



NATIONAL  
ASSOCIATION OF  
**LANDSCAPE  
PROFESSIONALS**

# 2023 Year-End Business Pulse Survey

## Executive Summary

NALP fielded its Year-End Business Pulse Survey in November 2023. Responses were received from 328 NALP member contractor companies. Overall, landscape industry businesses performed well in 2023, with 69% of companies either meeting their budget goals or they were within 1-9% above or below their profitability goals. Of the three, the largest group (29%) beat their goals by 1-9%.

Many companies reported that some of their service lines performed with higher-than-expected revenue:

- 40% reported higher-than-expected revenue in landscape maintenance and enhancements
- 36% reported higher-than-expected revenue in installation (construction and plant install)
- 23% reported higher-than-expected revenue in irrigation installation or maintenance, and
- 22% reported higher-than-expected revenue in lawn care and pest control

When it came to challenges, not surprisingly, 51% cited staffing issues as their top business challenge, while lower customer demand and higher cost of equipment and products were the other top concerns (at 17% each) for the general respondent pool. Anecdotally, respondents mentioned historically low snowfall, drought conditions in some areas, high staffing costs, and clients not being about to secure financing as additional roadblocks.

**The outlook for 2024 is optimistic**, with 64% of companies expecting to see increased profitability, while only 13% expect a decrease in profitability next year. And 33% of companies expect to expand next year by either adding branches or merging or acquiring companies. Nearly 89% percent of companies plan to grow their employee roster next year *if* they can find qualified employees. And, when it comes to shifts in the industry, battery-powered and robotic equipment are under consideration:

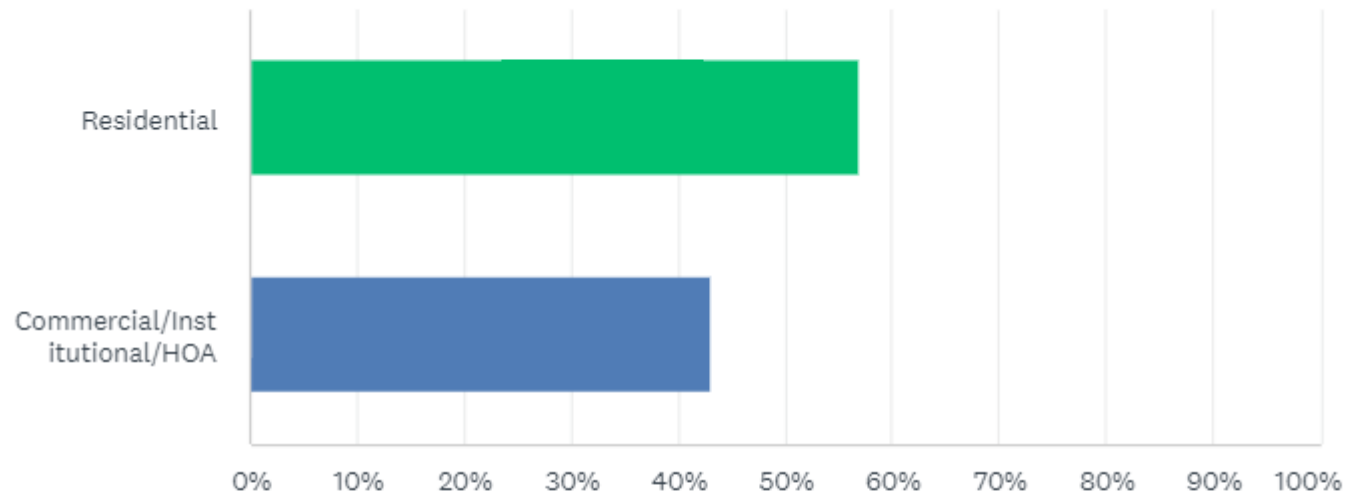
- 27% of companies are thinking about adding hand-held electric equipment
- 31% of companies are thinking about adding electric mowers, and
- 31% of companies are thinking about adding robotic mowers.

### Business Focus Areas

When analyzing the responses by business focus areas, a few differences came to light. When it came to struggles with consumer demand, residential-focused companies (23%) and lawn care companies (26%) reported it as their number 1 business challenge at much higher rates than commercial-focused companies (9%). When it comes to growth in 2024, a much higher percentage (28%) of commercial-focused companies plan to add branches next year versus 18% of all respondents. Additional statistics by business area can be found at the end of the report.

