

SNOW PRO

Cygnus Magazine Supplement 1, 1999



Snow PRO is a supplement to several Cygnus publications. *Snow PRO* is geared toward the snow removal industry: those who use the products and those involved in the different stages of selling or renting those products. Manufacturers should also find it of interest. This is the first of two *Snow PRO* editions published this year.

Let us know if *Snow PRO* is helpful to you. Send your comments to: Editor, *Snow PRO* supplement, 1233 Janesville Ave., Fort Atkinson, WI 53538.

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Don't drift into snow season

Careful pre-season planning is key to contractor's success.



By Grant Dunham

Rick Kier says drifting into snow season without a plan is akin to driving into a blizzard without headlights.

Kier, president of Pro Scapes, Inc., Syracuse, New York, has plowing down to a science. Long before the snow starts flying, he has a general idea of how many hours — even minutes — his crews will be on the streets.

Such preparation serves both his company and his clientele well. It allows him to promise customers prompt service, for which he can charge a premium price.

Kier says, "It comes down to this: People want their driveway clear when they open the garage door in the morning. If you do a good job, they're willing to pay top dollar."

Happy with homes

Commercial accounts are the fastest-growing portion of Pro Scapes' winter business, comprising about half of plowing revenues.

Kier says commercial customers are often less demanding about how and when their property is plowed. Many restaurants open later in the morning, for example, freeing up trucks for the "prime" plowing hours of 3 to 7 a.m.

But that's not to say Kier is eager to get out of the residential market, where he established a foothold more than 20 years ago. In fact, he still considers it his bread and butter.

"Bringing in \$160 an hour with a pickup truck in this market is not bad," he says.



PROFILE:

Pro Scapes, Inc.
Syracuse, New York

Founded: 1978

President: Rick Kier

Snow customers: 200 residential, 50 commercial (50/50 revenue mix)

1998 snow removal sales: \$225,000 (about 19% of total sales)

Snow season: mid-November to late April

Average annual snowfall: 115 inches, with a 2-inch trigger depth for plowing

Employees: 20 on-call in winter, 40 seasonal in summer, 5 year-round

Equipment: 10 Ford/Chevy 3/4- and 1-ton pickups with 8- and 9-foot Frink plows, 1 Chevy Tahoe with 7 1/2-foot Boss Power-V plow, 1 Chevy S-10 with 6-foot Fisher plow, 1 Chevy C-60 with 9-foot Frink plow and 2-yard sander, 1 International medium-duty truck with 5-yard sander, 1 Ford L9000 with Viking plow and 8-yard sander, 1 Case 580D loader/backhoe, 1 International 2400A front-end loader



Pro Scapes' battalion of trucks awaits the next storm.

In Kier's case, the challenge is not attracting residential customers. It's limiting their number to hold down costs and provide quality service, thereby maintaining profitability.

Budgeting down to the minute

The core of Pro Scapes' planning process is the budget, created with Lotus 1-2-3 spreadsheet software. He inputs variables on both sides of the ledger — the cost of labor, fuel, maintenance, etc.; and revenues from plowing and add-ons such as shoveling and sanding — all based on dispatching his trucks an average of 20 times per season.

Kier says the key element of his budget is time — determining how many sites his crews can reasonably be expected to plow. "We've fought very hard to control how much we take on each year."

Four hours (between 3 and 7 a.m.), or 240 minutes, multiplied by Pro Scapes' 10 routes equals 2,400 minutes of "prime" time. Kier estimates each driveway, which averages two-cars wide and long, requires six minutes to plow.

"We track carefully how many minutes we have sold," Kier says, adding that his salesperson is given regular updates. Contracts are sold on a first-come, first-served basis.

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Keeping cash flowing

Kier also keeps close tabs on the number of customers opting to pay on a seasonal basis (two payments of \$160) or pay \$16 on a per-plow basis. He says this balance is critical to maintaining financial continuity, especially if the number of plows per season

deviates from the average (it has ranged from 12 to 38 times).

The "seasonal customers," who comprise about 75% of the total, provide stability by making lump payments regardless of how much it snows. Per-time customers, who make monthly payments, help maintain a positive cash flow.

Discounts — \$1 off per plowing for those who pay before each month's deadline — also help generate cash flow. "About 95% of our customers pay early," says Kier.

In addition, Pro Scapes offers post-prime time plowing at discounted rates: about 15% below regular rates between 7:30 and 8 a.m. and 30% less after 8 a.m. These minutes are sold and tracked separately on the spreadsheet.

"These are the jobs we like to get," says Kier. "It utilizes our trucks at a time when they would normally be sitting in the parking lot."

Putting it into practice

Careful planning would be all for naught if Pro Scapes couldn't follow through when the snow falls. Kier has a specific method for getting trucks into action after a storm.

He sets his alarm clock for 2, 4 and 6 a.m. throughout the season, monitoring snowfall reports from several locations and checking weather radar sites on the World Wide Web.

"We know that if it's snowing at 2 a.m., we can have trucks on a job site by 3 a.m.," Kier notes.

Each driver carries a "plow list" generated by the computer database, listing each property's goal time (7 a.m., 7:30 a.m., etc.). The list also includes special requests from customers, "allowing us to do a property the same way 10 years later," Kier says.

The challenge is not attracting residential customers. It's limiting their number to hold down costs and provide quality service, thereby maintaining profitability.

"It's hard to say 'no' when you have people waving down your trucks with \$100 bills after a big storm."

- Rick Kier

When the best-laid plans fail

No amount of planning is going to control mother nature — sometimes the snow is overwhelming. "It happens no matter how well-organized you are," says Kier.

But Kier even has a plan for when the plan fails. Routes are laid out near each other so trucks can assist one another with plowing or getting unstuck. He can also "call in the cavalry" — including himself, the equipment manager and three other emergency drivers — when necessary.

For extreme emergencies, the plow lists include a priority number:

- 1 = the best customers, including Pro Scapes' summer clients
- 2 = good plowing accounts
- 3 = accounts that can be sacrificed if all else fails.

"We'll drive right by them," Kier says of the latter accounts. "That's six minutes you don't have."

Sticking to the blueprint

Kier says the demand for his services is high, making it tempting to make an extra buck. "We get calls all the time from people saying, 'You're doing our neighbors' driveway; couldn't you squeeze me in?'"

But he knows the system would unravel if he takes on more customers than his budget allows. And it's that system that allows the company to consistently provide a quality service.

"It's hard to say 'no' when you have people waving down your trucks with \$100 bills after a big storm. But we have a commitment to our existing customers." ❄️



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