



BUSINESS
MANAGEMENT
SOFTWARE

CHARGE MORE. SELL MORE.

**ARE YOU CHARGING
ENOUGH FOR YOUR
SERVICES?**

Sales strategies to improve your top line in the landscaping and snow business.



INTRO

Landscape contractors don't charge enough for their services. Benchmarks by the government of Canada say the average landscape company loses money each year, and it's also a sad reality that many contractors feel they are trapped in a race to the bottom.

If you've ever told yourself:

"If I charge more, I won't win any work."

"Clients are already telling me I'm too expensive."

"I just lost a big job to a competitor who won it for far less."

Then you might well find your company already running in this race to the bottom. The trade associations are working to help educate and train the industry, but it will be long before anyone can shift an entire industry. And until we get there, here are a few different ways you can charge more this year and still thrive in this competitive industry.

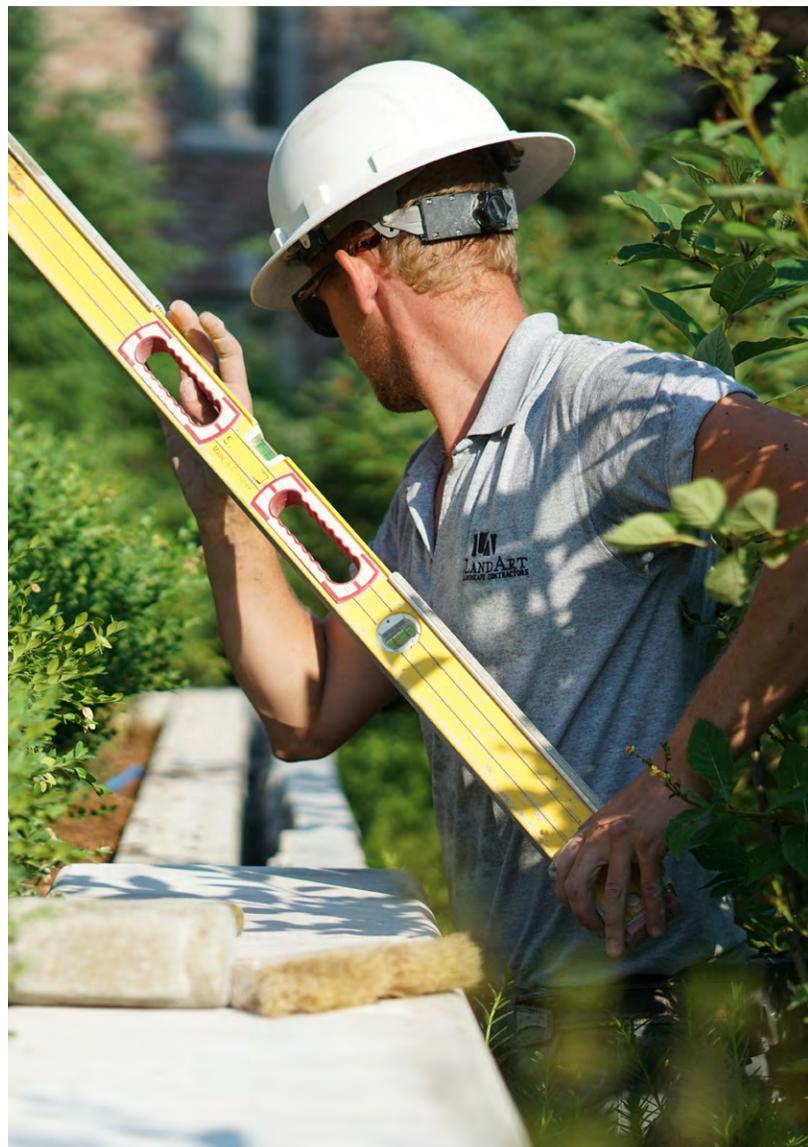
CHAPTER 1

PRICE BETTER

Landscape contractors need to ensure that they charge enough for their services and not lose money on their jobs. Knowing exactly how much your company needs to charge is essential. Maybe you don't need to charge more, and maybe, your crews need to do more work in less time.

