

## HINDSIGHT SERIES

"If I Only Knew Then..."

**Richard Capachione: New England Hardscapes**

*by Juliet Farmer, ConcreteNetwork.com Columnist*



Richard Capachione, owner of New England Hardscapes, Inc., in Tyngsborough, Mass., serves customers in south New Hampshire and most of Mass., as well as Rhode Island, New Hampshire, Maine and Vermont (occasionally).

New England Hardscapes offers hardscaping, as well as designing whole outdoor living areas. Their sales/design consultants create whole landscape plans (including pools, patios, walls, fire pits, walkways, driveways and outdoor living areas) for clients. The company also reproduces surfaces, such as wood, travertine, flagstone—even stainless steel.

### HERE ARE CAPACHIONE'S HINDSIGHT TIPS:

#### **Managing Employees**

Capachione, who readily admits he's still learning quite a bit about managing employees, says he's been lucky enough to hire good employees who stay.

#### **His secret? Proper screening.**

"Most of the hiring we've done has been through other industry resources and referrals—not a lot of blind hiring," he explains, adding that networking and partnering with other contractors, ready-mix supplier, local distributors and companies that do similar work has contributed to his hiring success as well.

Capachione also recommends sharing. "If we need five extra people for a special project we're working on, we call our local competitor / partner and they lend us hands, and we do the same for them," he says. "Through partnerships, we get good referrals...Being a small company, we get to operate differently, and by pooling resources we find that there truly is strength in numbers in this industry."

He's also implemented a test. "In our first year, we'd hire anybody, but we learned from that," recalls Capachione. "We realized people have to be field proven—they have to prove what they can do and that they can do what they say they can do, because a lot of people claim they can do things they can't."

"We put them in the field, and they have to show us their skills and that they know certain things. We bring them in for a two-week trial period at a specific pay rate and then we reassess at the end of the two weeks."

Capachione says that the two-week trial period is a great way to weed out those who are saying they can do things they can't, "because they don't want to go through the trial period."

### MARKETING/ADVERTISING

According to Capachione, the days of newspaper ads and yellow page ads have gone by. "Those things don't get us the type of projects we're interested in," he observes.

Capachione's goal is to be a better resource for his referrals—architects, builders, designers, etc. "When they're going through the spec process, we want to show them that they can rely on us and we can educate them, so when they speak to their clients they can be informed," he explains.

His shift to design community education has included a combination of print and collateral pieces, and Capachione says he sticks with high-end publications in his area and also hits the pavement with meet and greets with local firms.

"We educate about specs, with the goal to get specified right from the start of the project," he adds. "We're already getting nice projects from that approach."

### **CUSTOMER RELATIONS**

At New England Hardscapes, sales people are also project managers, which Capachione says helps maintain personal contact, so that after the job is sold the client isn't "handed off to the next person."

"Good customer service is one of the fundamental things people take for granted," he adds. "But in this industry, you get a customer and then it's on to the next one."

"Communication is key. If the customer doesn't know what's going on, they feel forgotten," observes Capachione. "You need to have effective communication throughout the project and set realistic expectations from the start. We put together a construction manual for our client that includes everything from scheduling and payment, to what to expect during the job process."

His methods are working, because New England Hardscapes gets a lot of referrals from their existing customers, and that's their largest source of leads for new work.

*"Make every customer feel like the most important one—that makes for a happy customer,"* Capachione adds.

### **PRICING**

Capachione acknowledges that pricing can be tricky.

"We try to maintain certain margins, and if we reach our market, we can get our price," he explains of his approach. "We've found that the customers who are just looking for price and not the value of what we provide aren't really our customers... Finding the right market is essential, because the kind of work we do is typically the first thing that's cut in a tight budget."

He's also not afraid to be the highest bidder for a job.

"We don't charge prices because everyone else does, we try to achieve our margins," Capachione says. "If no one ever said 'you're bid is high,' we'd know we're not priced properly. We want to hear that, and we still usually get the job even when we do hear that, because that's a client who sees the value of what we do."

"There are a lot of contractors who don't know how to price," he continues. "Our true competition is in the same ballpark we are. Underbidders come and go, but they usually don't make a go of it because they aren't charging enough, and they aren't doing anybody any good."

### **FACILITY MANAGEMENT**

Capachione thinks having a showroom is crucial to success.

"There is value in having showroom and display space, because the more people can see, the easier the buying decision is," he explains. "The key is getting them to the showroom or having samples delivered. Sometimes we

even have them come to our facility so we can develop custom samples for them."

As for the eternal question—buy or rent/lease, Capachione says, "It's wise to plan long term for growth when considering real estate. I see no value in buying a building unless you find the perfect location—one that's centrally located, with access to major highways and larger cities. We're currently renting and searching for that perfect location ourselves."

## **EQUIPMENT**

Capachione is not opposed to renting or leasing when it comes to equipment, either.

"We generally buy used, depending on what it is, but with the larger equipment we tend to buy new," he explains. "For short-term needs, we will lease for two or three or four months, because that makes more sense than daily/weekly rentals."

But even with a lease, Capachione has an eye toward the future.

"With leases, we have often negotiated from the start to lease to buy, so the payment goes toward the purchase price. Either that or we structure the lease for low interest or some other favorable financing."

## **VENDORS/SUPPLIERS**

"As we've grown, our volume of vendors has grown, but we have loyalty to vendors," explains Capachione.

He says that building a relationship with vendors is important, because if you have a good relationship, they can extend your payment schedule, give you favorable pricing, or get you material quickly if necessary.

"Our key vendors do right by us, and even in times when pricing may be high, they provide good service," he adds. "It's imperative for a young company starting out to have loyalty to their vendors."

## **JOB SITE MANAGEMENT**

According to Capachione, the biggest disconnect is from sales to construction.

"There needs to be a constant flow of communication between the office and the job site," he says. "For us, it all starts in the office with weekly construction meetings. The foreman is there to hear the nuances of each particular customer, so they know what to expect at the job site. That's important, because it translates into a good project."

Capachione also recommends having an onsite manager—one that communicates well with customers and understands what's going on at the site.

He also utilizes progress sheets that are filled out for every job site every day, which helps facilitate a discussion of things that are going well and things that aren't, so they can quickly pinpoint glitches in the process and fix them.

"We want to control everything that's within our control. Through constant evaluation of process and jobsite practices, we determine each thing that we can control. For example we can control the slump of the concrete, and we can't control the weather, but on days where the forecast is 'iffy,' we can control whether or not we will place concrete," he concludes.