

WALKER TALK

SERVING LAWN MAINTENANCE PROFESSIONALS FOR YEARS TO COME

Banking on his Walker

- Mowing for all the right reasons
- Motor coach maker mows in style
- Former teacher takes student's advice
- The cost of running your business



WALKER TALK

CONTENTS VOL.27

3 Banking on his Walker

After two decades working as a banker, Bob Vickery gave it up to run his own show.



7 Mowing for all the right reasons

Les Coates works hard. His Walker Mowers help him work smarter.

10 Motor coach maker mows in style, too

Newell Coach uses Walker Mowers to help its campus exude an image of quality.

13 Bob T's tech talk

14 Former teacher takes student's advice

Jane Lowe turned to a former student when she needed a new mower.

16 A common-sense approach to calculating the cost of running your business

18 Walker news/products

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LOVE PEOPLE, USE MONEY

I heard a saying recently that I liked very much: "Love people, use money instead of love money, use people". The first way speaks to the way I have been taught by my parents and the way my brother, Dean, and I have tried to operate Walker Manufacturing. To us, loving people means taking care of people. "Using money" means money is a tool to be used; taking money that has been made and accumulated in business and using it as a tool to bless people and multiply opportunities for people.

One of my favorite Bible stories is the time the little boy gave his lunch of five loaves of bread and two fishes to Jesus, and Jesus was able to multiply the lunch to feed five thousand people. I believe that same kind of multiplication



happens today when a "lunch" (money) is used and people are fed and loved. We think that multiplication has happened in our lives coming from our little lawn mower project 25 years ago because we have tried to love people and use money. In fact the multiplication has been tremendous when we see all the lives touched, livelihood produced and opportunities created by the Walker Mower.

Living the other way is a disaster where money is loved and people are used. Unfortunately, many of the modern business models seem to be based on using people (when you need them and sending them away when you don't) all in the name of efficiency and operating "lean" and maximizing profits. Most of us have experienced firsthand or observed the "shipwreck" that happens when a company or a family loses their way and loving money kicks in. It gets real ugly real fast and every kind of evil emerges.

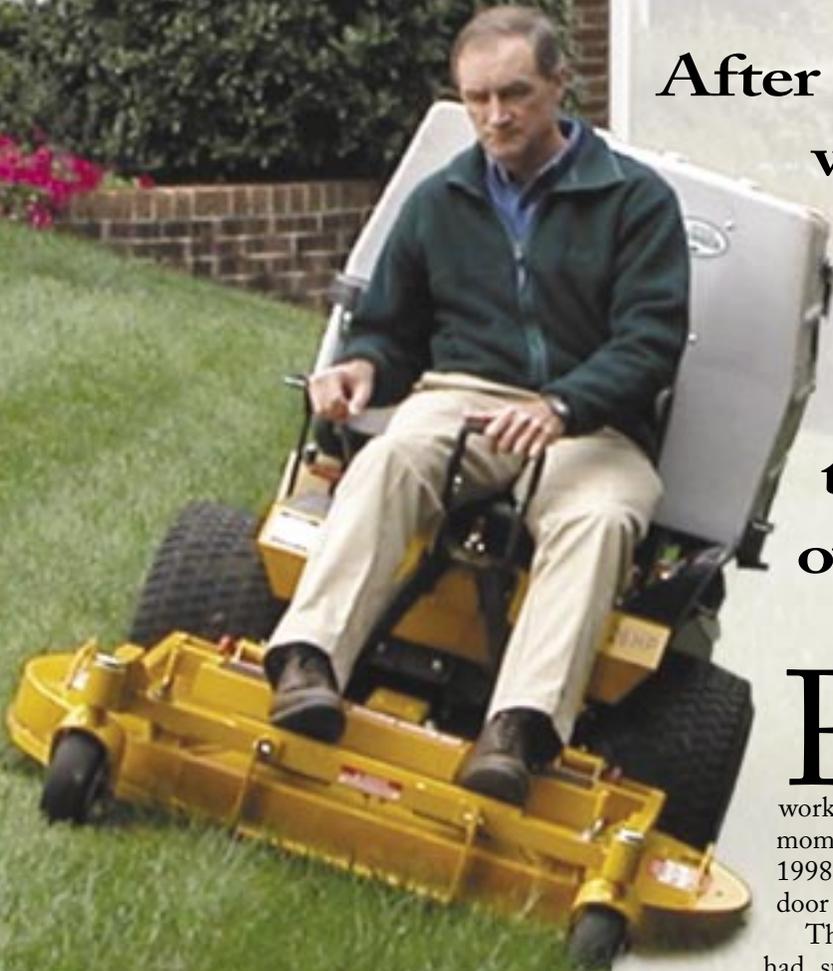
At Walker Manufacturing, with the Lord's help, we want to stay on track and keep loving people. Publishing Walker Talk helps us in this regard as we focus on telling the stories of people (admittedly with some product promotion mixed in) with the goal of encouraging and inspiring our readers to succeed. Our wish for all of you: May you love people, use money and see multiplication in your life.



Bob Walker
President

*Paraphrased from the book "Natural Cures They Don't Want You to Know About", By Kevin Trudeau, Alliance Publishing Group, Inc.

Banking on his Walker



After two decades
working as
a banker,
Bob Vickery
gave it up
to run his
own show

For 21 years, Bob Vickery, owner of The Planter's Touch in Easley, South Carolina, put on a suit and tie in the morning and went to work at a bank. That began to change the moment he handed in his notice on October 1998 and two months later walked out the door for the last time.