There are valuable benefits to pricing using your budget. First of all, small changes can mean a big difference. If we ask a group of 40 contractors, "What do you charge per hour for labor?" most will answer with an even, round number: \$40/ or \$50/hr. You'll likely never encounter someone who says, "\$52.45/hr." The fact is, small changes can make a big difference. Just adding 50 cents an hour on a 10-employee, \$1M company would increase your net profit by about \$10,000 or one percent per year.

It only makes a tiny difference in each job. But over an average year, for an average company, it could create a great website or a nice bonus for you or your key staff or investment in another area of the business that could contribute to growth. The point is, you should know exactly how much you need to charge because every little bit counts. And if you're worried about customer perception, it's not often we ever show our hourly rate on an estimate, so who will care whether your rate is a nice round number? And if you do show your rate, you'll have the confidence to explain how you arrived at that rate — and confidence wins negotiations.



CHAPTER 2

ADD VALUE

The same scene has played out 1,000 times in the movies. The nice guy who's intelligent, good-hearted, and well-intentioned watches helplessly as the girl of his dreams is swept off her feet by a not-so-good-hearted guy. In the movies, the good-hearted kid eventually wins the girl over, but if that happened more in real life, well, they wouldn't be making movies about it.

What does this have to do with the rates you charge? Your value isn't just about what you do; it's about how people perceive your value and, as in so many things in life, perception is everything. Relying on the story, "We do quality work," is like someone hoping his redeeming qualities will win over the girl.

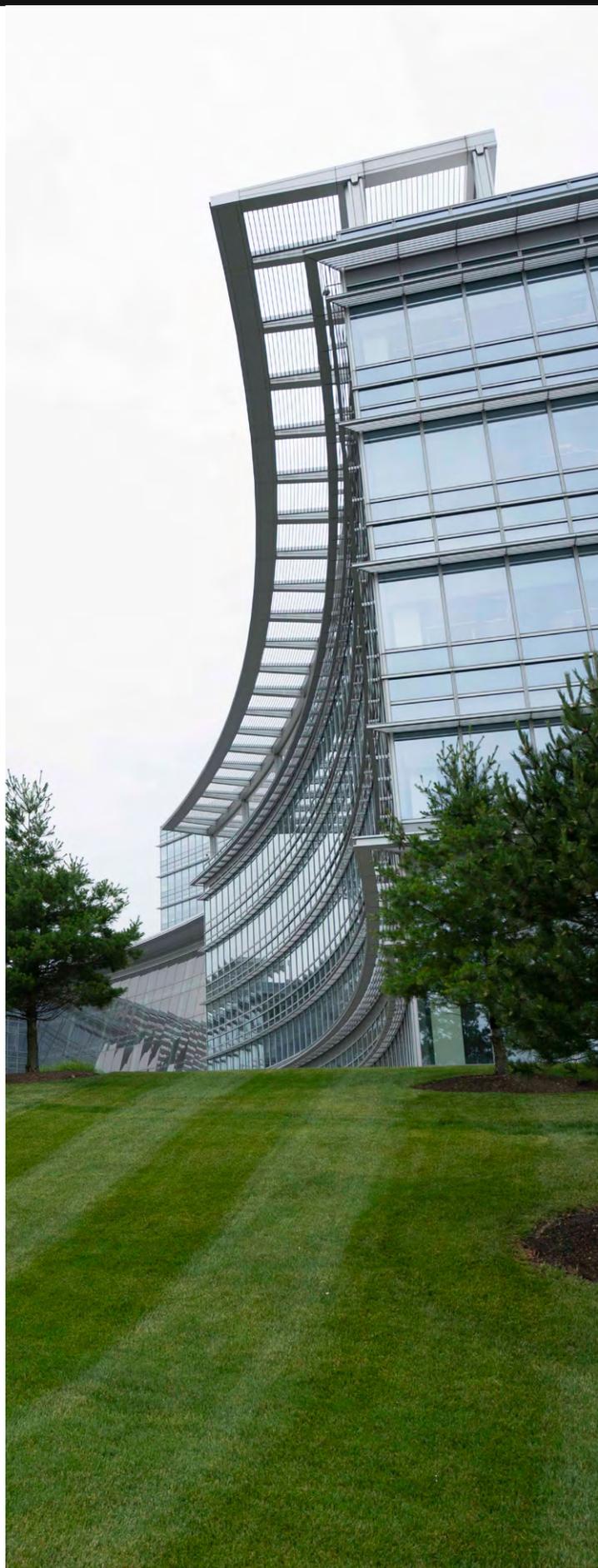
Here are a few tips to help you charge more and still get the customer:

