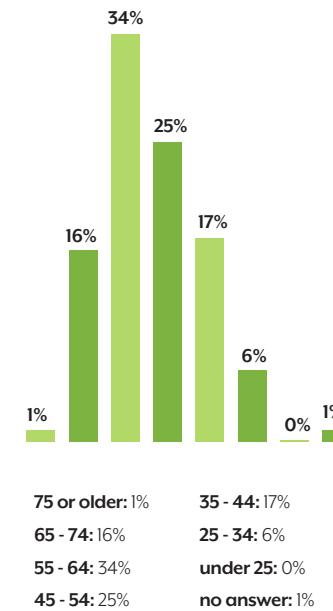
“We’re testing stuff out,” he says. “The biggest problem we’re having with it is the runtime and the charge. Most of these charges take 45 minutes to an hour so you have to buy three batteries to go with it and the batteries are the most expensive part.” Additionally, Williams is keeping a close eye on how the competition and his peers are handling the transition.

“We know a couple people larger than we are and we talk,” he says. “The one said he bought 12 autonomous units, and it was the worst thing they’ve done. They aren’t lasting nearly as long as they thought they were going to. It’s a \$30,000 investment and then you have to train all the guys to know how to work them.”

“We have the luxury to hold off on and see what my counterparts are doing,” Williams adds.

