

J. R. Huston Enterprises, Inc.

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James Dean realized a profound lesson about life shortly before his death at the age of 24. This insight made such an impression on him that it is etched on his memorial at Cholame, California, the site of his fatal car accident. The lesson was, "What is essential, is invisible to the eye." Business philosophies, methodologies, systems, strategies, etc. are all non-tangible. You can measure their impact but you cannot quantify and measure them. Dean realized that it is the invisible that rules the visible.

When thinking about the future of the landscape and irrigation industry in Colorado, one must deal with that which cannot be seen empirically. One must "see" it in the "mind's" eye. Huge advancements are being made in the areas of software applications, related hardware, communications and the internet. The digital economy is percolating through our culture and creating practical applications, which will change the way we do business. The landscape contractor who pays attention to what is happening in the digital economy will be rewarded with large dividends. Here are three of the changes that we will see the digital economy usher in the next ten to fifteen years.

Individual technical applications

Accounting will continue to move in the direction of paperless transactions. QuickBooks by Intuit is used by 6 million of the 22 million businesses with nineteen or less employees. It is quickly moving in this direction. Accounts payable and receivable transactions will be done via the internet. Payments will be processed in like manner.

Personal data assistants (PDAs) will allow field personnel to transmit job cost information directly to office computers via wireless technology very much the way that UPS and Fedex transmit package information. Many of our clients are currently using global positioning software (GPS) applications to track vehicles and to collect job cost information. These systems more than pay for themselves as a 5-10% increase in labor productivity is commonly realized. Such applications can produce live data transmissions that reduce the need for paperwork, which is often lost, inaccurate, late or never done. Instead of waiting until the end of the week or the job (or the year for many contractors) cost overruns will be identified and addressed almost immediately due to the faster transmission of job data.

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Estimating will be much more accurate due to timely accurate feedback from the field. Many of our clients have realized a 15 to 30% improvement in labor productivity due to improved equipment utilization. One company in New England saw its revenue per field-labor hour increase from \$57 to \$75--a 32% increase. This change was then reflected in estimating productivity rates.

Many contractors are measuring and documenting productivity improvements throughout their businesses due to the new technologies available. This will only improve as we introduce more of the new products from the digital revolution that is taking place.

Voice activation and recognition technology is something still only in the dream phase for most small businesses. However, it is not too far off. A hunting buddy of mine was tasked with setting up voice activated personal computers in the homes of the twenty or more vice presidents of a major Fortune 500 company. This enabled these executives to communicate with their computers and each other, and execute e-mails, letters, data sorts, contact and data retrieval in a hands free environment. Productivity improved dramatically by use of a technology that will soon be available and cost effective for landscape contractors. Imagine walking around your office, a job site or driving in your truck and giving your central business computer instructions. You tell it to pull up a client and then you dictate a voice e-mail. While on a potential job site, you transmit data wirelessly to your computer and record job and client information, which is available to you in a text and voice format when you return to the office. Or, prior to your crews arriving, you record instructions for your crew leaders on your central computer network. Crew leaders then access the network via their cell phones and check for their instructions.

How about this? You position small video transmitters around the job site. Just like a security monitoring system for a building (except it is much cheaper), you monitor the job site via your computer and the internet. And don't forget the camera mounted to your crew leaders' hats that transmit live data to your computer and you while the crew works at a job site. The crew leader calls you on the radio with a problem. He then zooms in on the problem with his hat CAM. You then walk him through the solution over the radio.

The applications will be endless (and cost effective).

Business systems and the "turnkey" approach to business

Large corporations often spend tens and often hundreds of millions of dollars on integrated software systems that allow access to all sorts of data and which connect thousands of employees worldwide. Boeing realized a 30 to 40% improvement in the development of its 777 aircraft by using such a system. In his book, *Business at the Speed of Thought*, Bill Gates, chairman of Microsoft, describes the digital nervous system that instantly delivers information to the part of a company that needs it. All data within the company will be accessible via the digital nervous system. Large corporations have it now. Smaller landscape companies will have it within the next five to fifteen years.

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There is much discussion about the franchise or turnkey approach to business today. Just as McDonalds systematized the hamburger business, others are systematizing dry cleaning, sandwich shops, coffee shops, postal annexes, etc. While not easily done in the landscape and irrigation industry, progress is being made in this direction.

The digital economy is producing the products which will greatly simplify the running of a landscape business. Voice activated and retrieved procedures for every aspect of the business will be readily available to every staff member. Company historical data for accounting, estimating, job costing, employee records will be available. Industry data and reference material will be accessible at the sound of your voice. Client information and marketing demographics will be available on-line.

I just got a call from a residential lawn maintenance client in Fairfax County, Virginia. He is able to access tax records on the internet, which provide him with the purchase price, current fair market value, additions, swimming pools, etc. for any address in Fairfax County. He can then zero in on his type of client.

This article was adapted from James Huston's new book and audio book, *How to Price Landscape & Irrigation Projects*, released in July 2003. 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 or visit the J.R. Huston Enterprise web site at <http://www.jrhuston.biz>.