

# The Price is Right

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Creative estimating, pricing and billing strategies pay off



Above: Knowledgeable employees using new high-quality mowers, equipment, trucks and trailers helps present a professional image and attracts business from neighboring homeowners. "People will pay a little more for quality and professionalism," says Mike Vidan.

*Photos courtesy of All American Property Maintenance.*

Of all the challenges encountered in the lawn maintenance business, none is more important than pricing. After all, no matter how extensive your knowledge of turfgrass physiology, how grand your zero-turn mowers, how professional your crew is or even how fast you work, you won't be in business long unless you're charging the right amount for each job.

All American Property Maintenance ([www.mowsavannah.com](http://www.mowsavannah.com)) in Savannah, Ga., has developed a creative pricing structure that gives customers options, while also ensuring profitability. "We've been able to learn how long it will take to do a job, if the guys are running it effectively and efficiently, and that allows us to determine what the cost of each job will be to us," explains owner Mike Vidan. "There are a number of large regional and national lawn maintenance companies, and it's hard for smaller companies to compete against those guys. So, to be profitable and have a chance to be a long-term player in this field, it's essential to understand your cost structure." Only after All American Property Maintenance has computed its costs for a job can it give the customer various prices/options for the work.

All American Property Maintenance has been in business for three years, and was created based on a sister-company, All American Pressure Cleaning, which has been around for more than 11 years. "We recognized that we had thousands of customers around Savannah, but we touched most of these people just once a year," Vidan explains. "We looked around for what else we could do as a home service to touch those customers more often, even weekly." Lawn care was the perfect fit.

The two companies are kept entirely separate from customers' perspectives, but internally the two firms work cooperatively. There are a total of nine full-time employees, and all are trained in both pressure-washing and lawn maintenance. That way, depending on the need, the techs can be moved from one type of work to another. For example, Vidan says that pressure cleaning work can be done in the rain, so stormy weather doesn't mean a stop to the work. Then, when the sun returns and there's a backlog of lawns to mow, all the employees can be sent in that direction.

Similarly, Vidan has found that many of the pricing strategies used in the pressure-cleaning business also work well when applied to lawn maintenance. "We took the same structure, and tried to work it into the lawn care business," he explains.

That means looking at factors that extend well beyond square-footage when coming up with a price for customers. "I'm sure there are guys who go out to a site and measure every foot of the property, and I'm sure that's a good way to get an accurate estimate for pricing," says Vidan. "But, really, at the end of the day you have to know what your guys are capable of and what your limitations are in terms of your equipment and so on. Then, each company has to consider its own unique situation to determine what price will make the job profitable when bidding."

Vidan adds that geographic location and other logistical considerations also play a role in the company's estimating process. "If we have two yards on a certain street, and another resident on that street contacts us for an estimate, the fact that we're already going to be there anyhow comes into play with the pricing, as well," he says. "I know it would drive some [lawn care operators] crazy, but we don't have one set way to estimate, other than what makes financial and logistical sense."

Vidan also takes what some would consider an unorthodox approach to the

estimating process by frequently crunching the numbers right in his office, without visiting the customer's home. "After talking on the phone with a potential customer about their yard and what their expectations are, with the technology that's available—Google Maps and county board of assessor Web sites with photos of the front, sides and back of properties—I can sit in my office and come up with a 95 percent accurate estimate within minutes," he explains. "A lot of guys reading this might think that it's crazy, and you can't do it this way, but this is also the way we do it for the pressure cleaning side of the business and the bottom line is that it works. For the size of our company, we're very profitable and successful."

Commercial accounts or more involved residential accounts require in-person meetings and inspections, but when it's possible to remotely survey properties and estimate jobs, the company can save money. "It makes us more profitable and efficient, because we don't have someone driving all around doing that," says Vidan. "Nine times out of 10 I can close someone on residential service without setting foot on the property."

The first question Vidan asks perspective customers is whether they're interested in a one-time service or an ongoing relationship. "What we've found, and what I'm sure a lot of others in this business have found, is that someone looking for a one-time service is someone who's gotten a letter from their homeowners' association because their lawn is a disaster. So, the cost and the price have to reflect how long it's going to take," he explains.

For continual customers, there is a choice of a 12-month plan and a per-cut program. "I always recommend the 12-month plan, because that offers the most value to them and their property will be maintained the whole year. They're not going to have to worry about anything," says Vidan. Based on a typical 35 cuts per year, customers save money (and get free fall leaf clean-up, discounts on pressure cleaning, etc.) using the 12-month plan because the company can charge a lower price for mowing knowing it will have opportunities to also provide additional services, such as fertilization, aeration, tree care, pruning and more to those customers. The per-cut program is of more interest to homeowners who want to handle many ongoing landscape tasks and clean-up jobs themselves, but want a contractor to take care of the mowing and trimming at a negotiated interval.

Only a handful of the company's customers actually sign written contracts. "I don't want to give anyone a reason not to do business with us," says Vidan. "A gentlemen's agreement is more important than a piece of paper, and the piece of paper is only worth so much, anyhow."



Mike Vidan, owner, left, and Jon Bradford, manager of operations, right, run All American Property Maintenance, which was created to complement an existing pressure cleaning business. While the two are run as separate companies, employees and pricing strategies are shared.

In addition to picking the pricing option of their choice, customers can also choose between various payment options. For example, there's a 5 percent discount for pre-paying the entire season's worth of lawn care before March 1. Vidan says that the recent economy has limited the number of customers who choose this, but the infusion of money at the beginning of the season helps purchase equipment and cover other upfront expenses needed for the growing season ahead. "Cash flow is so important to small businesses," he points out.

There's also an automatic payment option for customers who want to keep a credit card number on file, but most customers are billed either monthly or after each service. "Our technicians go out each morning with a folder for each account that includes insurance paperwork in case customers want to see that, MSDS information for any product we might be applying, as well as a pre-printed invoice on company letterhead that they can leave for customers," Vidan explains.

Which brings up the ultimate reason for All American Property Maintenance's success, according to Vidan: professionalism. "Our guys are highly professional and intelligent, with a great work ethic and pride in their work," he explains. "And, we offer a 100 percent satisfaction guarantee. If the homeowner gets home and our work doesn't meet their expectation, we ask them to give us a chance to correct it. And, only then do they pay us. Any time you can convey to people they're dealing with a professional company is important."

A professional approach, along with matching trucks and trailers and top-notch equipment, including Gravely mowers and Stihl trimmers and blowers, helps All American Property Maintenance stand out in the lawn care profession. "People notice if you're driving a beat-up pick-up with a 10-

year-old mower from Home Depot in the back and you have no insurance,” says Vidan. “When we pull up and people see the signage on the truck and our uniforms, they recognize us. They’ve seen our TV commercials; they’ve seen our ads in magazines; they’ve seen our postcards and fliers. They know how we operate.” That’s all part of building the company’s brand and its message of quality work.

Patrick White is a freelance writer and editor who has covered every aspect of the green industry in the past 13 years. He is based in Middlesex, Vt., and is always on the lookout for unusual stories.