



A Cut Above: Dennis' 7 Dees

Dec 1, 2009
By: Daniel G. Jacobs
Landscape Management
pp. 34



For more than five decades, **Dennis' 7 Dees** has served the Portland area. President **David Snodgrass**, with help from Maintenance Department Manager **Jeff Rieger**, offer insights about the issues facing the maintenance industry.

TOP TRENDS



David Snodgrass, right, and Jeff Rieger are dealing with the obstacles of extreme pricing pressures and convincing customers to spend money in the design/build area.

» **Sustainability.** There's been a lot of buzz about that for a number of years. It keeps getting stronger. It's not a phase. It's a trend that's going to be part of business. Obviously, we see that as our reality. We've jumped on board with sustainability and started to make sure we operate a sustainable or green business. There's a lot that makes good business sense. Some things definitely turn a profit for you. Some things give you a good image and customer reputation.

» **Cut costs.** There's a necessity to reduce costs to pull down all we can to reduce prices for our clients. There's downward pressure on prices that includes out-in-the-field costs and reducing overhead costs in the office. We're becoming leaner every day as an efficient operation driving out waste and unnecessary costs.

» **Savvier customers.** More savvy customers are paying more attention to things they haven't paid close attention to before – safety. Companies can't afford an accident. The savvy customers are getting information about your company. And nobody wants an accident on their property. They're starting to look deeper before they hire.

TOP OBSTACLES

» **Low-ballers.** There's always been a challenge from low bidders, but it seems like some national companies are putting extreme pricing pressures on the market. The temptation is to play the same game. But that's a short-term strategy, and we're in business for the long haul. We're not being drawn into that competitive low-pricing-at-the-cost-of-low-service strategy.

» **Soft pockets.** There are soft pockets in the industry. One of those is design/build and enhancement work. It's difficult to convince people to spend in those areas. It's a huge obstacle to figure out how to get them to spend money for the right reason, when it involves improving their property.

» **Pricing pressure.** Many long-term clients are saying, 'Maybe, I can get good pricing because prices seem to be coming down.' Some long-standing clients and contracts are deciding it's time to bid. That's a challenge.

TOP OPPORTUNITIES

» **Everybody sells.** We've got design/build residential staff, commercial installation, maintenance services and retail garden centers. There's lot of opportunities to cross sell. We're doing a much better job of one department setting up or selling for the next department. The opportunities are developed for one department by someone outside that department.

» **New markets.** We offer snow and ice service, though we have iffy weather. Some years we may get it; some year we don't. Hopefully, we can leverage that to get our foot in the door and become their landscape maintenance company. To invest in snow plowing equipment is a huge speculation. We're doing it so when the event happens, we'll be able to service our customers better. That gives us a competitive advantage. We're able to talk to our customers and separate ourselves from others because of that capability.

» **Marketing.** When the economy slows, our natural reaction is to hunker down and try to improve our numbers by cutting back. That works great for many of our costs, but not all of them. Our competitors aren't spending money on marketing. This is a big opportunity. We've increased our marketing budget and are looking for a gain in market share. Some of that shows up in a tough economy. We're counting on most of it showing up when the economy and the marketplace improve.



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