LANDSCAPE MAINTENANCE COMPANY EXPLORATORY STUDY

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Chapter One

INTRODUCTION

Landscaping is a fusion of many disciplines – horticulture, engineering, the life sciences, art and design, physical labor, and business management. A landscape maintenance company is an ideal business to operate out of your home because most of your equipment can stay on the truck at night, you need little office space, and you don't need to be open to the public.

The author believes there is a niche in the landscaping industry in San Luis Obispo County for a business specifically tailored to meet the needs of retiree homeowners and senior citizens. The author has lived in his retired grandfathers' home and listened to conversations amongst friends and neighbors of his grandfather regarding the poor service and performance of their respective landscaping services. They have repeatedly used the phrase "Mow, Blow, and Go" when describing what they receive from the existing landscapers.

The author believes that senior citizens / retiree homeowners would be willing to pay a premium for a personalized consultative landscaping service. One that asks "Is there anything else I can do for you today?" when performing scheduled maintenance. A service in which the homeowner has the opportunity to engage in conversation with someone on a regular basis and develop a relationship that goes beyond their yard preferences.

There are two main motivating factors and for investing time and energy into the development of this exploratory project. The motivating factors are as follows;

1. The author would like to retire in San Luis Obispo and due to the high cost of living associated with the area; the author believes starting a small business would be a healthy investment of his time and resources to subsidize his retirement income.
2. Landscape maintenance businesses have low barriers of entry and require minimal upfront investment of capital.

Problem Statement

San Luis Obispo County is a popular retirement destination and has a defined growing aging population. According to an American Community Survey comparing US census data on demographics and housing in San Luis Obispo County from 2000 to 2006, the population within the county increased 4.1%. People over the age of 45 constituted 63.4% of the increase. Over 65% of the 63.4% increase was comprised of people between 55 and 59 years of age. These numbers illustrate the trend that the county's baby boomer population is becoming larger, with baby boomers defined as persons born between the years 1946 and 1964. This increase also supports the authors' belief that San Luis Obispo County is a popular retirement destination.

Many senior citizens and retiree's spend extended periods of time away from their primary residence and need someone to be responsible for their yard maintenance while they are away. There are also many senior citizens and retirees who are physically unable to meet the demands of maintaining their yards or would rather pay someone else to do it.

Hypothesis

The growing aging population of baby boomers, retiree's and senior citizens within the county creates a niche market for a business designed and tailored to meet their landscaping needs. The San Luis Obispo area retiree and senior citizen market has an unmet demand for personalized consultative landscaping services.

It is hypothesized that being the sole proprietor of a landscaping business which maintains the yards of San Luis Obispo area senior citizen and retiree homeowners will generate a profit for the owner within the first year.

Objectives of the Study

1) Determine the steps needed to start a landscape maintenance business.
2) Identify needs specific to senior citizen and retiree homeowners regarding their yard care.
3) Estimate the size of the senior/retiree citizen market based on county demographic data.
4) Outline methods of acquiring senior citizen and retiree clients.
5) Estimate a yearly budget for costs and returns.
6) Determine if the business is capable of generating a profit within its first year.

Significance of the Study

The knowledge attained from this study will provide a blueprint of how to supplement income during retirement years with a landscaping business. The study will illustrate the necessary components of a business plan and provide information to others interested in servicing the needs of senior citizens and retirees. It may also provoke thought creating ideas of how one can supplement their monthly income with a small business.

Chapter Two

REVIEW OF THE LITERATURE

How to Start a Home-Based Landscaping Business

Owen E. Dell is a licensed landscape architect and landscape contractor with 39 years of industry experience. He explains that the landscaping industry is split into two categories, the maintenance gardener and the landscape contractor. The maintenance gardener is defined as the one who is called in to care for the landscaping after it is designed and installed. The main task of the gardener is to continually cut back plants that have become too big for their designated spaces. The landscape contractor is a builder who specializes in the construction of gardens and landscapes. The scope of their trade is very wide from planting plants in private residences to heavy construction on a commercial site. Unlike the maintenance gardener, the landscape contractor moves from job to job and is always looking for work.

The author emphasizes the importance of developing a well thought out business plan. Starting a new business without a well thought out business plan is almost impossible. A business plan serves the entrepreneur like a map; it provides direction and reminds the entrepreneur of what to focus on during times of turmoil or uncertainty. Without this plan the entrepreneur can easily be led astray exploring intermittent revenue streams, causing unnecessary strains on precious capital and human resources (Dell, 2010).

