Landscape Ontario Podcast

Finding clarity:

The #1 habit to boost profits and banish 'head trash'

Host: Karina Sinclair
Guest: Weston Zimmerman, CEO of SynkedUP

Transcription

INTRO:
Welcome to the Landscape Ontario podcast, I'm your host, Karina Sinclair. If you own or manage a landscape business, do you ever wonder where all your money goes? Do you know what your overhead costs are? Do you struggle with self-doubt and insecurity when you think about raising your prices?

In this episode of the Landscape Ontario podcast, we're diving into some of the biggest challenges faced by landscaping professionals — how to price jobs profitably, avoid costly mistakes and overcome the mental blocks that can hold you back. My guest Weston Zimmerman, CEO of SynkedUP, joins me today to share a tonne of actionable advice on job costing, managing overhead and finding clarity to help you grow your business.

Weston draws from 15 years of hands-on experience in the green industry, starting as a labourer on the crews at Tussey Landscaping, where he spearheaded award-winning outdoor living space projects, and worked his way up to director of marketing. Driven by the need for sustainable growth and profitability at Tussey, Weston co-founded SynkedUP, a project management software and app. Whether you're struggling with unbillable time or feeling stuck in "entrepreneurial poverty," Weston's insights will leave you inspired and ready to take control of your business.

Music transition

Interview:

Karina

Welcome to the podcast, Weston. I'm so grateful that you've carved out a little bit of time, because I know you're a very busy person, traveling all across North America, giving presentations and talks and workshops.

So I'm really delighted that we have a chance to bring some of your wisdom to the Landscape Ontario podcast today. So welcome!

Weston

Absolutely. Thank you. Karina, It's a pleasure to be here, and I'm looking forward to our conversation.

Karina

Me too. And I think our listeners are going to get a lot out of it because we've chatted before and, I'm really excited to to pull on some of that wisdom in those topics that we've had in previous conversations and bring that to our audience.

But first, I want to jump into your background in landscaping. You have a software company now, but you did have roots in landscaping. Tell me a bit more about that.

Weston

Yeah, absolutely. I started working for a company called Tussey Landscaping in Central Pennsylvania when I was 16 years old. And I just started as a labourer on the crew. Like, I didn't have any, it was just literally I was the new guy, you know? I ended up working there for 15 years. And in that time, when I started, it was like a $700,000 a year company with seven or eight employees. And today they are a six million plus company with about 25 employees.

So it grew significantly in that time. And my personal role in that company, like I said, started as a labour on the crew. Then I started running a crew, leading an actual install crew for design/build projects. And I also started getting into marketing, so I kind of held two roles: director of marketing and a crew leader.

And the director of marketing was, I was doing everything from the website to the social media to the content. And probably speaking to the work I did, we did work that was for outdoor living spaces, like outdoor kitchens, patios, pergolas, lighting, fire features, water features and probably more. Out of all of that, my favourite, the thing that I really leaned into and enjoyed honing the craft was the water features.

It didn't take me long to kind of start getting all the water feature jobs because I really enjoyed them. And not everybody enjoys the water features. You know, it's a different thing than hardscape, or even soft scapes. But, I really enjoyed them, really pursued that, making them very naturalistic.

And in 2017 we won artist of the year from Aquascape. And that led to all kinds of cool opportunities. We built water features for Shaquille O'Neal at his home in Georgia, Logan Paul in California before he was infamous (back when he was famous, you know,) but anyway, it's been an incredible journey in the green industry.

Karina
So you've definitely had the experience of getting your hands dirty, actually doing all the roles on the crew and then being on the business side and seeing the power of having a business grow through better work practices.

So now you're the lead of SynkedUP, a software company that is dedicated to solving a problem for those working in the landscape space. What problem is that? Tell me a little bit more about what that does for landscape businesses.

Weston
Well, what SynkedUP does, it's an app to help estimate and job cost jobs for contractors. And it does the whole thing from leads to invoicing. So scheduling, time tracking, all of that in between, but the main focus is on making sure that you're actually pricing your jobs profitably and then job costing them to make sure that you know where you went wrong and where you went right on every job.

And, you could say that what is in SynkedUP and the focus of it is really the embodiment of our journey at Tussey Landscaping, like the problems we were trying to solve. Like when I started there, you know, it was very much your typical company owner-operator struggling to make a dollar, barely breaking even — all the normal struggles that contractors face.

And I remember this was before I was involved in the business end as much, you know, I was the new employee there. But I remember Steve and Matt, the owners of Tussey Landscaping, going off to seminars and learning about overhead recovery and coming home with spreadsheets and all of that. And when we figured out that overhead recovery piece that made a tremendous difference.

And we went from what I would say, breaking even to, you know, say regularly getting 10 per cent net profit. But what really cranked the profitability after overhead recovery was the awareness that job costing gave us. And now, keep in mind, we were doing this manually, pen and paper spreadsheets. And so what we wanted to do was, our vision was to create a product that did the overhead recovery and the budgeting and the estimating, and it also did the job costing.