The former bank senior vice president had suddenly entered a new world. "This was a huge step of faith for me and my family," relates Vickery. "The bank had been my first job out of college. I had some money saved up, but we didn't have insurance (other than COBRA for a year), and I had nothing lined up for work. There were some mission opportunities available, but other than that, it was uncharted territory."

Two months after quitting, he believed the Lord was leading him to turn his gardening hobby into a new career. He prayed about the idea with his wife, Cile, and by the spring of 1999, The Planter's Touch

was a reality. The former banker already owned a 1973 pickup. All he needed was a trailer and some equipment. He purchased a new trailer, and then followed up with a new 25-hp GHS Walker Mower with a 48-inch deck. A Honda push mower and string line trimmer rounded out his equipment lineup.

"My first customer was a friend of mine at the bank," Vickery recalls. "Then, I picked up a couple of other

flower bed. "I must have had a smile on my face a mile long. I couldn't believe people were actually paying me for something I truly enjoyed doing." The best thing? After being in business six years, he still has that smile.

Today, The Planter's Touch has 22 full-service maintenance customers and another 50 lawn care accounts. Revenue is divided equally between maintenance/lawn care and

statement. I cannot think of a better way to make my education pay off!"

The new venture, though, was not without its challenges. One of the biggest ones was determining what to charge customers, he relates. "I was fortunate to have a landscaper friend who took me around to a few of his properties. From him, I learned how to estimate jobs. I didn't, and still don't, price by the hour; I price by the job, but I know how much time I will spend on each property."

He continues, "My Walker has been instrumental in our success, too. From the beginning, I wanted one because it was ideal for the small, heavily landscaped properties I would be maintaining. I knew it was more costly than other mowers on the market, but you get what you pay for. That is exactly what I tell my customers when I point to the Walker Mower on my trailer. I tell them that this is the best mower money can buy, and that is one reason why I am not the least expensive landscape contractor. I use good equipment and do a good job. My customers understand."

The owner of The Planter's Touch does not do much hard selling or self-promoting. His work does the talking and selling for him. In fact, he claims never to have spent a dollar on advertising, except for the sign on his trailer and a couple of property signs. Vickery adds that he doesn't even have a company logo on his shirt. "I thought about a specially designed shirt, but then I realized it was just myself working, so why bother. Instead, I wear the same uniform every day – slacks, a shirt with a collar, and a hat. I wore blue oxfords (old bank shirts) for a couple of years because I had plenty of them on hand, but they finally wore out."

A South Carolina certified nurs-



Cile and Bob Vickery followed divine guidance when deciding to turn Bob's gardening hobby into a business. After six years of working with his Walker mower, he hasn't looked back – or stopped smiling.

accounts. We started out slow, and that was a good thing. I was well-versed on the business side of running a business, but I needed time to get more horticulture training. Yes, I had some skills, since I was an avid gardener, but I wanted and needed some formal training, as well."

MILE-LONG SMILE

Vickery still remembers those first couple of months when he was riding his Walker or renovating a

installation services, with most customers located in high-end residential areas in and around Greenville. During the growing season, Vickery will spend three days maintaining lawns and the other two doing installation projects.

"One customer recently remarked that it was a shame for me to waste my education and training on landscaping," says Vickery. "I told him that when I look at an income statement now, it is my income on the

ery professional and a certified pesticide applicator, Vickery takes pride in being able to identify diseases and insects, and to fashion beautiful-looking landscapes. As he puts it, The Planter's Touch is selling its knowledge and ability to get the job done, as much as it is selling an end product. "I think landscape contractors oftentimes sell themselves short by not factoring their education and experience into their prices," he adds.

ON A LIMB

An owner/operator may not generate the same income as a bank vice president, yet Vickery is doing what he wants without the pressures that come with being a banker. His

drawer is also filled with "Thank You" notes from customers, something he rarely received at the bank.

Staying small has its advantages and disadvantages. It has allowed The Planter's Touch to avoid labor issues, although the company leans on employee, Josh Putnam, and neighbor Bob Dockham, to get through busy seasons and large

"I think landscape contractors oftentimes sell themselves short by not factoring their education and experience into their prices."

installation projects. Still, Vickery spends most days working alone, which has two distinct downsides: Summer vacations are hard to come by and if you get hurt, you can be out of business.

Last year, while sawing a limb with a chain saw, he fell off a ladder. The fall drove the chainsaw he was operating into the dirt, splitting the ball of his arm into numerous pieces and separating his shoulder. His business flashed before his eyes, but he says his strong faith in the Lord and a real blessing saved the day. He underwent surgery the following week to repair the damage and the pieces miraculously went back together and held as the surgeon manipulated his shoulder. No inci-

sion was made. A friend and fellow Walker owner took over his business for six weeks while his arm was healing.

"At first, I thought the cast would allow me to operate the Walker," Vickery remembers. "In fact, I told the doctor that all I needed was to be able to move the fingers on my left hand. But the cast never allowed the arm to get into position."

The arm healed and before long, The Planter's Touch was back at it. Tree work, though, became a service in the past tense.

The Vickerys make a good team. Bob does the mowing and other tasks on customers' lawns and Gile keeps the books, does invoicing and makes sure the business is profitable.





Bob Vickery, a former senior vice president at a bank, took his hobby of gardening and turned it into a full-time business.

