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**TOPIC:** It may be planning but is it strategic (planning)?

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In 1987, I walked into the office of a southern California landscape and irrigation contractor. We talked about his business, his need to get control of it, and the services that I could render to further the process. During our conversation, he turned in his chair and pointed to a dusty two-inch, three-ring binder resting on a shelf on the wall behind his desk. He told me that about a year previous to our meeting that binder and its contents (boiler plate) had cost him \$17,000. Out of desperation, he had hired a consulting firm to help him analyze and gain better, more effective control over his company. He admitted that he had hardly read the contents of that binder, let alone implemented any of its recommendations. I nearly fell out of my chair. And unfortunately, I haven't seen that contractor since I left his office that day.

I wish that the above was an isolated case. However, I have heard similar stories from at least forty other contractors, located all over North America, in the last ten years. They've all spent \$15,000-40,000, and more, for similar results.

The Strategic Planning Process outlined here was developed in response to the need for a straight-forward and simple, yet effective, tool to help landscape and irrigation contractors understand, gain control, and change their companies--without paying exorbitant fees to do so.

I have written many strategic plans for landscape and irrigation companies in the last ten years, and I have traced the progress of many of those companies. To this day, I believe that it has been an enlightening experience for both me and for my clients. However, the experience has not been an easy one. Analyzing and changing a construction and/or service company resembles more the chiseling and sculpting of a large piece of granite than it does shaping a piece of clay. The Strategic Planning Process, I think, has focused our efforts and saved us many needless (and potentially disastrous) swings of our managerial "hammers"...and saved many a thumb.

My strategic planning methods have evolved from this process. I trust that it will help improve your managerial "swing" as you attempt to hammer out a future for you and for your company in the landscape construction and services industry.

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## 1. WHY THE NEED FOR STRATEGIC PLANNING?

Let's start with a few definitions from Merriam-Webster.

**STRATEGY:** The art of devising or employing plans or stratagems toward a goal.

**STRATEGIC:** That which is ... necessary to or important in the initiation, conduct, or completion of a strategic plan; required for the conduct of war; of great importance within an integrated whole or to a planned effect.

**GOAL:** The end toward which effort is directed.

**PLAN:** A method of doing something; procedure; a detailed program of action; goal, aim; an orderly arrangement of parts of an overall design or objective.

**PLANNING:** To devise or project the realization of achievement.

My associate, Steve Smith, and I have worked with hundreds of landscape and irrigation construction and maintenance contractors. We have computerized their estimating and accounting (taught them how to estimate and prepare budgets), evaluated their overall operations, and have helped them plan how to train their people to implement these systems. There was often so much to do and change that we did not quite know where to start. Moreover, once we figured out where to start and how to approach the task, we found it necessary (but difficult) to communicate to our clients how we were going to tackle the challenge. Hence, "The Strategic Plan for Landscape & Irrigation Construction and Maintenance Contractors" was born. It provided not only a systematic approach for tackling and analyzing what was happening in these companies, but it also provided a tool for communicating the process (and the resulting objectives and goals) to the client and to their staff.

Since the Strategic Plan approaches a business and the realities impacting it in its entirety, it has become a training vehicle for business owners and their staff. The mere act of putting someone through the Strategic Planning thought process not only helps people to become aware of their "blind spots", it also provides the means for improvement. As a result, the Strategic Planning process not only provides a plan that can be easily communicated, it also gives vital insights into a business (and of the people in the business) as well.

I like what Philip B. Crosby says in his book, *Quality Is Free*: "Good things only happen when planned; bad things happen on their own." <sup>1</sup> He is so right. We define Strategic Planning as the process of accomplishing a mission by the achievement of well-defined, incremental (bite-sized) goals (or steps). Simply put, it is a tool that helps you get things done quicker and better. It pre-supposes that you have a mission for your business, and that you want to get somewhere or

accomplish something. The Strategic Planning process assumes that there is a dynamic already in place that needs to be directed and channeled towards a mission.