And at the time, that product didn't exist on the market. So how we stumbled into it, you know, we're no different than any other landscape company, is my dad owned a telecommunications company, and by this time I was much more involved in the business, the leadership, the systems design, you know, and, my dad owned a telecommunications company that he sold.

And this company that bought him out had a software development division. And my dad went to work for them, actually. And I remember coming home from work one day where he was clicking around on some graphs on his laptop on the back patio one summer evening, and I was like, "what are you doing?" I was, you know, curious.

And he's like, "oh, I'm testing a software project." And that's where the light bulb went on. I'm like, "oh, you're just defining what you want the product to do and then building that?" Today I'm a little wiser. That's a very naive way of looking at it. But yeah, it's essentially what he was doing.

And so I went back to Steve and Matt and pitched this idea of, "hey, let's go to our own thing, because what we want doesn't exist on the marketplace." And, there's many chapters to that story between then and where SynkedUP is today. For the sake of time I won't get into all of that but just know that I considered it to be nothing but a miracle that we've managed to survive, so to speak, and actually start building a software product and actually take it to the market. And, today we help contractors all over North America automate calculating their overhead recovery into their bids and then job cost their jobs to make sure that, you know, I'm not over underestimating labour or material or equipment, which could also sink my profitability.

Karina
Well, let's talk a little bit about some of those issues that landscapers face and where they might recover some of their money. What's the number one profit killer?

Weston
Typically the first one in that journey of, "hey, I'm in business, I'm doing a job. I'm creating proposals for my customers," the first thing that really trips up contractors is figuring out how to properly price in overhead recovery. So what I mean is, "hey, I decided that I'm going to charge $80 a labour hour."

Okay, fine. And then in the meantime, you buy a new truck, you launch a new marketing campaign, your insurance goes up, you add a few subscriptions, but you're still charging $80 an hour? It's like when I do those things, what does that have to do to my rates? And so overhead recovery and mathematically coming up with your rates is the most, it's the biggest profit killer early on for contractors.

And the reason it's such a profit killer is like. there's so many things that we spend money on as a business to keep the lights on that it's usually more than we realize. And we don't assign that cost into our rates. And it can get to the point where the rates that I'm pricing my work at is less than break even on what it's costing me to run my business. So that's a huge one.

Karina

What are some of those things that might be invisible costs or those sneaky money sinks that people might not realize are affecting their bottom line?

Weston

First of all, contractors, generally speaking, are not in love with their office or their desk. They love to be out there doing the work. So first of all, it's like not even being aware of how much money I'm spending. Now, let's say that it's winter, and you make a cup of coffee and you go off and you're like, "I'm going to do this. I'm gonna figure it out." So you look at all of your bank transactions or your profit loss statement or your credit card, whatever the information is, and you do actually come up with, "okay, this is what it costs my business to run an overhead in a year." Okay, cool. You have that. But the most sneaky ones are the ones that are invisible in your bank transactions.

And that is things like depreciation on equipment. Say you buy a $100,000 piece of equipment, you own it for ten years, and you paid for it outright in cash ten years ago. Well, for those preceding nine years, there's no transaction coming out of your bank account that looks like a hard cost, but the value of that equipment is depreciating. But it's not going to become reality until you have to go replace it and then Bam! It hits you hard for the next ten years in one year. So that's an invisible one in those nine years in between, in my hypothetical example.

Another one is unsellable labour. This is another one that's invisible. And when you look at bank transactions, which means when they're invisible in your bank transactions, people miss them. And so what you do see in your bank transactions is a big debit every time payroll gets run. But what you don't see is what percentage of that labour was unbillable. It's raining. So the guys are washing trucks. It's, "we're taking the whole team to a training thing. Or maybe we're having a weekly Friday morning meeting with the team."

Those are all hours that you are paying your employees for, but you can't turn around and bill your customer for. So therefore it's an overhead expense. And those are just two examples: equipment depreciation and unbillable labour, things that most contractors, when they do sit down and count up their overhead expenses, get missed.

Karina

So, what can you do with that unbillable labour? It has to be done, right? The truck needs maintenance. You want to have those team meetings? You want to do all those training opportunities. It's not something you necessarily cut. So how do you address that to make sure that it's not costing you more than you expected, but actually being a benefit?

Weston
Yeah. So, I mean, the old adage of what you measure gets improved. And I am a big believer that unbillable labour at your company is something that should be very visible, something that you should be looking at regularly. And so start by tracking time. I believe that every contractor should be tracking time to each job, but then when I'm not on a job, I should be tracking my time to something called unbillable shop time.

Or, you know, create the categories you want. But every hour or every minute of payroll should be tracked to something. Meaning it's not acceptable to say Bob worked 50 hours this week. Okay, 50 hours on what? Job one, job two, job three and then a certain amount on unbillable ? The company has to know where its labour is going, or you literally have no way of discerning whether you're making money or not.

