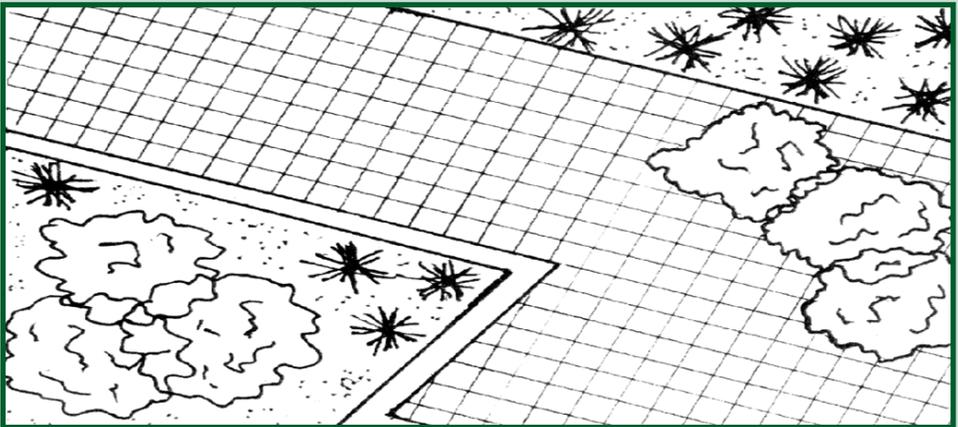
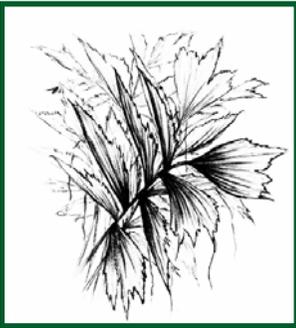


How To Start Your Own
**INTERIOR LANDSCAPE
BUSINESS**



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How To Start Your Own Interior Landscape Business

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How to Start Your Own Interior Landscape Business

If you have a head for business, some design skills, and know how to take care of houseplants, you can start your own interior landscape business. But, the complexity of the interior landscape industry should not be underestimated. This is a tough business, even for the skilled horticulturist or experienced business person. This little book explains some of the most basic problems and complexities associated with interior landscaping. These have been emphasized not to discourage you from starting this kind of business, but rather to encourage you to fully understand what you are getting into before you take the final plunge. Forewarned is forearmed!

The interior landscape industry is not right for everyone. But if you are the kind of person who enjoys the many challenges of a business that requires creative, organizational, and technical skills and abilities, interior landscaping just might be the right career choice for you.

* * *

When an executive needs plants for his office, he/she used to ask an assistant to find a “plant lady.” This image of the “plant lady,” a young, outdoorsy, earth mother with a water bucket in one hand and a pair of scissors in the other, is an image that has faded away in most parts of the United States, but not every client realizes it, until a sophisticated-looking man or woman dressed in full business attire shows up to make a sales presentation.

The interior landscape industry has changed rapidly over the past 40-50 years, growing into a multi-million dollar industry that shows every sign of continuing in that upward direction. Even though the growth in terms of the number of interior

landscape companies has leveled off, and although it is a very competitive trade, there is always room for highly-skilled interior landscape professionals.

Interior Landscape Statistics

The typical interior landscape company has about three employees, does around \$275K in gross yearly sales, and has about 60 clients. Of course, there are companies which have well over 100 employees, have offices in several states, and gross millions of dollars each year. But, they are few and far between.

As of 2019, in the United States alone, there are approximately 5,800 interior landscape companies, representing about 19,000 jobs. More than 78% are owned by women, up from 62% just 20 years earlier. Most are owner-operated with less than three full-time employees, a statistic that has remained constant since the mid-1980s. Also almost unchanged since that time are the locations of these companies. California represents 26% of the U.S. interior landscape trade. Texas, Florida, and New York have strong numbers in terms of companies, but most of them are larger firms. Most companies are located in metropolitan areas, but smaller communities usually have at least a handful of interior landscape companies.

What Clients Want

Today's clients have higher expectations than they did even ten years ago. The demand for indoor plants has grown again after a slump that lasted almost 20 years. Today's clients want, expect, and demand bonded, insured, highly trained individuals caring for their foliage investment.

In the event of a plant fatality, clients expect free plant replacement as a common practice. This free plant replacement or guarantee has made it necessary for the interior landscaper to be better informed and educated in plant physiology, the use of pesticides and fertilizers, and proper watering techniques,

including subirrigation (capillary action controlled watering containers or devices) and all the technologies associated with wall and roof gardens. Being well-versed in foliage plant care is not optional; it is a requirement of the job.

Education

Where does an interior landscaper or maintenance technician learn these things? There are a miscellany of Web sites serving the interior landscape industry, numerous books specifically for interior landscapers, and trade associations that offer workshops and seminars in plant care and horticultural business practices. In addition, many colleges offer interior landscape classes at both community college and university levels.

If you think that your degree in horticulture taught you everything you need to know about interiorscaping, think again. Individuals who have their four-year degree have an edge, but interior horticulture is very specialized, with its own set of rules and regulations governing indoor environmental factors and the maintenance of containerized materials. And, knowledge of plant care is only a small part of running an interior landscape business, and plant knowledge alone is not sufficient to guarantee you longevity, growth, or financial security.

To start your interior landscape company the way most people do, as a one-person operation, you must be an experienced Jack or Jill of all trades. The interior landscape trade consists of horticulture, design, maintenance, new and ever-changing technology, and business skills in management, and bookkeeping, sales, marketing, and public relations.

Do you have sufficient knowledge or ability in all of these areas to start such a complex business? If not, you will need someone advising you who does, or you might benefit from a business partner, or you will need to have sufficient capital to start a business that allows you to hire such individuals who can handle the things about which your own knowledge is limited.

It cannot be sufficiently emphasized how complex this business is. Even if you have a head for business and a green thumb, do yourself a very big favor: take a job as a technician, move into a supervisory position, get a taste for design and sales, and in general work in the industry long enough to really understand first-hand what is involved, and to confirm that you want to do it as a career before you invest your hard-earned savings and your time in starting your own business. Work for a professional for at least three years to learn this business from the inside out. You will be very thankful you did.

Working as a technician for a few months is no basis for owning your own interior landscape business. Since 85% of all small businesses in the United States fail within the first two years, 76% within the first three years, and 55% never make it

FOLIAGE FUNNIES Joelle Steele



“That guy looks like he never even breaks a sweat!
Gee, I hate when that happens!”

past five years, it pays to be totally prepared. The experience and knowledge you gain from working for other interior landscape companies will give you keen insight into the many ways in which this type of business operates. You will learn all the do’s and don’t’s of managing employees and maintaining good client relations. You will learn how

to charge, what to charge, and how to negotiate. You may later start your own business and do things differently, but you will at least have had the benefit of experience.

