

How We're Addressing High Fuel Costs



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Our fuel costs are up this year, sound familiar? We know we aren't facing this issue alone. The whole world is affected by fuel costs, and all industries have to deal with it in one way or another.

So far this year our fuel costs are up about 20 percent over last year at this time. We added a truck for this season so this accounts for some of the increased expense. And, we've had a very wet spring in Cleveland so that hasn't helped either. The wet weather caused the crews to work more hours and the equipment to run longer to get the jobs done.

So what do we do about the cost of fuel?

We've done a few things in my company to try to reduce our fuel costs. One was that we had a meeting with all of the drivers and basically told them to not let the trucks idle on jobs and to start off slow when accelerating – in other words don't have a lead foot!

Since I still do a lot of driving for work, I now drive a four-cylinder SUV. I got rid of the Ford F-150 4x4 a few years back. My account manager also has a four-cylinder Chevy Cruz because he's on the road a lot, too. In addition, we had a five-man crew, which was using two trucks and two trailers. We replaced both trucks with a crew-cab dump truck and an enclosed trailer. For this crew, instead of two trucks and trailers traveling to the same jobs, we now have just one truck and trailer.

Another thing I'm considering exploring are the propane-powered mowers. I have heard a lot of good things about them and I'm planning on looking into them when we're ready to buy some more equipment. I also like the idea of having an eco-friendly crew that would be as green as possible – service vehicle, equipment, everything.

Of course all of these changes take time and money to implement, but in the long run I believe that we all have to address the fuel issues we're facing.

We've been doing other things in our company to compensate for the high fuel costs, including reducing costs elsewhere within the company. We've been diligent about looking for areas that we can save some money.

For example, we were using a uniform company for our crews' pants and shirts. While this is a great idea because it saves time and something I recommend for companies that don't have the time to deal with company uniform management, for us it was getting costly. So we decided to use the uniform company for the pants only and we now have T-shirts made that we buy. We share the cost with the crewmembers. While the upfront cost of the T-shirts was a bit cumbersome, the long-term savings of cutting the uniform company costs in half has saved us thousands of dollars.

A few years back we tried adding a fuel surcharge to our invoices. This did not go over well with our customers. I think it has to do with the commercial focus of our business. We're primarily a commercial landscape maintenance company so a majority of our customers set up annual budgets and aren't very appreciative of additional costs added to their invoices. I have heard of other companies that have been successful with fuel surcharges, but we decided that it just wasn't the right move for us.

The bigger picture here is that fuel and oil costs aren't likely to go down much in the future. We need to keep ourselves plugged in to the new trends, equipment and vehicles that are coming on the market to help us run more efficiently. Going to trade shows, reading the trade magazines and keeping on top of the industry trends is a good place to start. Also, we need to keep finding ways to reduce our fuel consumption within our companies. Looking outside our industry is another way that we can learn about how other organizations are dealing with their fuel consumption and costs. Being educated is the first step; then you can take the appropriate action that is best for your company.

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