

SNOW PRO

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SNOW PRO is geared toward the snow removal industry; there's something in here for those who use the products and those involved in the different stages of selling or renting products. Manufacturers also should find it of interest.

This year readers will receive two issues of *SNOW PRO*. Let us know if *SNOW PRO* is helpful to you. Send your comments to: Editor, *SNOW PRO* supplement, 1233 Janesville Ave., Fort Atkinson, WI 53538.



Snow removal is insurance

Whether it snows or not, customers pay for snow removal "insurance" achieved by smart management tactics.

By Tom Hatlen



Not much snow fell around Midland Park, New Jersey this year — nothing like 1982, says Chris James. "I had only a year or two of experience when I learned my first hard lessons about snow removal. We had a 20-inch snow storm; four to six inches is a good average snow in New Jersey.

"I was under equipped and did not get out early enough. The snow got so far ahead of us we were lucky if we could do one residential driveway an hour. Normally we did two to four an hour. It took us three days to catch up. It was so hard on the equipment, it cost me dearly for major repairs when the storm was over."

His residential customer base at the time accepted apologies. "Had it been a corporate situation, I probably would have been handed my head," says James.

Corporations pay for insurance

Today, James is almost entirely in a "corporate situation," and vows never to be unprepared again. He takes a number of steps to make this happen:

- They start salting and plowing "with the first couple snow flakes."
- Clients pay a minimum charge to cover James' overhead whether it snows or not.
- They stockpile salt, calcium chloride, fuel and extra equipment at a central storage area minutes from all clients.
- They prepare months in advance and maintain detailed logs.

(Continued)

PROFILE:

Chris James Landscaping, Inc.
Midland Park, New Jersey

Owner:Chris James

Founded:1981

Snow customers:9 corporate offices / distribution centers and 2 condo complexes (all done by employees); 25 residences (done by a subcontractor)

Average snow removal sales:\$150,000

Average annual snowfall:30 inches

Snow season employees:12 — 5 year-around

Equipment:8 Western plows; 4 salters: 1 Good Roads, 2 Hi-Way, 1 Airflow; 3 loaders: 1 Cat, 1 Case, 1 Toyota; 8 snow blowers: 2 Toro, 2 Ariens, 4 MTD

Average bulk rock salt used:225 tons

Average pallets of 80 lbs.

calcium chloride used:12



James' customers pay to have his crews plowing with a storm's first few snow flakes.

James says, "We look at snow removal as the ultimate insurance policy. We insure productivity and safety for our clients just like you pay for health insurance. People pay us whether they are going to need it or not. But when they need it, they expect us to be there in full force."

His customers realize the real cost of not insuring immediate and complete snow removal. "For example, a couple clients are cologne manufacturers. Each one of their 18 wheelers has \$1 million worth of product on it. If a truck cannot leave a loading dock for even a few hours to get off to market because the facility isn't cleared, they are losing huge amounts of money.

"I found it's a real easy selling point if you tell a facilities manager, 'For the amount of money that snow removal will cost, it will keep up your productivity.' It's the same thing with the human factor. If you can guarantee them safe access at any time of the day or night, it's good for employee morale too. After battling conditions on the road, they know they won't have to trudge through snow or ice to get to the employee entrance. This has meant a lot to my clients."

Snow removal "insurance" contracts

James says the annual "minimum/maximum" contracts he uses satisfy the budgeting needs of medium-to-large corporations. These contracts typically cover 6 to 12 average storms. If fewer than 6 storms occur, James refunds

some of each customer's payment. If there are more than 12 storms, customers pay an additional amount.

Setting a minimum covers James' overhead costs so he will have the cash to keep equipment, supplies and people available if needed. He guarantees in the contract to have x-number of people and x-number pieces of equipment on each site.

He determines his price based on average snow falls over the last several years. He says the snow falls between the average minimum and maximum about four out of five years.

"Then there will be a year when we may have to give back, and there will also be the exceptional year, like 1995-96, when clients made plenty of additional payments."

Equipment to count on

James' customers don't want to hear excuses for late snow removal. So he keeps backup equipment to insure continuous, prompt service completion.

"I've found that if we need seven pieces of equipment for the average snow-storm, we should have 10 or 11.

'We look at snow removal as the ultimate insurance policy. We insure productivity and safety for our clients.'

-Chris James

"So if a truck breaks down, instead of trying to spend an hour fixing it on-site, the driver can warm up the other piece of equipment. As we get into larger snow storms, it gives us more flexibility to have our own equipment and not have to rely on subcontractors."

To ensure equipment is available and ready to go, James begins preparing for next year's needs as soon as the snow season ends. Starting in October, employees prepare to operate equipment by watching plowing and salting



Chris James

(Continued)



James counts on his stockpile of backup equipment to keep his people plowing.

videos, discussing the 12-page outline of employee responsibilities, reviewing log books from the previous year and making walk-throughs of properties.

Fuel stored for continuous operations

For several years, James stored enough fuel to keep all of his equipment (including backups) running for about 12 hours. In 1995-96 James learned this

wasn't enough: "We had 30 inches of snow for the first time in the years I've been in business. The city basically shut down for about a 36-hour period.

"We had one service station with unleaded gas within maybe a 20-mile radius — and every plow contractor in a 30-mile radius was using this station. We had no outside source for diesel for about 36 hours.

"If a truck cannot leave a loading dock for even a few hours to get off to market because the facility isn't cleared, they are losing huge amounts of money."

-Chris James

"If we had gone even another hour, our diesel equipment would have been out of commission. So we added another larger fueler to one of our trucks and increased our diesel capacity

by another 150 gallons. We now have enough fuel capacity to keep 11 pieces of equipment running 24 hours."

Salt insures safety

Along with his stockpile of fuel, James keeps a stash of 25 to 100 tons of salt and couple pallets of calcium chloride, both of which he applies liberally. "Over the years I've found salting has been the key to keeping us liability-free.

"Very rarely have I ever heard of anyone slipping and falling in six inches of snow. It's the early morning hours when you have only an inch or so on the ground and people are going to work. People are not quite as cautious.

"My clients expect to see cement or blacktop. I've found that if you get salt down early it acts as a brine layer so you never get a heavy ice situation. If it's just freezing rain or residue from a storm, we get salt down early again."

James also reduces his risk of lawsuits by documenting his salting and snow removal operations, as well as weather conditions, wind, temperature, snow and ice amounts and types, how many "civilians" were present at different times and anything else that impacts the situation.

Getting supplies to plowers promptly

To bring everything together, James uses a central storage area within a five-mile radius of all commercial accounts. This fenced-in yard provides quick access to equipment, salt, calcium chloride, snow blowers, additional parts, tools, fuel — everything they need to keep running.

"We never have to go back to our main facility during a snow storm. There is no lost time with this arrangement. Under normal driving conditions you can go anywhere in northern New Jersey in 10 or 15 minutes. But during a snow storm in rush hour, 15 minutes can turn into an hour."

So whether it snows or not, Chris James has his people, equipment and supplies ready to go and close at hand to insure they can handle whatever mother nature sends their way.