On the whole, the interior landscape industry does not pay its employees very well but, depending on the geographical location and job position, the payscales can be similar to those of teachers, secretaries, waitresses, data processing clerks, and nurses, to name a few. And, while having that degree can be a plus, you need to know more than just horticulture to advance into higher-paying positions. For example, if you want to get into design you may need a course or two in landscape architecture. Or, if you aspire to a job as general manager or have dreams of owning your own company, some basic business courses are an absolute must.

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Lori Woodhall



“Five hundred hanging pothos for your grand opening tonight?
No problem, Mr. Perry!”

Licensing

Before you start your business there are licenses to be obtained, some of which many interior landscapers are unaware, for example, the “license to sell nursery stock” which is required in California if you maintain any plants on your own premises for sale to your clients or as replacement plants. If you are not in California, you may have a similar license necessary in your state. It pays to check with your local Agriculture Department.

All states have pest control licensing requirements for anyone who applies any kind of chemical, including leaf shines and cleaners, for hire. Some states require that you be bonded to obtain the license or certificate. Some states and counties require continuing education in order to maintain the pest control license, so you should check with your community college, Agriculture Department, or any office of continuing education to see what is required for the license and what classes are available to obtain and support the license.

Your city, or sometimes your county, will require a business license, and many states require a resale number for collection of sales tax. For example, interior landscapers are licensed by county in the state of Florida. And contractors licenses are required by, among others, California, Arizona, and Washington. And, in most cases, if you provide services in more than one city or state you will probably need to have business licenses for each.

Start-up Costs

Tools & Supplies

There are a a lot of costs besides a watering can and a pair of clippers. The list is long, but here is a sampling of some of the basic items an interior landscaper must have:

- ◆ a reliable vehicle, preferably a van with AC so plants can be easily transported to and from nurseries and job sites

- ◆ chemical sprayers, at least two professional quality ones
- ◆ clippers and pruners (buy solid steel Coronas (they last forever with regular sharpening and oiling)
- ◆ spray bottle and bottle of ammonia (to clean off clippers and pruners after each account or each plant)
- ◆ cotton rags - you will need a lot of these since you cannot use them at more than one location at a time without laundering (avoid disposables)
- ◆ leaf cleaners (although a clean damp rag is preferable)
- ◆ chemical insecticides and fungicides to treat the basic pests and diseases
- ◆ fertilizers for foliage houseplants, preferably ones that are water-soluble and that do not stain furnishings or carpets if they spill or splash
- ◆ plastic liners for the insides of decorative containers
- ◆ bark chips and sphagnum and Spanish moss for decoration and to keep soil moist in warm locations
- ◆ hoses to water plants on patios and balconies
- ◆ buckets, funnels, and watering cans (no sprinkler head types)
- ◆ measuring spoons and cups for mixing chemicals and fertilizers
- ◆ twist ties and bamboo stakes of varying lengths and diameters to prop up drooping plant stalks
- ◆ pH neutralizers for areas where hard water makes the soil too alkaline
- ◆ soil mixes for different kinds of foliage houseplants
- ◆ plastic saucers and cork mats to keep water from destroying floors and floor coverings
- ◆ hand truck or dolly for transporting heavy plants and containers

Office Supplies

If you can afford all of the above, and probably a few more items that aren't mentioned, then we can move on to the office equipment:

- ◆ computer with good quality printer
- ◆ scanner, so that you don't have to deal with file cabinets
- ◆ E-mail and Internet access
- ◆ software - word processing and accounting; if possible, specialty software for interior landscapers
- ◆ cell phones (one dedicated only for business use)
- ◆ desk and comfortable chair
- ◆ small file cabinet and file folders (although it's better to just get a scanner and go paperless)
- ◆ merchant account (many choices) to accept credit and debit card payments
- ◆ printed business cards
- ◆ maintenance wardrobe – including sturdy, comfortable shoes
- ◆ sales wardrobe - nice, clean, casual office attire

All the supplies and equipment, both for maintenance and for the office, need to be good, heavy-duty, quality items because they will be used all day, every day, and things like clothing and rags will need to be washed often. Wear and tear is VERY HEAVY. Your chemicals will run out before you know it and will need to be replenished regularly.

How much does all this cost? With liability and auto insurance, possibly bonding, and excluding the vehicle and the rent, you are looking at anywhere between \$8,000 to \$12,000 to start and that is only if you are buying small amounts of the least expensive items available. Can you do it for less? Yes, but most people don't stay in business for long that way. Start saving today!

Other Start-up Costs

Besides the tangible things such as your equipment and supplies, you will have some not-so-tangible investments to make:

◆ **Advertising.** This includes business cards, a website, a portfolio, online advertising, and possibly some ads in newspapers. If you don't have the skills or talent to do all of this, hire a professional marketing designer. Either way, keep it all simple and attractive. You can always upgrade later.

◆ **Legal.** You can purchase contracts written specifically for your industry at www.greenindustrypublications.com or www.contractkingdom.com. They are only \$25 and are fully customizable. However, you are always advised to take any contract you purchase online to an attorney to make sure they contain any additional language that makes them fully enforceable in your jurisdiction.

◆ **Accounting.** It pays to have the right financial advice right from the start. Owning your own business is not the same as working for someone else when it comes to paying taxes, etc. This investment can save you a fortune down the line.

◆ **Insurance.** You need, and in many cases are required by law, to have general vehicle, public liability (bonding in some cases), personal disability insurance (through your state, through a separate policy, or both), individual or company health/medical insurance and, once you have even one employee, workers compensation insurance. Contact a local insurance agent who can advise you in this area.

◆ **Clerical.** Unless you can spell and write well, possess excellent secretarial and bookkeeping skills, and unless you wish to devote all of your free time to doing paperwork, you will need someone, maybe part-time at first, to keep you and your office organized.

Specialization

The interior landscape industry has become specialized. Some firms specialize in residential, some in commercial. Some do both with the help of separately trained crews to provide the distinctly different services required of these two types of clients.

Some interior landscapers specialize in restaurants (only recommended if you do not require a “normal” working day schedule), some do malls only, some prefer law offices, while others excel in hotels. Other types of specializations include maintenance only, installation of new plants only (frequently on a lease basis requiring a significant outlay of your capital), large accounts requiring a certain number of hours per week or a stated dollar amount per month, or only small jobs with no more than a certain number of plants.