The author reviews accounting and explains the difference between single-entry and double-entry systems. In a single-entry system, you record each transaction only once. The drawback is that there's no way to know if you've made a mistake such as transposing numbers. In a double-entry system each transaction is recorded twice, once as a debit and once as a credit. The debits and credits must balance, which is how you check for errors. (Dell, 2010) then goes on to explain the difference between Cash and Accrual accounting. Using a cash method, you enter income when it's received and expenses when they're paid. In the accrual method, you record income as of the date the transaction occurs even though you may not have received the money yet. The same goes for expenses, even though you may not have paid them at the time of their recording. An advantage of the accrual method is that it provides a more accurate picture of your financial condition.

(Dell, 2010) often reminds the reader the number one rule to remember is that you are in business to serve the needs of your clients. He argues that if you do that well and keep them happy, they'll stay with you for years, refer other people to you, and make you successful. If you make them unhappy, they'll go elsewhere and tell everyone not to use you.

According to the author marketing is the art of making friends and it is simple. Meet as many people as you can, get their attention, and make them like you. Then tell them what you can do for them and why they should do business with you instead of with somebody else. The objective is to make them want to hire you and then keep them happy so they tell others.

(Dell, 2010) provides a couple practical suggestions on getting work. The first is to find more work on existing jobs, making a habit of constantly looking around your jobs for something else that could be improved and mentioning it to the client. His next suggestion is talking to the neighbors. Knocking on a couple doors at lunchtime each day, introducing yourself, explaining the benefits of the work your doing, offer to provide an estimate and leave business card. He defines this activity as canvassing and outlines it in four steps.

Step one, making contact with the person and making a good first impression. Be friendly, positive, outgoing, and be yourself. Step two, qualifying the person. This is done by avoiding unlikely homes: those that show no pride of ownership, have no landscaping, or are occupied by renters. After you talked with the home owner for a while you'll be able to tell whether he or she is interested in your services and able to pay for them. Step three is the presentation. This is your opportunity to describe your services and how you're different from others in your industry. The author recommends offering a few ideas to the homeowner about their yard to gauge interest and engagement. The final step is the close, when you ask the homeowner for their business.

The terms "closing" or "selling" are disagreeable to many people. (Dell, 2010) emphasizes that you never sell your product or service; you sell the benefits and advantages for the buyer. To get potential clients to do business with you, you have to figure out what they want and then prove you can give it to them.

In addition to finding more work on existing jobs and canvassing neighborhoods (Dell, 2010) recommends creating one page flyers and putting them on windshields in parking lots of destinations you're targeted customer is likely to visit. Flyers are a simple inexpensive way to get attention.

Baby Boomers, Tomorrows Senior Citizens

In 2000, people over 80 represented 1.5 percent of the U.S. population; by 2050, they are projected to occupy 5 percent of the total U.S. population, according to the U.S. Census Bureau. The U.S. Census Bureau considers a Baby Boomer to be someone born during the demographic birth boom between 1946 and 1964. This group totals 78 million people, so it is useful to divide up into two sub groups: The Younger Boomers, ages 45-54 in 2010 and the Older Boomers, ages 55-64 in 2010. According to an unsigned article which appeared in *American Demographics* (July 2002), Baby Boomers represent 42 percent of all U.S. households and control 50 percent of all consumer spending. The article also states that Older Boomers spend 23 percent more than the average household on hotels and vacation homes. This information suggests that Baby Boomers spend more time away from their primary residences than other demographic groups.

Turning Silver into Gold

In her book, Dr. Mary Furlong states that Baby Boomers enjoy living in the suburbs. She shares with the reader that the Brookings Institute released a report mapping aging patterns in the

suburbs based on 2000 Census data. Accordingly, boomers accounted for 31 percent of the total suburban population, a steady climb from 26.6 percent in 1990. The highest concentrations of boomers are in suburban areas where housing prices have risen beyond the budgets of most young adults. Furlong (2007) states business opportunities abound to serve this suburban housing market including lawn and landscape maintenance, products and services that ease the burdens of home maintenance will be in high demand.

Chapter 3

METHODOLOGY

Procedures for Data Collection and Analysis

The first objective of this study is to determine the steps needed to start a landscape maintenance business. A search was conducted for projects that contain a combination of the following words in their title; Landscape Maintenance, Business Plan, Landscape Management and Feasibility Study.

In addition to reading what others have written on how to start a landscape maintenance business, telephone interviews were conducted with existing landscape maintenance business owners in San Luis Obispo County. Prior to the interview a list of interview questions were developed to learn more about the existing local landscape maintenance industry. For a full list of questions, please see the appendix. One question asked about the story behind how they got started in the business. Another question asked how he/she acquired customers during the infancy stages of their business. Some questions probed what they would have done differently knowing what they know now. A final question asked his/her opinions on whether a senior citizen and retiree homeowner niche market exists.