SPIRALING COSTS

One of the biggest concerns for any size operator is the upward spiral of all business-related expenses. A 60 to 70 percent increase in the price of gas alone cost The Planter's Touch \$1,300 this past year, some of which was recouped with a \$10 increase on maintenance contracts and 5 percent across the board increase on other accounts.

"There is no way to make up all the increases," Vickery emphasizes. "All an operator can do is use his or her head and find savings where they can be found. As for myself, I am economically minded. I like saving money as much as I like making money." To keep health insurance premiums in line, Vickery utilizes a high deductible Health Savings Account which offers him a tax deduction and the ability to accumulate funds for medical expenses. He either buys in bulk or out of season to get a price break, and mowing accounts are grouped close together to optimize travel. He says the new Walker Mower he pur-

chased last year, powered by a 26-hp Kohler with electronic fuel injection, gets significantly better fuel economy than his old mower. For an owner/operator the savings don't add up to a lot of money, but every little bit counts, especially for a former banker who understands the cost of doing business.

His business flashed before his eyes, but he says his strong faith in the Lord and a real blessing saved the day.

In a twist of fate, Cile now assumes the role of banker – the company's chief financial officer. She pays the bills, does the invoicing, and tracks the costs. In the meantime, Vickery thoroughly documents all expenses on every property. The fact that the business operates on a cash basis means he can literally look at his

check book anytime to see if it is making money. Documenting what he has done on a property and how much time and money he spent is critical from two perspectives: The record indicates if he's making a profit on an account, and it allows him to easily convey to customers what work has been done on their properties.

After only six years in business, Vickery no longer accepts new lawn care customers and he has put a cap on maintenance. Growth in either area would cause him to cut back on his gardening hobby – installation projects. It is a nice problem to have, he admits, and one that doesn't keep him up at night. Does he ever long to return to the banking arena? "Never," he adds. "I have never once regretted doing what I am doing. The only complaint I have is that when I was a banker I had the best-looking yard in the neighborhood. Now, I'm ashamed to admit how bad it looks. There are only so many hours in a day and my customers take top priority." **WT**



Even though he has two GHS decks, Coates usually mulches clippings as he does on this property's winter rye.

Mowing for all the right reasons

Les Coates, owner of Lawns by Les, has been in business 24 years. He has a beautiful family, nice home, and operates a successful landscape maintenance business in the Phoenix suburb of Litchfield Park. Yet, he's not bashful about saying success didn't come easily, nor

was it originally built on the right predication.

"I think a lot of people get into this business just to make money," says Coates. "Young entrepreneurs oftentimes put revenue ahead of important issues such as buying good equipment and having the proper credentials and insurances. Or, they wait



Les Coates has owned more than a dozen Walkers. He says that operating good equipment and keeping it maintained leaves a good impression on customers and employees alike.

too long to trade in a mower, again because of money. Or, they take on a large account that will double their business overnight, without thinking about the consequences if that account suddenly disappears.”

Coates admits that early on in his career he was guilty of some of this thinking and paid dearly for it. As they say, however, experience is the best teacher, and this operator has put the experience, but not the lessons, behind him. Today, his full-service landscape maintenance company has 20 homeowner association (HOA) properties and a handful of high-end, residential homes. They employ seven people, including his son Remington and five-year lead man, Isidro Perez. Two crews drive snappy-looking, cab-over Isuzu trucks, one of which is equipped with a work-body ideal for carrying tools and irrigation repair parts. The other pulls a 26-ft covered trailer for hauling around a covey of hand-held equipment, two Walker Mowers, two Excel Hustler

mowers, and a couple of Honda trim mowers. The trailer also houses an air-compressor for filling up flat tires, blowing off equipment, and operating air tools.

DECISION TIME

The owner of Lawns by Les started mowing lawns in 1981 during his first semester at an area junior college. His track coach asked him to mow his aunt’s lawn, which Coates agreed to do for \$12 a cut. “When the

minimum wage was slightly over \$2.00 an hour, the job looked pretty attractive,” Coates recalls. That one lawn led to another in the neighborhood, and another, and within a year, the industrious student was mowing 11 lawns in

between attending classes. He would mow a couple of lawns in the morning, attend a class, and mow a couple of lawns in the afternoon, attend a class, and then mow a couple in the evening. The scenario was manageable until a particularly rainy week forced him to make a decision

“I take a close look at every property before I think about how much it can generate. My feeling is, if the property is right, the money will be there for you.”

– either attend his 10:00 a.m. class or mow a lawn. He mowed the lawn and never looked back.

“Oh, as I think back, I regret that I didn’t get my degree,” says Coates pensively. “Part of the reason for the regret is that I just haven’t had time to complete my degree since then. In fact, I haven’t even taken a week’s vacation in 17 years.”

What he has done, though, is work. For nine years, he held three jobs, mowing lawns by day and repairing machines at an arcade by night. A paper route from 2 to 4:30 a.m. capped off his day. “One thing I have never needed much of was sleep,” he muses. After nine years of the three-job merry-go-round, he dropped the paper route and settled for six years of having only two jobs. Today, it’s one job – and one job only.

Looking back at those early years, he was not particularly fond of mowing with a push mower or using a hand clipper. It wasn’t long, though, before his girlfriend Becky (now wife) emptied out her savings account to buy him a labor-saving string line trimmer, and she was indirectly involved with his first Walker Mower purchase.