There are also specializations by geographical area. This could mean only one state, a three-state area, only one city, a greater metropolitan area, a particular residential neighborhood, or only the downtown commercial district. Sticking to an area helps keep your vehicle expenses down – travel time is always the biggest money waster in every service business.

Other kinds of specialization can be found in the kinds of services offered. In addition to installing and maintaining plants, there are companies which specialize in design, floral arrangements, seasonal decoration, specialty plants for holidays, artificial foliage, green walls, and containerized patio gardens, to name just a few.

Job Requirements

Interior landscapers have many things in common:

- ◆ An affinity for live tropical foliage
- ◆ Dealing with a perishable product prone to disease, insects, and human negligence

- ◆ Lots of driving, often in heavy traffic, on a timed schedule
- ◆ Problems with access to plants in areas that are often off-limits to the general public, often at times when the client is absent, or when doors are locked because someone went on vacation and did not leave a key
- ◆ Back-breaking labor lifting and carrying plants, containers, buckets, etc., every day
- ◆ Heavy client contact necessitating a good attitude and an ability to troubleshoot “touchy” situations
- ◆ Ability to handle any horticultural problem when it first manifests itself
- ◆ Strong business management skills that include organizational skills and the ability to manage employees
- ◆ An eye for the aesthetic and design trends (because you will frequently work with different design professionals and must be able to speak their language)

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Lori Woodhall



- ◆ The self-confidence, professional appearance, and business etiquette necessary to be a good salesperson (because no one can sell this type of service better than you).

Drawbacks For An Owner-Operator

When some entrepreneurs start a personal service such as interior landscaping, they frequently express a desire to “keep it small, just me.” It is almost impossible to keep this type of business a one (or even two) owner concern for much longer than a year without sacrificing the quality of service or suffering a significant turnover of accounts.

Remember, if you are the only one doing all the work – the sales, the design, the service, the clerical, etc., when do you take a vacation? What happens if you become sick? What happens if there is a family emergency?

Most plants lost due to disease or insect infestation are most subject to those conditions during times when they are not watered correctly. Having someone come in and water for you on an irregular basis can result in serious problems for you. And, if the individual who performs this service for you is not particularly congenial, you could lose a client as well. If the person is not particularly ethical you may find that they have taken over your business entirely in your absence. I’m not kidding; it happens.

Selling Your Business

Many small owner-operated businesses decide to “sell out” when the going gets rough. They think that they will make a lot of money if they sell their interior landscape business. They are usually very wrong and they are very disappointed when they find out that they do not have a real “business” to sell at all. At best they may be able to sell their maintenance accounts, but unfortunately they may find that even this is far less lucrative than they might imagine. No one wants half of their accounts,

will only pay two to four times the monthly maintenance rate for the ones they do want, and will not take their beat up old vehicles, supplies, and equipment at all. Unless you have a substantial interiorscape business complete with plant and container inventories, selling out will probably not be much of an option.

Employees

Once you begin to grow you will need to hire employees, usually technicians, to handle your maintenance route and to free up your time to do more sales and managerial tasks. With employees comes increased expenses in vehicles and liability. There are payroll taxes, personnel turnover, training programs, equipment replacements due to wear, tear, theft, or loss.

Finding qualified interior landscape maintenance technicians is a problem shared by everyone in this business. Good help really is hard to find no matter what industry you choose for a career. On-going training combined with regular quality control of maintenance accounts is crucial and must never be neglected for even the shortest period of time. This can easily result in loss of business and the perpetuation of bad habits in technicians.

Pricing For Profit

It is tempting to want to keep your service business on a “friendly, personal level.” This is fine, but only up to a point. Abuse of the personal touch generally results in cash flow problems resulting from incorrect bidding procedures, inadequate or non-existent contracts, giving good “deals” to everyone at your company’s expense, and “forgetting” to send out a bill to a client.

In order to remain financially stable while the business grows, expands, employees are hired, and larger or more complex projects are undertaken, it is important to start out with a firm understanding of the business part of such a

venture. Knowing how much other interior landscape companies are charging for maintenance or how much they mark up their plants is part of knowing what the competition is doing. But, how much you charge should never be structured according to what the rest of the industry is doing. Every company's overhead expenses, methods of operation, and plans for future growth or expansion are different. What may seem like a reasonable rate for one company may be overcharging or undercharging for others. A good accountant can help you determine exactly what your overhead expenses are and how much to charge to cover projected growth, losses, etc., and still give you a profit.

Competition based on cut-rate prices or "low-balling" are directly responsible for most of the problems that exist in all the contracting trades, including the interior landscape industry. This can be avoided with sound business practices.

For example, if the going hourly rate for maintenance in your area (rates vary greatly according to what part of the country you're in) is \$40.00 per hour and your overhead dictates at least \$45.00, then charging \$35.00 is going to put you in debt and keep you there. How you get around it can be handled from inside your business by cutting back on expenses or toning down your lifestyle if necessary. A logical and much more profitable means of making money in sufficient amounts to support you in the lifestyle to which you have become accustomed, would be to learn effective sales and marketing techniques that will allow you to sell your services for the amount that is necessary, in the case of our example, \$45.00 per manhour.

You may be thinking that this is impossible and that you won't get any business that way. Well, it depends on you and your ability to sell your most valuable asset – you. Sales means selling you first, your company second. Your prospective client already wants the plants. If you decide to let the plants do the selling for you, you will lose the sale.

Salespeople are successful because they know the ins and outs of selling – how to talk to people, how to establish credibility. They know how to project confidence so that clients want to hire them because they seem to be trustworthy and right for the job. Salespeople know how to “network.” They know that it’s not what you know, but who you know, and they use their connections to benefit their businesses.

Finding Clients

Clients are everywhere. You can start your own business with professional integrity by distributing simple brochures (avoid flyers), putting up a Web site, placing ads in the online Yellow Pages, and going door to door where you want to secure clients. In addition, you can cultivate relationships with interior designers, landscape contractors, landscape architects, architects, and your fellow tradespeople to find new clients through the networking process. Other forms of networking include social media posts, the referrals you obtain through your friends and social contacts at your gym, church, clubs, and through volunteer activities.

The one thing you want to avoid is soliciting your previous employer’s clients. This practice, though not unheard of, is extremely unethical and is a violation of implied “trade secrets.” What this means is that a former employee has access to confidential information about his or her previous employer’s company which includes the names and addresses of the employer’s clients and possibly even the amount of money they are charged each month. By using this information to start their own business, entrepreneurs do financial damage, in the form of lost revenues, to their previous employer who can then sue them for those damages in a court of law.

