



I-Plants^a

For Interior Plantscapers September 2010
Lease Contracts · Sales Strategy · Calscape Report

The On-line Magazine for Interior Plantscapers and Allied Associates

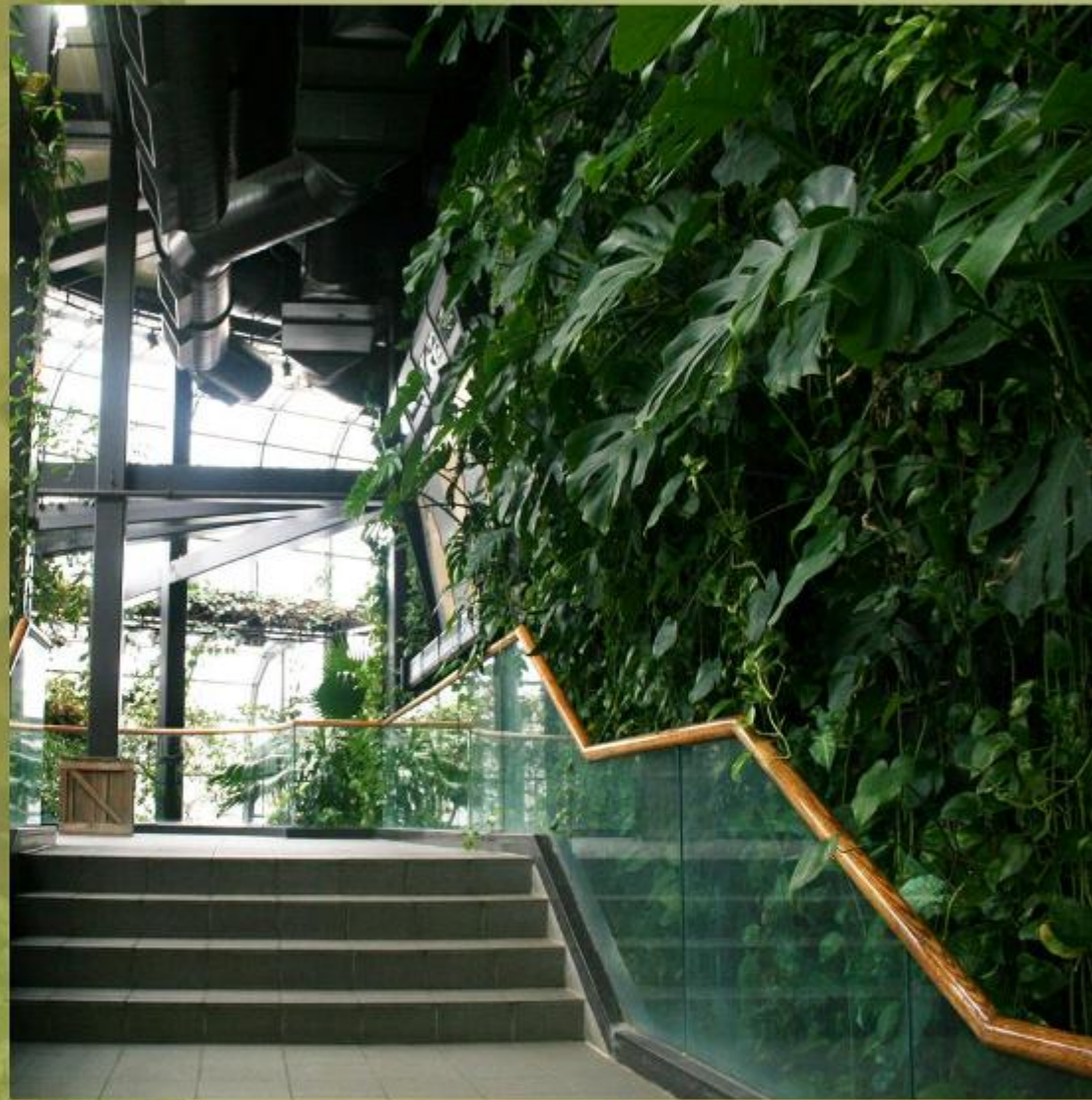
Published by Johnson Fediw Associates

Kathy Fediw, LEED AP, CLP, CLT, President

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From the Editor:



[Kathy Fediw, LEED AP, CLP, CLT, President](#)

Just got back from Calscape and what a great trip! The conference was well-attended and as always it was great to see old and new friends alike. The hotel and conference center were perfect, well-priced, close to downtown San Diego and right on the harbor. You'll find my "take-aways" from each of the classes on page 11.

