EROSION PREVENTION • SEDIMENT CONTROL • REVEGETATION • STORMWATER May / June 2015 AND D E 0 Volume 13, Number 3 Retrofitting Ė İ Business Gensynd 12:4 OFFICIAL PUBLICATION OF THE INTERNATIONAL ASSOCIATION OF HYDROSEEDING PROFESSIONALS



MAY/JUN 15

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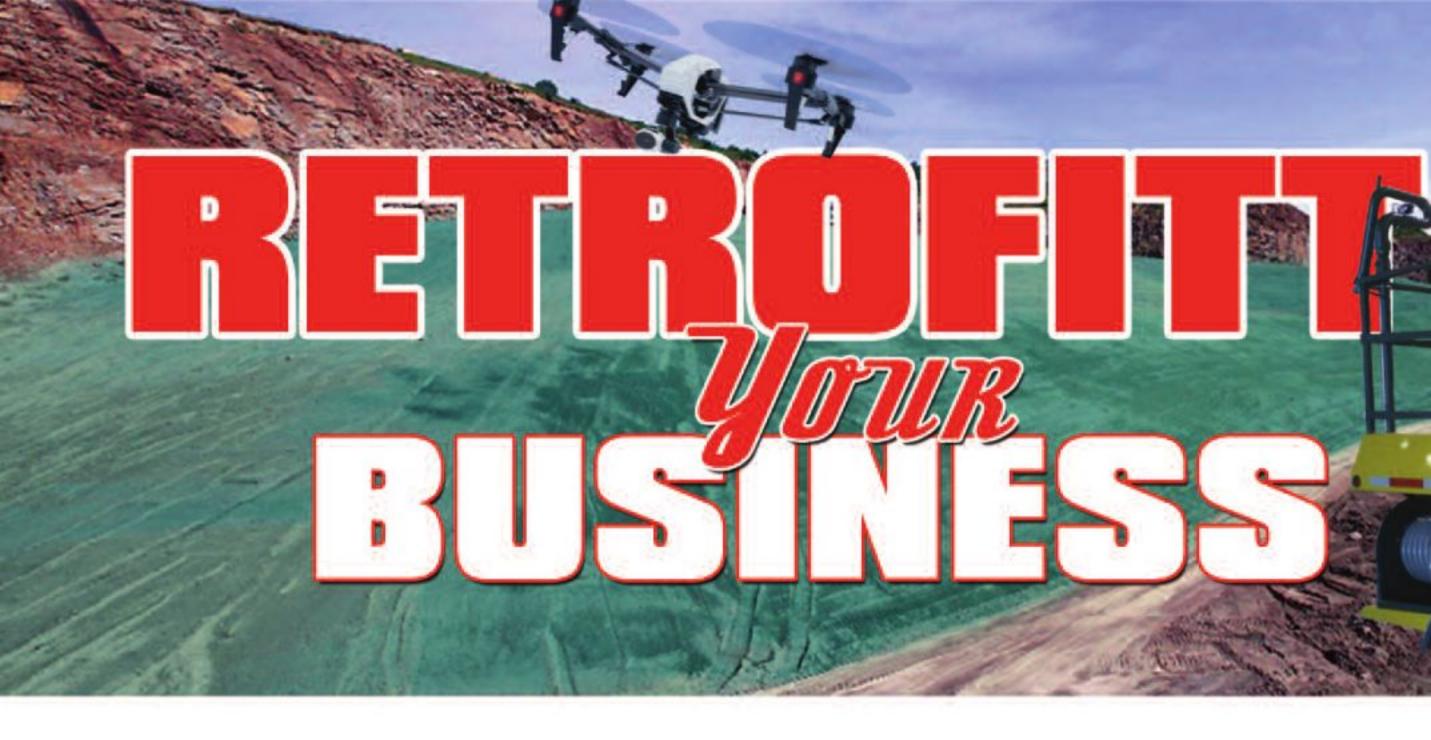


ON THE COVER:

Drones are the newest tool to be used in our market. They can fly by any property or terrain and send pictures or video back to your office, saving you the travel time of personally visiting the site.