Google Maps (http://maps.google.com/maps?hl=en&tab=wl) was used to identify and gather the contact information of existing landscape maintenance businesses in San Luis Obispo

County. “Landscaping, San Luis Obispo Ca.” was used in the search bar to create a list of search results, the list included the name of the business and telephone number.

Calls were made to each business on the list generated from the Google search. The researcher asked to speak with the owner to interview him/her about his/her business. The objective of the interview was to administer the landscaper survey developed for this project.

The knowledge gained from the telephone interviews along with information gathered from text books and senior projects provided the data necessary to complete the first objective of determining the steps necessary to start a landscape maintenance business.

The second objective of this study is to identify needs specific to senior citizen and retiree homeowners regarding their yard care. This objective was met by interviewing the above mentioned demographic. The interview questions should attempt to identify value added services that would be of interest, uncover areas that may be under-serviced, and find out how much more the home owner would be willing to pay for the desired services.

To achieve this second objective a list of interview questions for senior citizens and retiree homeowners was created. For a full list of questions, please see the appendix. Once the questions have been developed, a geographical area with a high density of the before mentioned demographic was identified. This was done by researching the United States Census Bureau data available online. The next step taken was visiting the targeted area and walking door to door requesting the opportunity to speak to the homeowner to interview them using the interview

questions. Twenty retiree homeowners and senior citizens were selected for these interviews. Their responses were reviewed in search of insight on the specific needs of senior citizens and retiree homeowners.

The third objective of this study is to estimate the size of the senior citizen and retiree homeowners market in San Luis Obispo County. Population and demographic statistics are available online at the United States Census Bureau as well as the San Luis Obispo Chamber of Commerce websites.

The fourth objective of this study was to outline methods of acquiring senior citizen and retiree clients. This objective was met by viewing landscape maintenance industry websites and trade journals to discover what marketing efforts have proven to be successful for the best of class companies. In addition, other businesses were identified that sell products and services to senior citizens and retiree homeowners. These businesses were queried how they attract their clientele. The purpose of the inquiry was to find out if facets of their marketing strategy could be adapted to growing a landscaping business.

The following list of organizations and businesses that depend on senior citizens and retirees as their main source of revenues; American Association of Retired Persons, Meals on Wheels, Moose Lodge, Cemeteries, Reverse Mortgage Specialists, Skilled Nursing Providers, Trailer and RV Dealerships, Electric Motorized Wheel Chair vendors, Assisted Living Facilities, Travel Agencies, Hearing Aid vendors, Safe Tub vendors, and Specialty Magazines like Today's Senior.

Google's search engine was used to identify the above mentioned organizations and business that have a local presence in San Luis Obispo. A list was assembled of the above mentioned organizations and a set of interview questions to ask over a telephone conversation. After speaking with 5 organizations or businesses that also serve the needs of senior citizens and retiree homeowners, responses were reviewed, analyzed, and summarized. Reviewing these responses provided further insight of how to acquire and service senior citizens and retiree homeowner clientele.

The fifth objective of this study was to estimate a yearly budget. The budget was estimated by researching all of the costs of operating the business, the costs of marketing, and labor costs. The author used two methods for estimating a budget; surveying business owners and reviewing senior project business plans for Landscape Maintenance companies.

The sixth objective of this study was to determine if a profit can be made in the first year. To determine if profit can be made the author analyzed all the costs of the business and all of the revenues to expect in the first year. To forecast profit the author used two methods: surveying business owners and reviewing senior project business plans for Landscape Maintenance companies.

Assumptions & Limitations of the Study

Because the author lives in the Central Valley and is unable to interview senior citizens and retiree homeowners on the Central Coast, this paper makes the assumption that senior citizens and retiree homeowners living on the Central Coast will have the same thoughts about their landscaping needs as senior citizens living in affluent neighborhoods in the Central Valley.

Since the author is unable to walk the neighborhoods of San Luis Obispo, he will walk door to door through the affluent neighborhood of Morada, California instead. Morada is an ideal neighborhood because the homes are custom and sit on half acre lots. It is a mature neighborhood, with most of the homes built in the late sixties and early seventies. The vast majority of people living in Morada are senior citizens or retirees, many of which are the original homeowners and utilize landscaping services for the maintenance and upkeep of their yards.

