

Lawn & Landscape

Tom Del Conte,
Del Conte's Landscaping

Method MIAN

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by Nicole Wisniewski

MetPro MAIN

At the start of his business nearly 30 years ago, Tom Del Conte had only three employees, but he decided to model Del Conte's Landscaping as a big company anyway.

"Anytime I had to make decisions about how to do something, I wouldn't think of a person or a task, but a position and a process as though we were a large firm," explained Del Conte, president of the Fremont, Calif.-based business. "For instance, even when the company was very small and construction projects could easily be managed by an individual's memory and awareness, we committed ourselves to developing detailed checklists to process the various components of each project."

Regardless of his admittedly disorganized nature, Del Conte pictured himself as part of a larger entity and this, in turn, helped him run his company in a more structured manner. "I saw order and method as a key to part of our future success, so I disciplined the company to be organized, regardless of my habits," he said. "Instead of saying, 'I'll become more organized when I get

bigger,' we worked very hard on our systems as though we were going to build into a bigger company."

Envisioning success and aggressively pursuing organization increased the stability and durability of Del Conte's business. Developing an organizational structure first and then gradually growing the company into this mold each year became his basis for development, resulting in a 23 percent average annual growth rate

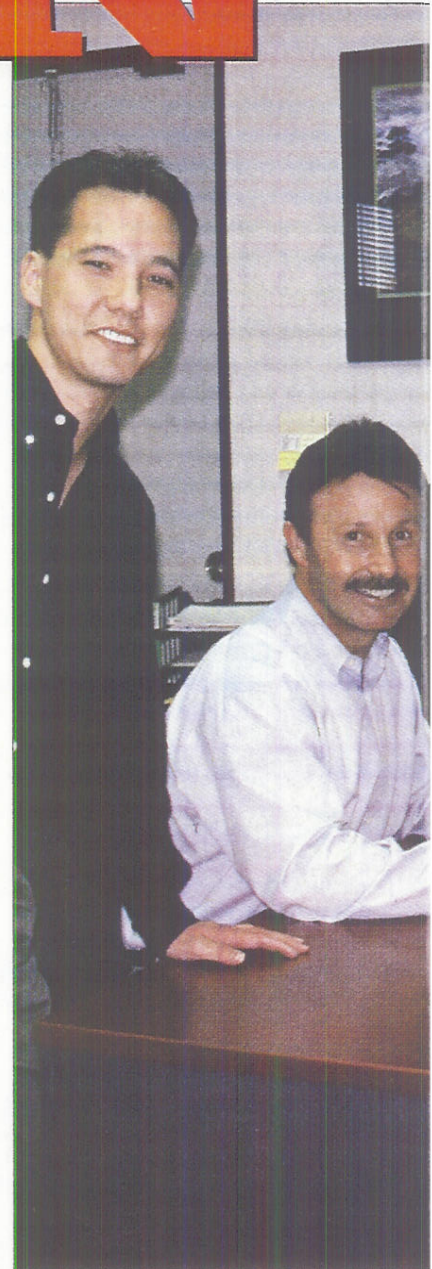
throughout the past five years and 2000 gross sales of \$6.47 million, not to mention a 93 percent retention rate for year-round employees and a revenue goal of \$10 million by 2002.

GROWING UP. Del Conte's Landscaping was born in 1972 when Del Conte was just a high school junior with entrepreneurial spirit. A one-man rototilling show, he gradually started installing lawns and sprinkler systems for individual clients while attending California State University, Hayward, Calif. He graduated in 1977 with a business administration/finance degree and planned to become a banker or stockbroker, but the monotony of figuring

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Tom Del Conte envisioned a company saturated in organized systems and philosophy, and then used this image to transform a one-man rototilling operation into a thriving landscape business expected to reach the \$10-million mark in 2002.

The Del Conte's Landscaping management team includes (from left to right): Takeshi Yamamoto, Tom Del Conte, Natali Del Conte, Kurt Bland, Jose Luis Magana and Carol Chloupek. Photo: Mark Skorheim



DEL CONTE'S LANDSCAPING

HEADQUARTERS: Fremont, Calif.

