

LOY survey
March 31, 2009

1. What is your name, title, and company name? Bill Lillie, Owner, Sprigs & Twigs Landscapes, LLC
2. Do you do design, installation, maintenance, or all three? All three
3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three? Design has been stronger than ever. Our design backlog this year is twice what it was last year. Maintenance is the same and we are emphasizing it in our marketing campaign. It's too early to tell about installation. Customers are just now considering our landscape proposals. We won't know how this is going for another month or so.
4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets? Not so far
5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead? Yes, but mostly because the negative news accounts have me concerned. I'm planning on 20% less revenue than last year, but I'm reacting to the negative news like everyone else. From what I can see from customers, we're going to have a strong year.
6. Do you think you will rent or lease more equipment this year? More rentals, no leases.
7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)? We have started giving equivalent time off for OT hours worked instead of cash. I am going to be very deliberate with my seasonal hiring, i.e., hire as I'm sure the work is there. There are plenty of people available.
8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc)? Insurances of all kinds, by far.
9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped? We expanded last year into the Tree Care business, but not to make up for lost revenue this year. There are too many players in that market in our area that are willing to work for a loss. It's been more of a financial struggle than I thought it would be and it could be three years before we get into the black.
10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients? We have absolutely held prices from last year and tried to add value for each customer. Raising prices would be suicide. We make sure that customers

know we're holding the line and throwing in some things. For our maintenance accounts, we are offering "Landscapes for Life" an extended warrantee program on their gardens as long as we do the maintenance. The hope is that we'll be able to grow the maintenance business this way. This is a variant of a program that "Snow's Knows" is running. They spoke about it at last year's GIE. I brought their idea home and adapted it for our use

11. Have you found other creative ways to make ends meet?

Thank goodness for a strong line of Credit from the bank!

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy? We find direct newspaper ads, by far the best, We have tried (and are doing) radio, direct mail, internet, phone book.

A strong web site sells work and you can't spend too much money on it. Radio is good for brand establishment, but it is really expensive and the first thing I'd cut.

Geographically and demographically targeted direct mail is great.

The only change in my marketing strategy is to spend much much more advertising. We spent a small fortune last year(spending up 10-fold over 2007) and it seems to have paid off well. People know us and are seeking us out to do their work.

13. How do you feel about the current direction of the Obama Administration?

Scares me to death

14. Feel free to add other economy-related info you don't think we covered in the questions above. There's an awful lot of emotion out there and we'd all be better off with more positive news. People seem willing to spend money, but just a little bit hesitant.

We participate in two area Home Shows in February and March and this year's response was by far better than we've ever seen in past years. It's really early to tell how the year is going to go. 2008 was up 70% from 2007, so that's not going to happen in 2009, but whether we'll hold our own at 2008 levels or drop 20%, who knows at this point.

LOY survey

March 31, 2009

1. What is your name, title, and company name?[Roger Grothe, President Aloha Landscaping](#)

2. Do you do design, installation, maintenance, or all three? [Design and installation of landscapes and green roofs.](#)

3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three? [A poor 4th quarter 2008 definitely hurt our business. We went into the off season with less cash reserve and a lower back log than the previous couple of years. That's the bad news. In terms of good news, we are examining everything we do – from systems and processes to our mission statement. This tough time has been a blessing in disguise as we determine where we are and where we really want to be. It's an exciting time and a perfect time to flex our reputation, experience, and future capability. We can't ignore the realities of](#)

tougher competition and less market space, but we can focus clearer on the future (and there is one) and what we want to be doing in that future.

4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets? Actually, there is a lot of commercial work out there, but it is very competitive. Many of the projects are going for 1-2% profit. I don't see that trend changing so we are sitting it out and waiting for the right projects to come around. At the same time we are examining every aspect of our bidding process and tightening down our costs as much as possible. Rather than waste a lot of time bidding projects we know we can't win we are developing new products and services that we know will be our future. It's a challenging time to be going back and forth across the bridge between our future stream of revenue and our current bread and butter. Overall, our win/loss ratio is only 8% for the months December – March. Winning so few projects has been the ultimate test of how tough our economy really is at this time.