“Ironically, Becky’s parents mowed lawns, and they may very well have had the first Walker in the Phoenix area,” Coates remembers. “To make a long story short, I liked their mower, especially its zero-turn capability and small 36-inch deck that allowed me to use a riding mower in a gated backyard. After only a year in business, I purchased one for myself and eventually doubled the number of accounts without having to add an employee.”

The new mower also enabled him to bid on a townhouse complex, and his business gradually transitioned to the commercial market, where

bigger money could be made. With the money came risks, however, and a few years later, when a large client failed to pay their bills, the young company couldn't weather the storm. Coates had to sell everything, and literally start over from scratch.

"The experience taught me a couple of important lessons," he adds. "Experts talk about slow, controlled growth, but until you experience what the consequences of growing too fast are, you won't really appreciate what they're saying. In addition, I originally took on that big job because it paid \$750 a week, not because it was a property that I necessarily wanted to maintain. Now, I take a close look at every property before I think about how much it can generate. My feeling is, if the property is right, the money will be there for you."

SMART OPERATOR

"Over the years, I've learned that a business has to take priority, not just in theory but in practical terms, too" says Coates. "After all, it generates income that ultimately clothes and feeds one or more families. Once an owner grasps that reality, business planning, having a professional image, equipment and

equipment maintenance schedules also begin to take priority."

He continues, "Operating good equipment and keeping it maintained also leaves a good impression on employees. If you put yourself in their shoes, would you rather work for a company that supplies you with top notch equipment to get the job done, or with a company that expects you to be productive with an old mower or second-rate string line trimmer that never starts?"

Coates feels that he has the best equipment money can buy, and he keeps it relatively new by trading mowers every 1,500 hours and hand-held equipment every year. He also carries a maintenance log on all his equipment, and is loyal to his dealers.

"When you are loyal, your suppliers will return the favor," he emphasizes. "They will give you a fair price and be there when you need them."

Lawns by Les has owned more than a dozen Walker Mowers. Currently, they operate two 26-hp, fuel-injected models and have two 42-inch GHS decks, one 42-inch mulching deck and one 52-inch mulching deck. "Most of the time, we use the mulching decks," says Coates. "They do such a

thorough job that clients can hardly tell the difference between collecting clippings and mulching. The 52-inch deck, in particular, does a great job filling in dry spots and bare areas in the turf. After the mulched Bermuda grass takes hold, the lawn looks even and great."

Keeping turf and plant material looking great in Phoenix is even more challenging than usual, thanks to near-record dry conditions and rising water costs and use restrictions. Coates, for example, spends a lot of time working with homeowner association boards to make irrigation effective, yet affordable for them.

A typical association for him may include 40 or 50 homes, and, depending on the property, the Lawns by Les crew maintains the landscape right up to a homeowner's front door.

Coates is usually very accessible because he works alongside his crew, something he says that both employees and customers appreciate. As he points out, being in business is not just about making money, it is about making the right decisions – about doing a good job, about having a passion for your work, and about taking care of your business. **WT**

Les Coates with lead man Isidro Perez.



Motor coach ma

John Lutrell, standing, is head of maintenance for Newell Coach in Miami, Oklahoma. James Mertens was hired to operate the company's Walker mowers for 2005. Since the work is seasonal, a new operator is hired each season.



ker

mows in style, too

In the northeast corner of Oklahoma lies the small community of Miami. Next door, in Commerce, Oklahoma, visitors can see the boyhood home of Mickey Mantle, or double back through town and enjoy a little nostalgia along Rt. 66. Indeed, Miami has a lot of history, and with a population of 13,000, it is a bit rustic and quiet – hardly the place, one would guess, where some of the most luxurious motor homes in the country are manufactured. But that is the case, because Miami is also the home of motor home manufacturer Newell Coach.

Newell customers live the high life on the road in coaches that have all the amenities one could ask for, and do. Plush carpet, gold-plated fixtures, space-age sound systems, and two-baths are just a few of the creature comforts that owners call home. Newell Coaches come powered by a giant 625-hp, twin-turbo Caterpillar engine and feature rear-wheel steering to accommodate tight corners in camp sites, or more likely, in motor sports' infields.

Approximately 30 percent of our customers are NASCAR personalities," notes John Luttrell, a 34-year company veteran. Luttrell began his career on the "skin line," and, for the past 11 years, has been supervisor of maintenance. "The skin line is where we put the aircraft-type body panels on the coaches," he explains, adding that every Newell Coach is custom built, and no two have ever left the factory alike. The company manufactures approximately 40 coaches a year, all with a price tag starting at \$1 million or more. These luxurious machines are 45 feet long, weigh in at 53,000 pounds, and take four months to build.

Founded in 1967 by L.K. Newell, Newell Coach is located on 12.2 acres of land on Miami's outskirts. The factory is hard to miss

since used coaches – all bright and shiny – line the property just waiting for a prospective buyer. Inside, employees work to get new orders out the door. If you place an order today, don't expect to drive your coach away until sometime in 2007. The waiting list is that long.

TALL ORDER

Maintaining a facility the size of Newell Coach is a tall order, one that Luttrell fills with nine employees. One of them, Jim Hollon, is an accomplished welder, and others are part electrician, part plumber, and part jack-of-all trades. "I would pit Jim against virtually any welder in the country," says Luttrell. "He is also one of those guys who can fix or build just about anything. That is an important trait to have around here because we are always renovating, upgrading, building new racks, or running compressed air lines to a new assembly area. Like other factories, this one runs on compressed air."