Start your business like the professional you aspire to be. Sell your services through legitimate channels and build your client base with ethics and integrity.

Maintaining Plants

In gardening, as in life, it pays to be prepared. To be prepared means having all the right things before you need them and keeping them in good repair so that when you do use them they work properly. It also means knowing what to buy and how to select the items, whether it's tools and equipment or the plants themselves.

Tools of the Trade

- ◆ **Outdoors:** Outdoor gardening tools are larger, sometimes power operated, and can be stored outside in a garage or shed.
- ◆ **Indoors:** Indoor gardening requires small hand tools which must be kept scrupulously clean, stored away from your outdoor tools and supplies in a clean drawer or tool box, and never used on any outdoor plants you might maintain.
- ◆ **Explanation:** Using your outdoor tools and equipment on indoor plants can expose the plants to a wide variety of microscopic bacteria and minute insects and pests to which they have little or no natural resistance. These intruding organisms can contaminate and possibly destroy most, if not all, of an installation. This is because the indoor environment lacks the natural predators which keep pests in check outdoors, and bacterial contaminants cannot be leached into a water table or blown away by wind. Instead, they are forced to stay within the confines of the plant pot where they multiply rapidly and can ultimately destroy the plant.

Before you buy plants, you should have a few of the basics on hand, the tools of the trade so to speak. You will need most, if not all, of the following:

- ◆ **Alcohol.** This is used to disinfect your tools after each use on each individual plant. Ordinary rubbing alcohol is fine and you can put it in a spray bottle for convenience. Never use a commercial disinfectant cleanser to clean your tools unless you rinse them very thoroughly before using them again.

- ♦ **Clippers.** These will be used when you prune woody-stemmed plants, like ficus trees. A medium sized pair with a curved blade style works best. They should be kept very sharp since dullness may lead to minute tears in the plant leaves or stems which then present an open invitation to disease.
- ♦ **Funnel.** When putting substances into small mouthed bottles or subirrigation devices, these come in handy. A medium-sized (one cup) metal one is just fine.
- ♦ **Gloves.** If you are sensitive to plant juices and sap or if your hands get itchy or chaffed when handling soil, you should get a pair of gloves to use for transplanting or staging. Get 100% cotton as your hands will get warm and sweaty when you work in them and cotton breathes. Gloves should be protective but do not have to be heavy-duty. You should be able to move your fingers and even make at least a partial fist while wearing them.
- ♦ **Poker.** Any thin, pencil-shaped rod to make a hole in the soil.

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Lori Woodhall



“I didn’t know we had a new plant man, but come on in!”

- ♦ **Scissors.** These are used to trim leaves and cut back slender stems. Any ordinary, but sturdy, pair of scissors will do. Like your clippers, they should be kept very sharp.
- ♦ **Stakes.** These come in handy when a plant starts growing and needs to be trained to grow in a certain direction or just needs some additional stem support. The best ones to get are bamboo and they come in different lengths, diameters, and colors. Use your own judgment as far as color is concerned and get different sizes to use based on the individual plants you are going to stake.
- ♦ **Trowel.** This is a small hand-shovel which you will use for planting and transplanting. These come in pretty much the same sizes and shapes. Just be sure to get a sturdy one.
- ♦ **Twist ties.** These are the little gadgets that come with your garbage bags. You can now buy them in a roll that has a cutting device attached to it for convenience. Ties are very useful in attaching a wayward branch to a stake.
- ♦ **Watering can.** This can be whatever size you can carry (a half-gallon size is best for most people). It should be spouted; no spray nozzle as that may encourage water to splash on the leaves or on the furniture and floor.

Caring for Your Tools

Good hygiene is crucial when gardening indoors. Tools and equipment should be cleaned with water and alcohol immediately after each use. Hand tools such as scissors, clippers, and trowels should be wiped or rinsed off with water, sprayed with alcohol, and dried thoroughly with a clean rag or towel. They should be oiled and sharpened weekly. Even buckets should be cleaned after each use, especially the spout, as it may have come in contact with plants as you water. Your gloves, if you use them, should be washed in hot soapy water before being used again or stored with your tools.

All of your equipment should be stored in a clean place separate from any outdoor gardening tools and supplies you may have. Since most of the equipment is small, you might want to keep it all in a small canvas tote bag or in a basket with a handle. Just remember to keep the tote or basket clean too.

Plant Selection

Here are four things to consider when buying plants:

- ◆ **Aesthetics.** This refers to the outward visual appeal and appearance of a plant. Ficus trees have a delicate forest look and palms have a tropical feel. Some plants are lush and full, while others are more angular and have an architectural feel to them. Every plant also has its own individual appeal as one of its species. When you select, always pick the one that looks healthiest.
- ◆ **Design.** This has to do with how well a plant will blend in with or complement your client's existing decor. If it is decorated in the eclectic hodge-podge found in the average home, most plants will look just fine. If, however, the space is a careful assembly of Chinese modern, complementary plants such as rhapsis and caryota palms might be more appropriate.
- ◆ **Environment.** Regardless of appearance, all plants have their own particular lighting and temperature requirements. If your high-tech decor is positively screaming for ficus trees but you have only sufficient light to support a *Dracaena craigii*, you will be forced to decide between the *craigii* or an artificial ficus.
- ◆ **Care requirements.** Some plants have "high-maintenance" characteristics. This means that they require special attention that other (low-maintenance) plants do not need. If you had all the time in the world to take care of a client's plants this factor would have little impact on your plant buying decisions. But, the average client can't afford that, so you need to look for easier care alternatives in most situations.

As a rule of thumb, the higher the light requirements of a plant, the more likely it is to be a high-maintenance plant. This is because it will grow more quickly in a brightly lit area, will require more frequent watering, trimming, and pruning, and will be more likely to attract insects and other pests. Since high-maintenance plants may also suffer from water deprivation stress if allowed to dry out too often, and they may require more frequent grooming to remove the brown tips that result on their leaves. Plants that can survive in lower light are not altogether free from these conditions, however, they do not require as constant or as much attention.

