

WHITE PAPER: SPIREON - TIPS FOR LANDSCAPING PROS TO TRIM BUSINESS COSTS

5 Tips for Landscaping Pros to Trim Business Costs & See More Green

From fuel to labor to specialized equipment, trying to control the day-to-day costs of a landscaping business is a major source of stress for green industry professionals. To reduce your costs, and in turn, increase your profit margins, you need to operate as efficiently as possible. Here are five cost-saving strategies you can implement that will help you see more green.

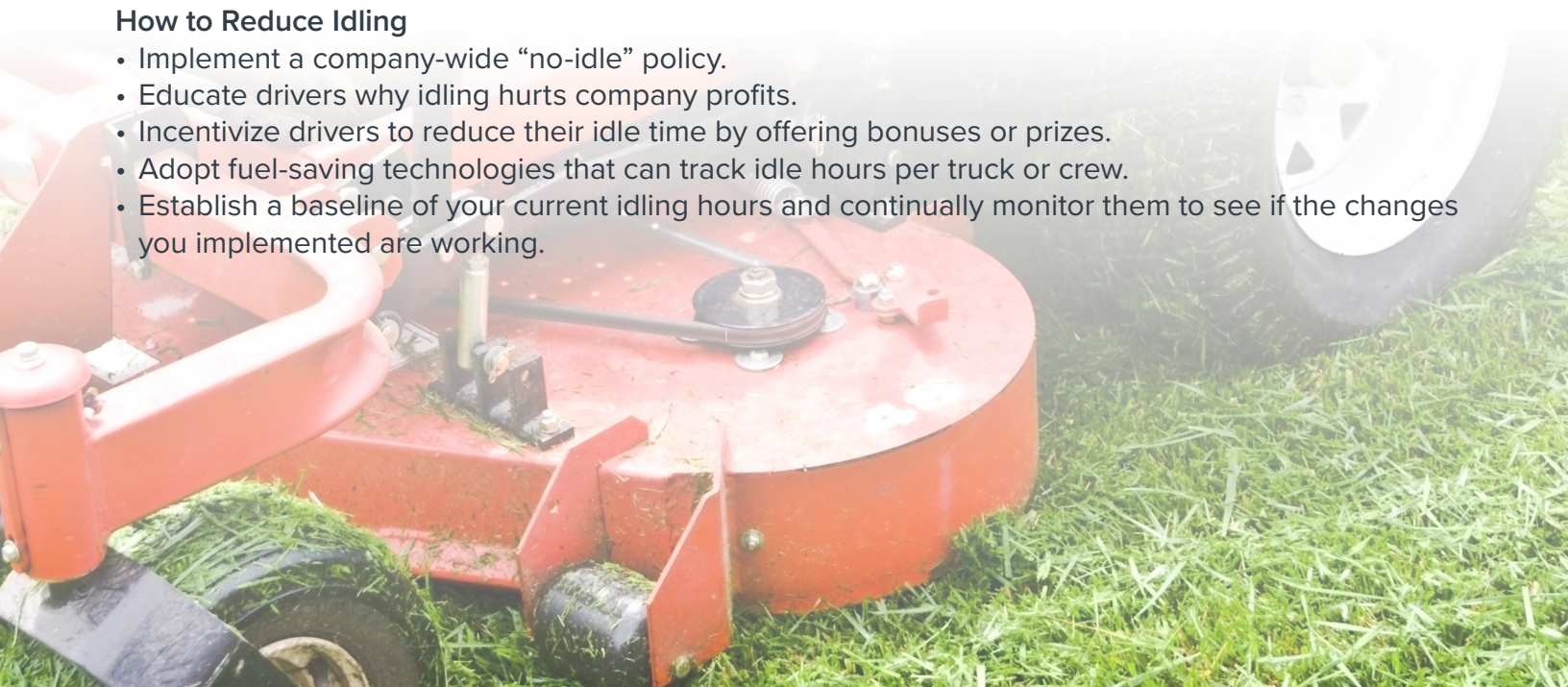
1. REDUCE UNNECESSARY IDLING

Idling is when you run a vehicle engine when it's not moving (such as crews leaving the truck on to warm up or cool down) and it's the biggest culprit behind fuel waste. According to the EPA, an idling car wastes up to a half gallon of fuel per hour and a medium-duty service truck may waste even more. If you want to lower your fuel costs, reducing the amount of idling should be a company-wide goal. Beyond impacting fuel consumption, idle-reduction leads to cleaner air, less noise pollution, and less wear-and-tear on your engine.