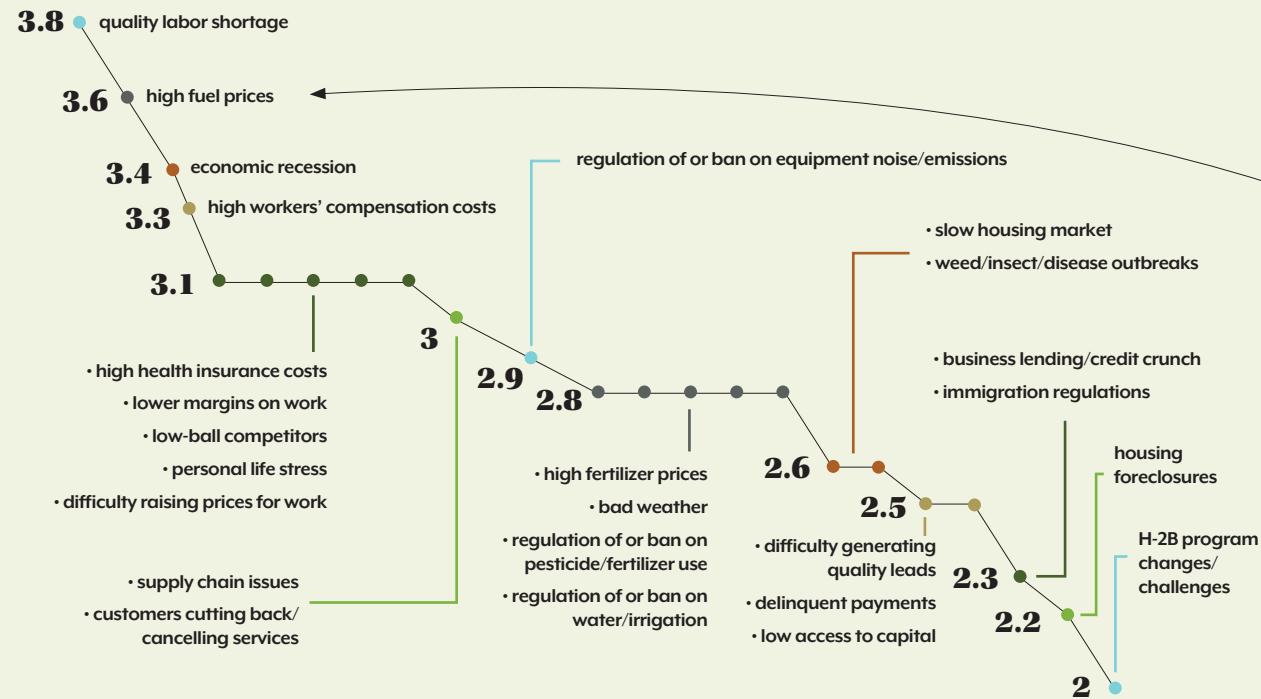


### What is your age?



mean: 54 / median: 55

FUEL PRICES ILLUSTRATION © RUDALLO / ADORBESTOCK



### How concerned are you about the impact of each of these issues on your location's business in the next three years?



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# MIDWEST



## WEATHERING THE SUMMER SEASON

Too much rain, and not enough labor, has plagued parts of the Midwest recently.

Story by  
**JIMMY MILLER**

Illustration by  
**ALEX GREEN  
(FOLIO ART)**

### Ken Schwarz

Vice president and COO, K&R Landscaping  
Hamilton, Ohio

**KEN SCHWARZ BELIEVES** last year's supply chain shortage was the worst he's dealt with since he started his company in 2007.

"We had trouble getting all kinds of different things," he says. "We had put in some major landscape installs where we were waiting on products."

Anything from garden fences to plant material was delayed, especially the latter given freezes in the south where lots of nurseries are housed. But Schwarz pivoted quickly, sourcing some materials like mulch locally.

Now, shipping outlook on some products is still as long as 12 weeks, but he believes it's been much better.

"Everything like fuel is still pretty high," Schwarz says, adding that replacement parts are more expensive, even on anything as small as a snap-on toolbox for his shop. "The product's available, but it's costing a lot more."

As winter approaches, Schwarz says his team doesn't have an offseason like others — they'll be doing commercial snow services again this year, though he anticipates doing more salting than snow removal. After all, a lukewarm winter season resulted in lots of ice in the Midwest but not so much snow, save for a few particularly intense storms.

Managing those services can be trickier because of the rising costs, too. Schwarz says the price on salt has risen dramatically, and many of his commercial accounts are multiyear contracts. He's not passing on much more than a 3% price increase onto his clients.

"We're out there to be a profitable company but we're out there to take care of our customers, too," Schwarz says. "That's how you keep the customers forever. It's all about the relationship."

Speaking of relationships, Schwarz says he's actually managed the labor shortage well. He's got a staff of 15 employees and expects to pull in around \$3 million this year. But the real trick has been keeping his crew leads happy: they've all been with the company for over 10 years.

"We've never had any problem getting labor as far as experienced labor in our area," he says, adding that they work with the H-2B program, getting as many as six employees sometimes from H-2B.

A big reason for the H-2B usage, he says, is that finding experienced labor has been an issue this year. Just recently, he had an employee who was supposed to show up to his shift but ghosted the management entirely when it was time to actually report to work.

"It blows my mind away," he says. "Of course, I've been in the business for over 30 years now. I've seen a lot."



### Peter Salmeron

President, Professional Landscaping Services, Wichita, Kansas

**A TIGHT LABOR MARKET** has kept Peter Salmeron and Professional Landscaping Services busy in Wichita, Kansas.

But actually, completing that work has been a tall task. With temperatures peaking over 105 degrees at times this summer, that has forced his team to operate at capacity. He's always dealt with hot summers in Kansas, but "this year has been different." It's affected their revenue because they can't do the work, and job estimates aren't as accurate because 10-hour jobs are now 15 hours as employees need to take more breaks or come back the next day to complete the job.

"All that affects the bottom line," he says.

Of course, with enough workers, that's not a huge issue. And at one point, the \$1.5-million company had people waiting in line to apply for work. Now, Salmeron says they have to look for them. PLS has found its workers — they do a mixture of design/build and maintenance work with their 20 employees. And some of those employees have been great workers there for several years. But it's been a struggle — he estimates a quarter of his staff is a revolving door of workers.