So start by tracking all hours, either to A: a job or B: to unbillable shop time. And then secondly, when it is visible, then you can work to make sure that you minimize the unnecessary unbillable time, because to your point, yeah, you don't want to stop doing team meetings and trucks do need maintenance and all of that. Yes, but there's many things you can do to reduce unbillable time, like logistically, like you know what? It's actually cheaper for me to pay for a delivery fee from my supplier than it is for me to send my employee to go run into a truck and go pick that up, and bring it back to the job site.

Why? Because every hour that my employee is not on the job site getting work done, not only am I paying that employee to go pick up the material, let's say, but my job is also not getting done for that hour. And so it pushes the completion date out yet another hour, yet another day, yet another week. And in a contracting business, production time is everything.

One of the big lessons we learned at Tussey Landscaping is we need our skilled labour working to get the job done. Let's just assume that once a month we run over a job or let's say twice a month we run over a job's completion time by one day. So instead of five days, it took six days.

Instead of nine days, it took ten days. Let's say we have two extra days per month in a ten month working season. That's 20 days. That's an entire month's worth of production that you're paying for. But you could not complete the next job, and so you lose a whole month's worth of opportunity just by running over on labour in your jobs.

And so what we found in Tussey Landscaping is it is really important to have your team on the job working, and it's cheaper to pay for delivery fees, to pay someone to come in and clean the trucks and fuel the trucks up for the next day. Because your company makes money when jobs get done, not when trucks get cleaned. Trucks getting cleaned is an overhead expense. Your revenue happens when jobs get completed and you collect the final check.

Karina
That's really interesting. You know, looking at those small incremental details and how they add up to be something quite significant, like a month's worth of of work that could be on other projects that are even bigger and have a higher budget.

Weston
Amen.

Karina
I can think of another example. There's a company I know of out of Ottawa. They have a home base for their designers. And aside from the first initial visit where the designers go to the client's property, all the meetings after that to go over design decisions, the client comes to the headquarters. They cover a broad area, so instead of a designer driving an hour there and an hour back, they stay in the headquarters and stay working on the designs, and the client comes to them for that brief time where they need to.

And that became a big deal for them, saving that travel time for their designers who weren't doing what they were best at and instead they were in a vehicle spending gas.

Weston
Right. Exactly. It's unutilized time.

Karina
Now, you mentioned, estimating and job costing. Let's explore the difference between them and how not doing this properly can really affect profitability.

Weston
First and foremost, estimating a job properly depends on two things. One, you need to make sure you're using the correct rates; that's alluding to the overhead recovery problem I talked about. The second piece is you need to make sure that you have the correct quantity of resources in that estimate, meaning like how many hours do you have in there?

How much material do you have in there? What equipment do you have in there, like the resources in the estimate are one component and the rates that you charge for those resources are the second component. So a profitability priced estimate has to have the correct resources and the correct quantity of those resources. And you have to be charging the correct rate on those resources.

If I bid a job for 100 hours and it took me 150, I mis-estimated the resources in that job. If I had the correct hours, I had 150 in the bid and it took me 150, but I was charging $80. When my mathematical rates really say I need to be charging $95. I also did not make the profit that I needed to make for that job.

So estimating is really key that you have both the correct resources and the correct rates. Now you can get the correct rates by building a budget and calculating your overhead recovery and calculating all your costs for depreciation and unbillable labour and all your overhead expenses, all your marketing, all of that. But the only thing that's going to tell you if you have the correct resources is if you job cost.

Sometimes people confuse the term job costing with like, oh, coming up with the right price for my estimate. That's not the case. Job costing is referring to comparing estimated resources

versus actual resources in every job. So I bid 100 hours? How many did it actually take me? 120. Okay, I was a little under.

I bid 20 tonnes of aggregate. How much did it actually take me? 18. Oh good. I was pretty close. Right on. So that is the act of job costing. And the only way that I know if I'm getting the resources right or wrong in my estimates, is if I do job cost. Meaning I do take five minutes to sit down and look at my estimated versus actual resources after the job's done.

And many times contractors don't do it because they're busy and employees didn't show up... You know, it needs to be part of a process or it won't get done. But here's the thing. If you're not job costing, you will be completely blind if you're missing the mark on resources in your estimate. And if you're not job costing, your first clue that something is wrong is going to be in your cash flow because you're overspending on a resource that you weren't accounting for in the bid, and therefore you thought the job's costs were going to be $10,000 and they were $12,000. You thought the job cost would be $25,000, they were $32,000. And the first clue is going to be cash flow. And by that time, you're months downstream from the source of the problem and you have no way of figuring out where the problem is.