The following is an example of a mission statement:

"To create and accumulate wealth (material possessions and resources) by marketing viable products and services which help people (both clients and employees) to achieve their goals and to develop their maximum potential without violating moral and ethical principles."

The mission statement focuses your energy. By definition, the selling of illicit drugs, prostitution, organized crime, etc., would not be considered viable businesses in that they are parasitic (rather than creative) in nature. They destroy and limit people; they inhibit the development of maximum potential; they do not produce "viable" products or services.

The purpose of a Strategic Plan is to put on paper a clearly-focused, well-defined set of actions and plans which take into account all aspects of the realities that impact your business. It can, and should, provide (at a minimum) the following:

- A written plan/document.
- An historical narrative for future reference.
- Goals for the next twelve months.
- Incremental goals.
- A document that helps a company's staff to get on the same "wave length" and/or "dance to the same sheet of music".
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- A measuring stick that not only defines your ability to achieve your goals, but which also will reflect and measure your ability to plan accurately and effectively.
- A self-fulfilling prophecy that tends to become reality. It recognizes that a goal well-defined is a goal half-achieved.
- A thinking process that encourages a systematic approach to your business.
- A filing system which allows you to categorize and compartmentalize the diverse, and often confusing, elements impacting your company.

A Strategic Plan focuses your will (and the values, energy and purpose behind your will) to achieve the maximum impact upon an organization that consists of people, systems, and tools.

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It is designed to energize your company with focused purpose and values.

A Strategic Plan is a tool very much like a magnifying glass (or a laser) which brings light energy to a focal point, thus creating even more energy by increasing the intensity of what was already there but diffuse in nature. It can also be likened to a good, swift kick in the pants in that it tends to get you off the dime and point you in the right direction, propelling you toward your goals.

I would encourage you to approach your business much as a general approaches a battle: with a strategy and with key objectives. Every action is designed to help reach the objective. Superfluous acts, those that do not move the army closer toward its objective, are summarily eliminated and avoided. It is important to note that generals also think in terms of interim objectives, those moves that lead to ultimate objectives. Too, they think and communicate in terms that are clear and concise. There is no room for mystery, double-talk, or nebulous thinking or communication when men's lives and freedoms are at stake. I refer to these types of terms as "managerially meaningful": terms that not only clearly indicate to those involved what the goal is, but that also readily indicate what the "next step" is in the process leading to the ultimate goal. Today, this is often referred to as process management.

Let's use an example from the sports world:

A football quarterback calls time-out and runs to the sidelines to talk to the head coach. He asks, "What do you want me to do, coach?" The coach in turn replies, "Score a touchdown! Now get back in there and get busy." The quarterback returns to the huddle none the wiser--and minus one time-out.

Suffice it to say that the coach did not communicate in terms that would help the quarterback reach the team's objective (the goal line). The coach did not think, nor did he communicate, in "managerially meaningful" terms, utilizing the incremental goals (plays) that would lead to the objective of a touchdown. The quarterback was looking for specific guidance that would lead to success. The coach provided general guidance, which was useless to the players on the field at that particular moment, in that particular set of circumstances.

We need always to think in terms of the "next step" in the planning process, and we want to eliminate nebulous terms that are not clearly defined, easily communicated, and understood by all concerned. We need to dissect and analyze the "dynamic" and the realities impacting a business just as we would peel an onion. We keep peeling and peeling, layer after layer. We reduce the problem to its most common denominator. Once we have done this, the mystery disappears. We can then re-think and re-build the business systematically, step-by-step.