5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead? Yes and Yes. We do not have plans to purchase any equipment this year. We will take a wait and see attitude and maybe make adjustments in the third quarter if things are stabilizing and our back log is sufficient.

6. Do you think you will rent or lease more equipment this year? Neither if possible. We will attempt to put our existing equipment to use when possible and rent only for very specific project (like using certain conveying equipment for our green roofs).

7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)? We do have a hiring freeze in place and will only fill gaps with short-term seasonal help. We have not made any other changes to our compensation plan – Yet. There is an agreement on the table with the Minnesota Association of General Contractors to freeze the yearly increases to union wages. Hard to say what the union will say to this proposal.

8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc)? The biggest factor is credit related costs. We will experience more finance expenses this year since we are coming into the year with much less working capital and we are launching several new products and services that will eat up the capital we do have. As usual, the banks make it coming and going.

9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped? We are racing ahead into several areas that will "recession proof" our business for the future. More to follow. Also, we are working hard to build "brand firewalls" around our most important products and services. Now is not the time to back down and contract with the economy. Now is the time to shore up relationships and your marketing plans. We are especially excited

about social media optimization that enhances our web capability and results 1,000's of percent. One of our colleagues moved their web site up 5 million places in the Google search in just two days of social media optimization. It's tough out there, but it's fun too – in a different way.

10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients? No. Everyone is dialing back their prices.

11. Have you found other creative ways to make ends meet? As I mentioned before, we are exploring a variety of new products and services and we are moving beyond our current geography with our landscaping and green roof services.

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy? Lots and lots of phone calls. Reconnecting with old customers and project managers has been helpful. It's not fun, but its good for business.

13. How do you feel about the current direction of the Obama Administration? Tough call. All I can say is it's a mess and I wish more could be done to help small business stay afloat. This next few months will tell the tale. I'm guessing thousands of small businesses will fold.

14. Feel free to add other economy-related info you don't think we covered in the questions above. Everyone needs to work together during this recession and that's tough to do. By nature our system is competitive and the lack of trust is high. We know there would be some amazing economies of scale if we could somehow pool our resources, but we continue with our empires, islands, whatever you want to call them and we swing at noises in the night. What an opportunity for unity. Can it happen in America – probably not.

LOY survey
March 31, 2009

1. What is your name, title, and company name? Brian Golembiewski, President, Paramount Landscape

2. Do you do design, installation, maintenance, or all three? Maintenance

3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three? No, the maintenance business is stable as “the grass still grows.” The only area that is slightly affected is our enhancement business as the discretionary funds are being spent more deliberately.

4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets? Yes, however, just because HOAs are cutting back their budgets, it doesn't mean that the work costs less.

They will just receive less in terms of manpower, which translates to quality and I am not willing to compromise either for the sake of keeping business.

5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead? Obviously, with a slowdown in growth, new equipment needs that are a result of growth will also slow down. However, the replacement rates of equipment that is used up will be the same as last year.

6. Do you think you will rent or lease more equipment this year? No. We never have rented much equipment as our contracts are longer term and usually warrant purchasing if the need is there.

7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)? We currently have a wage freeze in place and are tracking our manpower very closely. We've also instituted Lean Production training in order to remove as much waste from our operation as we can so that we can reduce numbers if possible. What we aren't doing is reducing work hours per week as we try to keep everyone whole.

8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc)? Lately, i.e. over the last 6-8 months, things have been holding steady. However, we're really concerned about the fuel prices spiking once again as well as the possibility for inflation and tax hikes given all of the recent government spending.

9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped? We began tree trimming services 1/1/09 and they have helped both our revenue and profitability. We're also currently planning to begin a Turf & Ornamental spray crew in the next few months. Basically, we're trying to be able to provide every maintenance service a customer could potentially need.