FOUNDED: 1972

BUSINESS SERVICES: 43 percent installation, 31 percent maintenance, 17 percent recycling and 9 percent irrigation

2000 REVENUE: \$6.47 million

2001 PROJECTED REVENUE: \$8.79 million

EMPLOYEES: 90 year-round employees, 135 seasonal employees

THE PHILOSOPHY

MISSION STATEMENT: Our mission is to fulfill the landscape needs of our clients, and, in doing so, exceed their expectations for service, quality and value. We will strive to earn our customers' long-term loyalty by working to deliver more than promised; being honest and fair; and "going the extra mile" to provide exceptional personalized service that creates a pleasing business experience. We must motivate our employees to provide exceptional service to our customers by supporting their development, providing opportunities for personal growth and amply compensating them for their successes and achievements. Although our goal is to be the best, not necessarily the biggest or the most profitable, our success at satisfying customers and motivating employees will bring growth and long-term profitability.

FUTURE CHALLENGES: To have the right image internally and externally and to complete future financial goals without sacrificing employees' quality of life.

THE OWNER

Tom Del Conte

BACKGROUND: Started his own company in 1972. Received a business administration/finance degree from California State University, Hayward, Calif., in 1977.

At a Glance

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Cover Story

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financials all day made building what he'd already started a much grander mission. From there, the business evolved quickly. "I'm the kind of person who sees something that looks doable and I tend to bite off more than I can chew, then I just chew it," Del Conte said, explaining how Del Conte's Landscaping became a full-service company. "A client would ask me if I could install a lawn. So I did plenty of research, asked a lot of questions and then taught myself how to do it. The same thing happened with installing sprinkler systems. I studied each task as a craft as opposed to winging it."

Del Conte managed crews of three to four people and targeted small to mid-range commercial projects. Winning commercial bids was tough at first. "I was young and commercial business wasn't as easy to get," he explained. Del Conte eventually targeted homeowners' associations (HOAs), where he recognized tremendous market potential. The trick was learning how to deal with the unique

requirements of these jobs and handling communication despite the frequent turnover of board members and property managers.

"We found a niche that we fit into well," explained Kurt Bland, Del Conte Landscaping's maintenance division manager. "When you're dealing with HOAs, you're not dealing with one customer. You're dealing with a property manager, a board of directors and a landscape committee within that board, so keeping the lines of communication open is crucial to maintaining these accounts."

One way the company tries to perfect communication with HOA accounts is through quality control reports, which are mailed to clients monthly and detail past and upcoming months' work.

Today, 75 percent of the properties Del Conte's Landscaping maintains are homeowners' associations, Bland said. The company primarily uses three-man crews comprised of a route leader, a highly experienced gardener and a less experienced gardener to service anywhere from four to five small accounts in one day or one large account every week. The company also employs four off-site crews that report directly to their respective larger sites daily, Bland said.

GROWING SMART. In the early 1980s, Del Conte began to truly settle into the business, and he developed a few key programs that eventually formed the guts of the company philosophy.

Developing an organizational chart was his first key business objective. He drafted the first chart at 1 a.m. one night in 1986 and found that there were 25 boxes detailing company positions on the chart and only seven employees. "This was a realization that meant we were at a volume such that people were wearing multiple hats," Del Conte said.

This chart became what Del Conte calls "an architectural blueprint on which to build my company." Instead of outgrowing the amount of work his employees could do, he began preparing in advance to fill upcoming positions based on projected company growth. "I had time to

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'We don't need profits for personal gain – we need profits to sustain, reward and invest in our people.' – Del Conte

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Cover Story

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at the first division manager meeting of each month. Del Conte said the greatest aspect of this program is that they are trying to fill positions one to two months in advance instead of scrambling around to fill positions at the last minute. "We don't say, 'We need help, let's hire someone' – that's subjective," Del Conte said. "We focus on the predefined position we need to hire for based upon our demand and we hire into that position."

GROWING TECHNOLOGICALLY. Defining the most effective methods of performing daily functions is an important company philosophy, along with developing orderly systems that foster efficiency in all operations. Del Conte calls this his focus on improving technology within the company, and noted that this doesn't always refer to electronics or computers.

For instance, new technology allowed Del Conte's Landscaping to branch into two services: computerized irrigation in 1989 and green waste processing in 1993.