The grounds can be challenging, too, he adds. "If you look around here, you will see that grassy medians circle the property. Owner Karl Blade, who purchased the company in 1980, wanted these medians



to be neatly mowed. It was his idea to use a Walker Mower on the grounds. We purchased our first one in 1990, a Briggs & Stratton-powered chain drive unit, and have purchased five since then."

ADDING EQUIPMENT

Luttrell continues, "Our first mower came equipped with a GHS deck, but we had so

many clippings that we immediately purchased another one with a side discharge deck. This summer, we bought a new Walker Mower, an 18-hp unit, again with a side discharge deck.”

The grounds at Newell Coach are mowed from the end of April through September. At the beginning of the season, Luttrell hires a new yard employee whose primary job is to operate the Walker.

“Our yard person mows virtually all week long,” Luttrell relates. “I show that individual around the yard and then tell him to start mowing at Point A and to finish at Point B. When he gets to Point B, he starts mowing again; the entire process, including trimming, takes a week.”

James Mertens was this year’s Walker Mower operator, and he has no regrets about his job. “The best part about operating the mower is the steering,” he notes. “It just steers and maneuvers so easily, and the out front deck cuts down on the trimming.” He added that on average, he ran the mower 25 hours out of a typical 40-hour week.

AN UPSCALE IMAGE

“The Walker Mowers have truly performed well for us over the years,” adds Luttrell. “When you think about the product that we are making here,

“In the summer, this place is maintained like a golf course, the one giveaway, of course; is the line of coaches outside and hum of activity inside the factory walls.”

it only makes sense to convey that upscale image from the time a customer pulls into our parking lot. In the summer, this place is maintained like a golf course; the one giveaway, of course, is the line of coaches outside and hum of activity inside the factory walls.”

Newell Coach employs 200 people, and like Walker Manufacturing, runs only one shift all year long. Most Newell employees work four ten-hour days, from Monday through Thursday, with some overtime on Friday, if necessary. Their jobs are so specialized that it would be nearly impossible to run a second shift, to have another individual pick up where his or her predecessor left off.

The uniqueness is part of the Newell Coach attraction, along with quality design and features such as rear-wheel steering. “Most large motor homes have to ‘ratchet’ around

sharp corners,” Luttrell explains. “The rear steering allows this coach to go around sharp bends without backing up and going forward a couple of times.” The steering kicks out when a coach reaches a speed of 25 mph.

He points out some especially neat features on the inside, too, such as Star Trek-like doors that open and close by compressed air, and coach sides that move out to allow more space in the living room and bedroom. “We may be the only coach manufacturer that doesn’t ask occupants to step up or down when taking advantage of the additional space,” Luttrell relates. “A floor panel, which drops down when a side panel moves inward, comes up when the panel moves out – leaving a level surface.”

The veteran employee walks through the plant pointing out all the fine details that go into the manufacture of a \$1 million-plus coach. The cabinets, the upholstery, the floor and ceiling are all designed and built to a customer’s specifications. More than a few customers actually visit the plant during the assembly process to see how their “baby” is coming along.

As Luttrell points out, there is nothing ordinary about the coaches or the factory that builds them. Why then, he asks, would he maintain the yard with anything but a mower that is far from ordinary? **WT**



BOB T'S TECH talk

You're invited — really

This is a bit of a departure from the normal Tech Talk, but I believe it has relevance to the residential and commercial applications. During the fall, winter, and early spring months many power equipment dealers will host an event that can fall under a number of names – Open House, Field Day, Customer Appreciation Day, Contractor Day, or Pro Day.

Why do dealers go to the time and expense to put on such an event? On the surface it might appear that the intentions are only to promote sales during their slow months. While that may be true in some instances, most dealers have much broader intentions. For them it's an opportunity: (1) To say "thank you" to the customers that have been supporting their businesses; (2) To attract new customers; (3) To showcase the latest models and innovations of their product lines; (4) To promote their "service after the sale" department; (5) To offer seminars that would increase productivity, improve reliability and promote safe practices. And, of course, the dealer wants to build sales by offering special pricing and financing.

Dealer events usually involve food and drink. It's been said, "if you serve food they will come" and there definitely is something to that. With all of that being offered, why do some consumers and contractors choose not to participate? Excuses vary like the weather: (1) I'm too busy (I'd have to get out of bed before noon); (2) It's too cold (I'd have to put on something other than pajamas); (3) All they want is to sell me something (My mower with 2,200 hours on it should make it through another season – I hope); (4) I have a funeral to attend (My wife would kill me if I bought that new Walker). So are there any legitimate

excuses? Hey, you may be out of town – enjoying the surf, sun and sand on that well-deserved vacation. So why are these events so important anyway?

1. It's important to show your loyalty and support of a hard-working and deserving dealer. He's trying hard to support his family and provide a decent lifestyle for them just like you. If you're a contractor, it's no different than why you want your customers to continue doing business with you.

2. It's a great opportunity to form and strengthen relationships. Contractors can get to know your competitors and others in the mowing industry. They're

pretty great people, just like yourself. Guys, it's a great place to take your wife and family and show them that new zero-turn Walker that would allow you to spend less time in the yard and more time with them.