10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients? No. In fact, we have informed our customers that we will NOT be raising prices as a result of the economy as a good-faith gesture.

11. Have you found other creative ways to make ends meet? Actually, we're going back to basics in that we're really working at reducing wasteful and unnecessary spending.

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy? We have done very little marketing over the years, however, we are in the middle of beginning a new campaign designed to set us up as subject matter experts in both landscape maintenance as well as water management. In short, we're planning to demonstrate the extra value that we provide our customers over our competition.

13. How do you feel about the current direction of the Obama Administration? Don't get me going! If the spending isn't slowed down or stopped soon and if they continue to take over companies like they're doing, taxes will go up, regulation will get worse, and it won't really pay to take risks because the rewards will be gone.

14. Feel free to add other economy-related info you don't think we covered in the questions above. The whole issue of "going green" could be an area that can be taken advantage of given the direction of the government and the fact that we already are in the business. Areas like mulching, water conservation, biodiesel fuels, etc. are all areas that can be leveraged to get and/or retain business.

LOY survey
March 31, 2009

1. What is your name, title, and company name?

Robert Bangs, owner WindsweptGardens

2. Do you do design, installation, maintenance, or all three?

Mostly design build, with small amount of maintenance

3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three?

Too early to tell, but it doesn't appear to have. We still have good client interest.

4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets?

No

5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead?

Slightly, but more to wanting to reduce debt.

6. Do you think you will rent or lease more equipment this year?

No

7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)?

We are carefully looking at labor to become more efficient as a way of cost reduction

8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc.)?

Insurance costs

9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped?

No, but concentrating on improving our offerings with higher profit margins (outdoor kitchens.

10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients?

Yes, no response because it is built into the contract and doesn't leap out as an increase.

11. Have you found other creative ways to make ends meet?

Watch costs and provide the best possible product for the client.

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy?

Word of mouth and community involvement, just trying to be more visible.

13. How do you feel about the current direction of the Obama Administration?

It will bankrupt the country, and take us down the wrong road.

14. Feel free to add other economy-related info you don't think we covered in the questions above.

We all have to be more positive, less negativity. A good attitude and create a product based upon quality which should separate you from the competition.

LOY survey

March 31, 2009

1. What is your name, title, and company name? Corbin D. Snow, President –Snowknows Inc.

2. Do you do design, installation, maintenance, or all three? We do all three.

3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three? It has definitely impacted our business for better and worse. We are much more aware of our costs, overhead, and focused more than ever on the details, which are all a great thing. We have eliminated the waste in our company from old contracts, tightening cell phone bills, insurance policies, fuel consumption and usage, overtime, and employees gone who were not pulling their weight. From a bad standpoint there is less total revenue for us to earn, but our profit might go up.

4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets? We lost a large commercial account because of budget cuts. They found a competitor to come in and to the work for 25% less than what we were charging. We have seen homeowners scale projects back and in some cases put projects on hold.

5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead? We hadn't budgeted for any new large pieces of equipment this year. We will continue to buy equipment and trucks as we need it. We will spend money on blowers, weed eaters, smaller mowers and small hand held power equipment.

6. Do you think you will rent or lease more equipment this year? We will rent more. We typically do not lease.

7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)? We are doing some of the above mentioned. We have

not had any lay offs, but we did not bring some of our seasonal workers back this spring. We are working very strict 40 hour weeks and being as efficient as possible in the hours we do work. Salaried employees have been asked to step up and really take on a lot more responsibility. We have not instituted pay cuts, however we are currently not scheduling raises for this year.

8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc)? fortunately gas has been much better recently, but killed us last year. Fertilizer prices and chemicals are definitely dipping in to profit.

9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped? We will do anything to make a buck. We now offer power washing, gutter cleaning, driveway staining, deck sealing, advanced concrete services and anything our customers request we try to do for them. (Within reason)

10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients? We raised our labor rate last fall from \$50 hour to \$55. We charge a labor mobilization charge for each ob we do.

