

30 In spite of it all,
sales to continue rising

34 LANDSCAPE

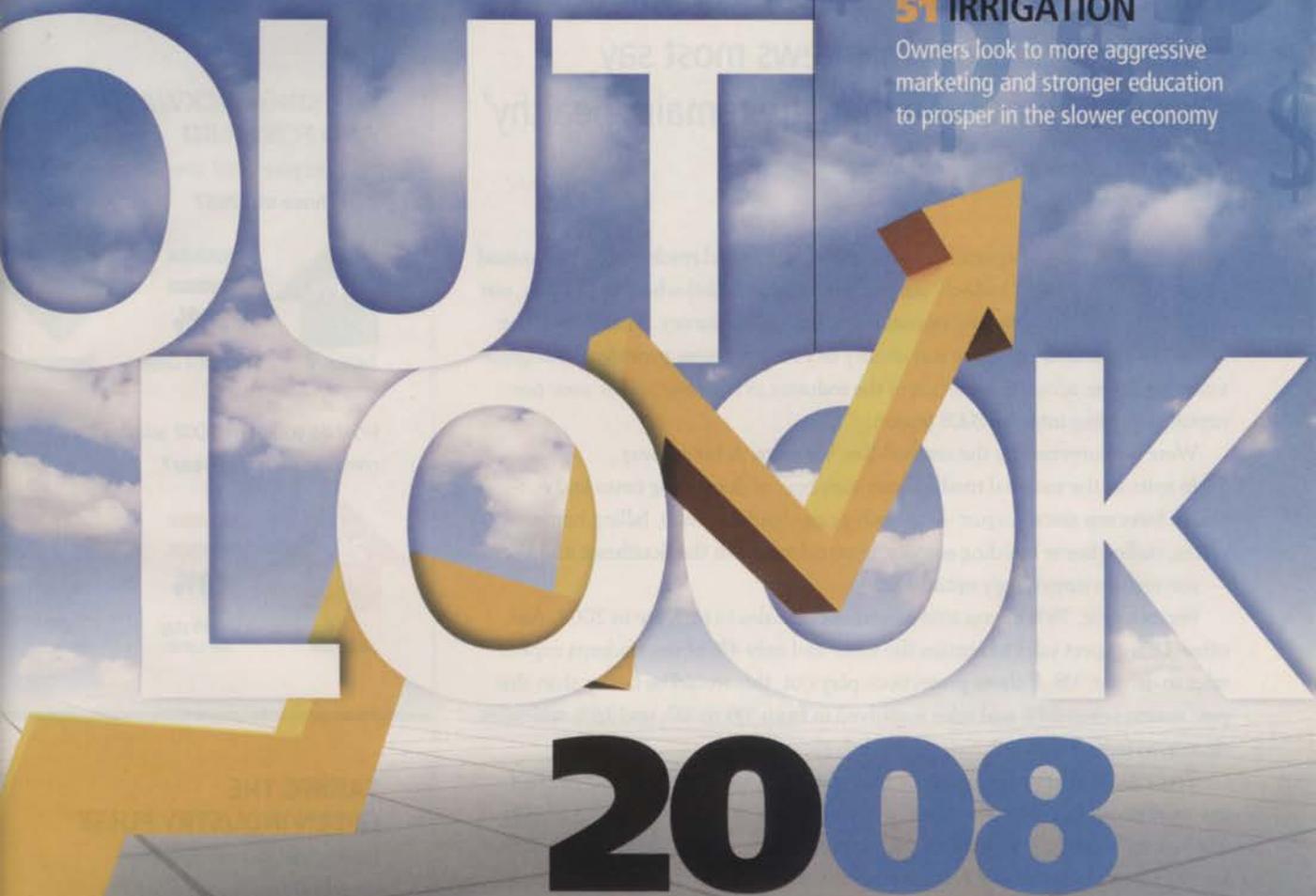
Landscape company owners forecast continued growth in the face of the most daunting and varied array of challenges in a decade

46 LAWN CARE

With possible tough times ahead, take control of what you can to cut costs, improve customer service and increase profits in 2008

51 IRRIGATION

Owners look to more aggressive marketing and stronger education to prosper in the slower economy



OUTLOOK

2008

In spite of it all, sales to continue

rising

You express a cautious optimism for '08. Despite sour economic news most say prospects for Green Industry remain 'healthy'

BY RON HALL / Editor in Chief

IN September and October we polled readers with our annual "Outlook" survey. We were gratified when 487 of you, our readers, responded to our online survey. Thank you. The number and quality of your responses provide an adequate sampling for an accurate snapshot of the industry as it is now and of your perceptions heading into the 2008 season.

Were we surprised by the results? Yes, we were. A bit anyway.

In spite of the national media's tom-tom beat of depressing news and economic forecasts since August — the sub-prime lending fiasco, falling home prices, stalled home building activity, severe drought in the Southeast and West — you remain surprisingly optimistic.

For example, 78% of you told us you expect sales to increase in 2008. Another 18% expect sales to remain the same and only 4% of respondents expect sales to drop in '08. If these projections play out, this would be better than this past season when 64% said sales improved in from '06 to '07, and 15% said sales decreased from '06 to '07.

You validated your optimism by telling us that, for the most part, you feel the markets where you offer services remain strong with 64% describing your markets as "healthy." Only 8% of you responded "depressed" and another 13% say the Green Industry markets are stagnant where you do business.

