

He Means Business

Photo: Kevin Reeves

How one contractor wins by not being afraid to lose.

by Nicole Wisniewski

Nuts & Bolts

MORTON'S LANDSCAPE DEVELOPMENT CO.

HEADQUARTERS:

Columbia Station, Ohio

FOUNDED:

1978 part time, 1989 full time

SERVICE MIX: 45 percent design/build, 30 percent blower truck business, 15 percent groundskeeping and 10 percent snow removal

CLIENT MIX: 60 percent residential, 40 percent commercial

EMPLOYEES: 39 during the spring, summer and fall; 19 during the winter

GROWTH PATTERNS:

1999 - \$1 million
2000 - \$1.4 million
2001 - \$1.5 million
2002 - \$1.8 million
2003 - \$2 million
2004 - \$2.4 million
2005 - \$2.9 million (projected)

Where can you wager large sums of money on games of chance? Where can great wealth, stories and legends be built and lost in one bet? You might say a casino. Barry Morton Sr. says the answer is "in business." For instance, how many fathers of four do you know who would give up a stable carpentry income to go out on his own and forge a landscape business? How about a landscaper who would try to incorporate the same service three times in a 20-year period even though it proved unprofitable each time? What about an entrepreneur who would shell out a double-digit percent of his annual revenue for one piece of equipment to start a new service he wasn't 100 percent sure would thrive? Or maybe a business owner who would spend the sum of a skid-steer loader to open up his books to a consultant and then shut down his 9-year-old garden center based on that consultant's recommendation?

Morton, 48, owner of Morton's Landscape Development, Columbia Station, Ohio, has done all this, and is still around to tell the tales, boasting a 22-percent average growth rate since 1997. Morton himself might say it's an old-fashioned brand of aggressive work ethic and dedication to providing for his family that has helped him succeed. Others say it's his tough but effective brand of leadership - "they don't call it 'Morton's Marines' for nothing," explains Morton's son, Barry Jr., vice president of the company. While these two factors are certainly a part of it - none of it is possible without the inner gusto to wager a business gamble. It's not just about making the bet, but about having the courage to place your cards on the table. Morton shows us how it's done.

RISK NO. 1 - AXING MAINTENANCE. Morton started working his long hours in high school. "My father left when I was 9-years-old, so I learned early on that if I wanted anything, I had to work hard to earn it," he says.

Morton excelled in carpentry and ended up managing a crew that built bridges for



Barry Morton Jr. and Barry Morton Sr., Morton's Landscape Development

Ohio's Great Lakes Construction Co. By the time Morton was 23-years-old, he also had a wife and four children to support, so he started mowing lawns and building decks for residential clients to supplement his carpentry income in 1978. What started as a second job quickly became a passion – and Morton gave up the security of his carpentry wages to take Morton's Landscape Development full time in 1989.

Morton's carpentry credentials gave him the guts to take a business gamble. "I thought if my landscape business didn't work, I'll just go back into the carpentry business," he says.

Since Morton started landscaping part-time, he already had solid business footing with three crews and 300 clients when he moved the company to full-time, so the only carpentry work he ever saw again came out in his design/build jobs, which became his company's core niche and remains in that spot, dominating 45 percent of his total revenue.

Morton tried retaining residential maintenance as a key

service three times – in the 1980s, again in the early 1990s and finally one last time in the late 1990s, but he gave up because of his dislike of working with Home Owner's Associations, and a lack of profit in this area (5 to 7 percent) compared to design/build (15 to 20 percent). "I had heard from other contractors how it provided recurring revenue and I was determined to try it, but it just didn't work out each time," he says. "Every time I did the numbers and broke down the jobs into dollars per minute, it just didn't prove profitable. I liked to factor it into dollars per minute since we were always spending odd times – like 20 minutes – at a job. What I used to shoot for to cover our costs and ensure profit was \$2 a minute based on a two-person crew and that equates to about \$120 an hour, which in the residential was not competitive. Eventually, as competition in the area increased, we went from charging more than \$100 an hour to \$50 an hour, which wasn't worth our time. We just realized it wasn't our forté."

In 2000, this service skyrocketed as a result of some increased marketing, but Morton said he couldn't get the right people in place

to do the work productively and ensure competitive pricing. So, in 2001, Morton decided to go from more than 200 maintenance clients to 35, and six maintenance crews down to one. "We hung on to our small commercial work, like factories and medical centers, because these clients were willing to pay for our quality services," Morton says. "They weren't rebidding the work every year and basing their decision solely on price. We didn't have to fight annually to keep them as clients."