Too often I see "cancers" in a business (ineffective job-costing, inaccurate overhead recovery, people not maximizing their opportunities or potential, poor job preparation and execution, etc.) that no one sees, let alone attempts to diagnose correctly. How can you cure a

disease that you do not know that you have? And how can you diagnose a disease unless you can identify and quantify the symptoms (temperature, heartbeat, blood pressure, coughing, bleeding, etc.) in "managerially meaningful terms". Symptoms that are described in managerially meaningful terms lead to solutions and cures. Nebulous, mystical terms lead to frustration, reduced productivity and to what I call managerial mysticism: aimlessness...and the unwanted surprises it brings.

Let's shift gears and discuss the different types or levels of realities that impact and determine your business, realities that need to be addressed, either directly or indirectly, in the Strategic Planning process. Some of them will be very familiar to you; some of them may surprise you, for they are often culturally generated "norms" which we tend to take for granted.

## **I. The Product Level**

Within this level are the components which make up and produce your company's product(s) or service(s). It includes field labor, production rates (productivity), field supervision, the materials which go into the finished product, field equipment, and subcontractors. We also include the skills, methodologies, and technology which go into producing the finished product or service. Most successful landscape construction and/or service contractors are very aware and very adept at this level. If they are going to get into trouble, it will probably not be at level I. Rather, they get into trouble when it comes to integrating and coordinating this level with the others.

## **II. The Corporate "Systems" Level**

The systems level consists of the people, systems, and tools that are used to support field operations and the company as a whole. Included are the accounting systems, job costing, the estimating system and strategies, computers, facilities, overhead budgets, training, financing, marketing, etc. Many people refer to this as the administrative level of the company, but I do not think that this is an accurate or dynamic enough term. The systems level is where contractors begin to get into trouble, for it is the realm of the unknown to most of them. They know and are comfortable with the field and with production--but accounting, computers, estimating, dealing with a bureaucracy and with bureaucrats are not the things which turn on "real" contractors.

## **III. The Corporate Culture Level**

This level includes the work ethic, the traditions, the habits and energy level, etc., that tend to determine the character of the company. Is it a "lean and mean" production machine, or is it a company full of loose ends and excess bureaucracy? Or is it somewhere in between? Is the company an exciting and provocative place to be? Is it going places, or are most of the employees there just for the pay check? Is it strictly a family business full of nepotism with little room for "outsiders", or is it truly interested in expansion? This level really reflects the

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personality and habits of the owner(s)--for companies under ten million dollars in gross annual sales--and is rarely understood or directly addressed by contractors.

#### **IV. The Corporate Vision--or Mission--Level**

At this level we begin to deal with some of the key components of the Strategic Plan, yet not in the full context that it is at the next (Strategic Planning) level. At Level IV, the dream or vision of the owner(s) prevails, but it is in a rough form that is not necessarily addressed nor communicated to staff in managerially meaningful terms. Because it is not integrated properly into the fabric of the business, its impact is not fully felt or realized at the operational levels below. A statement about quality and excellence is usually assumed at this level, but (once again) it is usually not addressed in managerially meaningful terms. Level V puts real bite into the corporate vision and mission.

#### **V. The Strategic Planning Level**

This is where you spend most of your time in the strategic planning process, developing and implementing Level V. Strategic Planning, put simply, is the maximizing of your implementation of Levels I through IV. We will not spell out or specifically identify Levels I through IV in the Strategic Plan, but they are there none-the-less.

There are two more levels that impact Levels I through V, and which need to be briefly discussed. The next two levels are seldom addressed directly in strategic planning because we either have little control over them or because they are very personal and rarely openly discussed.

#### **VI. Cultural Context (or Climate)**

Level VI encompasses the socioeconomic climate in which we operate, as well as the degree of freedom we experience (or do not experience) in the pursuit of our mission and goals. This level is crucial as it directly affects all the levels below, especially Level I (in regards to productivity). We in the free world generally enjoy a free enterprise system that rewards hard work, productivity, and creativity. We endeavor to "create" wealth by producing viable products and by helping other individuals achieve their goals by means of service industries. We often do not fully appreciate the "climate" which surrounds us, a climate which either propels us toward, or deters us from, success, for it is not as tangible as the products we produce. However, it is just as real and just as important. In fact, it may be more important than the final product, because without the proper business climate, productivity will dramatically decrease and, in some cases, cease altogether.