# Which is your primary client type (which provides the most revenue)?

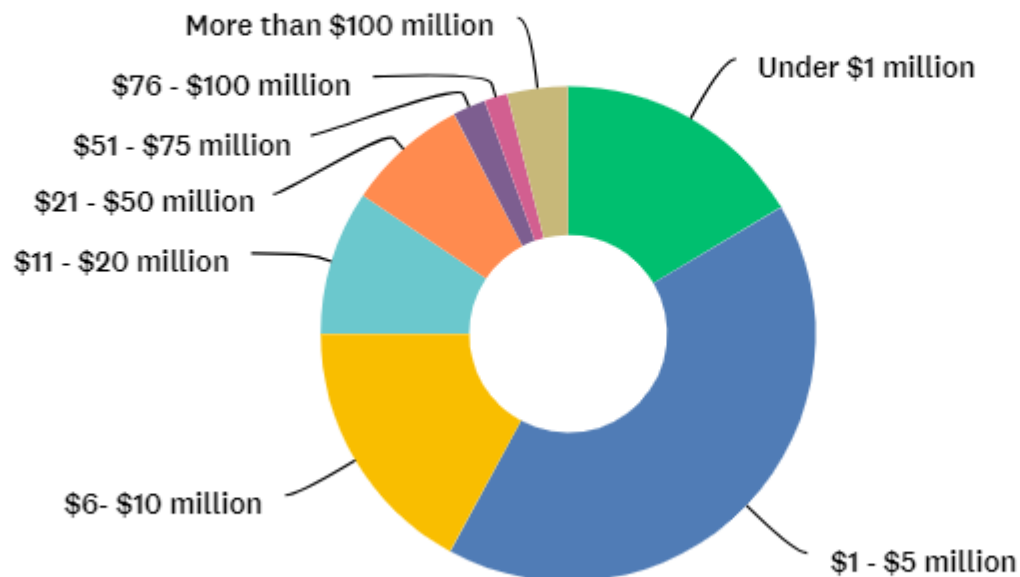
Answered: 328 Skipped: 0



ANSWER CHOICES	RESPONSES
▼ Residential	57.01% 187
▼ Commercial/Institutional/HOA	42.99% 141
<b>TOTAL</b>	<b>328</b>

# What do you estimate your annual company revenue to be?

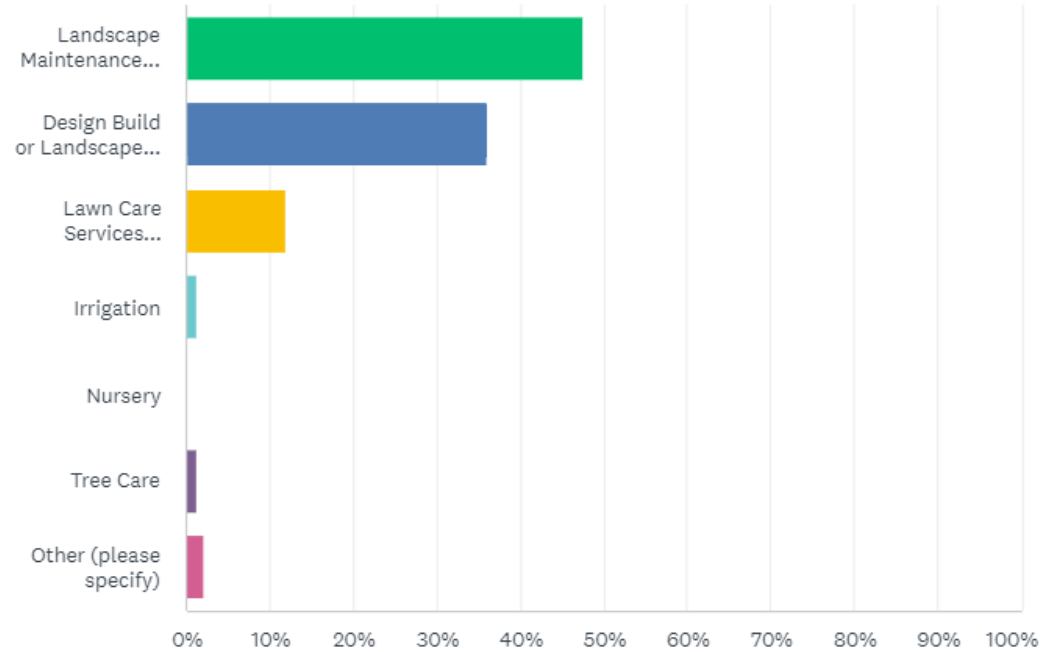
Answered: 328 Skipped: 0



ANSWER CHOICES	RESPONSES
Under \$1 million	16.46% 54
\$1 - \$5 million	41.46% 136
\$6 - \$10 million	17.07% 56
\$11 - \$20 million	9.45% 31
\$21 - \$50 million	7.93% 26
\$51 - \$75 million	2.13% 7
\$76 - \$100 million	1.52% 5
More than \$100 million	3.96% 13
<b>TOTAL</b>	<b>328</b>

