

CAN YOU OVERCOME THE TEMPTATION TO THINK LIKE A LOW BALL LANDSCAPER?



BY TONY BASS

TABLE OF CONTENTS

LOW BALLERS LEARN HOW TO PRICE WORK BY ASKING A COMPETITOR.....	1
LOW BALLER’S EQUIPMENT IS HEAVILY USED, NOT MODERN AND BORDERS ON BEING UNSAFE.....	1
LOW BALLERS DON'T CHARGE FOR THEIR EQUIPMENT.	2
LOW BALLERS BELIEVE THAT IN ORDER FOR THEM TO WIN, YOU MUST LOSE.	3
CASH IS SCARCE FOR LOW BALLERS, THEY OWE SUPPLIERS AND OFTEN CARRY DEBT ON THEIR CREDIT CARDS.	4
OWNERS OF LOW BALL COMPANIES OFTEN WORK IN THE FIELD 5 TO 6 DAYS A WEEK AND FREQUENTLY MORE THAN 10 HOURS A DAY DURING THE SEASON.	5
LOW BALLERS ARE CONFUSED ABOUT MARKETING.....	6
LOW BALLERS DON'T HAVE A RETIREMENT PLAN.....	8
LOW BALLERS OVERPAY TAXES!.....	9

Do you know a low baller in your town? There's more of them out there than you think. In fact – **YOU** might be the low baller – and you don't even realize it. Make sure you're not the one pricing work too low in your area and making these **nine** painfully common low baller business mistakes.

① Low ballers learn how to price work by asking a competitor.

This is a **VERY BAD** idea. It's a fact that most business owners don't really understand their true cost of doing business. And their method for pricing work does not account for recovering the hidden costs of employee management. For example, how much money will you spend to pay people to sit in the truck while it rains? How will you recover the cost of equipment repairs and maintenance in your bid? And what about the money you need to buy insurance, provide holiday pay, the annual Christmas Party and fund your retirement program?

I've never seen two companies from the same town with the exact same overhead, the exact same income goals and the exact same pay rates for employees. Some of their numbers might be close to the same – **but no two companies are exactly alike. Don't trust your competitor's prices - ever!**

② **Low baller's equipment is heavily used, not modern and borders on being unsafe.**

You can tell a lot about a landscaping business by looking at their equipment. If their equipment is broke. So are they! You can't make money if you're sidelined with broken or unreliable equipment. And companies who invest in the most modern, productivity enhancing equipment will always have an advantage in the marketplace. Equipment is cheap when you compare it to the cost of labor!

Companies with NEW equipment tend to keep their employees happy which prevents turnover. **And please remember this: one employee accident due to unsafe equipment could cost you your entire company in a lawsuit!** And if you don't suffer through a lawsuit after an accident, you'll likely face increased insurance premiums for many years. Get rid of old, unreliable and unsafe equipment and you'll be in a position to move up-market and increase your prices.

③ **Low ballers don't charge for their equipment.**

The classic case of the low baller begins when the start-up or part-time business owner says, "I've got to have a truck to go hunting and drive to my regular job anyway. I don't have to charge Mrs. Jones for my truck." **Wrong answer!** No business is sustainable (or very

profitable) if you fail to charge adequate hourly rates for each piece of equipment you use on the property. If you think equipment is FREE – just try going down to the tool rental store and ask if you can “borrow” an aerator for a few hours. **It won’t happen!** Not with a weedeater, a lawn mower, skid loader, a trailer – **nothing is FREE.** Each and every tool should come with an hourly rental rate that you use to figure your prices for services. Equipment should never cost you one thin dime!

Equipment is something you buy to improve your ability to provide services, increase your efficiency or accomplish a task that others can’t easily do by hand. Equipment is an asset you use to increase income. But low ballers often refer to their equipment as “expensive overhead”. They think the only way to make money is to pay less for equipment. They shop like crazy at multiple dealerships, love the thought of buying used equipment and drive hard bargains where ever they go. When I witness this behavior, I know I’m likely looking a low baller right in the eye.



Low Ballers believe that in order for them to win, you must lose.

Low ballers are misinformed. They need to be told that we live in an abundant world with amazing wealth opportunities. The marketplace is huge. They need to know that not all buyers purchase on low price. There are many buyers who will **NEVER** buy the cheapest option! In many cases, low ballers simply lack business education. They don’t know their costs of doing business...**yet!**

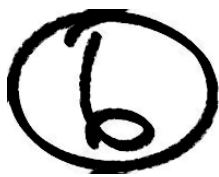
Most importantly, you should know that sometimes, the person you called a low baller is not a low baller at all. In some situations, the person you THINK is a low baller is simply the low-price provider. There's a number of very profitable companies who FOCUS their craft in one segment of the market. They become very efficient at providing low-cost services by investing in the perfect equipment, then making sure the equipment is used correctly. Low-price providers target their market with tight geographical routes or narrowly planned service lines. They invest in training their people to make them better at their craft than the average Joe. Today's low-price providers communicate with customers & employees using the latest technology. **How about you?**



Cash is scarce for low ballers, they owe suppliers and often carry debt on their credit cards.