"It's been difficult. The labor source has dried up," Salmeron says. "Unfortunately, the new generation has different standards and different work habits. They're not as committed. They don't seem to be as interested in the quality of work. There doesn't seem to be as much pride in the work."

Managing the training with such high turnover has been another challenge, but Salmeron says PLS has a good system in place now with biweekly safety meetings, combining the experienced employees with the newer ones in one spot.

But what's been particularly trying is figuring out the right price to charge

customers based on the labor that can get done. Salmeron says it's been more critical than ever to get these prices right.

"It's very important for a landscape company to understand the labor cost," he says. "If you don't understand what your costs are, you're doomed to go bankrupt or close your business."

This is also important given the high markup on materials. Salmeron says PLS irrigation pipes and sprinkler heads have doubled in price, for instance, and seed has increased over 50% due to its lower availability after droughts sabotaged the supply.

Other challenges Salmeron says PLS has faced include the hoops needed to jump through to finance equipment and trucks, which often come with a high interest rate. He says the supply chain has stabilized but they're still waiting a few days to get new materials or parts from time to time.

For his part, Salmeron is passing those costs on to the customer. He hasn't had much pushback because everyone else is going through the same issues they are.

"It is what it is," he says. "I'm sure if they think it's too expensive, they'll go to somebody else."



## Dave Thurston

President, Royal Lawn and Landscape, Holt, Michigan

**DAVE THURSTON CALLED THIS YEAR'S** weather pattern in Michigan the weirdest he's ever seen.

It's not for a lack of experience in the industry: Thurston says Royal Lawn and Landscape, now at roughly 17 employees, has operated since 1990. But the weather this year certainly ignited some consternation, as a normal-looking spring quickly turned into a dry spell. The maintenance crews could skip mowing the lawns since so many hadn't grown at all.

The dramatic shift in weather came after the Fourth of July, as Thurston says they've had inches of rain every single week since Independence Day. One week after Labor Day, and his part of Michigan still dealt with an inch-and-a-half of rain.

"Our grass is out of control," Thurston says. "We're double, triple-cutting to get rid of excess grass. That's very odd for our climate."

Thurston says the other primary challenge this year has been a higher cost of living in the state. To help compensate for that, they raised wages early in the season. Thurston says this isn't atypical though — they do it once or twice a year, especially if the employee has been with the company for a while. But by and large, most of the team earns \$2-\$5 more an hour than they did even a few years ago.

But the wage hike isn't because Thurston's struggling to find employees. He believes he hasn't seen the same labor shortage that other contractors report. Each morning, he pulls up to traffic lights or gas stations and sees landscapers in trucks fueling up.

Sure, Thurston does readily admit finding employees wanting to do physical labor is a challenge, but as far as the industry goes, he believes it's a matter of forging the right connections.

"We're short on people who want to work on that short of a labor skill, but I don't know if it's necessarily just our trade," he says.

So, Thurston says he's taken to investing more time with prospective employees during interviews. As a result, where some employers are taking anyone they can get, he's been able to select employees from a lineup of a few candidates. Asking questions about their personal goals, getting a sense of what makes them tick and asking how Royal can help them reach their goals within the next three to five years has been helpful.

"I hired a guy that started this week, and he said, 'I've had several jobs in my lifetime, I've worked in the green industry for the last 10 or 12 years, and I've never had anyone dialogue with me at this level,'" Thurston says.

Now, it's also all about qualifying the candidates, too, so the hire makes sense. Thurston says he looks at previous job histories and asks about what's behind that pattern. If they stuck around somewhere longer than others, Thurston asks what changed there.

And, he feels he's also honest about what his line of work's all about. He tells candidates, "we work when it's hot, we work when it's cold. And if it snows on Christmas, we get called in." Thurston says from there, he's become good at reading body language to see if they're excited about working in the industry at all or not.

"I think the people that want to be in this industry are seeking out stronger companies to work for, places where they can be treated well. Considering the fact that they also have families, quality of life is important to them," he says.