And so people just kind of like, well, I'm not making enough money, so I just kind of raise my rates across everything. And what happens then is you raise rates on things that you don't need to, and you still aren't high enough on things that you do need to. So job costing is like, I look at the results of the resources and I'm like, oh, I was under labour. And this is the third job in a row that I was under on labour. I'm going to go back and adjust and course correct how I bid my labour, so that it's more in line with what I can actually do based on my proven track record versus what I thought I could do.

And many contractors just kind of like, oh, it's good. I know it. Twenty years of experience, I got this. But in the meantime, they hire maybe a less seasoned crew or something happens and they're bidding their jobs as if they were on site every hour of the day, when in fact, it's their crew that's on site every hour of the day, and therefore they're under bidding something on the on the resources.

And those are some examples of how things can really come back to bite you if you do not take a square look at getting the right rates and getting the right resources.

Karina
I want to come back to that point about who's doing the work in a second there. But it sounds to me like you're saying it's really important for crews to build in some time after completing a project to review how things went, and really do a check in, you know, and not at the end of the year, but as soon as that project is done so they have a chance to still do a course correction for upcoming projects. And that it could take some time for you to really understand what your costs are. You need to do this a number of times before you have the accurate numbers to put into your estimate.

Weston
Yeah. I mean, let's say I haven't been job costing at all. Well, just getting one job job cost is going to give me a treasure trove of information. Getting five jobs in a row job cost, it's going to give me a treasure trove of information. Having six months of consistently job costed jobs and their data is going to give me really valuable information to make better decisions for tomorrow.

If you avoid that, it's going to be really, really tough. I'll tell you a story. Back before SynkedUP, at Tussey Landscaping, when we were job costing on pen and paper and spreadsheets, it took us a couple weeks to kind of get all the timesheets pulled together, all the receipts put together, and plug them into a spreadsheet that would give us the data.

And the thing I like to say there is job costing is not hard. You can do it in five minutes. Once you have the data, collecting the data to job cost with is what's hard. But so what would happen is I was the crew leader on a Tussey landscaping crew. And sometimes, you know, a month later, the salesperson would call me and say, hey, I just finished the job costing, and, we went way over on hours on this particular thing. Do you have any idea why that is?

And the quality of my answer was really bad because, like, I was on my fourth or fifth job since then, and, you know, I'm like, man, I don't remember. Like, I did not have a good answer. After SynkedUP, you could see the estimated versus actual progress right in the app, and the script completely flipped because I was calling, I was on the job site and I would say, hey, we're about half done. I see the progress bar on the hours is at 80 per cent, so we're half done, but we've

already burned through 80 per cent of our hours. And I knew this in real time. And *I* would call the salesperson saying, hey, just so you know, we're not gonna have enough hours in this and we're going to go over. And then we would try to do everything we could logistically to minimize the damage, so to speak.

And it could be anything. Like it could be, hey, are there change orders we could add to the job to upsell and produce more revenue without significantly impacting how long we're going to be at this job site? Or another thing, if even without change orders or changing anything, sometimes we would do things like, hey, we had a two or three man crew on this job, let's update it to get five or six people on this job and get it done in two days instead of four days, and free up two whole production days for the next job. So even though we still had the direct cost of labour, at least we saved on opportunity cost for the next job.

Karina
Now, how about when you have a crew of people with mixed levels of experience? So you might have people brand new to the trades. You might have apprentices who are midway through their journey. You might have people with 30 years experience. Now there's going to be different pay scales for all of those, too. I mean, those with less experience, newer to the crews, maybe are at a lower wage versus those who have decades of experience.

What's a good strategy for setting yourself up for success so that you've got people working on the job that may take more time, but cost less, versus those who could do the job faster, but are expecting a higher wage. Like, what's a good balance there?

Weston
Well, the way I prefer to think about that is when I'm estimating the job, I am thinking about which crew or who's going to be doing the job, and then estimate the hours or the resources in that estimate accordingly, because, the trap that contractors so often fall into is if I were to do the job, how long would it take me versus if the crew that's going to do the job is going to do this job, how long would it take them? And that's a trap.

And sometimes I see contractors then get frustrated with their team because they're not getting it done as fast as they thought they should get it done. And the point is that's a separate

problem. That's a training, education, logistical efficiency... that's a different problem. And the frustration on missing the mark should be put towards how can we become more efficient? How can I train my team better versus saying, why does it take you guys so long? You know, that's not the point. The point is, you should estimate the job for how long it's going to take whoever's doing it. And if you're not happy with the fact that, if I were on there or my most seasoned crew member were on there, it would only take this long. That's a different problem. And that energy should be invested into training your team. And in the meantime, keep on estimating your jobs according to reality, not what you wish were true.

Karina
That's a really great point. How about for those contractors who struggle with delegation? Especially those original owner-operators, they started the company and grew it up, and they're in this business because they love doing the work, and maybe they don't necessarily love being a business owner with all the many hats that you have to wear with that. And they want to be doing the work, but now they have a crew and they have to delegate those tasks.

A lot of people struggle with that. How can we encourage them to let go of some of that?

