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INTRODUCTION: Chrysler Corporation hit on something big in a television advertisement that it ran a couple of years ago. As Lee Iacocca walked toward the camera, a huge dilapidated brick building collapsed in dust in the background. Then, like the phoenix, Chrysler's new one billion dollar Oakland Tech Center rose out of the smoke and rubble. Iacocca went on to explain that by co-locating the automobile designers, engineers, production, and marketing people; new car model development cycles had been cut almost in half and that the end product had improved dramatically. And who was the direct beneficiary of this increased productivity?--it was you and me the consumer. New car models hit the showroom floor faster, quality was up, and communication was vastly improved. The whole team was more sensitive and responsive to the needs and desires of the customer. By the end of the ad, you could almost feel the vibrancy and increased energy level that was going on inside that new tech center. It made you want to go out and build one of those tech centers in your own backyard for your own company. Let me tell you how you can do it.

Chrysler was smart to realize and act upon the fact that a revolution is taking place around the world. Companies, large and small, are re-organizing and re-structuring to improve, promote and facilitate communications; share ideas, network, and feed off each other's energy sources. Wall-less offices are replacing traditional fenced-in ones in an effort to increase productivity by improving information and idea sharing. Bottlenecks that keep vital data trapped inside people's heads or on their desks where it cannot freely flow to the next step in the business production process are being eliminated. Partnering between suppliers and customers where each intimately knows and understands the others business processes as they work hand-in-glove, is replacing the antagonistic relationships of the past. Mentoring is being used not only to train and help new employees acclimate to the corporate culture but also to connect and to foster positive relationships within the organization. How does all or any of this bear on the landscape professional's company and in particular the landscape architect and/or designer?

PAST OBSERVATIONS:

During the past ten years, I have worked with numerous design-build landscape contractors training owners, estimators, office managers, and field supervisors how to estimate and to collect

J.R. Huston Enterprises, Inc.

and track the types of information that would allow them to control and to direct their businesses. Some companies have been very small employing just 3-4 employees. Others have been quite large having dozens and even hundreds of employees on the payroll. During this period, the personal computer and the concept of information management has changed dramatically. As information management systems and technology develop, the structure of the design-build firm has had to flex and adjust in order to take advantage of these improvements.

The shifting demographics of the United States and Canada have also contributed significantly to a market shift for the landscape design-build firm. Young, well-educated individuals and couples are moving into small town, suburban America in droves, many of whom can afford quality residential landscaping. Bend, Oregon; Yarmouth, Maine; Conway, New Hampshire; Healdsburg, California; small towns in Colorado, Arkansas, Missouri and all over the United States are experiencing this influx of new neighbors. This phenomenon combined with the information management technological advances has created a superb market opportunity for the design-build contractor.

The design-build company has had to incorporate the whole spectrum of the involved processes, from conceptual to finished product phase, under one roof. And it has had to get results quickly in an increasingly competitive environment. Results that satisfy the desires of the customer have been and still are paramount. When it comes to contracting, the market continues to expect (demand) that a design-build firm delivers the end product on time and on budget. Certainly the design phase is important but the process does not stop there. The customer is not purchasing a Van Gogh--a mere work of art--but rather an end product and service that will involve precise coordination between many diverse disciplines. Designers, sales people, estimators, planners, contractors, accounting and overhead personnel, all will be directly involved in delivering the product desired.

Companies that have created high-performance teams and focused organizations which are radically dedicated to meeting the customers expectations have thrived in this environment. They get things done right--the first time. Ones that have not have self-destructed or have become casualties on the battlefield of business.

The corporate culture in these highly effective companies realize the difference between the processes which produce a work of art (a Van Gogh) and those that result in award-winning landscape installations. It only takes one person to produce a Van Gogh, which will hang on someone's wall to receive the stares of passers-by. However, it takes a trained, well-honed coordinated team to design and install a construction project. The designs from a design-build firm must be worked with and implemented by many people. And most importantly, it must be lived with and maintained. Often it is maintained by a company that is a design-build-maintain (full-service) company. The beauty of the design-build team is accomplished only after the design is literally in and on the ground--not hanging on someone's wall.

J.R. Huston Enterprises, Inc.