That extends to clients, too. Thurston says he's got a positive outlook because many of his top clients re-signed on to Royal's latest bids despite some price increases. And in some cases, some of his clients are buying more real estate that'll need some of their work, and previous clients who left for other landscapers are coming back because they missed out on quality service.

That high-quality service isn't always easy, but there are some easy solutions. Thurston says he's seen some customers who never hear from the other landscapers they call requesting quotes.

"If they call and you respond, you'll probably get the job," he says.

How many years has your company location been in business?

6%  
50 or more

12%  
40 - 49

18%  
30 - 39

12%  
25 - 29

12%  
20 - 24

11%  
15 - 19

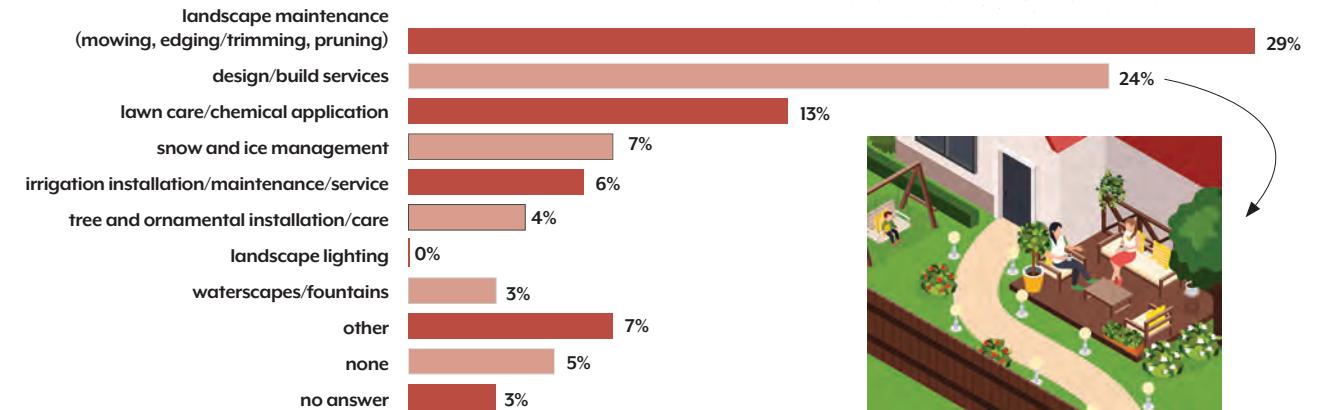
10%  
10 - 14

11%  
5-9

4%  
3-4

4%  
less than 3

What was your location's fastest growing service for revenue in 2022?



## Eddie Martindale

President, D&E Landscaping and Grading, Richmond, Michigan

**ELSEWHERE IN MICHIGAN**, Eddie Martindale's team at D&E Landscaping and Grading are catching up with "an ungodly amount of rain" from the summer season.

"The faucet never shut off all summer," he says.

With 37 employees, Martindale's team does all sorts of landscaping jobs, and there's plenty of maintenance jobs going around. But he says they can't service the properties weekly like they usually would due to the massive amount of rain.

And Martindale adds he's seen customer demand for design/build jobs slow down dramatically on the residential side. The slowdown was coming at some point after unprecedented demand, as Martindale says during COVID-19, they could pick and choose where they wanted to go, even needing to throw some estimates out because they didn't have enough people to handle the work.

Over the last year or two, Martindale

says he lost several key employees, and he believes that was a trend across the industry as wage increases occurred. Of course, he also says they raised their own wages about 10%. There was so much work to go around that everyone in the industry started paying employees more to handle it all.

"If your guys wanted to move, the demand of work was so high, so you had to pay your guy or they would've gone somewhere else," he says.

With the market bearing a higher wage, Martindale obliged the requests for increased pay, but he also adds that it was probably a long time coming. He wants to ensure his employees make more than enough to live comfortably.

"You've got to make it worthy for someone to make a living doing (our work)," he says.