3. Many times factory or distributor representatives will be present. This is an excellent opportunity to get the scoop on the latest and greatest equipment available, or find out ways to maximize your current equipment. They may hold a seminar on "new mowing trends", "preventive maintenance" or "on-the-job safety". Education can increase productivity and offers greater success.

4. Then there is the food. A burger or brat and a cola just makes for good conversations and a joyous time for all.

Whether you're a residential or commercial cutter, your support is important to your dealer. I've been a dealer and a well-attended gathering tells you that you are doing things right and is an encouragement to strive to serve your customers and community even better. **WT**

Your support is important to your dealer. I've been a dealer and a well-attended gathering tells you that you are doing things right and is an encouragement to strive to serve your customers and community even better.



Jane Lowe and Skip Marvel with her Walker mower. Marvel, a Walker dealer, recommended the mower for Lowe to mow 3-1/2 acres of her 23-acre homestead.

Former teacher takes student's advice

Jane Lowe needed a new mower, and not just any brand would do. She lived on a 23-acre homestead in Wittman on Maryland's Eastern Shore and mowed 3-1/2 acres of lawn every week from the end of April through October. To get the right mower for her application, she turned to a former fourth grade student of hers, Skip Marvel, who owned a power equipment dealership in nearby Easton.

"I drove to Skip's place, but before he would sell me anything, he want-

ed to see how I was going to use the mower," Jane recalls. "He came out, and after taking a stroll around the property, told me that I needed a Walker Mower. I had never heard of any such mower, but Skip brought one out for me to try. I tried it, and I was absolutely sold on it."

Sitting around a table in Jane's kitchen, the student and teacher relive that day nearly 13 years ago. "Jane's lawn was not only big, it also had many broken-up landscaped areas," Skip remembers. "There were

lots of trees, too, with overhanging branches. She needed a compact, front-deck mower to be able to mow around the plantings and trim under the trees. I sold her a 16-hp Walker with a 42-inch side-discharge deck, and I believe she has never been happier with a mower."

"That's right," says Jane adamantly. "The front deck reduces my trimming, and the mower almost magically transforms a mishmash of dandelions, wild strawberry, clover, and marsh grass into a beautiful lawn. It

is also easy for me to handle, and the utility bed in the back is always full of garden tools.”

“Do I sound like I like my mower?” Jane asks. “Well, I do, and I won’t let anyone other than Skip operate it. You know, everyone operates a machine a little differently, and my Walker is accustomed to me.”

MARYLAND ROOTS

Both Skip and Jane are native Marylanders. In fact, Jane has lived in her 150-year-old renovated farm house for almost 50 years. Her husband passed away 21 years ago at the age of 56, and Jane has been maintaining the property by herself ever since then. “I do more than mow the lawn,” says Jane. “As you can see, I am an avid gardener. I am also a painter and a carpenter.”

For those living on the Eastern Shore, being independent comes with the territory, as does the surrounding beauty. Jane’s property has a spectacular water-front location, and the nearby communities of Easton and St. Michael retain their old-world charm. Her 2,400 sq-ft home has plenty of charm, too. The cozy kitchen features a fire place where an old musket, possibly dating back to the Revolutionary War, hangs above the mantle. There is a library filled with all sorts of books and memorabilia, and a spacious screened- and glassed-in porch where Jane, no doubt, spends many days and evenings enjoying her landscape and the view over the water.

Skip takes in the view. He shakes his head thinking about all the changes they have experienced since those days back in fourth grade. “The property values have sky-rocketed around here,” he relates. “People are coming in and putting up huge summer homes on the shore. There has been an influx of big box stores and the subsequent loss of smaller retailers just like in other parts of the country.”



Jane Lowe in the kitchen of her 150-year-old renovated farm house. Lowe took the advice of one of her former students and bought a Walker mower to cut her 3-1/2 acre lawn.

The changes, he points out, have altered his business. Skip opened Marvel’s Lawn & Garden in 1973, and started selling Walker Mowers in 1986 in response to a growing commercial market. “The large homes brought with them a need to maintain them,” says Skip. “At about the same time, homeowners were beginning to buy their lawn equipment at the larger box-type store. I naturally started selling more products to commercial operators and less to homeowners.”

SELLS MANY WALKER MOWERS

Skip, though, still caters to both customers – commercial operators and higher-end homeowners such as Jane. In fact, he says nearly 25 percent of his Walkers are sold to property owners. “A high-quality commercial mower like a Walker will last a homeowner a long, long time,” he adds. “In roughly 13 years of use, Jane’s mower

has only 950 hours on it. Some commercial operators may put that many hours on a mower in a year, and hers has plenty of life left in it.”

That’s good news to Jane, who says it takes her approximately 3 hours to mow her lawn. “Even though I am careful with the mower, I can be kind of rough on it. I bang into things from time to time.” Skip nods his head and says, “Yes, we have had to do a little work on Jane’s mower deck over the years. But other than that, she has had nothing major done to the machine. Like any good operator, she has us give it a ‘once-over’ before the season starts and then she’s good for the rest of the year.”

Jane and Skip look at each other and again start reminiscing about the “olden” days. They agree that things have changed, but neither would ever consider leaving their Maryland roots or alter the common bond they have with Walker Mowers. **WT**

A common-sense approach to calculating the cost of running your business



Do you know how much it costs you to operate your business? If so, what is the relationship between how much you charge for your services and the cost associated with providing them? If your pricing doesn't cover all costs of doing business, including those directly and indirectly related to performing a service, a lawn maintenance company, any lawn maintenance company, will eventually face adverse financial consequences.