Del Conte was struck with the idea for centralized computer irrigation after attending an agricultural irrigation seminar. While computer programs were available for irrigation management, they were designed mainly for large applications, like sports fields and golf courses, and were quite expensive, carrying a price tag of \$30,000 or more.

Despite these limitations, Del Conte turned this idea into a business plan, which entailed offering smaller commercial accounts – homeowners' associations, industrial parks and shopping centers – the benefits of computerized irrigation at an affordable cost. The result is a satellite irrigation system that is monitored and programmed from a central control system in Del Conte's office. This way, the client benefits from the latest technology with a reasonable price tag of \$5,000 to \$10,000 for smaller accounts.

In addition to installation costs, Del Conte charges a monthly service fee for outside monitoring. "With this concept, sites with only 4 acres of landscaping can benefit by cutting water consumption by as much as 40 to 60 percent," Del Conte said.

Del Conte calls this division Aquatech Computer Irrigation, which enables it to serve as an irrigation subcontractor for accounts managed by competitive maintenance com-

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panies and so that one day Aquatech can branch off into a separate company, explained Takeshi Yamamoto, Del Conte's irrigation division manager. Yamamoto manages both Aquatech and the irrigation division of Del Conte's Landscaping, which operates as a separate entity from the maintenance division, but handles the routine systematic irrigation functions of Del Conte's maintenance accounts.

"The company's concept of specialization allows this portion of the firm to focus on irrigation management so that every irrigation zone on every client's property is inspected by the irrigation team rather than be a task that is overlooked by maintenance personnel during a busy season," Yamamoto said, pointing out that this amounts to 125 or 130 maintenance contracts ranging from \$1,000 to \$15,000 per contract. Because the irrigation division supports the maintenance division, it is paid a percentage of every dollar that the maintenance division brings in through contracts, Yamamoto said.

"The irrigation division is not a huge revenue or profit center for the company," Yamamoto admitted, pointing out that the division makes up approximately 9 percent of total revenue and 15 percent of profits. "In a sense, for our base services the irrigation division receives sort of a franchise fee. The fee barely covers the cost of the resources used for the level of water management provided, but the credibility allows our department to sell the necessary improvements to irrigation systems."

Next, Del Conte tackled green waste processing. Until 1993, Del Conte Landscaping sent its waste to a landfill, but increased disposal costs and new state regulations (California mandated that landfill waste be reduced 50 percent by 1995 and an additional 50 percent by 2000) combined with waste disposal and compost demand sparked new ideas.

At first, Del Conte shipped all his green waste to a local wood recycling center, cutting his monthly disposal costs from \$1,600 to \$600. But after learning that the recycling operation was in need of better management, Del Conte decided to buy a controlling interest in that business and purchased a tub grinder with a daily processing capacity of 1,400 cubic yards. The new entity, titled Vision Recycling Co., is now Del Conte's sister organization that generates organic prod-

ucts from green waste for the industry.

While the idea has turned into a successful, profitable business venture, Del Conte calls the expansion a blessing and a curse.

"We needed to put a thumbtack in the wall and we bought a sledgehammer to do it," Del Conte related. "We learned quickly that green waste processing was not a cost effective diversification for a landscape business. It is its own separate entity and services a different market entirely. The heavy equipment aspect presents considerable challenges that just eat money, and safety concerns doubled due to the equipment's complexity.

"Also, our landscape company only uses 5 percent of the resources from the recycling company, so we produce more than 90 percent excess capacity," Del Conte continued.

Eventually, Del Conte hired Roberto Aguirre, who became production manager and is now Vision Recycling co-owner. Today, the company occupies 17 percent of Del Conte Landscaping's total business.

GROWING WITH HELP. To build company loyalty, Del Conte makes every effort to add to each employee's quality of life.

"I'm a firm believer that if I invest in people then they'll reciprocate," Del Conte said. "I don't mind investing upfront to show employees how committed this company is to its people."

An example of this philosophy can be found in the establishment and growth of the irrigation division once Yamamoto was hired to run it more than four years ago. His first challenge was to hire and retain a well-trained irrigation staff.