RISK NO. 2 – ENTERING THE MULCH BUSINESS. In 1997, with revenue nearing \$750,000, Morton decided to buy a \$120,000, 13-yard mulch-blowing truck, so he could add the service to his business and eliminate tedious hand-applied mulching from his landscape crews' to-do lists, freeing up their time to forge ahead on landscape installations – the company's core service.

But spending this kind of money, which equates to \$1,500 monthly payments for five years to own, needs to be planned accordingly. "Every month, I see something in the mail or the paper about someone selling a mulch truck because they jumped into it too quickly," Morton says, adding that he researched the service and the equipment for three years before making the purchase.

First, Morton looked at the amount of mulch his company put down by hand every year and what it cost, which was the equivalent of two people doing the same amount of work with a mulch truck vs. 12 people doing it by hand. Then he looked at the truck price and what the equipment salesperson said it could produce, but he took this information with a grain of salt since he felt this information was sugarcoated. "I knew that having one truck would mean our landscape crews wouldn't have to worry about putting mulch down in the spring and it would put them ahead," Morton explains. "All I



This Morton Landscape Development residential project showcases vibrant landscape color. Photo: Bill Healy

needed was two guys to run that first mulch truck."

But this wasn't as simple as it seemed. "It's easy to train someone to cut grass, but it wasn't as easy to train someone to drive a big truck and run it," Morton says. "We needed two smart guys per truck who were conscientious with customers and one of whom had their Commercial Driver's Li-

many yards as you can. While others told us they were only getting 35 yards a day out of their mulch trucks, we were getting 110 yards a day. A lot of people can't get this kind of production out of their trucks. I think these years of training in the beginning helped us to get there."

A few years later, Morton was able to purchase a second mulch truck – a \$300,000, 35-yard machine. By 2002, Morton's was also spreading soil with its mulch machines, and the company's impressive yardage dispersing both mulch and soil got other local landscape contractors interested in hiring them as subcontractors. These contractors now make up 60 percent of their mulch clients.

Today, the company has three blower trucks and Morton said he keeps two of them busy year-round, while the third is busy in spring and fall but sits in the shop during July and August when the mulch business dies down. He gives his landscape contractor clients first priority at the beginning of the season, taking on residential clients after June 15. To boost the service each year, a small amount of marketing is used via direct mail to landscape contractors throughout Ohio. Morton and Barry Jr. also hand-deliver cookies and gift certificates to Morton's top mulch and design/build clients, spending about \$3,000 annually on this relationship-building service.

(continued on page 52)

Figuring Design Fees

Another tip Morton's Landscape Development Co., Columbia Station, Ohio, learned from its consultant was to forge a design agreement and charge for landscape designs, which are worth the time and effort it takes to produce them, according to Vice President Barry Morton Jr.

On average, Morton's design fees will range from \$500 to \$1,500, depending on the hours it takes Designer Bill Healy to draft a plan that fits the customer's needs. "If they continue asking for new drawings after seeing a few preliminary drawings, then obviously their design fee will increase," Morton explains, adding that the company's typical high-end residential client will have homes that cost between \$250,000 and \$500,000. Customers normally don't complain about the fee, but Morton makes sure to explain it early in the sales process so they are prepared for it when they receive their bills.

cense. We also needed people who could handle the almost aerobic nature of working with this equipment – it's very difficult."

The service requires a driver and one laborer per truck. Morton operated the first truck himself, training his assistant on how to become a driver. He took this time to perfect and refine the service. "The mulch blowing business is all about yardage," Morton explains. "You have to put down as

Cover Story

(continued from page 50)

To get other employees interested in potentially running a mulch truck, Morton offers a \$1 raise to employees who get their Commercial Driver's License. Employees who take the test and pass also are reimbursed for their test cost. Once employees have their temporary CDL, Morton will help them practice for their test.



A waterfall designed and photographed by Morton's Lead Designer Bill Healy.

Morton realizes that buying this equipment – especially since he noticed others failing at offering the service – was a risk. But with the proper training and equipment use, Morton said it has proved profitable. "I have always grown my company on equipment," he says. "Equipment doesn't get sick, equipment's grandma doesn't die so it needs a week off. We stay lean with our employees and are always researching equipment options to increase productivity."

RISK NO. 3 - CLOSING THE GARDEN CENTER. Morton admits that he worked full-time and over time seven days a week getting his business started. But when he was still putting in these hours 20 years after he started the business, he knew he had to make some changes.

In 1998, Morton was getting ready to build a brand new garden center. He had added this segment to his business in 1990 because he bought a community grain store/feed mill located along the railroad tracks on Station Road in Columbia Station, Ohio, and it seemed like the most affordable place to grow a landscape business, while at the same time selling animal feed, mulch, nursery materials and Christmas trees to provide recurring revenue. Since landscaping is a seasonal business in Ohio, Morton thought the garden center would boost winter profits while at the same time enabling him to keep some of his crews busy during the slow seasons vs. laying them off until spring.