Are you pleased with the current balance on your company bank statement? How about the balance in your personal checking account? Do you owe suppliers for stuff you bought more than 30 days ago? Do you carry debt on high-interest credit cards? The sins of under-pricing your work tends to follow you for quite some time. It shows up in the form of "dirty debt". It's debt you carry, but there's no asset (like a lawn mower or truck) standing behind it. **If you think that equipment prices are too high, fuel prices are too high, supplies are too high and labor cost is too high...well, you're likely a low baller!**

Now, let's not be careless and overpay for stuff, but how much money can you make when you buy a lawn mower for \$500 less? The answer should be obvious. Your upside limit is \$500. However, there's almost no limit to how much cash you can accumulate from renting that lawn mower out to a long list of customers for your own business! That is, **IF** your prices allow you to **RECOVER** the costs of that lawn mower, the costs to manage your business **AND** generate healthy profits along the way. The number one reason you don't have as much money as you would like is due to inaccurate pricing. **Period!**



Owners of low ball companies often work in the field 5 to 6 days a week and frequently more than 10 hours a day during the season.

If you're working 6 days a week, 10 hours a day – you're likely working for a lunatic. (*No offense intended.*) We just have to face the facts!

Low ballers are often too busy to stop and learn! They always think things will get better if they work harder, faster or longer. But rarely does hard work – all by itself – create success. **Nothing... and I mean NOTHING pays better than financial education.** You'll make **MORE** money by carefully measuring, precisely planning,

knowing your numbers and delivering correct prices than you'll make working 60 hours a week. **Education reforms low ballers!**

Unfortunately, many low ballers spend so many hours working in the field, their body pays the price. I've witnessed the pain on the face of many a landscaper with serious back problems. I've heard the frustration in the voice of many more business owners who complain of "not finding good people who want to work hard". It's time for you to face the facts! We live in a world where people want to know their work schedule, earn a fair wage, be treated with respect and receive *Thanks* for a job well done.



Low ballers are confused about marketing.

The conversation goes like this. "We don't advertise. We count on word of mouth to grow our business." **Guess what?** Every successful business enjoys the benefits of word of mouth when they do great work. It's part of your marketing foundation. But, exceptionally profitable companies **NEVER** stop there. Their owners learn that marketing is like the fuel inside the tank of your skid loader. Without the fuel, you're sitting still and not making progress. Marketing does not have to be complicated, confusing or expensive. But it **MUST** be done if you want to stop thinking like a low baller.

Effective marketing accomplishes 3 things:

- 1. Builds awareness about your company & its services,*
- 2. Creates a perception of value about your company & its services,*
and

3. *Creates a desire to purchase from **YOU – right now.***

In order for you to effectively market and position your company you need three things:

4. *A targeted list of prospects,*

5. *A message for these prospects and*

6. *A delivery system.*

Let me share an example.

Marketing can be as simple as knocking on the door of every next-door-neighbor of your existing customers and saying, “Hey, I’m Joe the lawn guy. I was working next door at Mr. Jones home when I noticed your shrubs need trimming. Would you like for me to take care of this for you? I’ve got some time open on my schedule and I can take care of the shrub trimming, the clean-up and disposal of the clippings today or tomorrow. My normal price is \$150 but I’m running a special right now and can do it for \$125. I can accept cash, check or a credit card. What do you say?”

The exact same message could have been delivered via a door hanger, a letter in the US Mail, a flyer left on their car windshield, a sign on the side of your truck, a job site sign placed while you’re working or – it’s even possible – you could get Mr. Jones to go hand-deliver the written offer for you (while he endorses you).

Yes, you could have placed the message on a TV station, a radio station, your website, on social media or you could have a hired an advertising agency to find some “new” method of delivery. And that’s where confusion comes in. It gets expensive. There’s endless options for delivery systems. And, who’s going to craft that message? Keep your marketing simple by targeting the ideal customer in the ideal

location with the right message that includes a motivating offer. And **NEVER** stop marketing!



Low ballers don't have a retirement plan.

When will you stop working? How much money will you need to retire with a comfortable lifestyle? I've asked just over 300 lawn & landscape business owners these two questions. I mostly see blank stares looking back at me. But, on occasion, the business owner says, "My spouse has a government job and we max out the 401k." The fact that your spouse has a 401k is fantastic! But the absence of a four-step retirement plan is simply the result of poor planning and a lack of money to fund it. The four-step retirement plan works like this.