Chapter Four

DEVELOPMENT OF THE STUDY

How to Start a Landscape Maintenance Business

Determining the steps needed to start a landscape maintenance business was my first objective. Previous research was utilized and the following information is from two senior projects that were most helpful: the first, Landscape Business Start Up Plan, (March, 1999) and the second A Feasibility Study of Starting a Landscape Maintenance Business in San Diego County, (De Young, 2004).

Landscape Business Start Up Plan

The author states the purpose of his paper is to give the landscape entrepreneur a comprehensive resource and inform them of the legal requirements and numerous guidelines that one must follow when starting a landscaping business. Determining the needs of the customer, joining the California Landscape Contractors Association, and utilizing the resources of the Small Business Association to get information on business plans and managing finances are the first steps to launching a landscape maintenance company. March (1999) reviews the various forms a business could be structured and the advantages and disadvantages of a Sole Proprietorship, Partnership, Limited Partnership, and Corporation. Discussed are the necessary filings of taxes for a Sole Proprietorship, Partnership, and Corporation. An employer must apply for a Federal Employer's Identification Number prior to starting a business. This number identifies a business

for federal and state tax purposes. An entrepreneur can be issued a FIEN by completing a SS-4 form which is available through the Internal Revenue Service.

March (1999) outlines what should be included in a business plan. The business plan serves as a blueprint of the business. It is used as a model to forecast how the business will operate and identify potential pitfalls. The following is an outline of what is included in a business plan.

The cover page is the first thing a reader will see when viewing a business plan. The cover page should include the company name, address, phone number, and the owner's names. Next should be the executive summary which is a brief summary describing the entire business plan and is the last piece written by the author. Following the executive summary should be the table of contents. The table of contents lists the organization of the business plan to corresponding page numbers, including tables, charts, and appendixes. A company profile should immediately follow the table of contents which describes the company, emphasizing major strengths and expertise. The next section should be the market analysis. A market analysis provides an overview of the targeted industry, identifying trends, regulations and possible future changes to the market place. It describes target markets, defining who they are and identifies competitors and how you are positioned against them. Products and services offered should be the section that follows the company profile. This section is composed of three parts; description of products and services, pricing and pricing strategy, and description of education and expertise. Following products and services should be a section on operations. This portion of the business plan describes materials need for your operation, including

equipment and future purchases, and provides an explanation of how you will support your service. After the operations section should come marketing and sales. In this section the reader will find an explanation of how you will promote and sell your service. This section should describe your sales force and its activities and should include forecasts by job completion and time period. The next section of the business plan should be on management. This section outlines the management team of your organization, identifying owners and key managers, as well as a description of what experience they bring. A section dedicated to finances should follow the management section. The finances section includes operating budgets, cash flow statements, quarterly projections, income statements and assumptions based from them. Liquidity and debt ratios as well as asset management should also be included. The second to last thing in a business plan should be the company's mission statement. A mission statement is a short description of company goals and how they relate to your services. The final section in a business plan is the appendices. This is the section that houses references, market studies, licenses, certifications, business forms and resumes.

March (1999) covers business accounting, discussed is the difference between Cash and Accrual based accounting and the various components of financial statements such as a balance sheet, income statement, and a cash flow budget. Financial measurements are also included, informing the reader of the various ratios used to determine liquidity, solvency, profitability and depreciation.

Legal Requirements are included in March's (1999) paper. He identifies the requirements of the Federal, State, and County governments one must abide with when starting a

landscaping business in San Luis Obispo and provides contact information making it easier for someone to complete those requirements.

A Feasibility Study of Starting a Landscape Maintenance Business in San Diego County

This paper contains much useful technical information. The author shares that any landscape maintenance company conducting business in California must have a contractor's license to perform services. The first step in acquiring a license is filling out an application for a C-27 license, which will cost $250. The cost does not include an activation fee of $125 which is a fee that must be paid on an annual basis. The final cost linked to a contractor's license is a contractor's bond. The bond is designed to protect the client against substandard work. The standard $10,000 bond will have an annual cost of $175 per year. For the first year of business, a contractor's license will cost $550 and $300 for the each year after.

The paper informs the reader that in order to purchase and use the different types of chemicals that control pests and protect against diseases in the landscape maintenance industry, a business owner must have a Maintenance Gardener Pest Control Business License. The cost for this license is $80 per year. Before this license can be issued, you must first complete a Qualified Applicators Certificated form and pass the Laws, Regulations and Basic Principles Examination as well as the Pest Control Examination. The total cost for both the Maintenance Gardener Pest Control Business License and the Qualified Applicators Certificate is $130. There is an $80 renewal fee the Maintenance Gardner Pest Control License on an annual basis.