The biggest cost item, of course, is labor. In truth, if you know your labor costs, you are well on your way to understanding your operating costs. But what are the other costs and how do all these expenses fit into an overall pricing strategy?

For lawn maintenance professionals who do not have a financial background or who have never taken a course in accounting, tracking costs and understanding their relationship to pricing is like understanding instructions for setting up a new stereo system.

There are direct costs to consider, as well as indirect costs and overhead costs. Direct costs are those that relate specifically to getting a job done, whereas, indirect and overhead costs are those that are "indirectly" related to the job. A typical direct cost would be the cost of labor or fuel to complete a job. Similarly, indirect costs can be anything from equipment replacement costs and vehicle insurance to what you may spend in the course of a year to repair your mowers and trimmers. Overhead costs are also referred to as "administrative" costs. They include expenditures for promotions and advertisements, equipment and vehicle depreciation, health, liability and workers compensation insurance, rent, utilities, and so forth.

There are several reasons to track costs, not the least of which is to be able to present accurate year-end figures to your accountant. Cost figures, of course, are a necessary part of any monthly profit/loss statement and they are invaluable when comparing your business's current performance to that of previous years. In no instance, though, is an understanding of costs more important than helping to evaluate and determine a pricing strategy.

BIG PICTURE

Michael Cecere, member president of Cecere Brothers Landscaping, LLC, in West Caldwell, New Jersey, fastidiously tracks all his operating costs using QuikBooks Pro. Expenses are categorized, and whenever he writes a check or otherwise pays a bill, the amount is captured by the accounting software. The program gives him instant data on his operating costs, and a click of the key can also provide him with a monthly profit/loss statement.

Cecere has been in business 20 years and a Walker user for 15 of those years. Even though he is a college graduate with a finance major,

PUTTING NUMBERS TO WORK

Virtually every expense has an account number in Cecere Brothers' Chart of Accounts. Every check the company writes is entered in the computer under the appropriate number. Here are some sample expenses:

Account No. & Name

500 Petty Cash	535 Insurance
507 Maintenance Disposal	536 Education/Books
508 Landscape Disposal	537 Medical
509 Outside Services	539 Travel
510 Operating Supplies	540 Entertainment
511 Garage Materials	548 Permits and Licenses
512 Postage	552 Trucks
515 Payroll Expenses	555 Garage Repairs and Renovation
520 Rent – Garage and Property	564 Accounting
521 Rental Equipment	565 Legal Services
526 PSE & G	566 Office
529 Phone	575 Depreciation
530 Equipment	580 Dues and Subscriptions
531 Equipment Repairs	581 Uniforms
532 Bank Charges and Fees	590 Fines and Late fees
533 Donations	595 Special Assessment Tax
534 Advertising	599 Finance Charges

he says owners and operators need not have a special expertise with numbers to track and use costing information.

“We tried to separate out direct, indirect, and overhead expenses, but the process became way too complicated and was really unnecessary for our business,” he explains. “Instead, we consider all operating costs as ‘overhead.’ We track how much it costs to operate our 10 vehicles, including fuel and repair expenses. We track depreciation, rent, insurance, phone, repair costs and parts for maintenance equipment, and so forth.”

As Cecere further explains, adding the costs up at year-end tells him how much it costs to be in business. By dividing that figure (say the total comes to \$100,000) by the total number of payroll hours for the year (say 5,000 hours), he comes up with an operating cost of \$20 per hour. *Note: The figures are hypothetical. The 5,000 hours represent direct labor costs*

and would be 90 percent of Cecere's total payroll. He doesn't factor in the other 10 percent that relates to time spent selling or performing administrative duties.

At this point, the owner is half way to determining his total cost of doing business. He then simply adds in his average labor costs per hour (say another \$20, which include FICA, any benefits, and taxes), and bingo, he knows what he needs to make on a job to break even. In this case, if he wants to make \$10/hour, then his hourly rate would be \$50.

As Cecere points out, his labor rate varies according to the job and the degree of difficulty. Company revenue is divided among maintenance, irrigation installation and repair, and design/build. On a project that calls for special expertise, e.g., installing hardscape, the labor rate would be higher than a straightforward maintenance job. The cost of supplies, including plant material,

mulch, lumber, and so forth, is essentially passed through to the customer, with a 10 to 35 percent markup.

YEAR-END MAGIC

Like most contractors, Cecere doesn't have much time during the busy season to evaluate his operating costs. Instead, he waits until year-end to digest the information he has collected, and then uses it to determine what his pricing strategy will be for next year.

To ensure that something unusual such as a spike in fuel costs doesn't overly bias pricing for the coming year, Cecere averages costs over the last three years. “We thought about adding on a fuel surcharge this year, but decided to wait and recoup a percentage of those costs next year with a price increase,” he relates. “The increase will not entirely offset this year's higher costs, but it will help.”

He continues, “From my experience, contractors who get into trouble pricing either don't know their costs, or they underestimate how much time it takes to complete a job. After 20 years in business, we know our costs and have a good handle on estimating. We have also pared down our maintenance business to include 80 accounts, many of whom have been with us for several years. Still, foremen fill out a timesheet after every job, and we use those figures to make sure our pricing is in line.”