Demand has slowed, though not correlated with the wage increases that Martindale will certainly keep. He says most calls about residential hardscap-

ing come down to needs and not wants. Say a retaining wall is collapsing near a driveway, they'll still get plenty of that work. But nobody's taking out cash to install giant patios like they were.

"I think the last three years, everyone decided to do their projects all at once, so there will be a little pause before some new ones come in," he says. "It's still around, there's still some work, but it's not like it was last year."

As far as the designs actually being done, Martindale says one trend he's noticed is that most customers are ordering larger pavers than they did before. There's less maintenance and less weeds, and the look just generally seems to have more appeal at the moment.

"I think people visually are liking the larger paver now," Martindale says. "That trend has switched over here probably in the past four or five years."

The author is associate editor with Lawn & Landscape magazine.



## CURRENT ON THE COAST

Contractors are increasing wages and pivoting to new, profitable services.

Story by  
**JIMMY MILLER**

Illustration by  
**ALEX GREEN**  
(FOLIO ART)

### Danielle Pungitore

Marketing manager, Pungitore Irrigation and Fertilizer, Hingham, Massachusetts

**PUNGITORE IRRIGATION** and Fertilizer is growing despite the ongoing challenges of finding qualified labor.

Danielle Pungitore says the labor shortage isn't just about finding people — it's about finding good people who fit the team culture and who know how to work in the green industry. Of course, she recognizes they have to start somewhere, but they don't want people who take the position as just a last resort.



"We want them to want to be here," she says. "I think COVID had a lot of impact on that. Our theory was (people) were trying to keep up with unemployment applications.

"We've been able to find talent and people with prior experience," she continues. "We have a great mix of people, although it's still challenging to find people in that space who are wanting to work, have the right drive, have the right talent."

Danielle and her husband, Mike, have taken over the lawn maintenance work from her father's company this year as he retired. It's been an interesting jump into a new segment of the industry, but Danielle says she and Mike have learned a lot about that side of landscaping. The nice upside is the strong, predictable and recurring revenue stream.

Of course, that also comes with some challenges. As they added a whole crew, vehicle and equipment to what Mike previously ran, they've learned maintenance customers tend to lead to more client complaints because of how familiar they get with your service.