Early in 1998, Morton invested "the price of a skid-steer loader" in a consultant to analyze his business. "I wanted some guidance on how we could move our business forward," he says, confessing that starting a business on dreams vs. plans is OK in the beginning but doesn't work later when strategic plans and budgets are necessary.

As the consultant reviewed the numbers with Morton, he realized that the garden center was costing the company more money than it was worth. While the landscape business made double-digit profits, the garden center drew less than 5 percent. "The landscape company paid for the inventory and the payroll for the garden center since we had to keep more people on to run it, but the garden center never paid the landscape company back," Morton explains. "There were

(continued on page 56)

**ANYBODY
CAN
PUT
TANKS
ON A
TRUCK!**

Tuflex[®]
FIBERGLASS PRODUCTS

TUFLEX MANUFACTURING CO.
1406 S.W. 8th Street
Pompano Beach, Florida 33060
Toll-Free: 1-800-327-9005
954-785-6402
FAX: 954-785-6404

**Experience
the tough-flex
difference.**



We certify that this is an actual photograph and that the tanks were not altered in any way to produce this picture.

USE READER SERVICE #40

Cover Story

(continued from page 52)

some days where someone would come in to buy some bags of feed and we'd make \$35 worth of sales, but we had two people working 10 hour days – when you added it up, it just wasn't worth it."

Even though Morton kept two sets of accounting books for each business, they weren't separate enough to track profitability accurately. "For instance, sometimes the landscape company would buy materials and the garden center would sell them and that money wouldn't be credited back to the landscape company," he says. "And in the winter when we sold Christmas trees, it was fun when it was me and my son selling them – we made some good money for presents. But once we got more employees involved and the payroll increased, our profits decreased."

So the consultant advised Morton to close down the garden center instead of building a new one, and Morton is glad he followed that advice. "We closed it on Dec. 23, 1998,



Most of Morton's design/build residential clients own homes ranging between \$250,000 and \$500,000. Photo: Bill Healy

and that's the first day I started having a life," he says.

Since that year, Morton has retained this consultant, budgeting up to \$20,000 annually for business consultation, which includes this consultant's services, other consultants the company may hire during the year and special business-building seminars. In Morton's experience, most

out-of-state consultants cost about \$5,000 per visit (including travel), Morton says, but the price is lower per visit for in-state consultants.

Another contributor to Morton's more normal schedule is Barry Jr., 27, who started doing small jobs for the business when he was 9-years-old, but really started thinking

(continued on page 58)



Z SPRAY



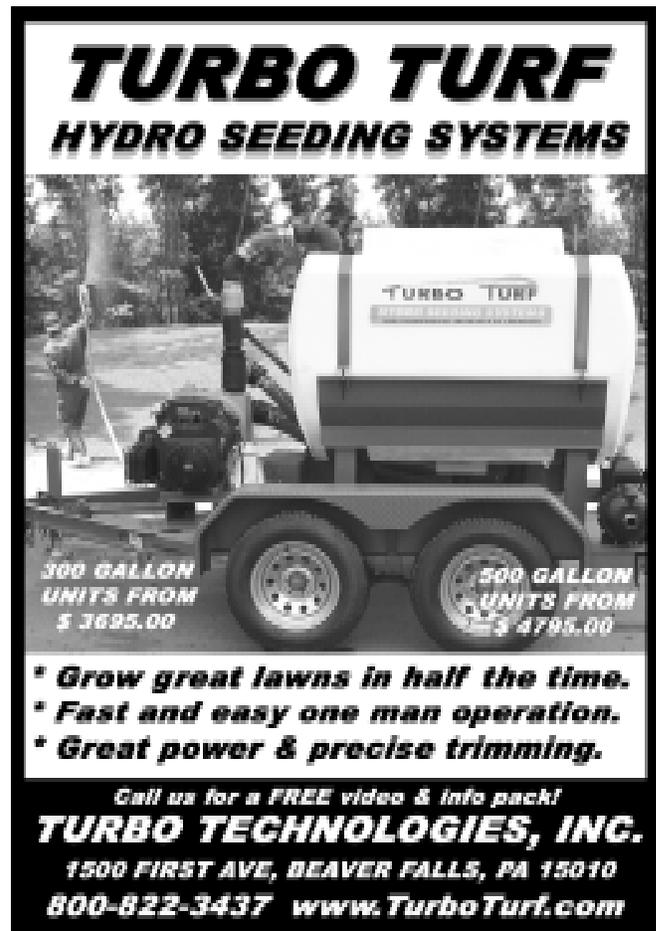
ZERO-TURN STAND-ON SPRAY SYSTEMS
• Hydraulic hopper drive system • All stainless steel construction