For Cecere and other contractors who have been in business for years, there is a direct relationship between knowing the cost of doing business and pricing. As he puts it, knowing your costs and knowing how long a job takes removes the mystery from pricing. Like most everything else, though, the “devil is in the details.” The big costs are not difficult to identify and quantify; it's the little “unaccounted for” expenses that add up over the year and work to steal away profit. 

THREE WALKER DISTRIBUTOR TERRITORIES CHANGE HANDS

Three Walker Mower distributors purchased territories in recent months from other long-time Walker distributors.

In late summer, Lawn Equipment Enterprises of Waycross, Georgia, (Walker's distributor for South Carolina, Georgia and Northern Florida) purchased the distribution rights for Central and South Florida from 20-year Walker distributor Pro Power Equipment. Lawn Equipment Company has been a Walker distributor for 21 years.

In September, Precision Work, Inc. of Port Washington, New York, bought distribution rights for the state of Maine from G.O. Distributors, a Walker distributor for 20 years. This purchase gave Precision Work (a 23-year Walker distributor) responsibility over the nine Northeastern states from Pennsylvania to Maine.

Walker's lower Michigan territory was purchased by Emmett Equipment Company of Richfield, Ohio, (Walker's distributor for Ohio and Eastern Indiana) in late October from Oakland Lawn and Garden Equipment, a Walker distributor for 13 years.

"Our program is unique in that we recognize the value of our distributors' investment in their territories," explains Walker President Bob Walker, "the fact that two distributors can meet together and negotiate the value of a sales territory is a program-wide compliment to the people we work with." Walker adds: "While three long-time distributors have chosen to pursue other business and personal interests, and we miss our day-to-day business relationship with them, we are excited about the new opportunities created for our other distributors and the overall strengthening of our program in these territories."

Export sales strong in 2005

Export shipments of Walker Mowers grew to record levels for number of units shipped in 2005 with sales increasing 24% over 2004 and also taking a 24% share of total factory sales. Although the proportion of export sales had dropped to 18% in 2002 from a high of 25% in year 2000, there has been an upward trend and gain in recent years. Walker believes the increase is due to the favorable

cost of the US Dollar in foreign markets, favorable weather patterns in most export markets and a strong market acceptance of the new MB model. Principal export markets for Walker Mowers are 17 countries in Europe, Canada, Australia and New Zealand. Over 16,000 Walker Mowers have been exported since the first shipment to Australia in 1984.



A & D Distributors, Walker's distributor for Kentucky, Tennessee, Alabama and the Florida Panhandle, celebrated their new 20,000 square foot building completion with a ribbon cutting ceremony on November 17, 2005. Bob and Barbara Walker were on hand for the opening of the new office/warehouse located on 40 acres near Wetumpka, Alabama. Congratulations to Dwight Sandlin and his team on the progress in their company.

WALKER WORLD DRIVING CHAMPIONSHIPS ANNOUNCED



The Walker Obstacle Course at EXPO 2006 in Louisville, Kentucky, (October 6-8) will have a little added competition; contestants from around the world will be on hand to compete for the title of Top Walker Driver.

Competitions are being held in many of Walker's markets around the world, including countries throughout Europe, to determine the best operators.

Domestic contestants can expect competition from not only the European market, but also Australia and New Zealand.

Walker will provide awards to the top three competitors including an expense-paid vacation trip to Colorado for the winner. Plan now to attend and see how you stack up against international Walker users. See complete details on www.walkermowers.com.

BIG GHS BLOWER ON LARGER MODELS

A larger high-performance GHS blower is being installed as standard equipment on the 2006 high horsepower models (MD, MT26, MTL25, MTL31). The 4-1/4" wide x 10-1/2" diameter blower is geared to turn 4000 RPM (400 RPM faster than 10" blower on other models) which increases GHS performance in two ways; it offers more clog resistance in wet, heavy grass and more grass catcher capacity with more dense packing of clippings in the catcher. Another benefit of the new blower is that it is designed for rebuilding with a replaceable housing scroll and hub-mounted fan blades. Although not currently available, based on customer demand, an upgrade kit for earlier models may be offered in the future.



WIN \$1,000 IN 2007 BEAUTIFUL PLACES CALENDAR CONTEST

Walker's Beautiful Places 2006 Calendar is now available, and plans for the 2007 calendar have been released. A \$1,000 grand prize is being offered for the best photo submitted. This photo will also be on the cover. Two \$500 prizes are also being offered for 2nd and 3rd place. Entries will be judged by Walker employees for the top prizes. See the back inside flap of the 2006 calendar or go to www.walkermowers.com for full details.

NEW 36" SNOWBLOWER

The 36" Single Stage Snowblower attachment is now available for all Walker tractors, including the new Model MB. This is a simplified and very functional design with an integral mounting frame, footrest, and mechanical lift; it does not require the separate hitch used on the two-stage snowblower and other Walker implements. An 11" high-speed auger throws snow up to 20 feet with a 180° manually adjustable spout that adjusts from the operator seat. Narrow drive tires will need to be installed on the tractor to avoid overhanging the 36" swath.



BI-DIRECTIONAL ALL-TERRAIN TIRES

New bi-directional tire tread has been developed for the optional All-Terrain tires which offers traction in both forward and reverse directions. This tire is a direct replacement for the earlier uni-directional design and it eliminates the RH and LH mounting requirements of a uni-directional tread. Another improvement incorporated at the same time was to use a heavier 11-ga. steel wheel for extra strength and durability. Note: This same heavier wheel is also used with the optional 18x10.5-10 Low-Profile turf tire.



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