11. Have you found other creative ways to make ends meet? Spend less!

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy? Our weekly radio show has proven to be a great source of new customers for us over the years. It's the most listened to weekend talk raio show in Central Virginia. We tell people about our business and invite them to the Garden Center each week. We have focused or Ad. Dollars more this year. We are very specific of when and what we a re marketing. We put more money in our budget for website, uniforms and signage.

13. How do you feel about the current direction of the Obama Administration? Scared!

14. Feel free to add other economy-related info you don't think we covered in the questions above. God bless us all!

1. What is your name, title, and company name?

Mark D. Halla, Steward, The Mustard Seed Landscaping & Garden Center

2. Do you do design, installation, maintenance, or all three?

All 3, but maintenance is very minimal

3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three?

Yes

Retail: Substantial increase expected (20 + %), we were up 19.6% Last Year

Design: Based on current volume of leads, we expect Design to be slightly up by 5-8%
Installation: Based on current sales and customer contacts from last year, we expect a modest increase of 2%

Maintenance: No increase expected

4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets?

No, most corrections were made by customers in fear last year and this year seems to be better than last fall

5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead?

No

6. Do you think you will rent or lease more equipment this year?

No

7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)?

No, we gave 5% raises to all key employees instead of pay cuts (except me, I took a small pay cut :-). We also let them know that we will respond quickly to business conditions and asked them to remain flexible and think outside the box so that we prevail and take market share from companies responding in fear to the economic news.

8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc.)?

I am spending a lot to partner with manufacturers and gain "exclusives" on new merchandise just hitting the market.

9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped?

We are offering special discounts to past customers on such things as re-mulching and pond cleaning and we have offered no interest payment plans so as to help customers make the buying decision without fear that they may lose their job and need extra cash. We have secured 50% more mulch and pond cleaning compared to last year and our payment plan has encouraged people to double the size of their projects.

10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients?

No price increase on labor. Added a 2% surcharge to all bids but also added a 5% prepayment discount.

11. Have you found other creative ways to make ends meet?

We are getting competitive bids on almost everything we purchase. In some cases, we were able to save 30-40% because many companies are suffering and need new

customers. We have been more generous on our donations to good causes and been very intentional about requesting that they attempt to steer customers our way so that we can continue to be generous in the future.

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy?

Most effective is direct mail postcards to existing customers. We have doubled our amount of postcards because we found a new vendor that is charging us 40% less. We have dropped 90% of our ROP advertising and replaced it with more expensive 4-color inserts because our tracking shows we have 4X better response from inserts than ROP. We have increased our add budget so that we will gain market share whilst our competitors shiver in fear at spending money

13. How do you feel about the current direction of the Obama Administration?

Who? Oh, our President. I haven't paid much attention to him but rather have remained focused on growing my business and paying attention to all of the small details that distinguish us from others. I do plan to purchase a wind generator as soon as his administration creates a rebate program that makes sense.

14. Feel free to add other economy-related info you don't think we covered in the questions above.

In the midst of trial, I remind myself to act justly, seek mercy and walk humbly, treating others as I want to be treated and focusing on my many blessings rather than the tribulation at hand. I remind myself that others may be suffering and that I should always seek to build them up according to their need rather than focus on how they can help me. I feel it is especially important right now to seek wise counsel from others and be willing to analyze and adjust quickly to market conditions.

Thanks for the opportunity to share, Glenn!

God Bless,

Mark D. Halla
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www.TheMustardSeedInc.com

LOY survey
March 31, 2009

1. What is your name, title, and company name? Jerry Merrill/Pres./Merrill Quality Landscapes, Inc.

2. Do you do design, installation, maintenance, or all three? All three.

3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three? Our Design/Install Division will be more of a challenge this year just because of less building going on and more competition for available jobs. We are already seeing major “lowballing” for jobs this spring in the S.E. Idaho market. We are planning on doing more marketing this year to ensure getting enough work and have enrolled in the “Working smarter Training Challenge” to get all of us better trained to be more efficient and a leaner business. The maintenance division has seen some effect of existing clients cutting back to leaner programs for their properties. Our Weed Man division is experiencing record sales this year mostly due to the excellent marketing program available to us and our growing reputation for excellent customer care across the country.