If you think that this is far-fetched, imagine moving your company to Leningrad or to

Gdansk, to Romania or to any of the other Eastern European nations. Your company would deteriorate because there had been a dramatic change in cultural context. In the last seventy years, these nations (under communism) have not rewarded risk-taking, creativity, and free enterprise. This has been to their detriment, as it has almost ruined these nations socially, economically, and morally. Morale in these countries is at an all-time low, as is productivity. Alcoholism is at an all-time high, as is the corruption which permeates many of the new governmental systems. Bureaucrats in the past have choked the life, the zeal, the pursuit of dreams and excellence from the very consciousness of these people.

In the January 30, 1989, issue of *Time* magazine, Charles Krauthammer wrote that Mikhail Gorbachev's "ultimate obstacle (would) be the inculcated habits of mind--the loss of initiative, the abhorrence of risk, the envy of success--that (under girded and justified the old) frozen structures... After 70 years of submission, the Soviet people had lost the habit of innovation and renewal." <sup>2</sup>

Today, more than ever, as we watch the people of Eastern Europe attempt to change, we can begin to appreciate the importance of cultural context.

As important as this level is, however, there is another level that is even more crucial and determinative.

## **VII. The "Worldview" (or Philosophic) Level**

The most ethereal level is also the least understood. It is determined by our philosophic outlook on life, yet it does not stop there. Actually, our "worldview" is far more practical in nature than it would first appear, for our worldview is demonstrated in our actions and in the way we see things. It is the basic pre-suppositions that underlie and determine our actions. We all have a worldview that we act out daily.

Adolph Hitler had a worldview that personified evil. This interpretation of the world manifested itself in heinous crimes against humanity. Hitler's erroneous pre-supposition of an Aryan supremacy led to some of the most barbaric acts the world has ever witnessed. The point is that our thoughts (our worldview) determine our actions.

This level encompasses our value system, our basic beliefs regarding good and evil, morals, ethics, ultimate purposes and ends. Although it appears to be very esoteric and religious or spiritual in nature, it displays itself quite readily in the business world--namely, by means of your character. Are you honest? Do you keep your word? Do you distort the truth for selfish purposes? Will you take unfair advantage of someone if there is a legal "loophole" that will allow you to smother any accountability for your actions? Do you strive to produce a product or provide a service at a reasonable price in order to meet your customer's expectations, or do you cut corners and quality standards whenever you think that you can get away with it? Do you use

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and manipulate people for selfish ends? Are you a greedy and materialistic individual, or are you generous and compassionate? Can you be trusted to pay your bills? Which "golden" rule do you follow: "He who has the gold--rules" or "Do unto others as you would have them do unto you"? The list goes on, but I think that you see my point.

I am amazed at how much value banks place on the qualities within Level VII. I know contractors that have obtained loans despite previous bankruptcies because their bankers have seen them struggle through adversity with a commitment to the principles of hard work and honesty. These contractors were determined to pay off every penny owed, even though they could have taken a legal loophole to avoid their debts and responsibilities. And bankers (good ones) know how to evaluate "character"--honesty, integrity, and a diligence to principle. This is the stuff of Level VII.

Shortly before its fall, the Soviet Union, in an unprecedented manner, opened its borders to missionaries and to religious material and Bibles. High Soviet officials, when queried as to why this had been allowed, responded in a surprising way. They indicated that the present government believed that many of its problems with productivity (alcoholism, corruption, lack of initiative, etc.) were due to a general lack of values and morals in Soviet society. They had come to realize that productivity is directly linked to the values within Level VII.