The following, planted in well lit areas, are most likely to be considered high-maintenance plants:

All flowering plants

Asparagus ferns

Bambusa (“bamboo”)

Beaucarnea (“pony tail or bottle palm”)

Caryota (“fishtail palm”)

Chlorophytum (“spider plant”)

Cissus (“kangaroo vine” and “grape ivy”)

Codiaeum (“croton”)

Coleus (“painted nettle”)

Dracaena marginata (“dragon tree”)

Ficus benjamina (“weeping fig”)

Nephrolepis (“Boston fern” and similar fine-leafed ferns)

Nephtytis (also known as syngonium or “arrowhead plant”)

Pilea ivies

Plectranthus (“Swedish ivy” and “creeping Charlie”)

Polyscias (“aralia”)

Zebrina (“wandering Jew”)

When you decide what you want and it’s time to buy, try not to let yourself get overwhelmed by all the beautiful foliage surrounding you in the nursery. Being pretty is not always equivalent to being healthy when it comes to plants, since many indicators of a plant’s health are not readily visible. Most plant fatalities originate long before your local nursery

purchases the plant. It happens when unscrupulous growers maintain their stock under less than optimum greenhouse conditions. If you buy carelessly, you may buy a plant that is destined to die regardless of how well you care for it. And, if you bring that sick plant into an otherwise healthy indoor garden, you also risk contaminating all the other plants and subjecting them to damaging pests or diseases from which they may not recover.

The first step in buying plants is to shop at a reputable nursery. Look at how the indoor plants are displayed. If some are outdoors and it is cold and/or windy, or if they are in direct, or even indirect, sun, don't buy them. Most indoor plants cannot tolerate the outdoor elements very well and symptoms of this stress may not show up for a couple of weeks or more.

Check all of the following to ensure that you are buying a healthy plant:

- ◆ **Pests.** Look closely at the leaves and flowers to see if there are any small moving brown or black spots. Bringing home an insect or other plant pest is not a good idea. They are very contagious to other plants and they are almost impossible to control indoors.
- ◆ **New growth.** Look for leaf or flower buds. While a plant that has a lot of open flowers may look good, the flowers will not have much life left in them. A plant with a lot of buds will provide flowers that will last longer. With non-flowering plants, new leaf buds and any signs of new growth in general are positive signs.
- ◆ **Roots.** You probably won't be able to see them because they're under the soil, but you should still be able to see if there are roots growing out of the drainage holes or over the edge of the pot, or if the pot is cracked and bursting with roots. Examine the top layer of soil and see whether it is all roots or if there is still some soil left. A rootbound plant is not neces-

sarily an unhealthy one, but it may need to be transplanted into a larger pot and, if so, you need to know that it will still fit into a particular area or even into an existing decorative container once it is transplanted.

♦ **Smell.** Up close, plants should smell like plants (sort of like the grassy smell of a new mowed lawn), if they smell like anything at all. Harsh chemical odors could warn of overfertilization, and musty or moldy smells may indicate a fungal disease. Other smells that are less than desirable are rotten odors that may later reveal a rotted root system or a foreign substance poured into the pot.

♦ **Damage.** Leaves can get a little battered when plants are delivered to the nursery from the grower, but there can also be more severe stem damage that has been repaired or disguised. Look for taped stems and branches or stalks that are very tightly bound to a stake. The stake may just be there for support which is okay. What you want to avoid are broken stalks or trunks that are staked to keep their broken and damaged limbs from breaking off altogether.

Transportation

Now that you have bought your healthy plants, it's time to take them to either your holding area or to the job site. Your car or truck can be a death trap for plants. Cars heat up on a sunny day and can permanently damage leaves, and a foliage plant sitting in the open bed of a truck will get sunburned, in just a few short minutes, while its leaves will shred or possibly freeze in the wind. If you transport your plants in your car or truck, take these precautions to insure their safe journey:

♦ **Sleeves.** These are paper, sometimes net, coverings that protect plants by keeping their leaves and stems in an upright position during transport. They should be removed immediately upon arriving at your destination.

- ♦ **Handling.** Never, I repeat never, pick up a plant by a stem, stalk, or trunk. This puts far too much of a strain on the plant structure itself and it can also damage the roots. Pick plants up by the container only and use your arms to support the stems and branches of large specimens.
- ♦ **Moisture.** Check to see that the soil is moist, not excessively wet, and definitely not bone dry, before you transport your plant. This will eliminate some of the stress that the plant will experience during even the most careful transit.
- ♦ **Saucers/Liners.** If you don't already have them, you should buy them in quantity in a variety of sizes. When you water plants you will want something under them to catch excess moisture. Get sturdy saucers or liners that allow at least 3/4" clearance all around the bottom of a pot.
- ♦ **Vehicle.** Keep the heat and air conditioning to a minimum. You don't want to overcompensate for outside cold by cranking up the heater and frying the plants which are more easily damaged by extremes in temperature than humans. The same goes for freezing air conditioning on a hot day. And, make the nursery your last errand of the day so that you do not have to leave your plants in the vehicle for any longer than is absolutely necessary.

Acclimatization

When you get your plants to their destination, carefully unload them directly into the staging area or job site. Avoid placing them in a garage or back patio. If you bought a plant for a well-lit area but the plant is used to being in low light at the nursery or garden center, it may need to be acclimatized to the brighter light. Put it in a dimmer location to begin with and then gradually move it into a brighter area over the next couple weeks.

During their first few weeks in their new environment, plants usually need some special TLC. After all, their new environment may be very inviting, but it is also one more

sudden change that they have to adjust to on their long journey from the greenhouse to the retail nursery to your client's place – the final frontier. Check their soil twice a week during the first three weeks to be sure that they have not completely dried out. Plants that are under stress often use more water during the process of acclimatization.

Scheduling Maintenance

After the plants have become settled into their new surrounding they must be maintained on a schedule to ensure that they receive regular, dependable care. Plants, like people, become accustomed to routine. Their life cycles revolve around the frequency and quality of the care they receive. When that routine is disrupted, the plant may become stressed and demonstrate signs of weakness such as slight wilting, yellowing, or leaf loss. It is during those times that a plant is most susceptible to diseases or invasion by insects or other related pests.

Try to stick to your maintenance schedule, and avoid the temptation to vary it a day or two. Most clients won't tolerate that variation in services days anyway, but the plants will be the ones that suffer from irregular watering.

Service once every week is a very normal maintenance schedule. You can disrupt it by a day or two without any major problems occasionally, but just to be on the safe side you should try to adhere as closely to your schedule as possible.

Summary

Plant care is not a “mellow, laid back kind of job” that is lots of fun because you get to go to different places and meet interesting people. It is a very fast-paced, labor-intensive industry in which you may meet interesting people. However, those people you meet are clients, not social acquaintances, and you don't want to damage your reputation by mixing too much business with pleasure.

None of this is said to discourage you, only to inform you of the reality of owning your own business. If you are seeking a challenging, ever-changing, variety-filled occupation, with plenty of physical and mental activity, then this could very well be the career for you.

Q & A

Q. I am only a few units away from graduation with a degree in ornamental horticulture. What kinds of employment opportunities are available to me in the interior landscape industry?