4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets? Last year we lost a couple Install projects due to “nervousness cutbacks”. This year it’s just less people in the market for new installs because the people who are “nervous” have not yet re-entered the market. The maint. Work still needs to be done, but businesses are definitely looking for ways to save wherever they can.

5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead? We will definitely look long and hard before spending much on additional or replacement equipment this year.

6. Do you think you will rent or lease more equipment this year? If we think we need something additional we probably will rent before we buy.

7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)? We have not done any of the above except we are taking more time before we hire seasonal people this year until we see more how much work we acquire.

8. What are the major factors you’ve noticed cutting into your budget lately (gas, fertilizer, chemicals, etc)? Actually, the cost of materials and fuel have eased off since last year and are not as much a concern as the availability of work.

9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped? We have added outdoor living products to our line of products available and hope to market those to people who are staying closer to home and want to improve their backyards for more and better family time.

10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients? We raised our prices when we felt we needed to to cover those cost increases and then held the line on price increases this year instead of doing our

normal yearly increase. We felt like our customers would react negatively to “nickel and diming” for fuel surcharges.

11. Have you found other creative ways to make ends meet? We are doing the “Working Smarter Training Challenge” to help all of our team “think like owners” and do things the “least waste way” to keep expenses down.

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy? We are talking to our existing client base more, doing more networking, and produced new brochures and Presentation packets so we look more professional.

13. How do you feel about the current direction of the Obama Administration? I’m a bit nervous about the gov’t. taking over private businesses. It’s hard to know what short and long term effect all of this “bailing out” will have other than I’m sure we’re going to see our taxes increases substantially in years to come.

14. Feel free to add other economy-related info you don’t think we covered in the questions above.

1. What is your name, title, and company name? Eric Brand Owner P & L Landacaping, LLC

2. Do you do design, installation, maintenance, or all three? All 3, snow plowing also

3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three? both, desin and installation has reduduced. It is allowing our maintence division to be streamlined and work more efficcintly.

4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets? yes, both

5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead? Reduced, buying only what is needed to replace.

6. Do you think you will rent or lease more equipment this year? Rent, only equipment that is un owned, on a per job basis

7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week,

no matching 401(k) plan, etc.)? Shorter work weeks, (Less Over time), freeze on raises. Limited new hires, trying to create a few new positions to help reduce OT.

8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc)? Fuel, Last year our contracts did not have a fuel surcharge built into them. Salt costs have gone up substantially from the prior winter.

9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped? We recently opened a material center. The profit margin is not the same as the construction or the maintenance, but in time the volume will pay off.

10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients? Fuel SC, changed some of our winter plow contracts to be per application for salt or salt/sand, instead of all inclusive. Most customers were ok with, but after a hard winter some are already rethinking next year.

11. Have you found other creative ways to make ends meet? **REDUCE COSTS!**

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy? New work used to fall on our lap. We are really trying to upsell to our existing customer base, things they may not of thought they could afford and never asked or did not think of.

13. How do you feel about the current direction of the Obama Administration? I like the quick approach, and not the typical sit back and see what happens.

14. Feel free to add other economy-related info you don't think we covered in the questions above. Not enough time to write about all of it.

Good luck.