The most valuable information gathered from this senior project was that the average fee per month charged to clients was $110 and the number of clients a one man operation could handle is 60.

Business Plan Outline

According to Scott Shane (Shane, 2008) a professor of Entrepreneurial Studies at Case Western Reserve University, 25% of new businesses will fail before the end of their first year. The number increases to 36% and 44% for years 2 and 3. Professor Shane sites data from a special tabulation by the Bureau of the Census produced for the Office of Advocacy of the U.S. Small Business Administration. This data illustrates the difficulty of maintaining and growing a new business in its infancy and justifies the importance placed on developing a good business plan.

Using the sources previously cited, the following steps to developing a business plan were developed. It is helpful when starting a business plan to begin with determining a statement of purpose. A statement of purpose will focus your mind on what you're doing and boil it down to a simple definition that you can use to remind yourself what your business is all about. The statement of purpose will define the character of your business.

After a purpose has been defined the next section of a business plan should address fundamental descriptive questions pertaining to the purposed business. This general information section of the business plan should address what the business will do, where it will be located,

the legal form the business and its ownership structure, the proposed start date of the business and its legal name.

The next section of the business plan should be focused around services offered. It should describe in detail the services and or products the purposed business intends to offer and identify the geographical service area the business will cover.

Market Information should be addressed next, detailed descriptive information about arena the purposed business will compete in. This section should describe characteristics of prospective clients, identify the size of the potential market, and address whether the market is growing or shrinking. Information in this section should be specific and include statistically verifiable facts.

Following Market Information should be a section devoted to Competition. This section should identify how many competing companies exist in the purposed service area, the annual sales volume of the competing companies, and list the major services being offered. This section of business plan should address how the purposed business intends to draw business away from competitors and why the purposed business will be more attractive than competitors' to potential customers.

The next section of the business plan should address pricing, advertising and any unique methods the purposed business has to attract customers. Included in this section would be

projected advertising budgets as well as projected sales dollars return expected to be generated from the aforementioned advertising expenditure.

Company Organization should be the next section of the business plan. This section describes in detail the number and duties of full and part time employees, description of proposed employee training programs, their respective wage rates and employee benefits including: health insurance, sick leave, vacations, holidays, and bonuses. If the proposed business intends to use subcontractors descriptions of the type utilized as well as any other outside services such as payroll or bookkeeping should be identified in this section.

After Company Organization should be a section on Facilities and Equipment. This section of the business plan describes the type and projected costs of planed equipment purchases and leases for field as well as office equipment needs. Office and yard space should be described in this section and include the projected rent or purchase price per year.

The final section of the purposed business plan should be devoted to Financial Projections as well as describe the bookkeeping and accounting systems to be utilized. This section should include start-up costs, defined as the things the company will need on its first day in business. Sales projections, projected dollar volume of sales and profit-and loss projections, detailed month by month cash forecasts and balance sheets for the first five years also need to be included in this section.

Information acquired from the review of previous senior projects and interviews with business owners suggests the second step in starting a landscape maintenance business is to acquire the appropriate Government mandated licenses, permits, and insurance.

Contractors License

According to California State law, anyone who contracts to do construction work where the total price of the job including labor and materials is $500 or more must have a Contractor's license. The first step in acquiring a license is filling out an application for a C-27 license, which will cost $250. The cost does not include an activation fee of $125 which is a fee that must be paid on an annual basis. The final cost linked to a contractor's license is a contractor's bond. The bond is designed to protect the client against substandard work. The standard $10,000 bond will have an annual cost of $175 per year. For the first year of business, a contractor's license will cost $550 and $300 for the each year after.

Maintenance Gardner Pest Control Business License

It is illegal to apply herbicides or insecticides within the course of doing business unless you have a pesticide applicators license. This law is for public safety and ensures that all licensed applicators are educated on proper use and application methods. In order to purchase and use the different types of chemicals that control pests and protect against diseases in the landscape maintenance industry, a business owner must have a Maintenance Gardener Pest Control Business License. The cost for this license is $80 per year. Before this license can be issued,

you must first complete a Qualified Applicators Certificated form and pass the Laws, Regulations and Basic Principles Examination as well as the Pest Control Examination. The total cost for both the Maintenance Gardener Pest Control Business License and the Qualified Applicators Certificate is $130. There is an $80 renewal fee the Maintenance Gardner Pest Control License on an annual basis.