- **Step one:** *Build a predictably profitable business that pays you (and your spouse if they work in it) a respectable salary for the job you do in the company. And yes – I mean a regular, weekly paycheck that creates W-2 income for your family.*
- **Step two:** *Budget your company overhead expenses to fund your costs of health insurance, life insurance and disability insurance. If you worked as an executive at a fortune 500 company, you'd get benefits like this. Why not provide them via your company? You can if you plan for it.*
- **Step three:** *Budget for AND make contributions to your own Individual Retirement Account (IRA). Current limits of \$5500 per year unless you are over 50 years old, then you can set aside \$6500 per year. Then, as profits improve, set up a Simple IRA to accelerate the volume of dollars you can set aside for your future.*

- **Step four:** *Don't leave your future retirement plans entirely in the hands of others. Become a self-guided investor. Educate yourself in the art of acquiring cash-flow real estate, fix-n-flip real estate, hard money lending or acquisition of growth assets that will enhance your retirement income.*



Low ballers overpay taxes!

This claim may seem crazy about low ballers. But hear me out. I assure you my thought process is sound. I base this on my personal observation of hundreds of tax returns of lawn and landscape business owners. The most highly taxed business entity is the sole proprietorship (or schedule C business). Since many low ballers don't have a lot of cash, they don't hire advisors like Certified Public Accountants (CPA), Tax Attorneys or Consultants to help them lower their taxes.

The first overpayment mistake: They pay very expensive self-employment taxes. This can be corrected by establishing an S-Corporation, paying yourself a modest salary and collecting lower taxed dividends or rental income.

Even more often, the low baller does not take full advantage of bank account building tax loopholes like the section 179 depreciation deduction, health saving account deduction, IRA deduction or the pre-paid fuel tax credit. The low baller gets stuck in a rut of thinking the way to lower taxes is to "not make money".

The fact is, the more money you make, the more likely you can afford tax reduction advice and learn new strategies that allow you to build wealth predictably (without working 60 hours a week).

Conclusion... Can you avoid the temptation to THINK like the low baller?

This may come as a surprise to you...but most of us got our start by being the Low Baller! **It's 100% true.**

In the very early days of your career, you based your prices on someone else's prices. It's likely you bought the cheapest used equipment you could find to get your business started. You probably didn't have a lot of cash so you took on jobs you thought would make you some money to "stay busy". But, for some reason, there was no money left after you paid for all the labor and supplies. You watched your credit card balance grow and may have asked family members to prop up your shortfall of cash. In your quest to survive, you fought even harder to beat the competition by working longer and longer hours.

Few low ballers survive (physically & financially) without hearing through the grapevine that there's a better way to run their business. Whether they find this out from a friend, family member or caring business associate – **one day they wake up.** Perhaps it's an article like this one that shines light on the fact that equipment is **NOT** overhead. You wake up and learn you **MUST** charge your customers for the privilege of its use.

The recovering low baller looks around at a growing family, a small bank account and customers who don't seem willing to pay higher fees and asks, "**What am I doing wrong?**" And they finally realize they're working for a lunatic! That's why they can't keep employees! That's why their back hurts, their equipment is broke and so are they. And they begin to think longer term about things like a retirement program and paying less in taxes. Then, on a special day, they begin

the journey of reinventing the broken business by acquiring advice. The business is born again. This time, with a better plan, a renewed sense of passion and a willingness to embrace the life-long pursuit of education.

If you can relate to this story, you may have fallen into the temptation of thinking like a low baller at some time in your past. Resist the temptation! **Your past does not define your future.** Your past experience and thinking has prepared you for a better future! We will measure your future success by correcting the sins of your business past. **It's a beautiful journey and it can begin right now! Beat low ballers with education! Don't join them!** Recognize we live in an abundant world with endless resources.

Join me for an upcoming [Profit Builder Training Program](#). (click here)

My team and I have been running this highly-respected training event for years. Hundreds have attended and have discovered their future is not determined by their past. Their future is determined by the changes and adjustments they make today and tomorrow. And the adjustments are not difficult to master when you follow the formula. **It's sort of a paint by the numbers process that simply works!**

When you follow [this link](#), you'll begin to learn as you watch a short video. And if you're a skeptic (like many recovering low ballers), you can watch 50-plus video interviews of my past attendees (ex-low ballers) describe their experience when they took their future business to a new level. **Join me!**

Tony Bass is the co-author of The E-Myth Landscape Contractor: Why Most Landscaping Companies Don't Work & What To Do About It. He teaches owners of lawn & landscaping companies how to double profits or double sales in 12 to 24 months. Learn more at www.superlawntoolkit.com .