Eric Brand
President
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FAX 603-579-0511

LOY survey
March 31, 2009

1. What is your name, title, and company name? Kathleen Dangelo, vice-president and general counsel
2. Do you do design, installation, maintenance, or all three? We do all three
3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three? Presently, our sales are equal to that of last year at this time. We have, however, noticed a greater emphasis on price from our clients and have had to get creative to retain some of them ie, structuring price plans etc. .
4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets? Some of our clients cut back on their spring clean ups and garden visits. However, at the same time, we have attracted new clients who want the full maintenance program.
5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead? Yes, I am holding off the purchase of new trucks as much as possible, however, we did just purchase a new Mustang as a replacement for an older machine.
6. Do you think you will rent or lease more equipment this year? We never rent equipment – we either lease with a dollar buyout or purchase
7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)? Not at this time.
8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc)? In Ohio our workers' compensation costs have increased dramatically
9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped? no
10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients? Last year we instituted a fuel surcharge that was not met with opposition by any of our clients. If gas prices go to the same levels as last year I am not sure we will institute those surcharges this year.
11. Have you found other creative ways to make ends meet? We are paying attention to our advertising to attract new clients

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy? We use print ads in our local magazines as well as local papers; we are hosting a cocktail party for our best clients and billing it as a “bring a friend event”. We are also focusing on our referral business and rewarding those clients who refer us to others.

13. How do you feel about the current direction of the Obama Administration? Its direction toward socialism and “bigger” government worries me greatly—plus, its focus on spending to fix the recession worries me

14. Feel free to add other economy-related info you don’t think we covered in the questions above.

LOY survey
March 31, 2009

1. What is your name, title, and company name? Gary Anderson, President, Gary Anderson Landscaping, Inc.
2. Do you do design, installation, maintenance, or all three? Design/Installation
3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three? The downturn in the economy has hurt a bit by people not willing to spend on the bigger ticket projects. We have had a decrease in our average overall sale for design/install. We have noticed people are a little more apprehensive to do the entire project all at once. Instead they are taking a 2 or 3 year plan.
4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets? Yes
5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead? Yes. We are continuing to hold onto our existing fleet of skidsteers and trucks until we see some improvement in the marketplace. We will try to get a little more out of our existing equipment rather than add another monthly payment to our winter bills.
6. Do you think you will rent or lease more equipment this year? No
7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)? We have cut some costs to operate leaner. Wage freeze. Cut out paid vacation days. Guys will not be paid for their lunch time like in the past. Will not hire on as many seasonal employees. Office personnel taking on more duties.

8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc)? Last year it was fuel & cost of providing health care.

9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped? Being that many people are staying in their homes for various reasons, we are targeting our existing customer base for maintenance services we never offered in the past. For example: We are offering shrub and perennial trimming as part of our spring mulch program. We have had some positive feedback with customers excited about our new offerings. It should add 20-25% to the average mulch top dress sale.

10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients? We have tried to keep our prices steady and just do a better job of estimating everything. Our sales staff is taking a little extra time to make sure we have accounted for everything on the project. I feel fuel charges line itemed on a bid or invoice is frustrating to me and would be for my clients. If I need to get more for fuel we will find a way to include it in the bid.

11. Have you found other creative ways to make ends meet? Just watching every penny!

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy? Our marketing strategy hasn't changed much over the years. During good economies and bad, the key to our success has been our existing customer base. We keep in good contact with them and ask for referrals whenever possible. Our quarterly newsletter has been an outstanding way to keep in contact with our clients.

13. How do you feel about the current direction of the Obama Administration? I am a bit nervous about what is taking place with this administration. The small business owner seems to once again be lost in the rich vs. poor struggle. We need the support of a pro small business government in order to get the economy moving again. This administration seems to be handing out money and tax credits to the wrong people. The small business is what makes this country's economy move and they are doing nothing to help us. In my opinion, they are overlooking the small businesses that are struggling and trying to fix the large businesses by just throwing money at them. This only seems to add to the waste and corruption we are seeing more and more of.