Fictitious Business Name Statement

A fictitious business name statement is required to be filed with the San Luis Obispo County Clerks Office. According to Wikipedia, a fictitious business name is a legal term meaning that the name of a business does not include the legal name of the proprietor that owns it. Fictitious business name statements must be filed within 30 days of opening a business. They must also be printed in a local newspaper for four consecutive weeks. More information can be found at the San Luis Obispo County Clerks Office

Federal Employer's Identification Number

An employer must also apply for a Federal Employer's Identification Number prior to starting a business. This number identifies a business for federal and state tax purposes. An entrepreneur can be issued a FEIN by completing a SS-4 form which is available through the Internal Revenue Service.

Sellers Permit

A sellers permit is required in order to collect and remit sales taxes. It can be obtained through the State Board of Equalization.

Business License

A business license is the means where a particular city grants an owner permission to engage in business for which the owner is licensed. One must be obtained for each incorporated city where business is conducted. Business licenses are issued either by incorporated cities or county tax collector depending on the location of the business. As for my landscaping business, it will be located within the county rather than city limits. Therefore I will contact the County of San Luis Obispo Tax & License Collector

Insurance

Liability insurance protects a business from liability arising from negligence that may cause injury to others or damages to property. The standard limit for employers in California is $1,000,000. The insurance industry has created a special type of policy for small business owners called B.O.P.'s. B.O.P. is an acronym for business owners' policy. Lines of coverage included in B.O.P.'s are Business Personal Property, Business Property, Business Auto, and General Liability.

Landscape Company Business Owners Interview Results

Existing landscape maintenance business owners were interviewed using a list of interview questions developed for landscape company business owners. The search for landscape companies resulted in the finding of 80 landscaping companies in the area, which included, Los Osos, Pismo Beach, Arroyo Grande and Atascadero. Twenty business owners were surveyed regarding their companies. All twenty had senior citizen or retiree homeowner clientele. Only one of the twenty bought an existing business to get his start, the other 19 all started from scratch. The importance of a business plan was communicated over and over during the interview process. The majority of them said writing a business plan was the most important thing to be done when considering starting a landscaping business.

Table 1. Percentage of Surveyed Business Owners that started their business

SURVEY QUESTION	Percentage that started the business them themselves	Percentage that purchased the business from someone else
How did you get in the Landscape Business?	95%	5%

Table 2. Percentage of Surveyed Business Owners with Senior Citizen Clientele

SURVEY QUESTION	Percentage Yes	Percentage No
Do you have any senior citizen or retiree clients?	100%	0%

Table 3. Percentage of Business Owners that would have developed a better business plan

SURVEY QUESTION	Percentage of Business Owners that would have developed a better business plan	Percentage of Business Owners answered with something other than a better business plan
Knowing what you know now, what would you have done differently when you were first starting out?	70%	30%

Needs Specific to Senior Citizens and Retiree Homeowners

The second objective of this study was to identify specific needs of senior citizen and retiree homeowners regarding their yard care. I surveyed twenty senior citizens about their landscape maintenance provider and what they expect out of their service, see the tables below. After analyzing the survey results three major needs were discovered. I found the most important quality they look for is trust, they want someone who follows up on what they say they are going to do. Also, they want to feel safe and comfortable with their maintenance gardener walking around their property servicing their yard while they're home and away. Reliability is the next highest valued attribute by senior citizens and retiree homeowners. It's important to them that their landscape service provider show up on time when scheduled and that the standard of work is consistent every visit. The third major need identified was landscape maintenance provider accessibility, many of the senior citizens and retiree homeowners felt it was difficult to speak with their landscape maintenance provider. Seven out of the twenty interviewed felt they cannot get in contact with the owners of their landscaping companies when they need them and would welcome someone who returned phone calls the same day.

Table 4. Responses to the 3 main qualities sought after in a gardener

SURVEY QUESTION	Percentage that answered Trust	Percentage that answered Reliability	Percentage that answered Accessibility
What are the 3 main qualities you look for in a gardener?	95%	70%	35%

Landscape Company Business Owners Thoughts on Their Senior Citizen Clientele

As mentioned earlier, in order to learn more about the local landscaping industry the author created a list of interview questions for landscape company business owners. The author surveyed twenty business owners on general questions about the landscaping business and specific questions about their senior citizen client needs and how to meet them. After reviewing their responses it was clear that senior citizens want their landscape service provider to be reliable and prompt. The business owners said they try and focus on being on time and showing up consistently but sometimes things happen which cause "no shows." They warned that senior citizens are quick to take their business elsewhere if they become unreliable. Finally, business owners felt senior citizens would benefit from a landscape company with less clients but focusing on their special needs.