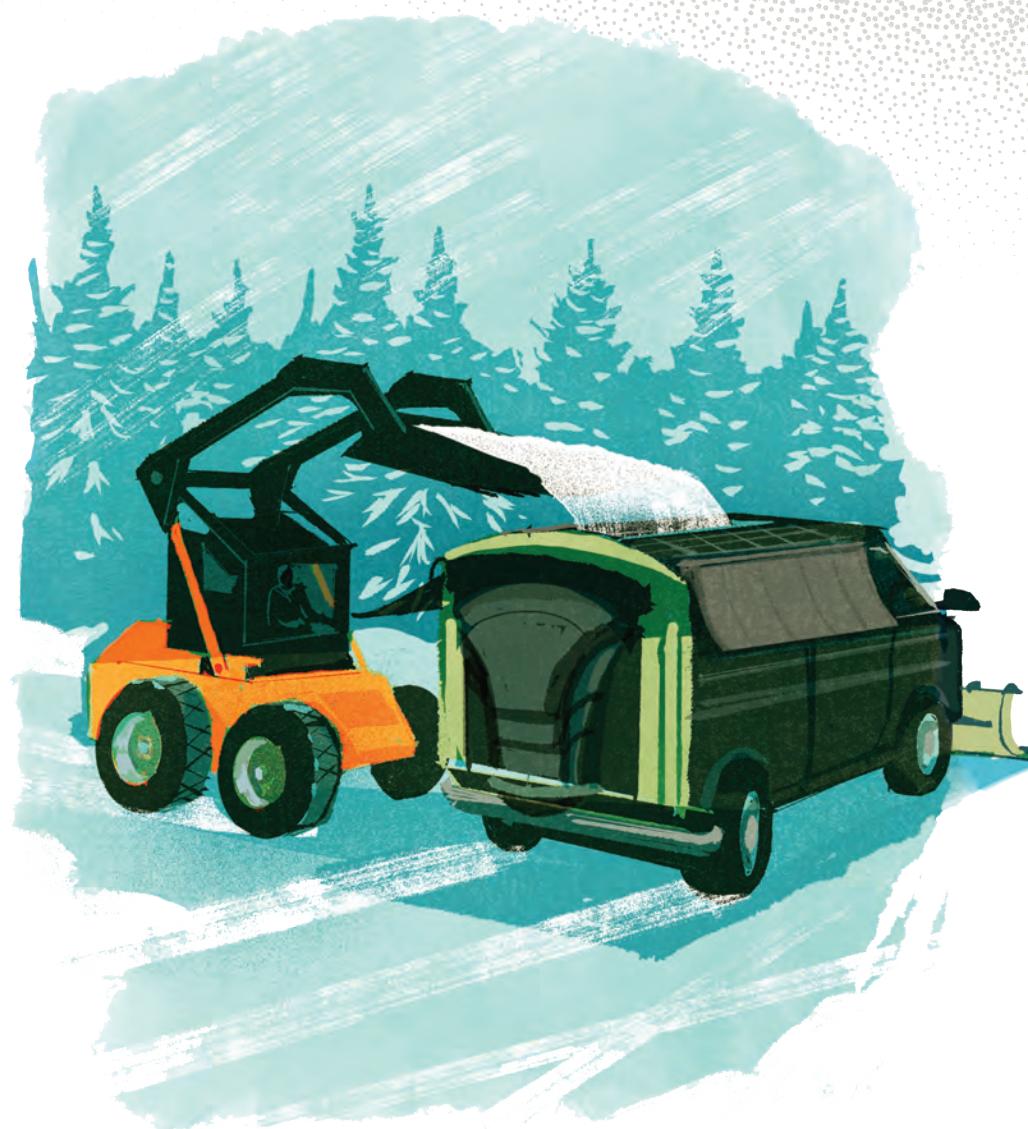
"You provide more service, you're naturally going to hear more about it," she says.

Back on the irrigation side of things, Pungitore says she's noticed an increase in costs for all sorts of materials they've had to pass along to customers. One other thing they've done is recently open a warehouse/garage area to store some of those pipes and spray heads. As the prices of those materials continue to rise, Pungitore says it's nice to store them up to mitigate against more possible price hikes in the future.

"Fertilizer is harder to store," she adds, "but we've made other choices based on pricing and supplies, (and we) changed our vendor."

Pungitore predicts that this time in the next few years, she'll be talking even more about water conservation trends. She's noticed they've really taken off in drought-stricken areas of the West, but she says those same trends will spread nationally.

She says it's an area of opportunity to introduce more conservation-based practices. "We need to get ahead of that. Other areas of the country have already faced more water restrictions than we have," she says. "It's only a matter of time."



### Pete Haran

Senior Director of Operations, Cenova, Philadelphia, Pennsylvania

**SNOW SERVICES** have traditionally occupied over 90% of the revenue at Pete Haran's company, Cenova.

Not anymore. The company pulls in roughly \$10 million in the Philadelphia area, and a vast majority of that revenue does still come from snow and deicing. But with such a light snowfall last winter and rising costs of salt, Haran says Cenova has seen an opportunity to grow its landscape presence.

"We doubled or tripled our revenue source for the landscaping," he says.

Cenova once had just one landscape crew but tacked on two more this last year. Haran says the employees are seasoned horticulturists — for his part, he's worked in the industry for nearly 40 years. And Cenova had previously done other green industry work like tree care or maintenance, but over the years, they saw the snow segment emerge as the primary money-maker. He believes it's because there's lots of sidewalk work in the city that



other contractors might balk at due to the risk. So, with limited competition, Haran says Cenova has been able to charge a good fee for the snow services to make it worth it.