That's a reflection of the regional nature of the North American professional landscape and lawn service industry. In fact, apart from agriculture, the Green Industry is one of North America's most regional industries due to obvious differences in climate and geography. Even so, markets sharing similar climates and located in the same region of the country often display big differences in vitality and opportunity. For example, the challenges and prospects for landscape operators in southeast Michigan, where the depressed automobile industry casts a chill over every segment of that region's economy, are certainly different than, say,

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LOOKING BACKWARD AND FORWARD

How did your 2007 sales compare with those of 2006?

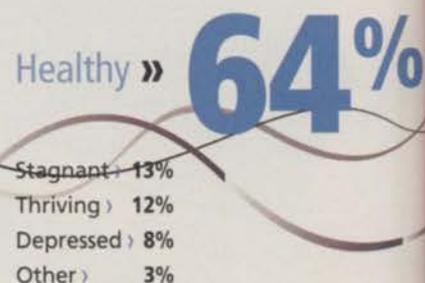


How do you think 2008 sales will compare with this year?



TAKING THE GREEN INDUSTRY PULSE

How would you describe the Green Industry in your area?





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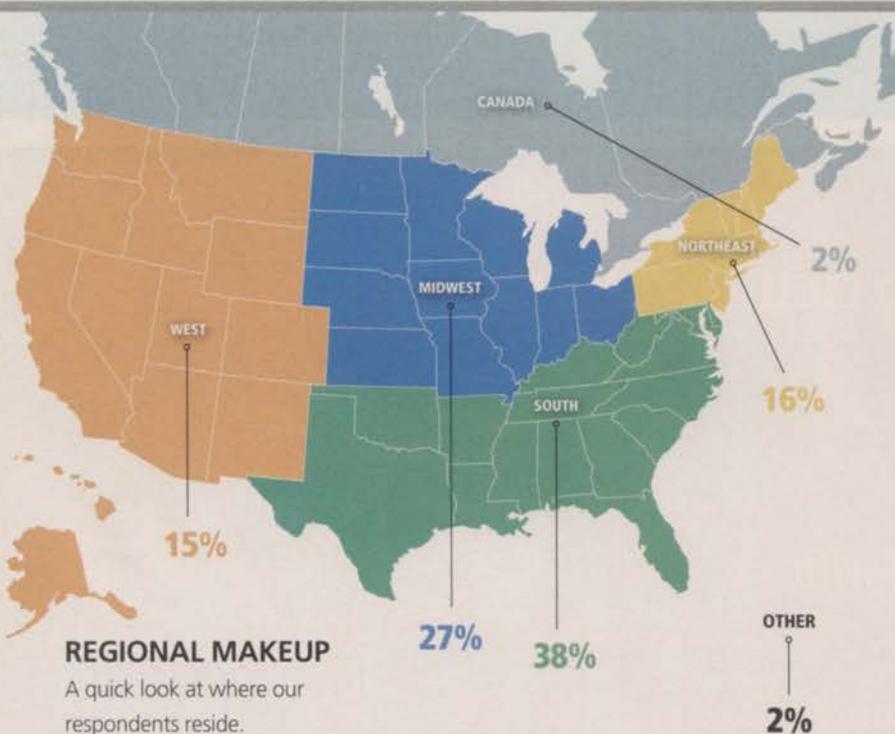
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Indianapolis or Milwaukee, with their more diversified economies.

Likewise, different service segments of our industry — landscaping (mowing/maintenance), irrigation, chemical lawn care — take on greater or lesser importance depending upon economic conditions and the public's changing perceptions and desires. For the sake of simplicity we break the industry's contracted services into maintenance, design/build and lawn care. We fit services such as design/build, snow/ice management, and property enhancements into the broader category of landscape maintenance.

This special "Outlook" report contains results of our proprietary annual survey along with the valuable opinions and thoughts of people just like you, knowledgeable landscape and lawn service business owners and managers. **LM**



HOW DO YOU PLAN TO INCREASE REVENUE NEXT YEAR?

“I am actually cutting some of the services we offer to simplify and stop being the all-things-to-all-people landscape company.”

— PRESIDENT/OWNER OF A LANDSCAPING COMPANY

“Bigger headquarters, more central location and bigger jobs where the crew spends all day.”

— PETER M. SCHEPIS, THE GREENWOOD GROUP, NEW MELLE, MO

“We plan to trim employees and clients that are not adding value. I also plan to pick up more profitable work in 2008.”

— ANDY BATCHELLER, OWNER, HANDY ANDY OUTDOORS, CHAMBLEE, GA

“Bust more a**.”

— RICK SPRING, SPRINGSCAPES, WOODSTOCK, GA

FUEL BURN

77%

Percentage of readers who say they are very concerned about higher energy/fuel prices in the coming year — by far the most concerning issue they will face

LESS CAUSE FOR WORRY

31%

Percentage of survey respondents who say they are concerned about the growing housing slump in the United States

“Target baby boom niche needs Many baby boomers selling to downsized homes (and they) need to improve current home for sale. Many baby boomers are not young enough or healthy enough to fulfill desired landscape upgrades. Stay out of the cut-throat commercial bidding projects.”

— JIM SMITH, RED MAPLE LAND SERVICES