Photo courtesy: Auburn University





The dictionary definition of the word "**retrofit**" means to add a component or accessory to something that it didn't have when it was first created. For example, adding a new, souped-up engine to an old car.

The word "retro" conjures up thoughts of the past, of what's behind us. But when we talk about retrofitting your business, the word doesn't really seem to fit, because you're not looking back so much as you're preparing for the future.

Retrofitting your soil erosion and/or hydroseeding business means thinking about everything that affects that business: personnel, equipment, marketing, and whether you should invest in new technology. It includes plans for expansion and for succession once your leadership ends.

The past must be examined and evaluated. You need to ask, what's changed in the marketplace since the business started? What mistakes were made, and what lessons did they teach? Are you still doing things "the way you've always done them," and if you are, should you change?

Succession

In a family business, the matter of who takes over once the person who started it steps down needs to be addressed long before that point is reached. And it's not always the direct descendants who take over.

Jake Martin and Son Contractors, Inc., a Gainesville, Georgia company that mainly does soil erosion work on the state's highways, was started in 1951. One of the founder's two sons became a profootball player; the other one, Jimmy, joined the company in 1966.

"I don't know if Mr. Jake gave him a whole lot of choice about that," said Wesley Martin, the CFO and present owner, the founder's nephew. "It was like, 'You've finished college, now I need your help."

The late Jake Martin continued



to run the company until 1989, when he sold it to Jimmy. In 1997, Jimmy was turkey hunting with his cousin Wesley when he told him he was selling the company. Wesley was interested. "We made a million-dollar deal based on a handshake," recalls Wesley. "The lawyers were freaking out."

Wesley Martin's children are pursuing other careers, so his succession plan had been to sell out to a man who'd been his vice president. "He'd worked for me for 18 years, just a fantastic, awesome man. I was going to sell it to him over the next two or three years, as Jimmy had done with me."

What happened next shows that even the best-laid plans can be derailed by something out of the blue. A few weeks ago, this man suddenly, unexpectedly, died. "I've had to go back out into the field," said Martin, now 57. "My son Jake called me the other day, and said, 'Dad, I love my job, but I think I need to quit and come help you." Whether this will be a permanent plan isn't clear yet.

Jay Selby is president and owner of Selby's Soil Erosion Control Company, Inc., in Newcastle, California. His father started the business in 1968. In 1995, he made Jay a partner. The company then grew "exponentially" over the next ten years, until 2005, when they hit a leveling-off period, but picked up again in the last five years.

Selby says that even though his 83-year-old father is "well retired," he'd never think of selling the company while he's alive. "He has so much pride invested in this business; it's his baby. But I have no children, no plans to hand it down to anyone."

Craig Hernan, owner of Westwood Landscape Contractors in West Chicago, Illinois, says his sons aren't interested in carrying on the business, although they both work in it presently. He thinks that may change, however, once they see how tough the job market is.

Family business or not, you need to think about the future of your enterprise when you're no longer a part of it.



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Technology

New technology can help streamline your business. You may not remember what things were like before computers and cell phones, but it was a lot slower.

Sarah Haggard, CPESC (Certified Professional in Erosion and Sediment Control), owns Bakersfield, California-based Deluge Consulting. One of the younger people in the profession, she's excited about new technology, especially after attending some talks at a recent IECA (International Erosion Control Association) conference.

Haggard is considering "going digital," changing from paper to electronic forms for SWPPPs (Stormwater Pollution Prevention Plans) and all the other forms required for her business. That would mean purchasing a tablet computer, and either buying or creating the needed software. One thing she'll need is the ability to create "electronic signatures."

But cost is a factor. "There are some California inspection apps that you can purchase already," Haggard says, "but they're pretty pricey."

A fellow erosion-control company owner has been urging her to make the jump to digital. He's purchased one of those expensive SWPPPinspection apps on a trial basis, and has been dying to roll it out on projects they work together on.

