

# Growing from Strong Roots



Daniel van Starrenburg, CEO of specialty tree-service company SavATree, talks about how the already-profitable company is using lean as a strategy to maximize sales growth in a field services organization.

## CLIENT

SavATree (with 23 locations in eight states) offers high value-add, customized tree- and lawn-care services directed by arborists who inspect and diagnose tree and lawn conditions and make recommendations for care.

## CHALLENGE

How to free-up resources to focus on growth initiatives.

## SOLUTION

Use lean to reduce set-up times, improve crew productivity, and free-up time for arborists to create more selling time with customers.

## RESULTS

Teams now have the right materials prior to reaching the job site. Secondary sales are up 5X and crews now have an additional 1.5 hours per day to support growth.

## How did you learn about lean?

I have a friend who runs a boutique investment banking firm, and he introduced me to the concepts of lean. It's not uncommon in his space [private equity]. Through him I was introduced to someone who actually does it, and then subsequently I met Chris Nichols [Vermeer Corp. Global Sales Manager]. He and his team were kind enough to invite me and my team out to dinner. The topic came around to lean. Chris sent me **The Antidote**. I read it, and then I purchased it for the senior management team. And then I bought the book for the broader management team, and then dispersed it deeper into the company. Afterward the management team met with TBM and decided this was where we wanted to go.

## What convinced the management team to commit to lean even though SavATree is a “non-traditional” lean candidate, i.e., not a manufacturer?

That conversation came up very regularly, but we also felt that although lean would be more difficult to implement in a service organization, the benefits would be enormous, so it would be worthwhile. It is unusual for a company in the green industry to be on a lean journey, so from a competitive perspective, we felt we would have many advantages as a first-in company.



## What was driving the need for change?

We're really looking at this as our growth strategy. We are a very strongly performing company. We have a very strong, predictable EBITDA, and steady margins and steady growth. But we don't have growth at the rate I believe we deserve, so the aspect of freeing up resources and redirecting them to growth is very appealing.

## You've had some impressive early results. What stands out?

Some of our best operations have cut set-up time by two-thirds. When you multiply that out across all of the employees at all of the locations, the savings are huge. It dramatically impacts our business..

## What have you done with the newly found time?

What we did was give half of that benefit to customers with more time on site creating value, which directly contributes to our ability to compete. And the second half accrues to the benefit of the company. So that's really pretty cool when you can re-engineer a process, save all this time, and then decide how to spend it. We're going to spend it to make our company more competitive, and more profitable. That's amazing, and it's really got the team fired up because it's very tangible.

## Can you give an example?

Yes. Efficiency has become an unofficial contest. We'll hear people say, **"You can get set up and out in nine minutes? Well I can do it in eight."**



**"The challenge was, 'How can we use the administrative staff and talent to better handle sales and customer service?'"**

Daniel van Starrenburg, CEO, SavaTree

## Why was set-up time one of your first targets?

Set up—and the reverse at the end of the day—is a big deal because it happens at all of our 23 locations, and it's unbillable time. Another part is we have rework when a truck has to drive back to the workplace to get a missing tool and get back out to the jobsite. Or managers have to drive out to bring a tool to a jobsite. For that kind of stuff to go away, you have to have these systems, like kanban.

## Another exciting result you've seen is a five-fold increase in secondary sales. Why such a jump?

Traditionally, the salespeople sell. In our world, salespeople are the arborists. They have the specialized training and knowledge to make a diagnosis, and based on that diagnosis, make recommendations. We're very consultative with the client. But we also have a big administrative team that has not been part of our sales process. We have a tremendous number of recommendations that are made to customers that are not followed up on because the arborists are literally running from one customer to another, and they have a jam-packed day already. The challenge was, **"How can we use the administrative staff and talent to better handle sales and customer service?"** So we've trained them to follow up with clients and basically say, **"Do you want me to schedule the work you previously discussed with an arborist?"** To manage this we put in a visual system and a specific reward system tied to a quarterly bonus.



## Tell us about the results.

We are in our fourth year of the secondary-sales effort. If you look at the bar chart, we have very little results for Years 1, 2 and 3. We said this was not working at the level it could, so it was worthy of becoming a kaizen event topic. So we have done that, and we've already generated five times as much business in one month than we've done in our best previous year, and it just launched.

## In addition to the actual revenue, have there been other benefits?

We've not had to add assets to do this, which is pretty exciting. Plus the administrative team feels closer to and more a part of the sales team, so we have that alignment now. Sales are key to us. It's part of our culture. We're not going to grow if we don't sell.

### SavATree Improves Field Operations, Frees Up Resources and Redirects Focus Toward Growth

#### SECONDARY SALES



(new revenue stream)

Although results are very preliminary (one month), secondary sales (follow-up after an arborist assessment and recommendation) are increasing dramatically in terms of both number of follow-up appointments booked and revenue.

#### SET-UP TIME



(varies by location)

Set-up time includes when a team member arrives at the workplace to receive order(s) for the day, collects equipment and other materials needed for the job(s), loads these from warehouse to truck, and then leaves for the jobsite.

#### ADDITIONAL SERVICE TIME CREATED



(per day per tree-care crew)

Half of the additional time freed up from shorter set-ups has been dedicated to more stops per route for plant-care and lawn-care crews; and additional time and value-add services for clients in the most competitive segment of the business—tree care. The other half has been added to profits.

## SPEED WINS EVERY TIME

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