A. Some of the smaller businesses have experienced difficulties keeping afloat and many have folded or been purchased by the larger companies which seem to be holding their own. Since turnover is high in the technical positions, you should be able to secure an entry level position at the very least.

Q. What classes should I take to get a job in the interior landscape industry? Is a degree necessary?

A. What you study and whether you get a degree depends on what your ultimate career goals are. Just wanting to get a job in the industry is a little vague. Perhaps a career or guidance counselor at your local college can help you determine exactly what you want to achieve in the industry and help you tailor a course of study that will help you reach that goal.

Q. I want to work in the interior landscape trade as a designer. Should I get a degree in horticulture or in landscape architecture?

A. The degree in landscape architecture would probably open more doors for you in the long run and could be tailored to cover horticulture in greater depth or with a concentration on the interior.

Q. Can you explain just exactly what is meant by the term “good will” and how a dollar amount is attached to it?

A. Good will is an intangible asset attached to a business due to product superiority, reputation, and managerial skill. Its existence is evidenced when the business earns a rate of return on the investment that is in excess of the normal rate for other companies in the same trade or industry. Good will must be

measurable, and therefore appears only in the course of an event or transaction which documents that the business was sold for an amount that is greater than other businesses of its kind.

Q. As our company grows we're finding that our twice monthly company meetings have gotten longer and longer and still not everything gets covered. I don't have the time to lead more than two meetings a month. Any ideas on how I can streamline the meetings and make them more productive?

A. Be sure that you follow a printed agenda. Start out by covering items that apply to employees in general, then to lowest level positions and up to the executive staff. As each category is completed, some people can leave the meeting. A more efficient alternative would be to have fewer company meetings and have more departmental meetings or key personnel meetings. And, don't feel that you must be the person to lead all meetings. A good manager knows how to delegate responsibility.

Q. We have always used company vehicles but some are ready for retirement and the debate is on: replace with more vehicles or have the employees use their own and reimburse them. What are the advantages and disadvantages of going either way?

A. The advantages and disadvantages depend on your company's needs. How are the vehicles to be used? Are they used to haul around a lot of equipment or products on a daily basis? Are the distances traveled more than 50 miles in a day? Do most of your employees have reliable vehicles? Economy cars or gas hogs? What are your insurance rates like? Are your employees working in teams or individually? If you replace the vehicles would you be leasing or buying? New or used? What kinds of vehicles would you be buying: sedans, vans, pickups? You need to figure out what the costs and needs are for your company and weigh them to make a decision you can live with.

Q. We are moving our business out of our home and into an office and warehouse facility about a half-hour drive from our home. We are concerned about the distance our field personnel will have to drive every day. I know some businesses don't require field personnel to come to the office daily but I like to keep some control over them in this way. What is your opinion?

A. I can only assume that your concern is over whether your field personnel will be adequately prepared for each working day without coming into the office. I think that with careful planning on your part this could be overcome. Perhaps having them come in twice a week would be adequate or maybe even once depending on the individual and the territory they cover.

Q. I have a good contact who is in the position to award me projects. I am a very small company and would love to have even one of his projects, but I don't think I could handle it personnel-wise.

A. It's better to gradually grow into large jobs. While they may seem like money-makers on the surface, they are often riddled with unseen problems that appear while the job is in progress. Only experience and time can teach you all the stumbling blocks, how to correct them, and how to avoid them.

Q. I have problems in my business and don't know how to find the solutions by myself. How do I find a consultant and how can they help me? How much do they cost?

A. Contact the Small Business Administration in your area, your local and national trade associations, and browse through the Yellow Pages. All consultants are different. Some have specialists in all areas of business, some of the individuals are specialists in a certain area(s) such as accounting or sales or operations, etc. The cost is dependent on the firm you hire and the type of work they provide. Most consultants will offer a one or two hour consultation in which they will attempt to help you pinpoint your problems and then will quote you a figure for

actually implementing the necessary changes, etc. Often, you may be able to implement the changes yourself once the real problem is ascertained.

Q. Several businesses in my area have exchange accounts with their clients. Is this a way of keeping money from changing hands and therefore off the books? Is this legal?

A. There has long been controversy over whether exchange accounts are legal, per se. The actual way in which they are supposed to be handled according to the IRS, is that you also exchange invoices and keep track of how the exchange is proceeding. Some exchanges are lopsided from time to time and this is the way to make sure they stay even.

Q. I'm concerned about the keys, security cards, alarm codes, passwords, etc., that we have acquired. We have not had any thefts, but one of our competitors did and now I'm worried. Is there a way to handle such a breach of security?

A. Security accounts are handled in different ways. In some instances the keys, cards, etc., are released only to certain trusted members of the company. Other companies trust everyone. I personally recommend the former method because there is less confusion as to who has what keys in the event of a termination of account or employee. There is also less likelihood of theft because the finger would automatically be pointed at only those particular individuals.

Q. What about websites? Do I need one?

A. These are especially good for displaying your portfolio of interior landscape installations, once you have some completed and photographed. They are great sales tools and are far less expensive than most other forms of advertising and marketing. But, keep in mind that you have to let people know the website is there and/or you must spend a little more to make it come up earlier in a search.

Q. Scheduling vacations is difficult because I'm so small and don't have a floater. I usually fill in, but recently my employees have been asking for more time off on holidays too. I find I'm doing fill-in every month and my duties are being neglected as a result. How should I handle this?

A. With vacations you might have to continue filling in until you can afford a floater. As for the holidays, have you considered just rescheduling the holiday weeks for shorter maintenance times which can be made up during the weeks that follow? For example, if a holiday falls on a Monday, how about taking some of the Monday accounts and spreading them onto Friday and Tuesday? Maybe moving some of Tuesdays onto Wednesday, etc., and reducing the maintenance time allotments slightly to allow for the change.

Q. We've been thinking about selling our service business. We gross about \$20K per month in maintenance and additional monthly gross receipts averaging \$4K in product sales. We have a van, a small pickup truck, a computer, and miscellaneous office supplies, equipment, and inventory. How do we determine how much to ask as a sales price for our business?

A. Ask your accountant. It is impossible to set a value on a business without seeing it, without knowing anything about the nature of your contracts, the condition of your vehicles, equipment, etc. There are no reliable formulas for calculating the value of a business that would allow you to just do a few simple calculations and have a realistic sale price. Also, the value is subjective. It may be worth more to you than to the buyer. Your accountant can give you a truer picture of its worth based on your financial statements and tax returns.

Q. I am interested in taking on a partner to share some of the responsibilities of my very small, but fast-growing business. How is financial ownership determined when a new partner does not invest capital into the existing business?