Weston
The good news is as the owner, you get to choose what you want to delegate. Like, for example, at Tussey Landscaping, Steve, he loves to be on the crew. And he delegated the office work, the sales work. And he stayed out boots on the ground. Sometimes, people are like, no, I want to delegate the crew production work and I want to be in the office doing the admin work or the sales work.

And you get to choose whatever you want to do. That's your prerogative as the owner. Like, that's one of the benefits. But I think the trap is, is people that start their own business because they love to do the work, they take pride in their craft, and they're super particular about the outcome. And it's very easy to fall into the trap of saying, nobody else can do it as good as I can. And the truth is, you're probably right. But that is your job as the business owner to fix. And the one way I like to describe it is as the owner, you are not a doer of the work. You are a builder of the systems and processes that do the work.

And if you want to keep on being a part of that system and process that does the work, fine, no problem. But the system and process is what you own. Like how do we kick off a job? How do we do quality control at the end of the job? How do we analyze the numbers of the job? You are the one that's putting the systems and processes in and if you're frustrated by, say, a crew that's not performing to your standards, that's either one of two things. A: you're not training them or giving them grace and room to be trained, as much as they should be, or B: you are training them and they're still not responding, so therefore they probably shouldn't be working for you or should be moved to a different role, something that they do excel at.

Because at the end of the day, I believe every human wants to feel like they're doing a good job. Like that's just a natural human desire for most people, you know, like, and if they're not, well, then they probably shouldn't be working for you. Because culture and who works for you and the values you have in your team and your quality of worker, you know, you depend on your team to have those similar values. And if they don't have those similar values, well, then you're going to be very frustrated trying to teach those processes and quality control centres for other people.

But the idea is, yes, you will probably always feel like nobody else can do it quite as good as you can. But that is, part of the game of owning a business, and that is getting people to train your people, and then focus on defining what the definition of done is and what quality looks like. And when you're dissatisfied, make it a team exercise of saying, hey, this is why this didn't meet our standards. What could we do? What information or education or training or resources can I provide to you as the team to not let this happen again the next time, and then solve it that way? Instead of just trying to ram a square peg down a round hole and just be like, hey, this is not good enough, but not ever really following up with what do you need to do better the next time?

So anyway, I'm kind of rambling, but the idea is this is a normal part of business, just own it and focus on training and education for your team. Secondly, or that what I would say is secondly. First it should focus on making sure you're hiring the right people, the people that care, the people that want to succeed. And you can't train someone to do a good job if they don't start with that desire to succeed.

Karina

So once you've built this great team and you've got your job costing skills down pat, something else to really consider if you're looking to raise your prices might be the market that you're targeting. How important is it for contractors to have a clear vision of that target market? And then how do they align their business practices with that vision?

I'm thinking of not just business growth, but using that higher market to also be able to expand on the benefits that you give your staff and the values that you want to promote.

Weston

Yeah. I think what often happens for contractors is when you start, you're doing maybe the smaller jobs or the lower, not quite as high end jobs or whatever. And there's a certain clientele that buys those jobs. Right? There's a certain market segment that buys those jobs. And then as you grow and you get more jobs under your belt, you really start honing your craft and you want to grow and make, you know, even better stuff and do much more high end things.

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Weston

But then when you try to go sell the high end job to that mid-market or lower market client, their like what? You're so expensive, there's no way. I can't do that. And then you get frustrated saying that everybody else is cheaper than I am. That's not the problem. You need to go decide what product you're going to build and create and then go find the clientele that will buy that thing.

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Weston

And if you're going to get a no from your client or your prospect in your sales process, you want to get that no as quickly as possible so you can stop wasting their time. *Their* time, stop wasting the customer's time and get to the next customer that will say yes. So, so much of the time I see the desire to grow in contractors, and they build the equipment and the team and the resources to support that, but then they keep on trying to sell to the low market where they started, the same client base, and then they get frustrated and they're caught in a rock and a hard place thinking like, I want to do beautiful work, but nobody wants to pay for it. Well, you just need to

change who you're serving. You change the market you're going after. And that's what I love about budgeting is it's like, instead of reacting to those pressures, I just, in budgeting, I get to plan and decide. I want to buy this piece of equipment to be more efficient.

I want to pay my people better through the winter, so they don't have to go look for other work during winter or whatever. Like in budgeting, it lets you be strategic about I'm going to plan and design my dream business. The budget then establishes my rates, and then I go off pursuing the people, the market that will buy my work at those rates. And I stop even trying to sell to someone that would never buy.

The analogy is like if a Honda Accord customer walks into a Lamborghini dealership, the most kind and courteous thing you can do is refer that customer to the Honda dealership. Because as a Lamborghini salesperson, you're never going to sell a Lamborghini to someone with a $50,000 budget looking for a Honda, you know?