14. Feel free to add other economy-related info you don't think we covered in the questions above. We are starting to see more people interested in putting money into their existing homes. With the debt to equity ratios off a little in many markets, those who can afford to stay in their homes seem to want to invest in their landscaping and outdoor living spaces. Our phone has starting ringing again which is a soothing sound! (Even though it snowed 2" today)

LOY survey
March 31, 2009

1. What is your name, title, and company name?

George A. Pacheco Jr., President, Pacheco Brothers Gardening, Inc.

2. Do you do design, installation, maintenance, or all three?

All three

3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three?

All three areas have been affected; with the water rationing in California and all the state cut backs have people in fear of not only losing their jobs, but a wage reduction and a freeze on all raises. All areas of our business has been affected by the economy which has led not only us but other landscapers to venture into more maintenance work for stability, which is also causing the maintenance side of businesses to lower their prices

4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets?

Yes, budgets are being cut back at all H.O.A. and Municipalities leaving them with no extra money for extra work. These cut backs are causing them to go back out to bid for a cheaper contract price which is then causing competition and everyone lowering prices

5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead?

Yes due to us having to lower our prices on many existing accounts and with the loss of many accounts that have decided go to go back out to bid we have lost those accounts to a lower competitor

6. Do you think you will rent or lease more equipment this year?

It all depends on what is a better factor / cheaper APR

7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)?

Yes, we've had to do a 8% pay cut company wide with a lower match on all 401 (k), we've also had to cut back cost in rent and regulate all purchases in order to reduce our over-head by approx 15%

8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc.)?

Gas as well as the cost of fertilizers, chemicals and liability & workers comp insurance

9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped?

Yes, we've had to expand our services to maintaining residential homes

10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients?

Yes, we've had to add on a fuel surcharge, dumping and hauling fee's to all estimates, so far know one has complained

11. Have you found other creative ways to make ends meet?

Yes, we've started offering specials as well as more cold-calling

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy?

We have found promotional item with our name on it works; it keeps our name in front of them which also leads them to recommend us to other people.

13. How do you feel about the current direction of the Obama Administration?

I don't, I see it as he's just printing more money. I don't believe the banks should be receiving bail outs, I believe they just need to go under and fail, why should we the people have to bail them out when it was greed that put them in the situation. There is no help for the small business person who needs it, were going to end up being taxed to death.

14. Feel free to add other economy-related info you don't think we covered in the questions above.

Most of California has been hit by higher gas prices, water shortage & rationing along with foreclosures not only from job loss but from housing financing issues and mortgage rate deception.

LOY survey

March 31, 2009

What is your name, title, and company name?

Todd Reinhart

CEO

Reinhart Grounds Maintenance, Inc

2. Do you do design, installation, maintenance, or all three?

All Three

3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three?

For the better. It has forced us to get better at what we do, continuously improve, and eliminate waste in our organization.

4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets?

Several of our maintenance customers have decided to take some of services back in house to prevent layoffs of their internal staff.

5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead?

We are in the process of evaluating all equipment utilization. If we don't need it we are selling it. Our equipment budget has remained the same.

6. Do you think you will rent or lease more equipment this year?

We have taken a look at all of our equipment purchased over the last 12-36 months. With some of the financing on new equipment being so good right now it makes a lot of sense to trade. A lot of times you can pick up a new machine with warranty for the same or less payment per month.

7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)?

We have been really watching the overtime. We have been trying not to work it unless absolutely necessary.

8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc.)?

Fertilizer prices have really dropped since last season along with fuel prices. The huge jump in Salt prices in the Midwest really drove up ice control prices during the winter months.

9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped?

No, for now we are staying with our core services. It's not that we aren't always looking.

10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients?

No fuel surcharges. We feel this is weak and bad business. If you want to raise your rates, you should raise your rates not blame it on the fuel prices.

11. Have you found other creative ways to make ends meet?

Work on creating value for the client and eliminating all other things as waste.

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy?

Go straight to the client, don't wait for them to come to you. There are a lot of clients out there that are going to be underserved by competitors looking to cut corners to make ends meet. The next 18 months could a huge opportunities to increase market share.