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How to Reduce Idling

- Implement a company-wide “no-idle” policy.
- Educate drivers why idling hurts company profits.
- Incentivize drivers to reduce their idle time by offering bonuses or prizes.
- Adopt fuel-saving technologies that can track idle hours per truck or crew.
- Establish a baseline of your current idling hours and continually monitor them to see if the changes you implemented are working.



2. PLAN SMARTER ROUTES

In an industry where profit margins are razor-thin, every minute of productive time counts. When your crews are sitting in traffic or running back and forth to supply houses, they're losing productive time and you're paying them for non-working hours. This unbillable idle time can quickly add up. To get more productivity of your crews you need to eliminate as many stops as possible and find process improvements that save time. One way to do this is by planning smarter routes. Planning your routes in advance saves time, increases employee productivity, and can also prevent unnecessary fuel stops.

How to Optimize Your Routes

- Create a trip plan every day before work begins.
- Adopt a Fleet Management system that lets you find the most efficient service routes.
- Identify and avoid areas of high traffic congestion.
- Identify when drivers take unnecessary out-of-route miles.
- Reduce the total miles your fleet drives.

3. PREVENT EQUIPMENT BREAKDOWNS

Unexpected downtime can consume your profits and prevent you from completing a job. Whether your company has an in-house mechanic or uses an outside shop, landscaping pros should develop a preventative maintenance program to minimize the chance of unplanned breakdowns and lost production time. Regularly scheduled maintenance not only extends the life out of your assets, but it can also put money back into your pocket. According to the U.S. Department of Energy, you can improve your gas mileage by 0.6% on average—up to 3% in some cases—by keeping your tires inflated to the proper pressure. Beyond improving fuel economy, well-maintained equipment improves reliability, driver safety, and reduces operational costs in the long term.

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How to Prevent Costly Breakdowns

- Establish a preventative maintenance schedule.
- Develop a comprehensive checklist that covers your asset's critical systems and components, like hoses, fluid levels, filters, and tires.
- Review OEM and equipment supplier maintenance recommendations. Make changes in maintenance frequency according to your equipment's workload.
- Implement a Fleet Management solution to track and automatically notify you of needed preventative maintenance.

4. ENSURE YOU'RE ACCURATELY CALCULATING PAYROLL

Labor is typically your largest expense, and in this current labor shortage, you can't afford to reduce wages and lose quality workers. While you can't reduce wages, companies can find savings in this area by modernizing their payroll process and adopting systems that allows them to accurately track working hours. Traditionally, landscaping companies rely on workers to fill out paper timesheets—an outdated system that's ripe for wage theft and time-consuming for your administrative employees. Findings from the Robert Half firm show that the average employee steals 4 hours and 5 minutes every week. This can add up to thousands of dollars in wages. By finding a system that allows you to accurately track working hours, you can eliminate timecard fraud and save on administrative costs.

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How to Save on Labor:

- Adopt a system that creates a time stamp when employees arrive and leave a job site to eliminate payroll and customer disputes.
- Helps you track when a crew is teetering on overtime so you can sub another crew in.

5. OPERATE A SAFER AND MORE PROFITABLE FLEET

Insurance is a very complex and unpredictable cost center for landscaping companies. Many factors that affect insurance rates, like political and economic climates, are out of your control. You do, however, have a little bit more control over your drivers.

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The price you pay for insurance is directly impacted by the number of insurance claims you file and the cost of those claims— accidents being among the most expensive. When an employee is involved in an accident that includes both damage to a person and a vehicle, insurance rates typically increase by about 33%. Risky driving behavior increases the likelihood of fender benders and injuries, which in turn leads to insurance premium hikes, and after enough incidents, your provider could drop you altogether. In addition to higher premiums, risky driving behavior typically wastes fuel and burns out the engine faster. To save on insurance premiums and vehicle expenses, landscaping companies should implement a driver safety program, especially if your employees are using company-owned vehicles. Some insurance providers will reduce your premium if you have a driver safety program in place. Check with your insurance provider to see what incentives they offer.

How to Improve Driver Safety:

- Conduct regular motor vehicle record (MVR) and license checks on all drivers.
- Hold driver training and education seminars.
- Establish a “no cell phone while driving” and strict seat belt use clause.
- Invest in software that allows you to monitor driver behavior in real time.
- Coach drivers exhibiting poor driving behavior and define the consequences for those who fail to comply.

CONCLUSION

Cutting operational costs is easy with the right strategies and technologies in place. One cost-saving technology many landscaping fleets are taking advantage of is fleet management software, like Spireon FleetLocate. This technology can help you identify fuel wasting behaviors, reduce miles driven by planning smarter routes, prevent unplanned breakdowns, better manage your crews, and minimize insurance costs by operating a safer fleet.

To learn more about how FleetLocate can help you boost efficiency and reduce your operational costs, visit spireon.com/fleet-management/.