And so it comes down to, are you serving the right customer? And it doesn't matter what the Lamborghini salesperson says, they will not change the fact that that Honda customer will not be able to buy that Lamborghini car, regardless how much they may want it, you know? So it's just that go find the right market, go find the right customer.

And you can be a Honda provider. Absolutely. No problem. And you can be very successful doing that. It's just that what I see the natural tendency is you go up and up and up with your product quality and you keep trying to sell to the same market. And that's where people get kind of like blocked.

Karina
I've heard you mention the term *head trash* before, you know, when people get blocked with the idea of moving upmarket. Can you explain what you mean by *head trash*, how that affects contractors and how to get out of that?

Weston
So clarity is the antidote to head trash. Clarity gives you confidence and head trash — an example that I can just use is you're bidding a job for maybe the biggest job you've ever done.

You had never done a job quite like this before. You're super excited. You want to win the job so badly.

And you get to the moment where you have to hit send on that proposal, or slide that proposal across the table to your prospect, and you're just so full of head trash, like self-doubt, uncertainty. Do I have too many hours in this? I know they're getting a bid from a competitor, I bet they're going to be cheaper. There's this doubt and uncertainty in the number that you're presenting to your prospects. And your prospects can tell. They can smell that like a shark smells blood in water, whether you realize it or not. And the antidote, I said clarity. The antidote is I go do my due diligence and I build a budget and I am job costing. And I know that I have the right amount of resources in this estimate. And when I get to the point of hitting send on that proposal or sliding that proposal across the table to my customer, there is no doubt. I am confident. I've done my work, I've done my due diligence, and I know my breakeven on that proposal.

And so when I slide a $60,000 proposal across to my prospect and the prospect says, "I love it, let's do it. I got 55 K." What are you going to say? Payrolls due next week. You have a bill due at the supplier. What are you going to say? Are you going to take it? The only thing that's going to give you the confidence to say, "I'm sorry, no, I can't take that" is if you know, without a doubt, what your breakeven is on that job and that will switch you from negotiating on price with your customer to negotiating on scope of work.

So when Mrs. Jones does that "55 K is all I have. And you gave me a proposal for 60," well, instead of being pressured to accept that counter offer, you position yourself as a subject matter expert. You're not on opposite sides of the table negotiating. You come over onto your client side of the table. You are on their side of the team as their personal subject matter expert, and you come up with quality suggestions on how they can modify the scope of work to achieve their vision for the project within their budget.

"Hey, I can cut the lighting and we could save $8,000 off this proposal. And lighting is something we could easily do next year at this time, if you'd like, or six months from now." So you become their subject matter expert on making suggestions on what they could do to adjust the scope of work to hit their budget numbers.

And when you do that, the client will do one of two things. A: they'll be like, "oh, okay, this guy knows his stuff." You know, they were just doing it to see what you would say or B: they will be very grateful to you that you are helping them adjust things because they don't know what to ask you to adjust. They have no idea where the weight of the price of the stuff is, and they will either be, "oh, this guy knows this stuff. Okay, fine, do the $60 K" versus or saying "Thanks for these three suggestions. Yeah. Let's go with this second suggestion that you gave us on how to modify a scope of work to bring the price down."

Well, giving them that choice is definitely a great way to improve your buy-in and make them feel like they have some agency in the whole project. And it's not a yes or no, but it's a let's meet in the middle opportunity.

Weston
Amen. And I love what you just said about the buy-in and agency, because what it does is it gives the client the feeling of being in control then, because they can be like, "oh, I'm in a buying and selecting and choosing mindset" versus a "I'm being sold to. I have to try to push back to make sure that I'm, you know, getting what I want at the best price", so to speak.

Karina
Yeah. As a client, you feel like you're being penalized for having the realities of a budget. That is not a good feeling. So when you're given those options to make choices of what you can accept and then down the road think of what's next and building that second phase of a project or a third or fourth. That could build a really quality relationship between a land owner and the landscaper.

Weston
100 per cent. You become their friend and their consultant on their side versus the high pressure car salesman.

Karina
And so that's a great way to avoid that race to the bottom, trying to compete with lower priced companies that are out there. I've also heard you talk about entrepreneurial poverty. Let's

explore that a little bit and its implications for people in the landscape industry. What is it and how do you avoid it?

Weston
Yes. So the way I would describe what it is in this context is picture a contractor that takes tremendous pride in their product and they have high quality standards. And they put all their energy and focus on that product and their quality. But they don't spend any time analyzing their budget or job costing. That is the exact situation that produces entrepreneurial poverty, because you are a hard working contractor doing a beautiful project for your market, but you are in poverty because you literally can't make ends meet.

You can't pay your people enough, and they leave. Your equipment breaks down, you can't replace it, and you're living under tremendous stress. That's what I define as entrepreneurial poverty is when all the focus is on the product versus the business. And that's very common in contractors because most contractors start their business because they love doing the work.