However, Haggard says it may not be a practical move for her. She works with a lot of different companies who use many different formats for their documentation. Since there's no standardization, "we can't just go to one system and use it with everybody."

There is an alternative to spending money buying apps. If you have someone in your firm who knows how to build them, you can have one tailor-made for you.

That's what the Tennessee Valley

Authority (TVA) did. The power-creation, economic development and environmental-stewardship agency operates in seven states. Each state has its own SWPPP inspection form. Recently, TVA's IT department converted all of them to digital PDFs. Robert Wilson, an environmental scientist at TVA, helped facilitate the project.

The digital forms look exactly like the paper forms. Getting them filled out electronically eliminates one hassle: "We no longer have to try and decipher someone's illegible handwriting," said Wilson. The new method also ensures that forms are complete; if an inspector fails to check a box, he's prompted to go back. And the agency knows instantly when forms have been completed.

It's paid off. The TVA calculated the number of man-hours they've saved by doing this. "Based on a staff of six inspectors and four people who write SWPPPs, we're saving 1,000 hours of time each year, just by using this app. That's a significant savings, multiplied by every year we use it." Extrapolate that to your own bottom line.

The savings were realized even though the various state environmental agencies aren't yet capable of receiving the forms electronically. "Technology is fine if you have people who know how to use it," says Hernan. "Data has to be fed in consistently, or it's useless."

He's heard of software that can track the movement of a company's vehicles. But he's not buying it. "I don't need to sit in an office looking at little dots moving across a screen; I know where my vehicles are going."

He's not all that enchanted with cell phones, either, even though they allow an employee to snap a picture of something he has a question about, and send it to him for a decision. "I suppose that could have helped us out a few times. But then, I hear about contractors getting these enormous cell-phone bills. Why are they giving employees Internet access? They're going to be playing around and checking their email, and productivity will go down."

Equipment

Doug Holmgren owns Turf-Blasters, a hydroseeding company based in Sioux Falls, South Dakota. "I'm in a unique position, because I've got an overwhelming amount of leads coming in, more than I could ever dream of handling," he says. "So, I put all my extra reserves into buying more hydroseeding equipment, particularly the hydroseeder tanks themselves."

He explains his strategy. "We don't have locations everywhere we work, and we work all over the country and in Canada. So, when I find jobs I want to chase after, I frequently don't have the resources, equipment and manpower at that locale. But we do own the hydroseeders. We can mobilize them, and rent any auxiliary equipment we need at the sites."

He can rent skid steers and grading equipment anywhere. "But the hydroseeders you cannot find," Holmgren says. "We need to own them so they're there when we need them. That is what's going to help us grow our business the fastest and let us expand."

Hernan's approach to equipment is the opposite of Holmgren's—he owns lots of skid steers, and rents hydroseeders or range drills as needed. "They're both kind of expensive items," he says, referring to those last two. "Since we don't need them all the time, renting works well for us."

"I purchase equipment when continued on page 18

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there are the right reasons to replace something," said Martin. "We evaluate an old unit from a mechanical standpoint, and see how expensive the repairs would be. Then we take a look at the tax options for a new purchase and see what kind of depreciation we can take."

On Haggard's wish list: her very own drone, after hearing a talk about them at IECA. UAVs (unmanned aerial vehicles) have become very cheap; a small one can be had for around \$400.

"We could use it to get post-construction pictures on the vegetative talk Haggard attended.

From images taken by a drone, he says, you can produce elevation models of a construction site. These will help predict where runoff flow will be the heaviest, and also where it'll accumulate, showing you exactly where to install BMPs. Eventually, drones can be used to take water samples in spots where sediment plumes have been spotted.

Although aerial photos are nothing new, drones can fly at much lower altitudes than airplanes. When equipped with high-resolution cameras, "that data becomes much more precise," said Perez. And, using a drone is much cheaper



side," she said. "The guy giving the talk explained how they could help you do post-construction calculations a lot better, answering questions such as, 'Have you met the 70 percent requirement for existing vegetative cover?' You'd have a numerical backup to say, 'Yes, we've met the requirement."