A. You may wish to designate a percentage of ownership to be acquired over a period of time based upon the individual's contributions to the company or you may want to have the individual invest a certain amount from their income each month to pay off their share of the business. You may wish to attribute a specified dollar amount to their perceived value as a member of the company. It is really up to the two of you to decide exactly how you want to do it in such a way that is beneficial to you both as individuals and to the company.

Q. Is there a formula to determine the dollar amount of inventory a small business should carry versus gross sales or some other factor?

A. In general, small businesses you should not carry more than about three to six months worth of inventory. You can carry more than this if you make a habit of buying to receive quantity discounts, but you should avoid over-buying, particularly slow-moving items.

Q. My employees have been dropping very big hints that they'd like health insurance. I don't see how I can afford it and group policies want more employees than I have. Are there alternatives?

A. Health insurance is a pretty basic benefit and there are group policies that will insure very small groups. You may have to talk to a few different insurance agents until you find someone who handles such a carrier, but there are affordable plans for groups of all sizes.

Q. I want to sell my business but I am worried about letting someone see my service accounts. What happens if they decide to just go in and take the accounts away from me? Do I have any legal recourse before I allow them to see my accounts?

A. Yes. Before you show them your accounts, have them sign a paper that says they agree not to solicit or in any way contact

those accounts for a specified period of time, usually 12 to 18 months. That's how you get your legal recourse should it be necessary.

Q. My partner and I do not get along anymore. The business is falling apart and we want to divide it and go our separate ways. How do you determine who gets what? If we can't divide the assets exactly 50-50, how do we attach a dollar value to the balance?

A. You can do it monetarily or you can do it geographically or a combination of both. You should have your accountant help you attach a dollar value to the business and its assets first so that you are not arbitrarily assigning values to things which may later be deemed unfair or inaccurate. If you have a dollar value attached to everything, the one with the greater amount of assets can pay the other the balance in cash.

Q. Isn't bonding just duplicating my other insurance coverage?

A. Bonding is not insurance. Bonds are all different, but the ones used in horticultural service businesses usually take care of items that are not covered by your liability insurance. These "janitorial"-type bonds are for specific amounts and work pretty much as follows: If a small antique vase is broken by your technician, the bonding company will pay the client for the amount of the loss as stated by the client. The bonding company will then recover that amount directly from you, in full.

Q. I can't get anything done. I make weekly and daily plans but I have so many interruptions that I get confused and forget what I'm doing and end up going from one thing to another without finishing anything. Is it just me or is this the nature of the business?

A. The nature of any business is that there will always be interruptions. You need to set aside a block of time during which you do not take calls and during which you are not inter-

rupted. Train your employees to hold their non-emergency questions until you are receiving visitors in your office. Learn to delegate things that you don't have to personally do. Also, set realistic goals and try not to over-extend yourself by trying to accomplish things within a too-limited time frame.

Q. I think I need to hire someone to help me now that I have opened a new territory in a neighboring town. Should I hire a salesperson or a manager?

A. It depends on what you need and what your strengths are. Are you a better salesperson than a manager? If so, hire a manager. If you are a top-notch manager and feel uncomfortable with sales then hire a salesperson. There is no right or wrong answer, only what works best for you and your company.

Q. An interiorscaper in my area wants to merge our companies. I think that we would get along well but I am nervous about giving up complete control over my business. The merger would make us by far the largest interiorscape firm in our area. What is your opinion of such a merger – the pros and cons?

A. Just liking a partner should not be the only consideration in a merger. Do you have complementary skills and abilities? What is the financial status of her company, yours? What would be the purpose of the merger? To be the biggest? Biggest doesn't necessarily mean best. Have you seen her accounts, her installations, etc.? Do you have the same standards, the same ethics? A merger can be great but you should listen to your gut feelings. You say you are nervous about giving up complete control and I think you should examine that anxiety more closely to discover the source of that feeling before you make your decision.

Q. We have disability insurance in our state but it doesn't pay very well if you are the owner of a business. Is there another kind of insurance for owners that covers you if you become ill and unable to work?

A. There are private disability insurance plans that are available through your insurance agent, and they are highly recommended for owner-operators. The premiums depend on the value of the policy. They are all different, so shop around and find one that's right for you and your business.

Q. Can an interiorscaper in one state do business in a neighboring state under the same business license?

A. Not usually. In most cases you can't even do it in a neighboring city without getting a business license from that city. Check with your local authorities for details as they pertain to your area, and check not only city licensing, but state contractor licensing bureaus and agricultural department pest control licensing divisions as well.

Q. I installed a project and now the client is trying to get me to reduce the bill. I'm afraid if I refuse he won't give me the other job he's been promising. What's your advice?

A. I think that the only appropriate time to negotiate a fee is before services are rendered. If you have a signed contract with the client and if they are not requesting an adjustment for something about which they are dissatisfied, then I think you should politely advise them that the bill is due and payable in accordance with the contract and that if they wish to discuss any changes in fees or terms for future projects that you would be glad to do so.

Q. How much vacation should a technician have each year? I feel like two weeks is justifiable for my techs. Can I give other positions one week?

A. You can give as much vacation as you want as this is something that is up to you and is not a government requirement. As for offering more vacation time to one group than another, you will have to state this in a written policy and you must also check your state labor laws to see whether they place any conditions on this.

Q. I sold some excellent maintenance accounts that were located in a city I no longer service. After four months the buyer lost one-third of the accounts, the cost of which they deducted from the balance they owe me on the entire purchase price of all the accounts. Can they get away with this? I had those accounts for several years with no problems whatsoever.

A. It may be too late for you to do anything about this short of hiring a lawyer to recover the balance. To avoid these types of situations, stipulate in writing (in a sales contract) exactly what happens if an account is lost within a certain period of time, specifically that the purchaser is still obligated to pay for it.

Q. Are there any ratios for maintenance time versus travel time per day?

A. Not really. An appropriate ratio on a city route may be completely impossible on another more rural route. For example, five hours of maintenance to three hours of travel may be acceptable in a route that covers one hundred miles per day, while six and a half hours of maintenance to one and a half hours of travel time could be too much travel time in an area more densely populated with service accounts. Other factors would be whether the route was a two person route (completely impractical for the one hundred mile route but good for the densely populated city route) and what kind of vehicle is used for the route (an economy car in the country versus a gas hog in the city).

Q. Our service routes are always being modified to accommodate new accounts and cancellations. We have ended up with a very confusing, disorganized series of routes. I'd like to completely reschedule everything, but I'm not sure how often something so drastic should be done.

A. I recommend that all routes be evaluated at least once per year. In a labor-intensive industry it is important to work at maximum efficiency. By rescheduling each year, the entire

process will not get so far out of hand. Also, when companies are exhibiting a healthy growth pattern, rescheduling is an absolute necessity.