And how to avoid it is just realizing that quality is very necessary, but it's not *the* one thing that's going to pay my bills. If I am underselling my quality of product, it doesn't matter how high that quality is or how many of those quality products I install, I won't make it and I will be in that entrepreneurial poverty, so working harder when you're going backwards only digs a bigger hole.

The default response is "I'll just work harder. I'll just do more jobs. I'll work when it's frozen instead of not working." You need grit and you need to get stuff done at the end of the day, for sure, but that's not in and of itself going to avoid entrepreneurial poverty. The way to avoid it is to take a good, hard look at the reality of "am I charging the right rates, talking overhead recovery, budgeting those kinds of things, and B: am I putting the right resources in my estimates?" And the only way you're going to know that is if you job cost.

So if you don't pay attention to rates and resources in your estimates, you will live in entrepreneurial poverty. And the way out of that is doing the budgeting and the overhead recovery, so that when you do propose that estimate to your customer, you know your breakeven and you're not tempted to negotiate on price, you will only negotiate on scope.

And you will also know exactly what resources went into that job, when it's done by job costing, and become smarter and more accurate on the next estimate. That's the keys out of it.

Karina
Is that something that a new business should expect to live in for a while? You know, somebody who is brand new, or maybe only one or two years into operating their landscape business — is the expectation to be in entrepreneurial poverty for a while, or can you be successful and earn a profit right near the beginning of the life of your business?

Weston
You can absolutely earn a profit and be successful right out of the gate and I'll just share a story of a SynkedUP customer that bought their SynkedUP account the day they got their LLC for their business. And they are five years in, doing $800,000 with two people, and they're profitable and they're doing fantastic. So it's absolutely possible.

Even if I'm brand new, you don't get to have a free pass on the rates and resources problem. You still need to give them heed and honour them or invest into them. The only thing that you lack being brand new is historical data. So in a lot of ways, you're making educated guesses or projections on "how much am I going to spend on fuel this year? How much am I going to spend on marketing this year? How long is it going to take us to do this type of work that we frankly, have never done before?" And so, yes, you lack historical data, which could mean your margin of error is wider until you get some data under your belt, you get some completed jobs under your belt, but you can absolutely start thinking through the lens of rates and resources right from day one.

There's not a "oh, you don't even bother. This is an advanced thing until you're five years in business." No, not at all. In fact, I actually created a little video-based course called *howtopricemyjob.com* geared towards those people that are just starting on their brand new business. And it's like saying, hey, maybe you're literally funding this from your own money. You haven't even completed any jobs yet. "How can I make sure I'm charging the right rates on this new work that I've never done before? I don't have a couple hundred bucks a month yet for a software." Here's how you do the math manually, because you can totally do everything that

SynkedUP does manually on pen and paper or spreadsheets. It's just that the software makes it easier, faster, more automated.

So my encouragement is don't ignore it. Don't think that working harder or having a higher quality product, or getting five star reviews from your customer is going to avoid you getting into entrepreneurial poverty because that's not true. If I had a dollar for every time a contractor told me, "man, like I've done more top line revenue than I have ever had before. I'm proud of my work. Our quality is awesome. Our clients love us. We have five star reviews. We're getting leads, we're selling work. But I have no money. Where's it going?" That is exactly how you arrive at this situation. You're ignoring the rates and resources and until you pay attention and solve those rates and resources and accept it as a daily discipline, not a thing you do when you remember or when you think about it, then you will struggle with that.

As you grow, you just become better at automating it. It takes less time. You can get products like SynkedUP to help you save time doing it and simplify it for your team. And yeah, so, no. You can totally do it on day one.

Karina
Like they say, the best time to plant a tree was 20 years ago. The second best time is today. So if you haven't been collecting your data so far, begin today and start to watch it grow so you have those resources to make some really serious decisions that are going to improve your business.

Weston
And if there's three things I could tell you to do, practically speaking. Like, "Okay, fine. I get the principle. What does that mean I have to do?" It just means clock in and clock out. Track every hour of what you do in your business to A: either a job or to unbillable shop time. Second thing is, make sure every seat has a PO to which job it goes to.

Third thing is, is calculate your rates, figure out your overhead that you have in your business. Equipment depreciation, unbillable labour, and all of those invisible things included. And make sure that your rate, your hourly rate, whatever it is that you're using to price your estimates, is correctly accommodating and producing the dollars needed for overhead recovery. If you just

do those three things, you essentially are beginning to embody the principles we're talking about here.

Karina
That's really great. And that website you mentioned was howtopricemyjob.com, right? I'll be sure to include that in the show notes as well, as well as a link to SynkedUP if people are curious about that solution for their business as well.

Weston
Absolutely. I can also give you a [free labour rate calculator](#) if you'd like. What it basically is, like, picture a "calculate my car payment" or "calculate my house mortgage payment." It's a super simple one pager where you can type in five numbers and it tells you what you should be charging per hour. And it's kind of oversimplified, but it gets your brain thinking in the right direction, you know, and you can go dig deeper, for sure. But, I'll give you a link to that free labour rate calculator as well.

