

Idea Exchange July 2002 - Winning Bids

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Thorough and effective estimating practices can save and earn contractors money.

Bid Right:

If the proper equipment is not specified, the money for it will either come out of your pocket or from an embarrassing re-sell to the client. So how do you avoid either of those awkward situations?

Take advantage of free pond equipment checklists and technical expertise provided by water garden distributors.

Decide whether you want to bid a job or charge by man hours and supplies. If you're new at pond building, charge by the hour and supplies until you get your routine down well enough to cover yourself on bids. Add 20 percent to bids for unforeseen complications on incidentals.

When bidding by man hours, establish a minimum charge so you don't penalize yourself for fast installations. Let your client know that you will not charge them more even if it takes more work hours than quoted.

Charge for Your Time:

Unqualified clients consume time, gas and advice, all at your expense, to get quotes. Experienced contractors charge for their time. Even a nominal fee of \$50 offsets your expense and deters clients that are not serious. You can offer to drop the fee if they sign a contract.

Don't be afraid to charge. Something free is often treated as though it has no value. People unwilling to pay for your expertise upfront are often do-it-yourselfers seeking free how-to information. They are not qualified prospects.

Charge Retail for Equipment:

Too many landscapers cut their profits at the bid stage by passing on wholesale discounts to their client. Stop that! You get a discount because you are a professional and purchase in volume. Your customer does not purchase in volume.

By charging suggested retail on supplies, the profit above your wholesale price allows you to recoup your time and energy in selecting and securing supplies. Don't throw that money away! It's yours.

Use the dealer's catalog and price lists to determine client charges, not your discount. You don't need to discount to get the job.

Just Say No:

When you are first getting into ponds, if you don't want to lose your shorts, start with simple jobs. Build your experience and confidence gradually.

One of the most attractive aspects of water gardening for most landscapers is the creativity involved. The options are only limited by your imagination. But don't let your enthusiasm carry you away right off the bat.

Master the technical skills so adventures you undertake will come out well. Always take advantage of free technical consultation from qualified distributors when taking on a new approach. It's better to spend a little time upfront shaking out a design than lose a lot of time tearing out and redoing a project.

—Contributed by Tavo Holloway, who is president of International Pond Supply Inc., Santa Fe, N.M.; 888-646-5474; www.pondsource.com.

Beating the Promotion Odds

Several pet stores recently shared tips of their most successful aquatic promotions with the Tetra News Splash, a newsletter for certified Tetra retailers. Among their tips that could work for water garden retailers:

Tony's Tropical Fish and Birds set up a spin-discount program to jazz up the grand opening of a new location. Customers purchasing aquatic products spun a roulette wheel for an additional 5 to 40 percent discount.

Owner, Tony Rizzuto also cautioned retailers to consider other community events when scheduling promotions. He emphasized the importance of advertising the event, but not far early so that people forget. Rizzuto mailed out invitations to 2,000 existing customers and displayed in-store signs announcing the new promotion.

Make sure you have sufficient stock of promoted items and that your staff is prepared to answer all questions on the items, said Ed Duncan Jr., of Eddie's Aquarium Centre in Latham, N.Y. Duncan held a pond promotion that showed onlookers how easy it could be to set up and maintain a water garden. His promotion even attracted a local television news crew.

Duncan also noted that you had to offer customers a good deal and that 10 percent off was not a "motivating" deal. As an interesting side note, a San Diego-area newspaper dismissed a going-out-of-business sale at the local Museum Store because discounts were only 10 to 20 percent.

Combine promotions, suggested father and daughter Greg and Marie Lipps, owners of Delphi Pet Center in Cincinnati, Ohio. They had their Tetra aquarium representative come in to give away samples and premiums during their 15th anniversary sale. A key feature to the promotion was the giveaways. However, don't cut prices so much that you don't make money, the Lipps said.

Start new hobbyists off with mid-priced supplies, said Bill Brown of Selmer's Pet Land, South Huntington, N.Y. They won't have success with low-end products and the priciest items may scare them off.