The kids are back to school and now is the perfect time to do some "educating" with your own staff and valued employees. We have a number of resources to help you in all price ranges, from single books on sale for \$20 to teleseminars to DIY training manuals to half-day and full-day in-house workshops and seminars. Be sure to visit our website at www.JfaConsultingBiz.com for more information.

Need CEU's for your CLP-I and CLT-I recertification? You'll be glad to know that **ALL of our teleseminars have been approved for one CEU each.** You can order the MP3 recording for past teleseminars, share with others in your company and get those important CEU's done and over with. You'll have 10 to choose from including this month's teleseminar on business diversification and October's program on LEED and GPGB update with Mike Lewis.

AND—our in-house workshops are also eligible for CEU's (3 for a half-day session and 6 to 7 CEU's for a full-day session).

So sit back, read on, **click on** and enjoy!

Kathy Fediw, LEED AP, CLP, CLT

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Your Opening Rate

by Kathy Fediw, LEED AP, CLP, CLT
Johnson Fediw Associates



Most salespeople and owners keep close tabs on their sales “Closing Rate,” how many bids they win in ratio to how many proposals they send to clients. But even more importantly, do you know your “Opening Rate?”

By Opening Rate, I mean how many contacts you need to make in order to get your foot in the door and be given the opportunity to submit a bid. Tracking your Opening Rate will give you valuable information, such as:

1. How many new people do I need to meet, call or touch base with each week in order to submit a bid?
2. How many times on the average do I need to touch base with someone before they ask me to submit a bid?
3. What is the most effective method for me to get that opportunity: by phone calls, emails, networking, referrals from existing clients, sending a newsletter, advertising, etc.?
4. How long does it take from the initial contact to the date when someone asks me to submit a bid? How long does it take for me to gain the trust and respect of a sales prospect?
5. How well known are we in the



community? What marketing efforts are paying off?

This information is vital to your success as a salesperson and to the ongoing success of your company. A company cannot continue for long if it doesn't gain new clients and sales revenue.

Start keeping track of this information and you'll soon see what activities are bringing you the greatest success, and what you need to do each week in order to meet and exceed your overall sales goals. You can use a contact management software

program such as ACT to track this information, or by keeping good notes in Microsoft Outlook. If you want to start “low tech” you can use a sales log book.

To determine what your current Opening Rate is, start with the bids you've won in the past 3 to 6 months. Evaluate them on the following basis:

1. Where, how and when did I first meet this client? Did I meet them through an existing client? At a networking event (if so, which one?) Did I cold-call them on the phone? Did they contact us

through our website or an ad we ran in a local publication? What was the date that we first made contact?

2. What did I do to keep in touch with this prospect before they asked me to submit a bid? Did I call them every two weeks or once a month? Did I talk to them once a month at the networking

group where we first met? Did I drop in to see

Determining your Opening Rate and which methods are most effective will help you reach your sales goals.

them once a month? Did we keep in contact via email? Did we just send them our monthly newsletter? Keep track of all activities related to this prospect.

3. What was the key issue that caused them to ask for a bid? Did they have a problem with their current interiorscape provider and if so, what was that problem? Was it August and they needed another bid for their budget for the following year? Was it the opening of their new offices or building? What was the turning point?

Soon you'll see some patterns developing that will help you sharpen and improve your opening rate. For example, you may notice

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Your Opening Rate

that on the average it takes someone 6 months from the time they first meet you, to the time where they've developed a relationship with you and ask you for a bid. You may see that your commercial accounts all need bids in August when they are working on their budgets for the next year, so this will be a "hot" time for you to contact your prospects. You may see that you need to make a contact point with someone 6 to 8 times before you make any progress.

Now take into account your closing rate, and you'll soon see what activities you need to do on a constant basis in order to increase your sales.

Let's say that you win 30% of the bids that you submit, in other words you have a 1 in 3 chance of winning any bid on the average. From your evaluations, you see that your sales cycle is approximately 6 months long, peaking in August. You also see that half the referrals you get from your current clients will win you the opportunity to bid within 6 months, and that 1 in 10 new people you meet at IFMA and BOMA meetings will ask you to bid on their projects within 6 months.

So referrals from your current clients are more likely to result in a sale. In fact, if you have 12 referrals from a client each week, you'll wind up with 6 requests for a bid and you'll win 2 new sales for that week's activities within the next 6 months on the average. If you want to win 4 new sales, you'll need to double your number of referrals that you ask for and receive to 24 referrals.