13. How do you feel about the current n of the Obama Administration?

We are moving in a direction that we are not comfortable with at all. When you move away from a free market economy to a socialists style economy it becomes a very hostile environment for business. Business is the driving force behind our nation's economy and success, not the government.

14. Feel free to add other economy-related info you don't think we covered in the questions above.

LOY survey
March 31, 2009

1. What is your name, title, and company name?

Dave Nelson, Owner, Land Expressions

2. Do you do design, installation, maintenance, or all three?

We do design and installation

3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three?

We've seen a negative effect to both design and installation. Design down 25%, construction down 10-12%

4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets?

Yes, owners are delaying their projects until mid summer

5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead?

Yes

6. Do you think you will rent or lease more equipment this year?

No

7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)?

Yes

8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc.)?

Insurance, medical

9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped?

We've taken on more master planning in the design end

10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients?

No. 11. Have you found other creative ways to make ends meet?

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy?

Increased marketing

13. How do you feel about the current direction of the Obama Administration?

All the proposed taxes have Land Expressions and our clients concerned. Will the stimulus package get money to the small business owners?

14. Feel free to add other economy-related info you don't think we covered in the questions above.

LOY survey
March 31, 2009

1. What is your name, title, and company name?

Shay Grant, co-owner of Grant Garden Group, Inc.

2. Do you do design, installation, maintenance, or all three?

Design and Install is 90% and Maintenance is 10% of our business

3. Do you think the recent economy has affected your business for better or worse? If affected, what parts—design, installation, maintenance, or all three?

The downfall in the economy has affected our business for the better. Don't get me wrong, we have spent more on advertising and marketing over the past 6 months than ever before, because we know what will happen if we neglect marketing, which is easy to do when money is tight. Our clients seem to be putting more into their homes with the intent of spending more time at home. We feel like some other landscape companies have gone out of business also, which has narrowed the competition a bit.

4. Have you lost maintenance accounts or installation bids recently that you think were due to homeowners and/or businesses cutting back on their budgets?

We never had many maintenance accounts.

5. Will your equipment budget be cut this year due to decreased revenue in the past year or due to fear of decreased revenue in the year ahead?

We purchased 2 pieces of equipment last year, so don't anticipate needing any more this year.

6. Do you think you will rent or lease more equipment this year?

No

7. Have you instituted a hiring freeze, laid off employees, or taken other measures with employees to cut costs and operate leaner (pay cuts, unpaid vacations, shorter work week, no matching 401(k) plan, etc.)?

We have been able to hire some very qualified employees in the past 3 months, due to lay-offs at their former employers.

8. What are the major factors you've noticed cutting into your budget lately (gas, fertilizer, chemicals, etc.)?

LABOR-We are really trying to manage our labor costs more efficiently than ever.

9. Have you taken on any add-on services lately as a means of making up lost income? If so, what services and how are they producing as you hoped?

Last year, we began getting into Trail Construction (hiking and biking)..that is slowly growing...We are beginning to branch out into "Schoolyard Gardens and Community Vegetable and Herb Gardens", since that is going to be a growing trend this year.

10. Have you instituted price increases, fuel surcharges, etc. and if so, what was the response of your clients?

In the past, we never invoiced for “Service Calls” (ie, frog in pump, filter basket clogged with debris, sprinkler nozzle clogged)..This year, we charge a minimum \$65.00 for a “Service Call”..

11. Have you found other creative ways to make ends meet?

No employee works over 40 hours/week. Several low-experience employees are job-sharing this year.

12. What marketing methods do you find most effective and have you changed your marketing strategies in light of the current economy?

We are getting more involved in community projects, and have just begun to advertise on the radio. Also, we have revamped our website, which has paid off.

13. How do you feel about the current direction of the Obama Administration?

It does not look good for small companies like us.

14. Feel free to add other economy-related info you don't think we covered in the questions above.

Grant Garden Group, Inc.

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