## How Contractors Prepare For Unknown Winter Challenges



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One of the trickiest aspects of snow removal is dealing with the unknown. Winter is coming on fast, but snow — how high, how often, how extensive — is often a question. How to prepare for the colder months, and for a season that may not dump that much of that cold, white stuff, keeps owners of snow removal companies on their toes year-round. It has to.

The key is to prepare. Make sure you have a workforce you can not only call on but count on. Have enough salt. Price your services reasonably and don't lose money. Use the latest equipment. And live up to your contracts, particularly the commercial customers whose parking lots are your bread and butter.

Sean Bishop, the president of <u>Ground Effects Landscape Design & Construction</u>, the firm he runs in Carver, Massachusetts, a town midway between Boston and Providence, R.I. Ground Effects services communities from Boston to Cape Cod.

"The secret to snow is really do as much preparation before the snow season as you can," Bishop says. "Learn from experience and other business owners and don't overcommit your resources.

"I see a lot of companies try to take on a ton of work with limited resources; then we get a big, long-duration storm and they have a lot of problems. Never a good idea."

Since he launched Ground Effects in 1995, it has added equipment and grown into a \$3 million firm in which snow management represents about 20 percent of revenue. Balance is a key notion for Bishop.

When planning for a snow season, Bishop says he tries to account for the following:

- Balanced account portfolio of seasonal flat-rate clients based on a high and low average and a client mix of private, commercial and municipal work. "This way we can make sure our operational costs are covered no matter what comes with the season – snow or not."
- Make sure you have good liability insurance; shop it to agents every season to get the best rates.
- Pre-buy salt and ice melt early, basing need on seasonal averages, and always have extra supply if needed in a bad season.
- Always plan for worst-case situations.
- Build relationships with other companies for backup if needed. "We all need friends in this business."
- Keep a supply of parts for emergency repairs.
- Train crews while weather is good so they learn the routes before a storm comes. Retrain every year.
- If you plan and rehearse enough, when the big snow comes, it's less of a challenge to deal with.
- Don't take on more than you can do in a 12-hour window. Never overcommit your resources. Clients have expectations that their property will be ready for business as soon as the snow stops. "We work to get all sites open by a certain time window. We know we can handle X amount of work in that window with the resources we have. If we stay in that time frame, we know our clients can be done in a reasonable amount of time. If you stick to that you will have happy clients."

The work is hard but rewarding, suggests Bishop, who can't overemphasize the importance of fair pricing. "Snow management is tough, dangerous work," he says. "You are up for days, you spend a lot of money on staff, equipment and resources, and you deal with demanding clients and very expensive insurance costs. Charge what you need to cover costs and make a reasonable profit. Too many people in this business are losing money. Think about it: Do you really want to be the low bidder on every job you take on? That means all your competitors would have made more money than you. Me, I prefer to negotiate a fair price for the services we provide and take care of my clients."

## Good pay for hard work

Pay your workers well and you'll do well, suggests Daryl Macdonald, president/owner of <u>Valley Enterprises Ltd.</u> in suburban Vancouver, British Columbia. That means paying them handsomely even during a season of sparse snowfall. An hourly rate of \$50 – based on a base rate of \$25 an hour – makes for loyalty.

Snow is the hardest business to run because you never know what to expect from Mother Nature," he says. "Here in Vancouver we went from two years with no snow and 15 de-icings to a 30-year record snowfall with cold temperatures and our first salt shortage — which also lasted for days for almost three months straight. We definitely had our challenges this last year, but we managed to get through it."

Staffing is hard to manage, especially securing trained operators, Macdonald says. "What we do is hire people who have no work in winter like pavers and roofers; anyone who has no work due to the snow is who we try to hire as paid

on-call. I can't guarantee them any cash, but what we do is we pay people really well — double the Industry standard in our area. We pay our operators combined wage plus bonus of \$50 per hour.

"We pay our employees and top (the rate) up to \$50 an hour, which is a \$25an-hour bonus," he says. "We just hired them for the season but we also hired some per event. That depends on our needs."

If good wages are critical, so are equipment and supplies.

"Ten years ago, we went to our first <u>Snow and Ice Management Association</u> show and learned about snow pushers for a skid steer," Macdonald says. "This gives us the competitive advantage in our area because no one in our area knew anything about the snow pusher, so we can charge the same and get done faster. Technology has also changed in the pusher industry as there now are sectionals and ones that angle and quad directions, which also will give better efficiency."

As for salt, Valley Enterprises always has it on hand. It has to take care of that itself, because local suppliers aren't always open at convenient hours.

► Daryl Macdonald of Valley Enterprises pays his employees up to \$50 per hour to ensure they will be ready when the snow flies.

"You have to stock up ahead of time at your locations and watch your par levels," says Macdonald. "This year we built a salt compound to hold 150 tons of salt so we always have some on hand. Also, I keep enough salt in to cover three snow de-icing events as an emergency supply."

Valley Enterprises is about 15 years old and has four employees, making it one of the bigger snow contractors in the area.

This past season was dramatic. "2016-2017 was a 30-year winter record for our area," Macdonald recalls. "It was so chaotic people were fighting over free pail salt at our local fire stations, and as soon as they dumped it people were stealing it. They also had to hire security guards to protect the salt so that no one would steal it overnight until 9 a.m. pickup."