THE PRESENT PARADIGM SHIFT IN LANDSCAPE CORPORATE STRUCTURE:

The structure of landscape contracting businesses, and businesses in general, is experiencing a "paradigm shift" of sorts. Subtle yet ever moving forward is this adaptation as firms transform to take advantage of market forces and technology. Just as the transportation industry had to adapt a new method of thinking as it evolved from the horse & buggy days to those of the railroad and then commercial aviation, so too the landscape contractor has to learn to think more creatively about his own industry. A new type of employee is also needed to adapt to these changes and to develop the market opportunities that they present.

Many of my clients have hired staff who has four-year landscape design degrees. These individuals usually have a minimum of 3-4 years of hands-on field experience. Individuals with these prerequisites significantly enhance the design-build firm in many ways. Professionalism and productivity in the company increase, as it becomes more flexible, adaptable and attentive to the needs of the customer. This can often be done with a net decrease in general and administrative (G&A) overhead costs.

The structure that seems to work best in such a company sees the designer performing the following job functions. 1. Design of residential and occasional commercial projects. 2. Pursue and estimate residential leads and commercial projects. 3. Sell residential projects. 4. Assist in the supervision of field production. 5. Monitor general quality control. 6. Monitor and/or provide customer service. 7. Assist in the training of field crews. 8. Assist in the management of the office; develop budgets, strategic planning, etc. 9. Perform field labor in the event of an economic downturn.

The first four of these functions should generate revenue to cover the designer's labor and labor burden cost. Consequently, up to 50% or more of the cost of having a landscape designer on staff could be a direct cost that generates revenue and therefore not a G&A overhead one. Having a professional designer on staff should also increase residential design-build sales. As a result, sales should increase while G&A overhead either decreases or remains the same. This translates into proportionately less overhead being allocated to jobs bid which means that you can bid more competitively or that net profits increase as you maintain the gross profit margins on your bids.

WHO BENEFITS BY HAVING A LANDSCAPE DESIGNER ON STAFF:

As in the Chrysler scenario, the customer is the ultimate beneficiary of the aforementioned structure. Heightened responsiveness to the clients needs combined with a one-stop shopping approach and increased services can significantly weigh in the design-build contractor's favor. Designers who have experience in full-service landscape firms can often save customers money by designing a project with the ease of maintaining it in mind.

J.R. Huston Enterprises, Inc.

Contractors benefit because they are able to offer more services to clients while increasing the professionalism in the organization. Increases in both production and quality control should also be realized. Net profit margins should increase because the company should be able to get more "bang" for the G&A overhead buck. The overall experience level of the company increases with the addition of a designer who understands field production as well as design. As a result, the designer can lessen the workload on the owner by taking over some of the field supervision. Another benefit is the companies increased capacity to expand and contract as market conditions warrant. Unlike adding overhead personnel who tend to add layers of bureaucracy to a company while causing minimal improvement in productivity, a well-rounded, trained designer can provide residual management expertise and capacity which will allow the company to stretch to accommodate increased sales if the market dictates. On the other hand, if economic times get real dismal, a field-experienced hands-on designer can grab a shovel, run a crew, and produce billable hours in the field. The organization has more flexibility and adaptability that translates into increased survivability for all concerned. Employing individuals who have made a career commitment to the industry increases not only the professionalism but also the performance of the organization. The contractor also experiences more control over the total project due to having all aspects of the design-build process under one roof.

Field crews also benefit from having a well-schooled, experienced and professional designer on staff. Not only can designers provide invaluable training to field crews, they can also provide mentors and models of career options in the Green Industry. This can easily translate into lower turnover rates for and increased productivity of field crews. Consequently, the material-to-labor ratio should improve on both the profit and loss financial statement and individual job cost reports.

The benefits for the landscape designer are numerous. The primary benefit is that the designer has a job--a job within his/her chosen field. This cannot be overemphasized especially today when many design-only firms have downsized due to the recession of 1989 through 1990. Second, the designer will gain experience integrating the total design-build process. Involvement in the implementation/installation process gives the designer insights into materials, construction methods, maintenance issues, etc. which makes him/her a better designer. This will in turn provide the designer with invaluable insights into estimating, sales, office management, and the design-build-maintain process. Designers can not only learn numerous construction techniques and methods as they work with field crews but they can also learn leadership skills as they work with and relate to the crews as well. In addition, the designer will learn, firsthand, key skills required to run a small business. All of these combine to make the landscape designer more marketable and adaptable to meet the needs of an ever evolving market.