Table 5. Percentage of Landscape Maintenance Business Owners That Believe Their Senior Citizen Clients Value Reliability and Promptness

SURVEY QUESTION	Percentage that value Reliability and Promptness	Percentage that value something else
How would you describe your senior citizen clients?	100%	0%

Size of the Senior Citizen Market in San Luis Obispo County

The third objective of this study was to estimate the size of the senior citizen and retiree homeowners market in San Luis Obispo County. According to 2009 San Luis Obispo Census data San Luis Obispo County has a population of 266,971. There is a greater percentage of senior citizens in San Luis Obispo County, 14.4%, versus the California state average of 11.2%. The current senior citizen population of nearly 39,000 in San Luis Obispo County is projected to continue to grow as the first baby boomers turn 64 in January 2010. As a popular retirement community San Luis Obispo will see an influx of the Baby Boomers as they start to retire.

Methods of Acquiring Senior Citizen Clientele

The fourth objective of this study is to outline methods of acquiring senior citizen and retiree homeowner clients. After reviewing the responses of the landscape business owners, senior citizens and retiree homeowners, it was determined that senior citizens and retirees would be receptive to coupons. Offering introductory coupons with two months of service at a discounted

rate would allow new clients the opportunity to try the service. This allows the landscape service provider the opportunity to build trust with the clients and provides the clients time to feel comfortable with the service. Thirteen of the twenty business owners interviewed shared that they use promotional coupons and fliers to attract new clients. In an effort to get the coupons in the hands of potential consumers flyers will be put on senior citizens cars at various senior citizen "hot spots" i.e. grocery stores, moose lodges, pharmacies, and senior citizen centers.

After viewing landscape maintenance industry websites and trade journals I found that best of class landscape service providers had success gaining new clients advertising in local newspapers. My marketing efforts will include newspaper ads that emphasize the company caters to the senior citizen community and that it has a personal touch. Also the introductory coupon mentioned above will be included in the advertisement which will help drive business.

Word of mouth will be the third method of acquiring and growing the client base. By offering a high standard of service, that is professional and consistent the business will grow. This includes maintaining a clean truck, trailer, equipment, etc. Anything the customer sees must be held to a high standard of professional appearance. After speaking with other businesses that depend on senior citizens as clients it was determined that word of mouth referrals were the most powerful way to drive new business. The author will incorporate word of mouth referrals into the marketing strategy and will reward customers who give referrals with a free week of service.

Yearly Budget of Costs and Returns

The fifth objective of this study was to estimate a yearly budget. The greatest of the costs for starting a landscape maintenance company are the start up costs. (The start up costs are outlined in table 6). The largest start up costs are the truck, trailer, and equipment. The type of equipment needed to start up this business was gathered from John Nichols from Nichols and Smyth Landscape Company. The costs of the equipment were gathered from the Home Depot, Orchard Supply, and Ace Hardware. Other costs include the business license, insurance, advertising, chemical license, and a contractor's license. The initial start up costs for this business are shown in table 2. The total cost to start the business is $23,689. The budget for second and third years are the fixed costs which is estimated at $6,000, per year and an estimated $500 in equipment maintenance.

Table 6. Initial Business Start up Equipment Cost

Equipment needed	Costs
2009 Wells Cargo 5 x 8 TC Trecker Enclosed Utility Trailer	$ 1,400
2008 Toyota Tacoma	$ 13,500
Commercial Mower	$ 1,250
Blower	$ 500
Glovers (3)	$ 10
Garden Hose	$ 25
8 ft. Ladder	$ 89
Round Nose Shovel	$ 20
Rakes (3)	$ 30
Hoe	$ 15
Wooden Handle Looper	$ 25
Burlap 3 X10	$ 50
5 gallon gas can(2)	$ 25
Miscellanious	$ 200
String and Hedge trimmers	$ 700
Total Equipment Costs	$ 17,839

Table 7. Initial Business Start up cost

Start up Costs	
Contractors License	$250
Activation Fee	$125
Bond	$175
City of San Luis Obispo Business License	$165
Maintenance Gardener Pest Control Business License	$80
Qualified Applicators Certificate	$50
Auto Insurance	$1,420
Business Liability Insurance	$2,000
Cell Phone	$1,200
Flyers (1000)	$100
Yellow Pages	$35
Business Cards	$50
Advertising Newspaper (1 month ad cost = 350) done quarterly	$1,400
Total Start up Costs"	$7,050

Profitability of Business in Year 1, 2 and 3

The sixth objective of this study was to determine if a profit can be made in the first year. The total start up costs are $23,689. Four scenarios were analyzed: a best case with 30 clients, the maximum a single landscaper is capable of servicing according to the business owners interviewed. The second scenario based on 20 clients followed by a third scenario of 15 clients. Lastly, an expected worst case scenario of 10 clients was analyzed. Fuels costs of $3.00 per gallon were assumed and projected consumption was 2.5 gallons per visit per client. An average revenue of $60.00 per client per visit was assumed based off of information from previous senior projects and interviews with landscape maintenance business owners. Three visits per month with an expected 36 visits per year were also assumed using data from the previous mentioned sources.