But their re-introduction to some services cannot come at a better time, Haran says.

"In my 40 years in the industry, I've never seen a year this low in snow in the Philadelphia market," he says.

Haran says his team self-performs winter work in the Philadelphia market but will subcontract out work well into northern New Jersey and into Maryland or Delaware. And despite the fact snow has been the backbone at Cenova, Haran says the mild winter proved deflating.

To further complicate matters, Haran says they recently met with two of their salt suppliers. He admits they were surprised to learn that costs hadn't tapered off a bit, but instead, the prices have stabilized to be about the same cost as they've been since COVID-19. It's hard for the company to store a bunch of salt because there's not a lot of places in the city where they can burrow away bulk salt in bins, but they have a yard in Philadelphia they keep open 24/7 for subcontractors to snag the materials.

So, keeping enough supply to feed the demand might be challenging this year.

"Our fee for deicing has gone up because of the salt," Haran says. "(Adding landscaping) has nothing to do with the price of salt. It just has to do with increasing some revenues based upon the fact that if there is a slow snow year, at least we have some revenue coming in."

One thing Haran says has become a trend in his area is wage inflation. His laborers are now wanting roughly \$20 an hour.

"The demand is there for these guys because they will jump ship for a nickel," Haran says. "Our feeling has always been to try and create a good culture and a good workforce where everybody gets along. We want them to come in and enjoy what they do."

## Eric Wenger

President, Complete Lawn Care  
Gaithersburg, Maryland

**WHEN ERIC WENGER** talks to clients about their county's herbicide ban, he does so with the understanding that they might just go buy the illegal chemicals themselves.

Montgomery County, Maryland, banned pesticides in January 2020. At the time, Wenger and other lawn care operators in the area pointed to a ban in Canada where residents there just drove across the border to Detroit to get the chemicals and brought them back home. The litigation process obviously didn't go Wenger's way, and for the last three years, he and other LCOs have just adapted to the regulation.

There's no other choice. Wenger still believes it affects some of their ability to provide quality service.

"I like to say that we used to have a toolbox filled with precision instruments, and the county threw it away and gave us a hammer," Wenger says. "The unwritten joke is that there's massive cheating everywhere."

Wenger believes his clients are just enhancing the services performed by his two companies, Complete Lawn Care and Complete Plant Health Care. He hasn't seen any more cancellations than he did before.

Another area where his clients are affected is by material shortages, where Wenger says the supply chain is still slow, albeit better than it was this time last year. Specifically, he points to plant materials, where shortages have affected the scope of his clients' projects. When product finally becomes available, the clients have already changed their minds often times, making it difficult to stay on task.

"There's definitely shortages of plant material," Wenger says. "The combination of economy, COVID and then weather has wrecked a lot of nurseries in the southeast — it's really fascinating to see how that has impacted the availability."

To keep up with the price increases on the materials and fuel surcharges on those deliveries, Wenger estimates that his prices to clients are up as much as 20%. With a spike like that, Wenger anticipated some client frustration but they've also all been understanding.

"We are really passing it along. Prices are up," Wenger says. "I think that we are seeing some push-back, but a lot of folks just understand. They're seeing it everywhere."

What do you predict will be your location's fastest growing service for revenue in 2023?



30%

Landscape maintenance  
(mowing, edging/trimming, pruning)



25%

Design/build services



13%

Lawn care chemical application



6%

Snow and ice management



5%

Irrigation installation/maintenance/service



4%

Tree and ornamental installation/care



1%

Landscape lighting



1%

Waterscapes/fountains

other: 8% | none: 5% | no answer: 2%

ICONS: ADOBE STOCK

## Mark McAteer

CEO, The Laurel Group, Long Island, New York

**WAGE INCREASES AREN'T** just apparent in Pennsylvania — they've seen them in New York, too.

Mark McAteer leads The Laurel Group, a collection of companies in landscape design and maintenance that's amassed over 300 employees and spans across 11 locations in Long Island, New York. The company pulls in \$40 million.