On the other hand, your networking at IFMA and BOMA events is effective but not as effective as customer referrals. You need to meet 60 new

people to wind up with the same 6 requests for a bid and win 2 new sales for that week's activities. That's a lot of new people to meet!

Now you can plan your sales pipeline in such a way that you are constantly feeding new sales opportunities into it so you don't run dry at certain times of the year.

If you use a multiple of activities and use your time wisely you can probably increase your opening rate to something more manageable. Increasing your closing rate will bring these numbers down, too. But by knowing this information and putting it to good use, your sales will most definitely go up and you'll put your time and efforts to activities that will bring in the most revenue for you and your business.

If you'd like more help with evaluating and improving your sales and marketing strategies, call Kathy Fediw at 281-687-6966 or email Kathy@JfaConsultingBiz.com.

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To Lease or Not to Lease... That is the Question

With Barb Helfman, CLP



LEASE OR RENTAL

Whichever you call it these two words mean pretty much the same thing. Instead of selling the plants and planters outright to the client, you provide them and then add a rental or lease number to the monthly Guaranteed Maintenance fee. And, whatever you call it, this service is really a rental.

There is no buy out at the end of the contract period, the client never, ever, ever

owns the plants and planters...you do. When the contract ends and if they do not renew, you take back the material.

The big question: "Is this something my company wants to offer?" Well, maybe yes and maybe no. It all depends.

First you have to ask, "Can I afford to do this?" Since you are paying for the material rented, you have to have rather deep pockets. If you do, then forge ahead.

Next, you have to ask "Do I offer this to just any client?" The answer is no. You have to qualify each client. You do *not* want to rent stuff to the local beauty shop. Too small an account, too short term. You *do* want to rent to large corporations or clients with a long

business history. It is always a risk that the contract will not be renewed long enough for you to recoup your original costs. Plus, the material you get back is "used" and most probably not rentable for other clients.

That's the bad news. The good news? Clients may sign up for the original one-year contract, but if you look at your track record you will see that most clients renew year after year. It is a qualified risk. The other good news? If the client stays for years, you make extra profit month after month after month. This is a good thing.

HOW DO I PRICE?

The customary practice is to recapture your costs within a set period of time. In the good old days this might be within the first year, profit year two, and year three and so on. However, in today's economy some companies are using a 16 or 18 month recapture time frame. That is a long time and to make it more profitable than selling, the client has to be there for several years. Knowing this up front is important for your decision. So, if the plants and planters cost you \$1,800.00 and you charge the client \$100/month for the Rental part of the monthly fee, it would be 3 years

before you equal the amount of dollars you would have received if you had doubled the cost as a Sale. So, why do it? Larger profit up the road, plus it might make it easier for the client to place more plants, help them with cash flow and budgets and so on. Remember, the rental dollar charge is **added** to your fee for Guaranteed Maintenance. It is never quoted to the client as a stand alone figure but is melded in.

STORY 1

Years ago my company in Ohio was asked to "lease" the plants and planters for 27 floors of A T and T offices. It was a huge job. We didn't have the funds to finance it but we knew we had to do it their way or not get the job. We took the contract to our local bank and got a loan for the funds. The costs were paid for in 2.5 years and the Guaranteed Maintenance portion was over \$6,000/month! This one job put us on the map as we held the job until they closed the offices 18 years later. Made all the difference. Problem is that that was then and this is now. That is why qualifying the client is so very critical.



*First you have to ask
"Can I afford to do this?"
You are paying for the
materials up-front.*

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STORY 2

At an industry seminar a few years ago I had the opportunity to speak with an industry pioneer from Chicago. And, we came to the agreement that this industry is NOT about selling plants and planters, but about getting the “golden apple”, the monthly recurring revenue from Guaranteed Service! In fact, he said, “Heck, Barb, knowing what I know now, I’d give the plants and planters away just to get the monthly recurring”. Do I recommend this? No, but it does put things into perspective.

BOTTOM LINE

Do your homework, qualify, and then, make an informed decision. Happy Rentals.

Barb Helfman, CLP, is a well-known icon of the interiorscape industry, the inventor of Topsiders planters and the sole distributor for Joey Pouches and Freedom Squares. She can be reached at www.Topsidersinc.com

Meet Patricia Coogan

Ever wonder who the “associates” are at Johnson Fediw Associates? Meet Patricia Coogan, president of Words and Pictures, an extraordinarily-gifted graphic artist and designer. Patricia has been working on our advertisements, business cards, manuals, logos and other graphics for many years and is an important part of our team. This month she takes over the layout of this magazine and makes sure all of the web links are working properly.