"We've been looking at using them on construction sites, to help monitor how BMPs are performing," said Michael Perez, a graduate research assistant at Auburn University's department of civil engineering, and the man whose than paying for a pilot, a plane and its fuel.

"A drone could eventually take over the inspecting, so I wouldn't have to physically go to a site," says Haggard. "They'd be especially helpful when I'm working on solar and wind farms."

Drones aren't quite there yet, however. You can't sit at a desk and push buttons to control one miles away; the FAA requires you to be in sight of a UAV under your control. Also, the batteries only allow for 30 minutes of flight at a time. Human SWPPP inspectors needn't worry; they aren't going to be replaced anytime soon.

Marketing and promotion

Martin has no advertising budget, except for supporting the local high school football team. Business flows from the company's sterling 65-year reputation. "People have always called us, because we do a good job, and we never walk away. Even on jobs where we could see we were losing money, where some people would've walked, we stayed with it and learned a lesson."

Holmgren uses winter 'dead time' to update the company's website, do search engine optimization and put up pictures of the previous years' projects. He'll come up with new promotions and design door hangers aimed at getting residential customers.

Selby thinks that blanket-advertising doesn't work in this industry. He prefers finding out what his land-developer customers are into, and working around that.

"A lot of people in construction are hunters or golfers. We organize pheasant hunts every February, and every June we throw a massive golf tournament. We get everybody nice and liquored up; that usually does the job," he says, laughing.

Personnel

Holmgren says his biggest constraint is finding and training people to run the hydroseeders. "I wish we could do it faster, but if we're going to send them out on the road, we have to be able to trust them."

Martin says that even though he pays well, "This new generation can make a living on a computer without doing hard, physical work. Some people eat better, sleep better, and feel better when they're tired at the end of the day. I've got a good group of those kind of people, and they're awesome, but it's

harder to find people cut from that piece of wood now."

Selby says a regulation change turned his company from a seasonal operation to a year-round one. The EPA and the Water Quality Board recently allowed contractors to keep working through the rainy months, if they stay in compliance. "We've had to increase management by 25 percent," he says. Operating year-round has helped him retain good field workers.

This year, he changed the way in which bonuses were structured. "We used to just see how our year went, and based our bonuses for our office staff and management on that. But this January, I sat down and set out some goals for the company, monthly, and tied everyone's bonuses to those goals."

It's worked well. "It's given everyone a common goal," said Selby. "So, we're going to continue doing it."

He refers to this as 'opening the books' to his management staff. "It's something that a lot of owners don't like to do, but it works for me. Letting them see exactly how we're doing as a company, and then tying all of their compensation, including salaries, directly to that, I've gotten a lot more productivity out of everybody."

Projecting into the future

"I'm a little bit too old-fashioned," said Hernan. "I don't want to get too far away from the business model that got me where I am today. That has hurt me."

Selby says that, as an owner, it's important to guard against complacency. "When you do something for 20 years, you can kind of lose your vision, go on autopilot."

Holmgren sees lots of opportunities out there that other contractors are missing out on. "They don't seem to be aware that a hydroseeding business can consist

of more than seeding lawns. There are spray-on erosion control blankets now, and alternative covers for landfills."

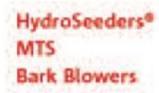
He's used his hydroseeders to spray seal-coatings over the piles of the very fine particles that mining operations leave behind. "There's plenty of work for companies that own these machines."

Holmgren's experience is a good example of "thinking outside the box." That may be what's required in order to stay competitive.

Is it time for you to retrofit your business?

FINN Forward

We continue to develop and adapt our equipment to fit new applications, from gas and oilfield reclamation to landfill cover to the U.S. military. We've modified units with tracks, equipped them with special axles and tires, designed special frames, and even tailored a collapsible rail system to meet unusual height requirements. If you have a specialized application, talk with us.











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