

Family matters

K&D Landscaping strives for a successful generational transition. **BY SARAH WEBB**



As children, the White siblings—Justin, Shane and Kelsie—weren't sure they wanted to take over K&D Landscaping. Their parents, Kendall and Dawn, started the company in 1986, expecting it to be little more than a side venture.

"We all had different ideas of what we wanted to do when we grew up," Justin White says. "We grew up on a farm and were very active in 4-H and raising animals."

Now, the three siblings hold leading roles within the company: Justin as

CEO, Shane as COO and Kelsie as vice president of marketing and social media.

Why the change of heart? "As we got into high school, we started to work for my father in the summer," Justin White says. "For me, I started to fall in love with landscaping and transforming someone's yard or business property from weeds to a beautifully landscaped place."

With Justin and Shane at the helm, the Watsonville, Calif.-based company has grown from about \$1.5 million in 2011 to \$5.5 million in 2017. "Our purpose is to raise the bar in the landscaping

industry," Justin White says. "We ask, 'If K&D disappeared tomorrow, what would be missing from the industry?'"

K&D offers 20 percent maintenance, 70 percent design/build, 5 percent irrigation and 5 percent tree services to a 60 percent commercial, 10 percent residential and 30 percent governmental clientele.

KEEPING IT IN THE FAMILY

Kendall White still works full time for the company as president, but he's taken on more of a supporting role since Justin White became COO in 2011, then CEO in 2015. Dawn White retired in 2015.

Kendall White was supportive of his children entering the company, but he didn't hand it over haphazardly. Justin White says his father expected him and his brother to start from the bottom as laborers, then foremen, before working up to management.

Once they made it to management, Justin White says determining roles came naturally.

"My dad did a good job of helping us get into roles that catered to our natural strengths," he says. "I become more of the visionary, while Shane took on more of the operations and execution mindset. The main thing is it's all give and take. You've got to let people make decisions



Every K&D Landscaping employee undergoes rigorous application and training processes.

NEWSFEED

NALP AWARD ENTRIES

The National Association of Landscape Professionals (NALP) is now accepting entries

for its 2018 Awards of Excellence program. The early bird deadline is July 1, and the regular deadline is

Aug. 6; entry fees are \$399 and \$499 per each submission, respectively.

JD EXTENDS WARRANTY

John Deere extended its machine warranty

on all Commercial Worksite products from one year to two years. This coverage includes new compact track loaders, skid-steer loaders, compact wheel loaders and

compact excavators. The standard warranty now promises that Deere will fix any defects in materials or workmanship for two years after delivery or 2,000 hours.



FAMILY FOCUS
All three White siblings have some hand in K&D Landscaping. From left to right: Justin, Shane and Kelsie White.

and trust each other.”

Nonetheless, the White brothers understood that working with family comes

with its own set of challenges. In 2015, they enlisted the help of a business coach who specializes in family-operated companies.

The brothers meet separately with the business coach for an hour each week. They meet together with the coach once a quarter for a two-day planning session.

Justin White says that any time he and his brother don't see eye to eye on a business matter, they'll call on their coach to step in and mediate.

“Our coach usually helps us see it from a different perspective and helps us get through the more challenging decisions,” Justin White says.

BUMPS ALONG THE WAY

Despite K&D's current success, the company encountered several challenges along the way.

For example, the 2008 recession forced K&D to drop down to a skeleton crew and subsist on public works projects—until the government's public works funds also dried up in 2010.

The low point came when the company dropped down to about \$1 million in 2010 from \$1.5 million in prerecession 2007.

Justin White says the company's saving grace during that low period was its maintenance work, which generated enough revenue to cover fixed monthly costs.

“It's been a business model for us,” he says. “Now it's a matter of being diversified and not getting any more than 25 percent of our revenue from any one sector of the market. Right now, we're really pushing maintenance, but it's a bit of a concern because we're going so heavy in the design/build.”

Even though 70 percent of K&D's revenue currently stems from the design/build sector, Justin White says he feels more comfortable knowing it's broken up between residential, commercial and government accounts.

Like many other landscape companies, Justin White says K&D struggles with finding and retaining the right people.

“We're looking for people whose purpose is to service and enhance other people's lives,” Justin White says. “We're looking for people who are going to come in and love what they do.”

To ensure applicants will be a good fit, K&D vets them during a thorough selection process. The company gives applicants a behavioral analysis test, performs background checks and calls at least two references.

For the behavior analysis, the company benchmarks applicants' answers against those of its top 10 employees, who were also asked to take the test. K&D has tried out multiple behavioral tests but has yet to settle on one ideal assessment, Justin White says.

Upon hiring, new employees undergo rigorous training.

Each new hire has 90 days to work with his supervisor to check off 50 items on a training checklist. The items include equipment training, installation techniques, vehicle operation and filling out paperwork.

“We put it on our newer employees' shoulders to go out and learn this stuff,” Justin White says.

K&D also attempts to create a family atmosphere, he says. If that's not enough, it also pays employees what Justin White says is 20 percent more than the competition.

BRINGING IT FULL CIRCLE

Despite the challenges, K&D has managed to double its revenue every year for the past three years. Looking forward, Justin White says the plan is to grow the company to \$7.5 million in 2018 and to \$30 million in 2030.

Goodwill marketing

Each month, K&D Landscaping volunteers time and resources to beautify a nonprofit organization within the community.

“It's given us a lot of satisfaction to give back to the community that's supported our company for the last 30 years. It's also given us a lot of exposure,” says K&D Landscaping CEO Justin White. He adds that 80 percent of K&D's workflow stems from referrals.

The beautification campaign began in January 2017 when the company volunteered at a local church.

K&D spends about 2 percent of its annual revenue on marketing. The beautification efforts account for a large chunk of those dollars.

The company promotes the projects on Facebook and asks people to vote for a nonprofit whose landscaping could use a face-lift.

Once an organization is selected, K&D donates \$1,500 to \$2,000 toward the project and sends an entire crew to the site for a full eight hours.

To help support the beautification campaign, the company also receives donated materials from its suppliers, which include Ewing Irrigation and Vision Recycling.

GIVING BACK
K&D Landscaping crews beautify a school in Watsonville, Calif.



“One of my other long-term goals is to become a case study for how to successfully transition a company from its founder to the second generation,” he says. “I hope to bring this full circle within the next 10 years.”