Despite all that to manage, McAteer isn't bothered by the rising price of keeping his employees. In fact, he's encouraged by the changes his team has made — an improved benefits package and higher pay among them. They've even seen less labor market burden than before.

"It is significantly alleviated from the worst period, which was 18 months ago," he says. "We're seeing all throughout the entire ranks, from the professionals to unskilled laborers. We're seeing an availability of laborers."

Some of the wage inflation comes from state legislators, where wage escalators and PTO laws have forced companies in the state to adapt quickly. In February 2022 when the changes were implemented, McAteer says Laurel was behind the curve on the wage inflation. Their contracts for design/build and maintenance were already out, so the contracts were going to underperform due to the wage increase plus spikes in fuel costs. In-season price increases to try and close that gap helped, but it still proved trying for the business.

"The budget was blown before March 1st," he says.

But McAteer called the changes "overdue increases." He says Laurel had some time to get it together after that initial shock, and the lowest employee ranks were already paid above the new minimum wages. But, existing employees had legitimate points about wages rising for everyone but them.

"They said, 'My moment has come,' and they were right. It's part of how we operate anyway," he says.

As an added benefit, McAteer says he's seen less turnover as a result of the changes.

"Ultimately, we were in competition for CDLs (Commercial Driver License) with big, national companies," he says. "We went from losing several CDL drivers per month to stopping that deterioration and then reversing it entirely."

Now, McAteer says the company still has a steady pipeline of work. Their range of clientele goes from upper middle class to wealthy, and he says that at the very top level, that work continues on unabated. However, it seems to be slowing some at the lower end of their client spectrum.

“

**It is significantly alleviated from the worst period, which was 18 months ago. We're seeing all throughout the entire ranks, from the professionals to unskilled laborers. We're seeing an availability of laborers."**



Still, nobody's going back to cutting their own lawn anytime soon. McAteer says his clients do value the relationship they have with Laurel, and while they may be choosing fewer enhancements, all evidence points to an intention to stick around.

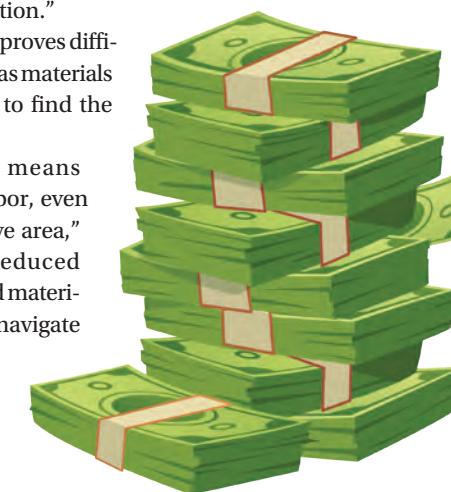
One challenge McAteer says is tough to navigate in his region is heightening restrictions on building permits and administrative hurdles that go along with design/build installations. It's roughly half of their business, but it's becoming trickier than ever to get approval for new designs. That's why he's brought in two permit expeditors to stay in house — every time they want to take out a tree, they need a permit. If they want to widen the driveway, they need a permit. Installing a little garden near the house? A permit's needed.

"You have to be good at it. Our internal landscape architects and designers are constantly dealing with the application process," McAteer says. "It's particularly acute in east side of Long Island, where preservation of native habitat is prevalent at a developmental restriction."

That geographic area also proves difficult the further east they get, as materials and manpower get harder to find the closer to the coast they get.

"Geographic isolation means you have a finite pool of labor, even though it is a wildly lucrative area," McAteer says. "But the reduced availability of manpower and material is a very complex thing to navigate on a day-by-day basis." **L&L**

The author is associate editor with Lawn & Landscape magazine.



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