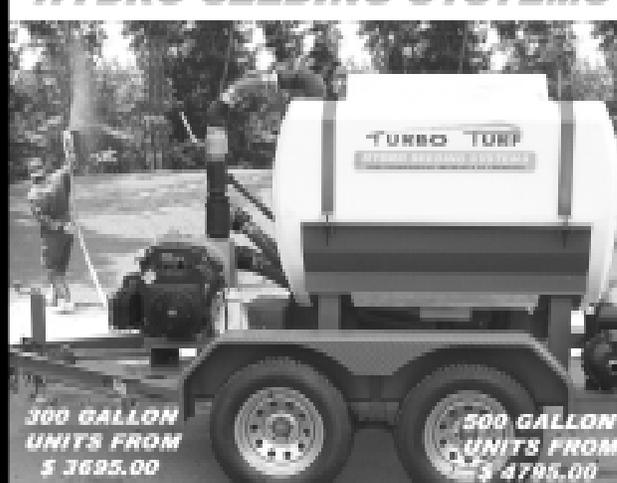
Z PLUGGER

STAND-ON ZERO-TURN TURF RENOVATOR
Additional attachments available

L.T. RICH PRODUCTS, INC.
Call 765.482.2040 for more information
www.z-spray.com
Patents Pending



TURBO TURF
HYDRO SEEDING SYSTEMS



300 GALLON UNITS FROM \$ 3695.00 **500 GALLON UNITS FROM \$ 4795.00**

- Grow great lawns in half the time.
- Fast and easy one man operation.
- Great power & precise trimming.

Call us for a FREE video & info pack!
TURBO TECHNOLOGIES, INC.
1500 FIRST AVE, DEEVER FALLS, PA 15010
800-822-3437 www.TurboTurf.com

USE READER SERVICE #43

USE READER SERVICE #44

(continued from page 56)

about it as a future career when he was 14. Barry Jr., took some landscape design courses through the Ohio Landscapers Association, and then took over design/build sales from his father. Today, he's vice president of the company and still runs sales and customer relations in the design/build division with Designer Bill Healy.

Other family members who have joined the business include Morton's daughter Melinda, 30, as human resources manager and his son-in-law Chad Heidecker as production/operations manager.

"For me, trusting other people was tough," Morton admits. "The transition from me doing everything to me focusing on the

mulch business and strategic planning for the company took a couple of years. I just had to delegate and realize that people will make mistakes and they have to learn from them. I had to realize that I couldn't make a big issue out of mistakes or continually remind them or ride them about things that needed to be done or I'd just be setting them up to make more mistakes or repeat the same ones over and over again. I just had to let go."

Being an entrepreneur means taking risks. In the early days of his business, Morton says he probably relied more on his gut and strong work ethic to make decisions. Today, however, with a strong team in place as backup, Morton says he still takes business gambles, but they are based on more discussion and research. "I had no formal business training when I started out, so I did gamble to build my business," he says. "A lot of times it was based on a gut feeling and a push where I



FAMILY OWNED AND OPERATED SINCE 1933

Hannay Reels®
The reel leader.

Hit the ground running with Hannay.

Hannay premier quality reels give you a working advantage right from the start, outperforming and outlasting every other brand.

- Available as portable units, wheeled, or truck- or trailer-mounted
- Built to order
- Highest quality and unsurpassed service

Applications include:

- Watering and irrigation
- Lawn spraying
- Hydro-seeding
- Onsite electric power and tools
- Pest control
- Area washdown
- Pressure washing equipment
- Hydraulic tools and equipment

Download or call for your FREE catalogs
<http://go.hannay.com/H23> 877-GO-REELS



A pavilion that highlights Morton's Landscape Development's design specialty – hardscapes. Photo: Bill Healy

said to myself, 'I can do this – if I work hard, I know I can.' The problem is that some gambles will be successful only if you continue to work really hard to make them work, but the minute you stop, it fails. Today, I think there is still a certain percent of risk in the decisions I make, but I base my decisions on the numbers now more than ever. Also, I don't make decisions by myself anymore – I have a strong team to back me up, and that really makes a difference." **LL**

If you have questions for Barry Morton Sr., you can reach him at Morton's Landscape Development, 11564 N. Station Road, Columbia Station, Ohio, 44028; PH: 440/236-3550 or e-mail: bmortonsr@mortonslandscaping.com.