- **Create a killer website.** A website is like your reputation. It shows your work, your brand. And it's being checked out constantly without your knowing it. If you've ever said to yourself, "Our website could be better," then make it better! If you're saying that, your potential customers are likely saying it too, and they are no doubt leaving your site to check out your competitors.'
- **Impress your clients.** Want to charge more? Look like you're worth it. Show up on time (even a bit early) when meeting with potential clients. Dress well, drive a clean truck, have a folder of information to leave with the client. If you believe you're worth more, you need to act like you're worth more. Strut your stuff. Go out on a limb. Ask for the work with confidence.
- **Position Accordingly.** Some customers are looking for the best value/lowest price. But most customers don't buy that way.

Nike doesn't advertise that its shoes won't fall apart after a year. That's because most customers don't buy Nike shoes for durability — they buy them to look good and get compliments or because they believe these shoes will increase their athletic performance.

Shoes are marketed on these different levels. So are cars, watches, clothing, even something as simple and competitive as coffee. Why do people pay \$5 for Starbucks coffee? Hint: It's not that their caffeine lasts longer.

There are hundreds of cars on the market. If 'longest lasting' were the customer's biggest concern, the most expensive cars would have the most extended warranties. Ironically, it's the opposite. Kia and Hyundai try to relieve quality concerns with the industry's most extended warranty, while high-end brands have some of the industry's shortest. Only a few customers buy the industry's 'best value' car. Most customers spend more money for different reasons.





CHAPTER 3

MARKET BETTER

In today's world, Marketing is everything. Targeted marketing can be the difference between not just ranking highest on google when a potential customer searches your name, but being the most and nearly only visible company with the highest reviews. Why wouldn't a customer choose differently?

And if you're ahead of the curve and producing a better service and product, better/more efficient lighting, outdoor-sound systems, 'green' equipment, methods, and products.

You'll improve your customers' social status — hot tubs, seating/gathering areas, outdoor kitchens. You'll impress their neighbors — unique features/design, special plant material, perfectly manicured lawns, and gardens.

Your after-sale service is best-in-class —you can enhance their property after the sale by answering their questions about how to care for their garden; you can offer, in writing, help that your low-price competitors do not. You will improve their quality of life — your designs or services will save your customers time (e.g., less household maintenance), enhance their lives (e.g., more family time) and reduce long-term expenditures (e.g., heating bills or water usage). You'll improve their financial status — better-looking commercial properties drive more sales and traffic, thus increasing profit for your customers' businesses; safer conditions in the winter equal more customers and higher sales.

Question: Which architect designs the most indestructible homes and buildings?

Answer: Nobody cares.

The top-paid architects command big dollars for creativity and innovation. People can buy a reliable house kit off-the-shelf at a hardware store.

If you want to charge more for your services, there are many examples of companies that have created their market that you can learn from. You also have an incredible opportunity to make this market, because people are interested in what we do. Gardening is a popular hobby. Nobody's hobby is life insurance, building codes, or furnace repair. What we do interests people. Increase the value of your services by stroking their interest and reading your client's unspoken needs correctly.

Nobody believes there is a high risk their patio will sink after two years or that they'll need your insurance. Don't spend too much time competing over this. Shift their focus to something nobody else is talking about, something that will genuinely excite your customer.