Patricia’s business is located in The Woodlands, Texas, about 50 miles north of Houston, but she does work all over the country. She is always on time and on budget, professional, responsible and easy to work with. We wouldn’t work with anyone else!

Patricia owns her own business and works for us on an as-needed basis. We are just one of her many clients. If you’d like Patricia to help you with your graphics project, she can be reached through her website at www.wordsandpicts.com or email her at pat@wordsandpicts.com.

Thank you, Patricia, for always making us look GREAT!



All teleseminars qualify for 1 CEU each for PLANET Landscape Industry Certified Professional (CLP-I and CLT-I) recertification!

Upcoming Teleseminars:

**September 28: Business Diversification:
Recession-Proofing Your Business**

with Tom Horowitz, Plantscape, Inc.

October 12: GPGB LEED Update with president Mike Lewis

ALL proceeds from this session will be donated to Green Plants for Green Buildings!

[CLICK HERE](#) to register

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All teleseminars begin at 12 noon Eastern time, last 50-60 minutes and include

What I Learned at Calscape

by Kathy Fediw, LEED AP, CLP, CLT

All of the class sessions at Calscape were great, and I learned something from each one. Here are the highlights and what I learned.

From Jeffrey Hansler, Oxford Company, and his sessions on communication and negotiating:

1. People make decisions in the limbic part of the brain, where our emotions lie. The neocortex is the part of the brain that controls language and logic. In order to sell or to change someone's mind, we have to cross from the neocortex to the limbic part of the brain. Decisions are made based on emotions.
2. To change someone's mind they have to trust you. To develop trust you have to demonstrate



Calscape classes were well-attended, such as this design class.

that you understand that person. You should always have a good intention when you are trying to change someone's mind and have that person's best interests at heart.

3. Using the word "but" implies that the other person is wrong or that you don't care. Using the word "and" implies that you accept where they are now and you are moving them forward.
4. Most interiorscape owners and managers are relationship-oriented. You may need to be flexible in your communication style if dealing with a client who is more linear; more to-the-point; or who is motivated by change and excitement.
5. The person asking the most questions is the one controlling the conversation.
6. To help soften a question and make it less scary, ask a question posed in the past or in the future. In-the-present questions can be intimidating because you're asking for a decision right now.

And so much more!

From Rene van Rems, AIFD, floral designer:

1. Everyone has their own perception of worth and what value means. Keep this in mind when pricing.
2. Sell the experience!
3. The #1 element you sell is color.



Design ideas appear when you least expect them, such as this portable planter with great design seen at a downtown San Diego hotel.

Height and vertical lines always sell and give the impression of higher value.

4. Spanish moss makes an arrangement (and plants!) look cheap.
5. And of course, his amazing color bowls and arrangements with "color enhanced" flowers and "reclaimed" wood and other containers.

From Joel Pesepane, Growing Green, Inc. on pricing and branding:

1. Pricing is a marketing decision and positioning tool.
2. There are many ways to calculate price.
3. You have to know your fixed costs, variable costs and break-even point in order to continue to be in business.
4. We are worth more than what we charge our clients!

From the Leadership Interviews:

1. Most of the participants were motivated by the thought that

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- failure is not an option and learned from past mistakes.
2. They feel a strong sense of responsibility to the job security of their employees.
 3. Successful people value their families. How refreshing!

From entomologist Suzanne Wainwright-Evans:

1. There are more types of mealybugs than I ever knew there existed!
2. It's really important to buy from growers you trust who have a good pest control program.
3. No matter how long I'm in this business, there's always something new I can learn from experts like Suzanne!

From Brock Flint on using Social Media:

1. People are rating your business online all the time!
2. You need to use social media consistently in order to reap the benefits.



From Dr. Bill Wolverton, Hall of Fame inductee:

1. First, what an honor to meet this pioneer! His work has inspired most of today's scientists working on the benefits of indoor plants.
2. I was struck by his simplicity, humbleness and dedication. He is truly someone to be admired.
3. We must not give up! Now is the time to push forward with

Upcoming Events

SEPTEMBER:

Tuesday, Sept. 28: Teleseminar, "Recession-Proofing Your Business by Diversifying" with Tom Horowitz, Plantscape Inc. at 12 noon EDT. To register, click or go to (<http://jfaconsultingbiz.com/shop/teleseminars-webinars/>) or call 281-687-6966. Brought to you by Johnson Fediw Associates.