FUTURE TRENDS FOR THE DESIGN-BUILD FIRM AND THE LANDSCAPE DESIGNER:

As information management and communications technology improve, overhead personnel in a

J.R. Huston Enterprises, Inc.

landscape company will be able to process more information per labor hour expended. Computers essentially do to letters, numbers and symbols what backhoes do to dirt. Contractors who do not effectively take advantage of the technology available to process information will be like the contractor who only digs holes by hand. The "smart" office of the future will require fewer labor hours to handle an equivalent amount of today's sales. Fewer people will process more information. And this information will cross traditional job description boundaries. Put another way, the overhead labor hour of tomorrow will support more sales, dollar-for-dollar, than the overhead labor hour of today. More overhead bang for the buck. This information management revolution for the green industry is just in its infancy and its impact on a contractor's overhead structure will be felt most acutely in the next 3 to 7 years.

Suburban communities and small towns will continue to provide excellent opportunities for the small professional design-build team that is savvy to the new technological and demographical trends in the green industry. Such geographical locations will not only offer enticing surroundings within which to work, they will also provide excellent financial rewards as well.

The design-build contractor's management environment in the future will require individuals with an aptitude for learning and assimilating the complex office systems of tomorrow. Well-rounded green industry knowledge will have to be combined with specialized skills in communications and information management. This will require a versatile, cross-trained individual with a green industry career mind set. The professional landscape designer who is proficient in design, field production, job costing, and communications technology fits this profile perfectly. For many companies, the designer will be the cornerstone around which the whole company is built.

The design-build firm of the future further facilitates the presence of a designer because of the need for and emphasis upon total quality management (TQM). TQM has at its core a series of checks and balances based upon established objective standards and an emphasis on the needs of the customer. The landscape designer/architect by training and the very nature of the discipline provides this much-needed accountability. Call it a corporate internal audit of sorts with the best interest of the customer in mind.

Finally, I believe that we will see more and more landscape contracting professionals working as employees of landscape architects. As the industry continues to mature, the majority of owners of design-build firms in the future will have a landscape contracting background. However, a larger percent of them will come from the design side of the industry. And why shouldn't the contractor work for the designer in this type of arrangement? Once it is commonly accepted that the whole design-build enterprise be under one roof, it is only natural that the position of CEO be filled by designers as well as contractors.

RECOMMENDED PREPARATION OF FUTURE DESIGNERS:

J.R. Huston Enterprises, Inc.

The landscape designer will need to focus upon market conditions and opportunities and obtain the training in order to take advantage of such opportunities. Identifying a need (a market vacuum) and filling it will be the order of the day. However, in order for the designer to optimize his/her marketability and to fill as much of this void as possible, the designer needs to address four areas of need in the design-build company. First, the designer needs to thoroughly understand the estimating process and the various methods of formatting the pricing data involved (i.e., lump sum bids, unit price bids, T&M pricing, etc.). This category would also include budget preparation; calculating labor burdens, crew average wages, equipment costs; and overhead recovery. Second, the designer needs to be thoroughly trained on computer estimating, spreadsheet applications, and contact management software such as Act or Maximizer. Thirdly, the designer should master creative business problem solving and strategic planning skills. Fourth, designers should have practical knowledge of field methods. In particular they should have a thorough working knowledge of soils, soil conditions, plant materials, and the ultimate growth habits of mature plants. Landscape designers who possess the above skills and who are adept at design, sales, and field production will have no problem fitting into the design-build firm of the future. In fact, they already are in great demand today.

CONCLUSION:

A market and technological revolution is creating management gaps and voids in the design-build landscape contracting company. This paradigm shift in the green industry and its market is creating significant opportunities for the results-driven design-build company. Like the Chrysler Corporation, landscape firms that re-organize and effectively employ well-trained landscape designers will position themselves for success as they fill this market vacuum/opportunity which should last for the next 10-15 years. In like manner, landscape designers who recognize these opportunities and who attend colleges and universities where they can obtain the well-rounded training that they will need to take advantage of them will enjoy a wide variety of employment and career options. Proper preparation and hands-on training are the keys to the future for contractors and designers alike. The trick is to obtain the right set of keys. Some keys are made for Cadillacs, others for Edsels.

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This article was adapted from James Huston's book, *Estimating for Landscape & Irrigation Contractors*. The author is president of Smith Huston, Inc., which specializes in construction and

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