Q. How do you know when it's time to move your business out of the home and into an office building?

A. You know it's time to move your business out of the home when your home disappears under a barrage of files, buckets, and recycled plants. When your den becomes a storeroom. When your guest room becomes a storeroom. When the hall closets are filled with office supplies and equipment. When the computers, typewriters, fax machines, calculators, copy machine, coffee maker, and phone systems blow out the circuit breakers on a regular basis. When the garage becomes a warehouse. When the patio becomes a greenhouse. When you need a machete to get from the living room to the kitchen. And, when you can no longer tell the difference between work and play.

Q. I would like to buy a company's maintenance accounts to solve my cash flow problems. The seller will carry me for six months. What else do I need to know?

A. Improving your poor cash flow is the worst possible reason to buy accounts. You will probably increase your cash flow but it will really just be masking an existing problem that will probably spread to the new accounts and eventually put you back in the same tight cash flow situation you were in to begin with. Before you expand your business, you should find out what's wrong with it now that is causing the cash flow problems and correct the situation. The time to expand is when you are capable of handling an expansion. New accounts conceal problems temporarily and magnify them with time.

Q. We are trying to decide whether to lease a fleet of vehicles for our service staff. We can't decide between station wagons, vans, and pickups with camper shells. Are any considered better than others?

A. Every company has its preference, usually based on geographical location, distances traveled, equipment carried, insurance rates, etc. If money and fuel costs are not considerations and style is all you are worried about, you should probably discuss it with the future drivers of these vehicles. Maybe you will want to get a combination of vehicles for different applications.

Q. My husband has been talking about leaving his job to come to work with me. I don't know if I want to share my business with someone even though we get along well and he has excellent business skills.

A. This is fairly typical in personalized businesses that start out as owner-operated concerns. You and your husband should spend a good many hours discussing this before either of you make any decisions about this one way or another. It may be that when you start to discuss individual duties and responsibilities and how much he would have to learn in the beginning stages, that he may not want to be involved after all. If he wants to leave his job because he is unhappy with his present employer, that may not be the best reason to join you. On the other hand, if he likes your line of work and has always expressed an interest in it, it may be a good idea for both of you. Discuss it very thoroughly and don't make any hasty decisions.

Q. I have lost several accounts during the past six months. These were economic cutbacks on the part of the client and were not due to negligence or anything related to that on my part. What can I do to keep my other accounts from quitting for the same reasons?

A. You can offer reduced services, possibly without guaranteed replacements. Or you can diversify and maybe offer other services such as artificial and preserved foliage, cut flowers, gift plants, or holiday arrangements. If an account decides to go "in-house" you might offer independent quality control services.

Q. I have been desperately trying to sell my business but no one has expressed an interest. It grosses over \$50K per year and that seems like something a buyer would want. A local interiorscaper offered me \$15K and said I should take it because it was the highest I could expect anyone to go. Why is that?

A. That is very probably a good offer. However, I can't say for sure since I haven't seen your business and know nothing about it. At \$50K per year you have a very small business and I am only guessing that you have little to no hard assets and are probably the sum total of your service accounts. Interiorscape service accounts are selling for anywhere from two to five times the base monthly service rate. The multiple is highest when the accounts are in excellent condition with firm contracts. I advise you to contact an accountant who can help you assess your company's value before you make a snap decision to sell.

Q. I was subcontracted to do the labor for a large installation. The interiorscape contractor's client has not paid them and they are not paying me as a result. Can I bill the client directly myself?

A. In most cases, yes. But, if the job is in dispute or if the client is having financial problems, you may not be able to collect from them either. Legally, you contracted with the interior landscaper and they are liable for payment regardless of their difficulties with the client.

Q. We would like to offer fresh cut flowers, but don't have enough clientele to hire someone full-time. How can we start this using our existing personnel?

A. You can probably try to squeeze it into your maintenance schedule. Or you may have to do the arrangements yourself and have your technicians deliver them. You will also need to do a thorough marketing to your clients to get them interested enough to make the service grow to a point where you can afford a full-time flower person.

Q. How much insurance should I carry?

A. It depends on the risk you assume in your business. Your insurance agent should advise you on this.

Q. I am home-based and I have trouble getting delivery from some of my suppliers who say they cannot deliver to a residential area. I am too far away from most suppliers to go pick up several cases of insecticides or soil, etc. How can I convince them to deliver to me?

A. It would depend on why they don't deliver to you in the first place. If they do not like to deliver outside of the commercial areas you may be able to get them to deliver for a slightly higher fee. If city ordinance says they cannot deliver in your neighborhood then you may be out of luck. If they have had problems making deliveries to residential areas due to problems of access, you might have to assure them that someone will be there to take delivery, including unloading, and that there will be a place to park. You may also suggest that they ship UPS or common carrier to you instead. UPS goes just about everywhere.

Q. Is it absolutely necessary to have two separate crews for residential and commercial maintenance? What do small companies do to keep the two separate?

A. No, it's not necessary, just convenient. If you are a small company, it will be hard to keep the two separate. In most cases there are usually one or two employees who handle the overlap while the rest are divided into residential and commercial. There are no rules here. Just do what works best until you grow to a size that will allow you to separate the two.

Q. I bought eight service accounts from a failed company. I thought the accounts looked fine, but now that I am maintaining them I see they're not. Most of the plants are in need of transplanting and some that were grouped together in planter boxes should be replaced altogether. I still owe about 30% of the purchase price. Can I deduct the cost of the refurbishments from that balance?

A. The time to negotiate replacements and refurbishments is before you agree on a sale price. Normally, once the transaction is executed, it's a little late to start making deductions. Talk to the seller and see if they are negotiable, but don't be surprised if they are not. Buying service accounts is like paying for takeover maintenance, and if you don't look carefully you may get more, or less, than you bargained for. Before you buy any more accounts, I suggest you evaluate them more thoroughly so that you can negotiate for an appropriate purchase price.

Q. We need to cut our operating expenses. Our management has a more expensive insurance plan than the coverage we offer to our service staff so we are considering changing everyone over to the less expensive plan. Can we do this?

A. My legal advisors tell me that you should be able to do this legally. However, they recommend that you consult your state labor laws before doing so. In general, I am not in favor of cutting benefits. Instead, I would work at cutting waste and giving bonuses for doing so. I would also encourage employees to work smart and I would give bonuses for money-saving and money-making ideas. To motivate your employees, you can cut expenses by buying in quantity, improving your training program to cut down on replacements, and implementing incentives rather than removing them.