Profitability

Clients	Revenue	Times per year	Gross	Fuel Cost	Start up cost + Fuel Costs	Profit/ Loss
30	60	36	64800	14040	37729	27071
20	60	36	43200	9360	33049	10151
15	60	36	32400	7020	30709	1691
10	60	36	21600	4680	28369	-6769

Under the above assumptions but with a fixed cost of $7,500, the following projections on profitability for years 2 and 3

Profit years 2 and 3

Clients	Revenue	Times per year	Gross	Fuel Cost	Total Costs Fuel + Fixed	Net Profit
30	60	36	64800	14040	21540	43260
20	60	36	43200	9360	16860	26340
15	60	36	32400	7020	14520	17880
10	60	36	21600	4680	12180	9420

Chapter Five

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary

Six major objectives were analyzed in researching the profitably of a start up landscape maintenance company tailored towards senior citizens. This exploratory project was designed to serve as a guide on what is needed to start up a business; including equipment, documents, etc. Also, the costs associated with starting the business and the tools required to be successful. Research indicated the senior citizen market is growing in San Luis Obispo County. Information gathered from interviews with existing landscape maintenance business owners supports the hypothesis that currently there is not a company tailored to their specific needs. Therefore the author believes an opportunity exists for a small business to turn a profit in its first year.

Conclusions

An opportunity exists in San Luis Obispo to start up a landscaping maintenance company tailored towards senior citizens. It is up to the owner how many jobs and hours per week he/she wants to work. But a realistic goal of twenty customers in year one, growing to 30 customers in year two, with potential to reach 45 customers in year three is attainable. The average client brings in an average of $1,500 in profit per year. San Luis Obispo County has a higher percentage of senior citizens than the state of California. That number is expected to grow as the

first Baby Boomer's turn 64 in January 2010. San Luis Obispo is a popular retirement community and with the Baby Boom growth the senior citizen market is growing. An opportunity exists to offer a Landscape Maintenance company tailored towards senior citizens.

Recommendations

An opportunity exists in San Luis Obispo County for a Landscape Maintenance company tailored towards senior citizens. The number of senior citizens with unmet landscaping needs is on the rise. A professional, punctual, reliable, accessible, and trustworthy business owner has the opportunity to form loyal relationships with senior citizens and offer them a service tailored towards their needs. It is recommended that the costs and benefits of hiring additional workers be examined in further studies. Also the number of clients a worker can service in a week without sacrificing quality consistent standards would be useful information for further study.

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APPENDICES

Questions for Retiree's and Senior Citizens about their Landscape Service

1. Do you have a gardener, or a landscape company that takes care of your yard?
2. How long have you been using the services of a landscape company?
3. How long has your current guy been doing your yard?
4. Why did you choose to do business with him?
5. How much do you pay for his services?
6. How often does he come?
7. Does he perform anything extra, any special services other than basic maintenance?
8. Does your guy make time for conversation and ask you if there's anything extra or out of the ordinary that you'd like done?
9. Would you be interested in something like that?
10. Would you be willing to pay more for that kind of service?
11. How much more a month would you be willing to pay for extra service?
12. What are the 3 main qualities you look for in a gardener?
13. Is there anything else I you'd like to share?

Questions for Owners of Landscape Companies

1. How did you get in the Landscape business?
2. How long have you had your own company?
3. When you first started, how did you acquire new business?
4. How do you acquire new business now?
5. Describe your typical client?
6. Knowing what you know now, what would you have done differently when you were first starting out?
7. Do you have any senior citizen or retiree clients?
8. How would you describe your senior citizen clients?
9. Other than labor what is your largest business expense?
10. What is the biggest challenge you face satisfying the needs of your senior citizen clients?

Questions for Owners of Businesses that Depend on Senior Citizen Clientele

1. How do you attract senior citizens to your business?
2. Why do you think they continue to buy from you?
3. What struggles did you encounter when you first opened?
4. Do you advertise your business on the internet?
5. What makes you unique from your competitors?