Karina
Oh, that sounds great. Sometimes you just need a ballpark to get started and see if you're even thinking in the right space. So before we wrap up, I just wanted to ask you, if you could go back and talk to 20-year-old Weston and give him some advice, wWhat would that be? What do you wish you knew then that you know now?

Weston
Well, what I wish I knew at 20 I finally got rammed into my brain at about 25. And this was a thing that happened to me that made a real difference in how I thought about work and business and what succeeding looks like. So, as you know, I was an employee at Tussey, not an owner. So fair to assume that I had a very much an employee mindset. I got married and wanted to buy a house. And in my brain, the thought I was coherently thinking was, I want to make more money, which is a very natural, normal thing for anybody to think.

Karina
Yeah.

Weston

As an employee, the only way I knew to solve that problem was to go to my boss and say, can I make more money? Well, not a very effective question as an employee to the boss, I can tell you that from experience, because and it shouldn't be. I was in the wrong is what I'm saying and what I wish I would have known back then is what I finally got from Greg Wittstock, a mentor of mine today. So I, like I mentioned earlier, we're very closely affiliated with AquaScape, doing a lot of water features, and we would go to AquaScape's Pondemonium convention in Chicago.

And I wanted to make money so badly that I literally went up to Greg, the owner and CEO of AquaScape, saying, "hey, are you guys hiring?" And he's like, he looks at me like, "what's wrong with you? You work for one of my best customers. Why do you want to work for me?" You know? And I was like, I kind of stumbled and muttered something like, "well, I just want to make more money, you know?"

And he was like, okay. You could tell that he immediately knew what was going on. And he said, "you go back to your boss and you ask him, how can I make the company more money so that I can make more money?" Essentially saying, how can I create more value for the company so that I can grow and that whole exchange was less than two minutes, but it was literally a light bulb, pivot, paradigm shift moment for me.

And that's exactly what I did. And it changed my mindset. It changed the way I looked at everything. And suddenly and when I had that conversation with Steve when I got back, that's how I started getting into the marketing, because it's like, well, fine, if you want to provide more value for the company, here's one way you could do it.

And so I did, and I like threw myself into it. And I created tremendous value for the company in that. And guess what happened? I started making more money. So if there's one thing I wish 20-year-old Weston knew is that blood doesn't come from a turnip. You can't make money. Money doesn't grow on trees, you know?

If you want to make more money or grow, the question is, how can I provide more value? Or how can I help other people get what they want so that I can get what I want? And if any employees are listening to this, it's, not how do I get my boss to pay me more? It's how do I

make myself more valuable to the company? Employees can't make more money if the company doesn't make more money. It has to come from somewhere.

In order for employees to get paid better, the company has to be more successful. And so those are the mindset shifts that really made a tremendous difference for me that I wish I had known earlier.

Karina
And to do that, you really have to get past the head trash. You know that. That doubt, that insecurity, the feeling like you're not quite good enough and just go, "Yeah, this is where I can add value" and then go ahead. We get in our own way sometimes in that sense. So it sounds like you're able to get past that and then create some real opportunities for the company that made those opportunities for you.

So thank you for sharing that story. That was a really great one and one that I hope that our listeners can consider how they can apply it to their own work.

Weston
Yeah. Amen. And I was an employee. It didn't come to me on my own. It took someone to share that with me. And so if you're an owner listening to this and you have employees that want to grow, want to make more, you know, share this story. It's just like, "You want to make double as much? I want to pay you double as much. How can we provide the value to do so?"

And if an employee's like "oh no I don't want to do that, I want to make more money," well now it's like, "oh, hmmm, should this person even be working for me?"

Karina
Well, Weston, this has been such a great conversation. There's so many great tidbits in here that I hope other landscape owners can listen and apply to their own businesses. I appreciate that you took the time from your busy schedule and shared all those insights from your journey and landscaping. So thanks again for being on the Landscape Ontario podcast today.

Weston

You're very welcome.

Music transition

Extro:

Thanks for tuning in to this episode with Weston Zimmerman. From tackling the hidden costs that eat into your profits to overcoming self-doubt and creating systems that work for your business, Weston's advice offers a practical roadmap for success. Clarity and consistency are key to avoiding entrepreneurial poverty and building a thriving landscaping business. Make job costing a habit to start making more money.

Relevant links and a transcription of today's conversation can be found on this episode's page at landscapeontario.com/podcast.

And, I'd love to hear your thoughts on this episode! Whether you have feedback, suggestions for future topics or ideas for guests, send me a message at podcast@landscapeontario.com. Your input helps me continue to bring valuable conversations and insights to the *Landscape Ontario Podcast*.

Thanks for tuning in, and until next time, stay curious!

Resources relevant to this episode

SynkedUP
How to price my job video course
Labour Rate Calculator