September 19 - 25: National Indoor Plant Week: founded by Mark Martin, Interior Tropical Gardens. For more information and resources to help you celebrate, click or go to (<http://www.nationalindoorplantweek.com/>) or call Mark at 815-923-2013.

OCTOBER:

October 7 – 8: 2010 Australasian Interior Plantscape Conference: Seaworld Nara Resort on Queensland's Gold Coast, Australia. For more information and to register, click or go to (http://www.nipa.asn.au/conference_2010a.htm) or email marciagraceyriel@bigpond.com

Tuesday, Oct. 12: Teleseminar, "Green Plants for Green Buildings and the LEED System Update" with Mike Lewis, president of GPGB at 12 noon EST. To register, click or go to (<http://jfaconsultingbiz.com/shop/teleseminars-webinars/>) or call 281-687-6966. Brought to you by Johnson Fediw Associates. **Note: ALL proceeds from this teleseminar are being donated to Green Plants for Green Buildings.**

October 20-21: Landscape Ontario Expo, Toronto, Canada. **Kathy Fediw and Joanne Young will be on a panel discussion** on October 20. To register, click or go to (<http://s31.a2zinc.net/clients/ezlandscape/gardenexpo10/public/enter.aspx>) or www.horttrades.com.

October 27-30: Green Industry Conference 2010, sponsored by PLANET, Louisville, Kentucky. For more information click or go to (<http://www.landcarenetwork.org>)

NOVEMBER:

November 17 – 19: Greenbuild Expo 2010: Chicago, Illinois, US Green Building Council. For more information on the expo and other programs; or to register click or go to (<http://www.greenbuildexpo.org/Home.aspx>)

including plants as part of the LEED green building certification system and to continue to educate architects and designers on the importance of indoor plants.

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Featured Business:



Plant Interscapes, Inc., an interior plantscape business in four cities in Texas has earned the status of being a “green” certified business. “Plant Interscapes has proven that they are an environmentally-responsible business and operate in an ecologically-friendly manner, says Kathy Fediw, LEED AP, CLP, CLT, president of Johnson Fediw Associates and founder of the certification program. Plant Interscapes is an interiorscape company that takes care of indoor plants in office buildings, hotels and public indoor spaces in the San Antonio, Austin, Dallas and Houston areas.

All 4 branches have been certified, making Plant Interscapes the largest company to become certified to date.

Mike and Karin Senneff, owners of Plant Interscapes passed a rigorous assessment and had to provide proof of the company’s operational procedures. The assessment rates an interiorscape business on their

indoor and outdoor facilities, vehicle usage, recycling program, horticultural practices, staff education and

giving back to the community. “Plant Interscapes is very active both in the industry and in their local communities” says Fediw. “We are proud to recognize their achievements and know they will set an example for other businesses in Texas to operate in a more earth-friendly manner.”

Plant Interscapes uses subirrigation systems on all their plants, which drastically cuts down on the need for water, fertilizer

and pesticides. Plant Interscapes also has an extensive education program for their staff, ensuring that they are up to date on the latest methods and technologies available to the industry.

“Our sales team at Plant Interscapes uses our certification as a key differentiator when bidding on projects, especially for

clients with a key focus on going green” says Mike Senneff. “Many of the RFP’s we receive request information on our green practices. Out clients are searching for vendors and suppliers who share their environmental values.”

“When we are among the finalists in bidding large projects, our certification by an independent third party increases our credibility to our claims of being a green certified business and builds added trust in our company’s ability to provide our customers with eco-friendly services” says Senneff.

Johnson Fediw Associates is a third-party consulting firm providing green certification programs to

horticulture businesses. For more information on the Green Earth—Green Plants® program, go to www.greenearthgreenplants.com

For more information on how Plant Interscapes can improve the health and indoor air quality of your office or workspace, go to www.Plantinterscapes.com or call 888-284-2257.

“When we are among the finalists in bidding large projects, our certification by an independent third party increases our credibility.”



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"Kathy's informative and interesting in-house training had the immediate attention of all our staff. The depth of her presentation has given us all a greater understanding about the plants we work with, and the special place we occupy in our clients' eyes. Replacement plant costs will be reduced, I have no doubt. More importantly, she has reinvigorated our company's spirit, and re-awoken the passion that brings us all together."

-Dave Biggus, Mimosa Interior Landscape

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