"Good irrigation technicians are hard to find," Yamamoto said. "But we have been successful at attracting good people with minimal irrigation knowledge by investing in an aggressive compensation package. We then train them intensively to become efficient and, at the same time, show them the rewards that can be achieved by their personal development and assimilation into our system."

Despite the loss of one technician last year, Yamamoto has been able to accumulate seven to nine irrigation technicians through these methods, and many of them have proven their abilities, so their pay has increased instead of leveling off, proving that overcompensating in the beginning paid off.

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"Our company pays as much as we can as opposed to as little as we can," Del Conte concurred. "If we're making too much profit then we aren't paying enough money to the people who earned it. We don't need profits for personal gain - we need profits to sustain, reward and invest in our people."

Above-the-norm compensation, as well as an open-door policy, has worked well for all facets of the company in terms of employee happiness and retention. In the maintenance division, for instance, Bland said he has seen how well employees respect managers if they are respected. "Personnel comes first - no matter what I'm working on," Bland said. "If an employee wants to come talk to me, I'll drop whatever I'm working on."

Del Conte's open-door policy is not only for managers and supervisors, but also production personnel. "One of the most proud and most devastating events of my career was when we had four managers and an administrator leave within two months of each other two years ago, but lost zero production personnel," Del Conte said, pointing out that many of the production people helped take on extra work while these managers were being replaced. "My production people know I'm committed to them, so none of them left even during this rough time."

Del Conte's belief that continued education equals success is the reason he also pushes and supports employee training and education. Three important employee attributes in the maintenance division are having communication skills, possessing a driver's license and having experience, Bland said. "We've had employees who have been here 12 years and can't become route leaders because they don't have a driver's license or lack communication skills," he explained.

But employees who show the desire to learn will receive company help, Bland said. "We provide the tools, resources and time necessary to learn," he explained, pointing out that in April the company will sponsor eight employees' CLT exams. "A motivated person will reach out for these opportunities."

To motivate more employees to take advantage of this benefit, the company celebrates promotions and recognizes employees who move up the ladder at all company meetings, including breakfast meetings where the entire company is treated and served by the managers and at the annual

awards banquet where 25 trophies are given out during a San Francisco Bay dinner cruise, Del Conte said.

Also, 85 percent of Del Conte Landscaping's workforce is Hispanic. To make this workforce feel a part of the organization, the company holds traditional Mexican barbecues, prints all company information in English and Spanish and shares American cultures like going to the area gym. In addition, a human resources manager acts as an employee liaison to ease the cultural transition by helping Hispanic employees purchase airline tickets and find apartments. But, more importantly, Del Conte stresses that his company does not discriminate.

"No one has any doubt that there is absolutely no discrimination at this company," he said, pointing out that he taught himself Spanish in the early 1980s to encourage communication between his Hispanic and American workers. "Even though we support different cultures, we try and embrace the person rather than the culture."

GROWING PROUD. Del Conte Landscaping's future goals include, above all else, having the right image internally, which will branch out to its clients. "We are becoming recognized in our community, and we want to continue that trend," he said.

The company is also focusing on some financial goals, but has spaced them out so they don't interfere with employees' quality of life. "While we are on an aggressive growth rate currently (35.8 percent growth expected in 2001 and 16.7 percent growth planned for 2002), the point of it is to achieve our target size of \$10 million," Del Conte stressed. "At that point, we will limit our growth to 10 percent, which will enable our company to very comfortably foster the endeavors of our staff professionally, as well as provide the most that we can personally."

Del Conte said he set this growth goal after carefully determining what his true values were. "It was a revelation to me to say out loud that money isn't all there is," he said. "It dawned on me to ask myself 'Why? When does it stop? What's the real game here? Do I really value growth? Is it that important? No. Then what is? The quality of life of the people that work here.' That conversation with myself helped shape the architecture of where we're going." ■

The author is Managing Editor of Lawn & Landscape magazine.

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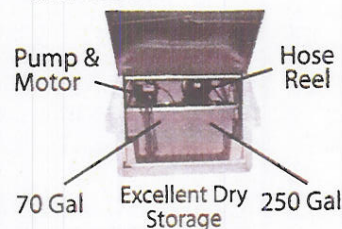
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