

Mowers: Buying Cycles And Pricing Prowess

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(Photo: Getty Images)

[dropcap]I[/dropcap>f mowing often feels like it is the most complex part of your lawn care business, you're not alone. For as basic as a service that mowing is, a lot of lawn care operators say that everything from perfecting their buying cycle of mowers to pricing these jobs accurately feels as though it eludes them.

"Mowing is more complex than a lot of people realize," says Scott Bierman, owner of Pro-Mow Lawn Care in Charleston, IL. "It's a simple service but there is a lot involved in setting pricing, perfecting routing, and even mowing turnover strategy. And when these factors are overlooked, it's easy for the service to start losing you money."

Rounding Up The Fleet

When it comes to operating a successful mowing service, you need to be sure

that you've rounded up the right fleet of mowers to get the job done well. The perfect mix of mowers is going to differ from company to company with factors such as the type of properties you're servicing, size of the jobs you perform, and your budget leading the decision in what will work best.

Bierman says that for his market and the types of jobs that he performs, 60-inch mowers are ideal.

"When it comes to buying parts, and you have all 60s, it makes it a lot easier to service the mowers," Bierman says. "Brand loyalty is also important to our ideal fleet. Our local dealer is really good to us, and that's a huge factor in our buying decision."

Joseph Holland, owner of Majestic Lawn Care & Landscape in New City, NY, says that he prefers to be brand loyal for simplicity's sake, as well.

"When you are brand loyal, you can stock up on parts so much easier, and from a maintenance point of view that's very helpful," Holland says. "We like to keep all parts in stock so that we're always able to stay up and running, and sticking with the same brand allows us to do that."

Of course, when shopping for new mowers Holland says that he's intrigued by new technology—but he prefers to "make sure it's perfected" before buying.

"I'm an admitted gearhead so I love to get out there and see new technology," Holland says. "But the one time I broke my own rule in waiting it out and bought a piece of brand-new technology, we had many issues with it. Our rule of thumb is to give it a couple of years and make sure all of the kinks are ironed out before we buy. But we still like to keep on top of what's coming down the pipeline."

Creating The Best Buying Cycle

In terms of when to buy, the best buying cycle is going to vary from operator to operator. But there are certainly some strategies to consider.



When it comes to operating a successful mowing service, it is crucial to assemble an equipment fleet that will meet the needs of client sites. (Photo: Kubota)

Brian Schoenthaler of The Grasshopper Co. says that many lawn care operators prefer to purchase mowers every two to three years in order to have a new warranty and to also operate equipment with the latest features. But some choose to run their mowers much longer—regardless of the warranty. Oftentimes, it's a matter of personal preference. Even so, trade-in value should be taken into consideration when trading for new equipment, adds Schoenthaler.

Bierman says that his strategy is to buy mowers brand-new and run them for three to four years—or approximately 1,200 to 1,500 hours—before selling them.

"We've found that's about the approximate life expectancy of mowers before they start nickel and diming us with repair costs," Bierman says. "Beginning in February, we start going through our mowers and decide whether we're going to fix them or turn them loose. We can usually still get a decent return on them at the 1,500-hour mark, and that's a factor for us as well. We're based in a rural area where some homeowners or local farmers have multi-acre properties and are interested in buying a commercial mower."

Majestic's Holland says that he aims to get about 2,500 hours or more out of his mowers and achieves this by religiously performing preventative maintenance on the equipment.

"Employing an in-house mechanic makes it easier for us to keep up with regular maintenance, which we think is the main reason we're able to keep our mowers running as long as possible," Holland says. "Even just failing to do a basic cleaning can start to take a toll on an engine very quickly. There's nothing I dread more than a call that a machine broke down in the middle of a job. We do everything we can to prevent that from happening by making sure these machines are maintained on a weekly basis."

Pricing Jobs

Beyond putting together the ideal fleet and creating an optimal buying cycle, pricing jobs accurately may be another source of contention—and confusion—for lawn care operators. After all, there is a lot to consider when it comes to pricing mowing jobs.



There are multiple factors to consider when pricing mowing jobs, and choosing ideal

equipment for the business' needs improves competitiveness. (Photo: The Grasshopper Co.)

"Pricing jobs is dependent upon a number of factors including the size and complexity of the areas to be landscaped or maintained, the type of equipment used, the number of employees, and the overhead costs," says Schoenthaler. "Being competitive involves knowing what prices the local market will bear. Choosing the right equipment can improve your competitiveness."

Schoenthaler adds that another way to gain a competitive advantage may be found in the purchase and use of diesel-powered mowers. He points out that some diesel mowers burn on average one gallon of fuel per hour compared to 1.65 gallons per hour with a similar-sized gasoline mower.

"Mowing 1,000 hours per year, this can amount to a savings of 650 gallons of fuel annually," he says. "Because diesel-powered mowers have more torque, these mowers are able to complete jobs, especially in heavy mowing conditions, faster than a gasoline mower can. Consider this real-life example: An operator in Minnesota discovered that he was finishing jobs so much faster after switching to diesel that his day was finishing up by 3:30 [in the afternoon]. He chose to add more jobs rather than knocking off early. The combination of more jobs and fuel savings enabled him to pay for the mower in one year."

In terms of what to set the price at, the mindset used to be \$1 a minute. But the industry experts we talked to say that it's more complex than this and that each job really does need to be priced out with all factors taken into account. For many companies, there is a minimum that their company won't go below in regard to setting a price. At Majestic, for Holland, that number is gross earnings of \$7,000 for the property for the year. If they're not going to hit that mark, they'll send out a new contract, and if the client doesn't agree to it, they'll drop them.

A lot of lawn care companies fail to take that hard line, and that's where they start losing profits, Holland says. Of course, in order to know where they stand, Holland says that he is running numbers constantly.

"I'm in the office every single day doing that—it's how we stay ahead of the curve," he says. "I'm always analyzing our gross profit margin on every job. When you put off those numbers, you end up losing money"

Pro-Mow's Bierman also has that minimum that he says they won't go beneath.

"Even if the job is going to take us all of five minutes, after factoring in the drive time and other overhead costs, you just can't go below that minimum number," he says. "Everyone should know what that minimum is for their business. We use software to derive our optimal pricing. We're aiming to be more on top of our man hours, equipment costs, and other numbers for accurate estimating."

Like others, Bierman says he is always looking for ways to be price

competitive and says that it all boils down to efficiency. For Pro-Mow, better efficiency has been achieved with smarter routing.

“There was a time when we would set up our mowing schedule based on what the customer wanted, but we just can’t be efficient that way,” Bierman says. “For instance, if we’re in Mrs. Smith’s neighborhood on Mondays, but she wants her lawn mowed on Fridays, then she’s not an ideal client for us and we’ll turn that work down. There was a time when we didn’t like turning work away, and I think a lot of landscape business owners feel that way, but it’s become obvious it’s necessary when it comes to the bottom line.”

Holland agrees that at the end of the day, the bottom line is what counts. “When you’re providing an industry service as competitive as mowing—in an extremely competitive market—you can’t get by without knowing your numbers,” he says. “It’s the difference between profitable mowing and mowing that drags down the rest of your business.” N



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