The Money Tree

In addition to more aesthetic qualities, Toad Lilly Road Garden Design, Jacksonville, Ga., a designer, installer and maintainer of specialty gardens, touts the financial benefits of a properly designed, installed and maintained landscape to its prospective clients.

For one, the company says that such a landscape adds 10 to 20 percent to the value of the property. So for a typical California home sans professional landscaping that sells for about \$300,000, the owner could expect between \$330,000 and \$360,000.

Toad Lilly also cites Money magazine describing landscaping and pond building as a "proven property renovation, which will return a 100 to 200 percent investment.

"Beautiful backyards sell homes," Lee Shoag, a realtor with ReMax College Park Realty in Long Beach, Calif., told the Los Angeles Times, last year. "Buyers like nice views to the outdoors, especially from the dining room and living room. They also want to see water features such as fountains, ponds and waterfalls."

Another real estate benefit: a quicker sale, perhaps more important than the final price, landscape architect Carey Orwig told the Los Angeles Times. "If you can create an inviting outdoor retreat that uses all available space, you will increase your home's value and marketability."

Hot Product

One must for any hobbyist is a thermometer, notes columnist Greg Speichert of Water Garden magazine in its March/April 2002 issue. Thus, quality water thermometers are must-haves for the specialty retailers' shelves. Remind customers that the water temperature, and not general weather conditions or even the calendar, dictate the when of many seasonal pond care duties. For example, water temperature fluctuations determine when to shift to a lower or higher protein koi food, when to add beneficial bacteria, when to introduce plants of varying hardiness, or when to turn pumps and filters back on if they were shut down for the winter.

Murphy's Law: Moo-tivation

Recruiting and retaining employees is a challenge for all businesses but some more than others. Among those most challenged by this: landscaping, retail and veterinary practices.

Dan Murphy of Salestech Solutions, a business and sales training consultant specializing in the animal health industry, recently wrote an article on motivating employees for Timeline, a publication that pharmaceutical company Elanco sends to its cattle veterinarian clients.

Useful information or just a load of bull? You be the judge.

- 1) Interview. By asking prospective employees about their experiences setting goals and overcoming obstacles, you can identify “self-initiating problem solvers.”
- 2) Train. Make sure employees receive all the training they need to succeed, and then reward them for even little accomplishments. Rewards can be as simple as saying “Nice job!”
- 3) Communicate. Let employees know goals have been set for your business and who is responsible for attaining those goals.
- 4) Pay well. This will better allow you to attract and retain key employees, which in turn will lead to more business success.
- 5) Seek staff input. Ask for employee’s help in solving problems. They will appreciate the opportunity, and they’ll likely have a different, if not better, perspective than you.
- 6) Pay for performance. Too often businesses punish top performers by giving them additional work without giving more rewards. Make sure their compensation increases with responsibility, Murphy says.

Conversely, businesses often reward non-performers by providing them help. Ironically, helping non-performers is often the extra work that top performers receive for excelling. Murphy’s Law: Hold them accountable and acknowledge you’ve made a bad hire if their training has been adequate, there are no unexpected obstacles preventing performance and your expectations are reasonable.

The One-Moment Manager

Brad Spellman lists good customer service, sharing pet and wild bird stories with customers, stocking a full complement of products and maintaining consistent hours as the keys to his success.

Spellman, owner of York Pond Supply, York Pet Supply and York Wild Bird Center, was profiled earlier in the year by The York (Pa.) Daily Record’s “Moment with a Manager” column.

Spellman was also asked about management books. His recommendations: How To Win Friends and Influence People by Dale Carnegie for maintaining a positive outlook and Looking Out for Number 1 by Robert Ringer about preventing people from taking unfair advantage.

Water Garden News seeks your ideas on building water-garden businesses — whether it be better retailing, installation and design tips, how to retain and motivate employees, or how to market your business. We’ll pay \$50 for published submissions. Please send your ideas (50-200 words) and photos if appropriate to: Idea Exchange, Water Garden News, 3 Burroughs, Irvine, CA 92618; fax (949) 855-3045, or e-mail bhutchins@fancypubs.com. Water Garden News cannot take responsibility for return of materials.

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