CHAPTER 4

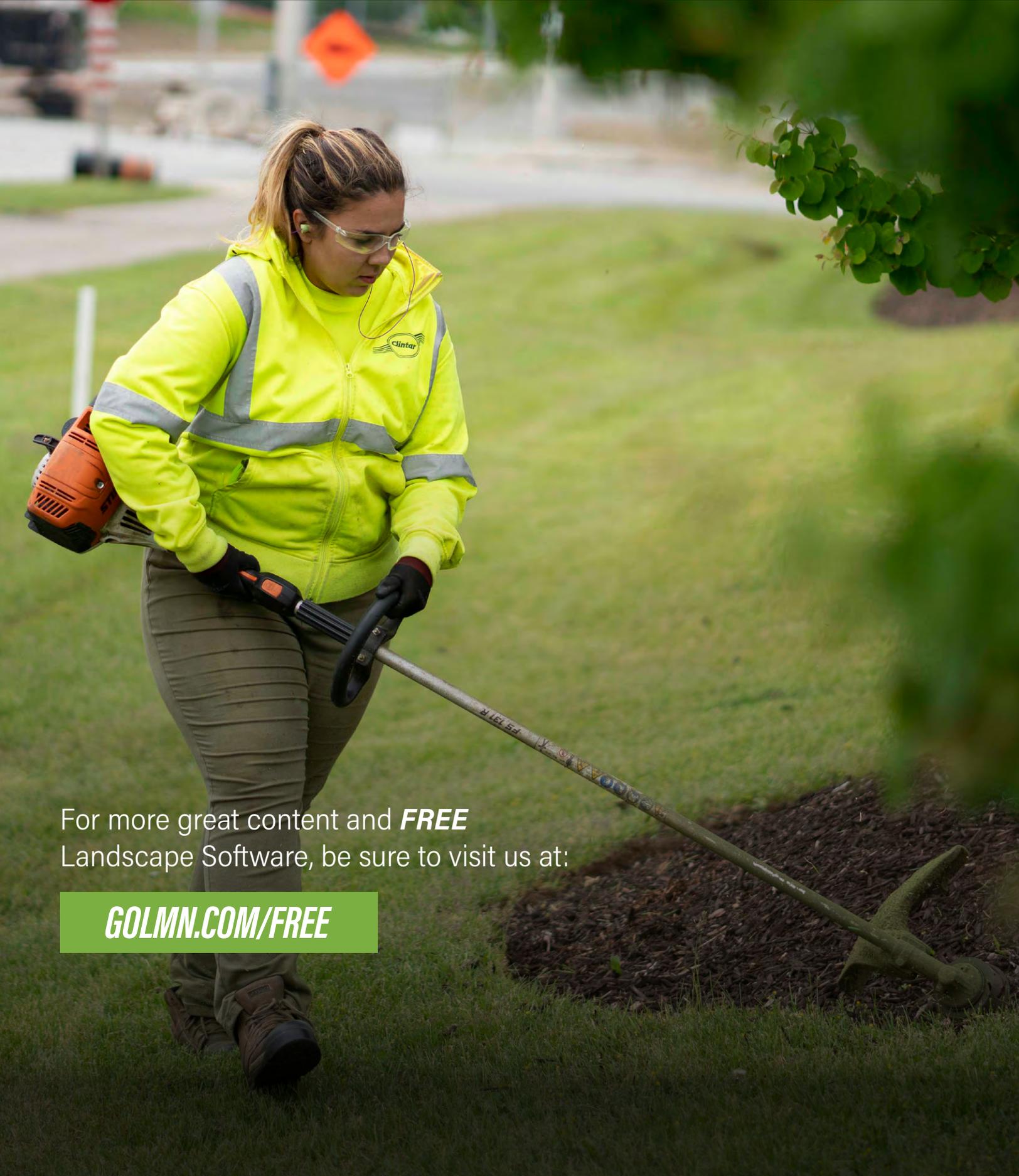
ALWAYS CLOSE

Easy as A-B-C, always be closing.

And finally, one more way to sell for more is to up-sell your current customers. They've already bought into you and your company — now you need to help them increase their investment.

Maintenance contractors should inspect properties regularly and send their customers reports. Check plant material, concrete, drives, signage, retaining systems, drainage, and visibility conditions. You shouldn't be able to find a property that doesn't need some enhancement. We recently heard of a contractor who challenged their supervisors to a contest — each would inspect properties and up-sell these improvements to their existing clients. The winner would be determined by who could generate the most invoiced revenue based on these recommendations. The winner had more than \$70,000 of work sold as a result of those inspections.

Construction contractors shouldn't try to up-sell everything upfront. The initial budget may quickly exceed your customers' comfort level; then, they get scared off or embarrassed (that they can't afford your suggestions). Give them what they want upfront. Then introduce some ideas once you've got the job and as the work progresses. Get the while-we're-here incentive working for you. Share some ideas for some enhancements that would benefit their yard, then explain how it would save them money and hassle to do it now rather than later. Like every other sophisticated marketing plan globally, capture your customers with your initial offering, then make some good profit on up-sells. It's a model that works.



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