

## 4 Cores of Landscape Business Success

### Landscape Business Boot Camp primer, part two

by Steven Cohen, Consultant, GreenMark Consulting Group



Kathy G. Johnson

One of the most important, but often overlooked, aspects of KPIs is that they are a form of communication. As such, they abide by the same rules and best-practices as any other form of communication.

**In the first part of our Landscape Business BootCamp primer** in the Nov/Dec 2016 issue, we provided an overview of the 4-Cores for Landscape Business Success. In part two of this series, we will discuss measurement and metrics often known as Key Performance Indicators, or KPIs.

Developing the right metrics or key performance indicators for your landscape company's success is imperative. Operating an efficient business requires a solid understanding of what things are crucial for on-going business success. Such understanding is embodied in the strategy on which the capability is based, in particular on business goals and business policies.

**Basing metrics on business goals and business policies permits you to demonstrate true business alignment quantitatively.**

For purpose of simple understanding, we break this down into two key metrics.

### Strategy-based performance metrics

The most critical metrics for a business capability focus on the strategy for the business solution. These metrics aim toward assessing the success (performance) of the strategy on a continuing basis. Strategy-based metrics fall into two categories: goal-based and policy-based.

#### 1. Goal-based strategy monitors.

Goal monitors are metrics for determining whether business goals are being satisfied. At first glance, goal monitors often seem relatively straightforward. The devil is in the details as they say...capturing and specifying practicable business rules that support goals often requires significant analysis.

#### 2. Performance metrics for business processes.

Discussion of metrics often focuses on business processes, rather than on strategy. Although metrics for the former can be important, we think metrics for the latter are generally much more so. Nonetheless, you should consider carefully what KPIs you need for business processes. Bottom line: a business model is not complete without them.

Some simple questions to ask yourself in the metrics and measurement analysis of your landscape company are as follows:

1. How effectively do we measure in our organization?
2. Do we measure what is important?
3. How do we use the information gathered?

**After asking yourself these questions, you must truly understand that a KPI is only as valuable as the action it inspires.**

Too often I see my clients and colleagues overburden this process by creating either too many KPIs or unnecessary KPI measures.

One of the most important, but often overlooked, aspects of KPIs is that they are a form of communication. As such, they abide by the same rules and best-practices as any other form of communication.

## Developing your KPIs

In terms of developing a strategy for formulating KPIs for your business, your team should start with the basics and understand what your organizational objectives are, how you plan on achieving them, and who can act on this information. This should be an iterative process that involves feedback from your key contributors.

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**As this fact-finding mission unfolds, you will gain a better understanding of which business processes need to be measured with KPIs and with whom that information should be shared.**

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My suggestion is a go back to the roots process and determine the most important KPIs and focus on making sure that those are being measured correctly. Real-time information through specialized scoreboards will help coordinate all your business intelligence into one easy-to-use platform.

For the purpose of discussion, some suggested KPIs and real-time dashboards for a landscape company could include the following:

### Sales activities

Bid, won and lost ratios and comparisons

### Operational performance

Estimated hours to actual hours

### Financial performance

AR/AP/payroll, P&L and balance sheet, profit sharing

### Equipment costing

Rent vs. lease, operating expenses, equipment recovery costs

### Employee costing

Employee talent and retention, tenure, performance, performance bonuses

### Safety

Days without loss, MOD ratings, insurance rates

### Customer satisfaction

Happy customers vs. dissatisfied customers, renewals/cancellations

### WIP report

Work in progress

As with the discussion of KPIs in general, you must identify what KPIs are needed to manage an organization of excellence, a simple baseline. From there it becomes a matter of establishing goals against your KPI's.

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**It's important for an organization to align its specific needs of KPIs with an appropriate database or software platform to best manage and scale its business model.**

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**As you already know from this article and even perhaps your own knowledge, your KPIs will enable you to develop an understanding of where you are, where you need to go, and a timeline for when you will get there.**

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Assuming you have your goals in place, the next step is to develop mastery to build the exceptional processes that will deliver on those goals.

It's also important to understand that key performance indicators are really never done. Perception of business risks change with time; modifications of business policies produce new patterns of business activity; customers become smarter (faster and faster) ... the list goes on.

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**Inevitably, initial specifications for KPIs will evolve and new indicators will emerge. Basing deployment of KPIs on business rules enables rapid, continuing adaptation. And meaningful adaptation.**

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As business rules, the KPIs will remain grounded in the structured business vocabulary (concept model, sometimes called fact model). Without such grounding, metrics can quickly come to have literally no meaning whatsoever.


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## Bottom line

KPIs have a certain level of importance in an organization, but only if they lead to actionable steps to achieve a goal. For organizational and operational success of any business metric, the company must convert the measured, quantified data into actionable items to meet its goal. 

## About Landscape Business BootCamp

Struggling with improving your team's performance, attitude and loyalty? Or perhaps feeling like you are constantly putting band-aids on problems, only to find that they continue to resurface? If so, then this course is for you

If you own a landscape or irrigation business with an annual revenue between \$350k and \$2 million, this work session will help you plan and implement business strategies to take your business to the next level. You'll come away with a renewed sense of energy, ready to stay the course and keep building your business, along with the essential foundation needed to improve the overall vitality of your company.

## About the author



Steven Cohen, Principal of GreenMark Consulting Group, is a business management and operations consultant with more than 25 years of landscape/snow industry experience. Steven has an extensive background in managing cross-functional business operations, business strategy and

market growth projects. He prides himself as being both an analytical and a conceptual thinker who effectively partners with business owners to assess opportunities, facilitate strategic decisions, and drive successful implementations. GreenMark Consulting Group specializes in helping growth-oriented companies see through challenges and map out operational and growth strategies.

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# LANDSCAPE BUSINESS BOOT CAMP

GreenMark Consulting Group has developed a proprietary Landscape Business BootCamp Platform which offers a combination of business and industry expertise and accelerated knowledge of in-depth strategies.

The curriculum is based on GreenMark's 4 Cores of Landscape Business Success:

1. Guiding the Business
2. Running the Business
3. Getting the Business
4. Doing the Business

## WHO SHOULD ATTEND?

The program is tailored to business owners, managers, employees, and all those seeking to improve their expertise in the landscape industry.

## REAL-WORD SOLUTIONS

- Obtain a better understanding of what it really takes to build, manage and sustain success
- Improve team performance, attitude and loyalty
- Increase your customer loyalty
- Expand your market or service offerings
- Increase your revenue growth profitability
- Learn how to develop a competitive dominance within your market

## BUILT-IN SUCCESS

Each Core includes Landscape Business Courseware and our Landscape Business Success Toolkits™ which serve as a blueprint to help attendees:

- Create a vision, mission and values statement
- Create processes for business standardization
- Define a branding strategy, market position and sales pipeline
- Manage the internal and external customer delivery experience

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