

# 7.5 Secrets To Growing Your Lawn Care Company

*Holganix relies on lawn care companies like yours, so we want to see you grow as big as you can. And since Barrett Ersek, our CEO, previously founded and sold two lawn care companies worth over \$12,000,000 combined, we know a thing or two about how to make lawn care companies succeed.*

*We asked Barrett to tell us how he did it, and he gave us seven and a half of his best tips. Use them all to grow your lawn care company as fast as your customers' lawns.*

## **1 KNOW YOUR NUMBERS**

Before you spend a dime on getting more business, you need to know what that dime can do for you – and how many more you can afford. Figuring it out is as easy as understanding a few simple numbers:

- **Cost per lead** – Let's say you spend \$100 to send out 100 direct mail cards. If you get 10 responses, you paid \$10 for each one, and that's your cost per lead. Predicting your response rate may be hard at first, so start by advertising on a small scale, making sure to monitor where the leads are coming from.
- **Cost per sale** – Take the ten leads we talked about above. Close five of them, and you have five new sales. Since you spent \$100 on the campaign, each new customer cost you \$20, right? Close. Remember to factor in other expenses of closing the deal (salesperson's commission, costs of a free lawn measurement/estimate, etc.).
- **Lifetime value of a customer** – Don't think of your customers in terms of what they're buying today. Instead, find out what your average customer spends over the entire course of their relationship with you. For example, if most stay with you for five years, and they spend \$300 per year on lawn treatments, they're worth \$1,500 overall.
- **Gross profit** – What does it cost you to make that \$300 a year from a customer? Look at costs for fuel, fertilizer/chemicals, labor, truck and equipment expenses, etc. Subtract these costs from \$300, and you'll have your annual gross profit.

Once you know your numbers, it's easy to put them all together. If you expect to make \$150 in a year in gross profits from your average customer, but you spend \$125 to get their business, you need a new marketing tactic.

## 1.5 IMPROVE YOUR NUMBERS

These numbers aren't static. There are lots of things you can do to improve them, including:

- **Increase your close rates.** If you're closing seven out of ten leads instead of five out of ten, your cost per sale will fall. Coach your team on responding faster and more professionally, and they'll turn more leads into sales.
- **Do more for your customers (and get paid for it).** Add-on services like aeration and seeding will boost the lifetime value of your average customer.
- **Cut costs.** Start by looking closely at how much you spend on fertilizer and chemicals each month. When was the last time you checked to see what else is out there? You may be surprised at how far natural, organic fertilizers and soil stimulants have come – some produce better results than chemical fertilizers, and they may cost a lot less.



## 2 BUILD YOUR MARKETING LIST

The best direct mail piece in the world won't do much if you don't have anybody to send it to – or worse, if you send it to the wrong people. Build a qualified list of prospects in this order:

- Start with anyone who bought from you in the past 12 months. Many companies primarily focus on getting new business, but this is a mistake – it's much easier to sell to people who already know and trust you.
- Next, concentrate on lapsed customers, even if it's been four or five years since you gave them service. Don't worry about whether or not they're with a new lawn company. You may be able to offer them something that no one else can.
- Move on to people you've provided with estimates. There are a million reasons why they didn't go with you before, and any one of them could be solved now.
- Finally, move on to new customers by asking current customers for referrals. Your goal is to get new business in the same neighborhood (see tip #3 for more on this).

### 3 ADD GOLDEN STREETS

One of the biggest expenses in any lawn care business is “windshield time” – the time that your crews spend sitting in the truck, doing nothing but driving. If you want better profits, you need to cut this time, and there’s no better way to do that than finding your “golden streets”: neighborhoods with multiple customers that you can service with one truck trip.



Look at your most profitable customers located within a subdivision or big neighborhood, especially those living in “McMansions”. In these areas, large yards and neighborly pressures encourage homeowners to spend a lot of money on lawn care.

Focus your marketing on getting new customers here, and make service for current clients in the neighborhood a top priority. Remember, each new customer makes the whole neighborhood more profitable for you by cutting down on windshield time.

This doesn’t mean you should drop less profitable customers who live in remote areas or smaller neighborhoods. But when you give extra effort and attention to the golden streets, you help your bottom line.

### 4 IMPROVE YOUR DATABASE

Most of the advice you’ve read so far depends on having a good database. If you don’t, it’s never too late to start. But even if you do, it may be in need of some cleaning up.

The best database systems handle lots of different functions for your business, like:

- Building and tracking customer and prospect lists
- Tracking where all of your leads are coming from
- Generating financial reports, including customer lifetime value and return on investment
- Calculating your cancel rates and sending follow-up letters to cancelled customers
- Giving estimates over the phone using advanced GPS data and satellite imagery

A good database system isn’t a luxury – it’s a necessity for growing your business. Real Green Systems offer excellent software products that we consider the best in the industry ([realgreen.com](http://realgreen.com)).

## 5 KEEP A HEALTHY CASH FLOW

Talking about your customers' lifetime values over the months and years is smart, but you also need to pay the bills you have now. To improve your balance sheet in the short term, consider:

- **Prepay** – Give customers the option to pay in advance in exchange for a discount.
- **Auto-pay/easy-pay** – Offer to keep a customer's credit card on file, and charge it as soon as each service is complete. That way, you won't get stuck waiting for checks to come in.
- **Barter associations** – When someone enrolled in the barter association hires you, they pay for your services with barter credits. Use those credits to hire a company in the barter association to print your signage, or design your direct mail cards.

## 6 "GORILLA" MARKETING

No, that's not a typo – we're talking about marketing that stands out for being powerful and out of the ordinary. Here are a few effective ideas:

- **Good truck graphics** – There's no better advertising than an eye-catching truck that people see in their neighborhood over and over again. If you have more trucks than you're currently using, ask a business with a well-trafficked parking lot if you can park one of your trucks there for a few days. If they agree, you have a free billboard.
- **Heavy-duty lawn signs** – In many states, the law requires you to put down a sign after you've treated a yard. Take advantage of this space. Design your sign as big as the law allows, and use high-quality materials and premium printing to make it stand out. When your eye-catching signs take ownership of a beautiful lawn, the neighbors will get the message: if they want a lawn like that, they need to call you.
- **Leave behinds** – Many lawn care companies use door hangers, but you can do something more interesting than that. How about a Frisbee with your logo printed on one side and a business card taped to the other, detailing your current special offer? It's a hands-on trinket that will stick around long after your competitor's door hangers end up in the garbage.



## 7 DO THINGS DIFFERENTLY

The lawn care industry may not seem like the place to make big waves. But if you do even one thing that stands out from your competitors, people will see your company as remarkable – something worth talking about and worth remembering. If you're just like everybody else, even the best marketing and sales tactics won't take you to the head of the pack.



Standing out is easier than you think. Start by focusing on one area of your business where a little change would go a long way. Earlier, we mentioned switching to natural, organic fertilizer and soil stimulant as a way to cut costs, but a change like that can also make your business remarkable. Imagine offering lawns that are just as good as or better than those treated with traditional fertilizers – while reducing nitrates, phosphates, and pesticides. What customer wouldn't want to enjoy a green, weed-free lawn while reducing their impact on the environment?

**Keep your lawn care business growing with Holganix, a natural organic soil supplement. Learn more at [holganix.com](http://holganix.com), or call 866-56-Earth.**