We can further stress the importance of Level VII by taking a look at events that took place in the summer of 1989 in the People's Republic of China. China had been allowing limited free enterprise for the purpose of reviving its economy, its production and productivity levels. After Chinese students visited the West, they returned to China with an increased awareness of our free enterprise system and our system of democracy that guides and fuels free enterprise. In the summer of 1989, the student demonstrations began. The world watched in awe and optimism as China appeared to be on the verge of a true cultural revolution towards democracy and new freedoms for its people. This all occurred at what I referred to as the Cultural Context Level--Level VI. However, the government's response to the student movement and to the demonstrations was precipitated from Level VII. Would the government value freedom, human dignity and life? Would it deal with the situation in a manner that honored human rights that encouraged a new sense of responsible liberty and freedom of choice? Or would the government, instead of acting with compassion and restraint, react in a way that violated these same principles and values? The answers were quick in coming. The world watched in horror at the student massacre in Tiananmen Square, a massacre the government still denies. The Chinese government was prepared to use free enterprise as a means to an end--an improved economy and productivity--but the old habits prevailed as the Chinese government manifested its worldview, its value structure, by resorting to totalitarian measures when faced with a "threatening" set of circumstances. Fortunately, the leaders of the former Soviet Union and the Eastern bloc countries reacted with much more restraint.

As you can see, Level VII has a direct bearing on ALL levels. Esoteric as it can be, it will dramatically impact your field operations and the bottom line of your company. An

effective Strategic Plan need not specifically address all seven levels--unless it is necessary. However, all seven should be considered during the formulative stages of the Strategic Planning process.

As you begin to dissect the Strategic Planning process, I encourage you to very, very seriously consider the following:

First, approach your business as a whole (and individual jobs in particular) much as a general would approach a battle, or as a coach would approach a game. Think in terms of final objectives, interim objectives, progress (or regress) reports. Know your enemy (or competition), your battle plans, game plans and strategies, etc. Second, think in terms of what I call the "greenhouse effect." You, as an owner or manager, want to develop a climate or environment where people can thrive as they employ tools and systems to accomplish your company's goals. You must protect and nurture good people, just as you would protect and cultivate good seed. One of your chief roles as a CEO or manager is to ensure that your people have what is needed in order for them to prosper and grow as workers and as human beings. Similarly, it is the responsibility of government to promote a "climate" in which people and businesses can thrive in a responsible way. You are doing the same thing with your business--but on a much smaller scale.

**SUMMARY:** Planning is essential in any endeavor if it is going to be successful. Strategic Planning not only provides a written plan to help you more effectively direct and control your business; it also provides an all-encompassing format, a training vehicle, communication device, goals, etc. That can help you compartmentalize the various aspects of your company. Due to its adaptability, Strategic Planning can and should, if necessary, address all of the levels of reality impacting your business. If used properly and consistently, it can be one of your primary tools to help you run your company.

Planning is difficult, it is a learned skill. Unfortunately, most of us have not been trained how to plan effectively. Planning has to be comprehensive yet implementable. Proper strategic planning will meet both of these requirements. Otherwise, you might end up like the Southern California contractor who paid \$17,000 for a 3-ring binder full of useless boiler plate which no one could implement.

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This article was adapted from James Huston's book, *Strategic Planning for Landscape & Irrigation Contractors*. The author is president of J.R. Huston Enterprises, Inc., which specializes in construction and services management consulting to the Green Industry. Mr. Huston is a member of the American Society of Professional Estimators and he is one of only two Certified Professional Landscape Estimators in the world. For further information on the products and services offered by J.R. Huston Enterprises, call 1-800-451-5588, e-mail JRHEI at [jrhei@jrhuston.biz](mailto:jrhei@jrhuston.biz) or visit the J.R. Huston Enterprise web site at <http://www.jrhuston.biz>.

1. Crosby, Philip B., *Quality is Free*, (New York: Mentor, 1979); p. 66.
2. Krathammer, Charles, "The Secret of our Success"; *Time* magazine, (January 30, 1989), p. 82.