# What is your PRIMARY business line (which provides the most revenue)?

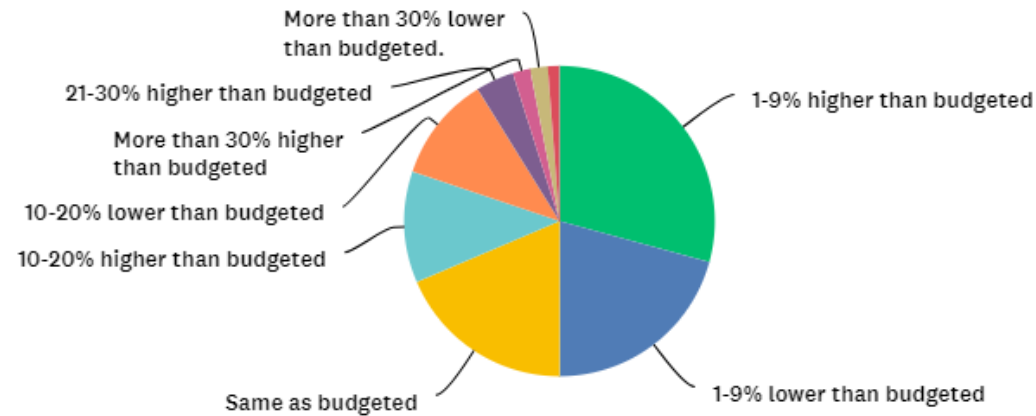
Answered: 328 Skipped: 0



ANSWER CHOICES	RESPONSES
▼ Landscape Maintenance (includes mowing)	47.56% 156
▼ Design Build or Landscape Construction	35.98% 118
▼ Lawn Care Services (fertilizing, pesticides, ornamental care, etc.)	11.89% 39
▼ Irrigation	1.22% 4
▼ Nursery	0.00% 0
▼ Tree Care	1.22% 4
▼ Other (please specify)	<a href="#">Responses</a> 2.13% 7
<b>TOTAL</b>	<b>328</b>

# From a profit/loss perspective, how did your company perform in 2023 compared to your goals?

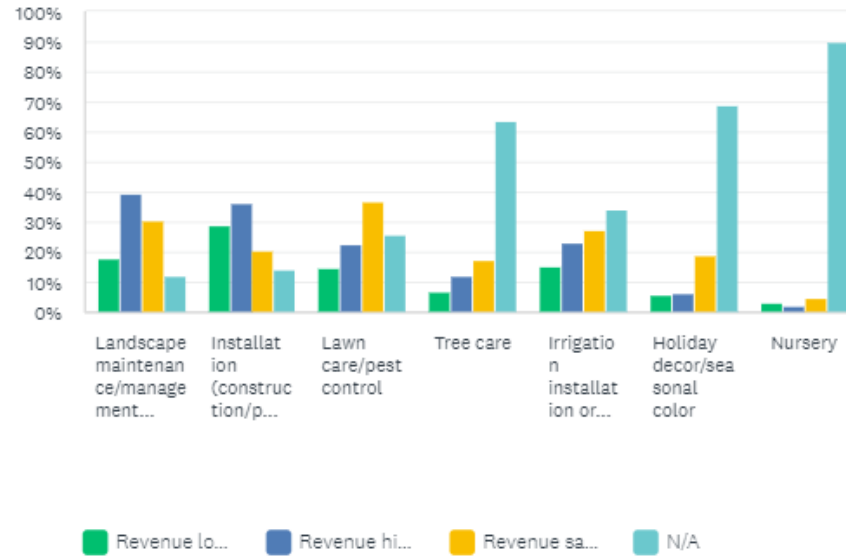
Answered: 328 Skipped: 0



ANSWER CHOICES	RESPONSES	
▼ 1-9% higher than budgeted	29.27%	96
▼ 1-9% lower than budgeted	20.73%	68
▼ Same as budgeted	18.60%	61
▼ 10-20% higher than budgeted	11.59%	38
▼ 10-20% lower than budgeted	10.98%	36
▼ 21-30% higher than budgeted	3.96%	13
▼ More than 30% higher than budgeted	1.83%	6
▼ More than 30% lower than budgeted.	1.83%	6
▼ 21 - 30% lower than budgeted	1.22%	4
<b>TOTAL</b>		<b>328</b>

# How did your service lines perform in 2023?

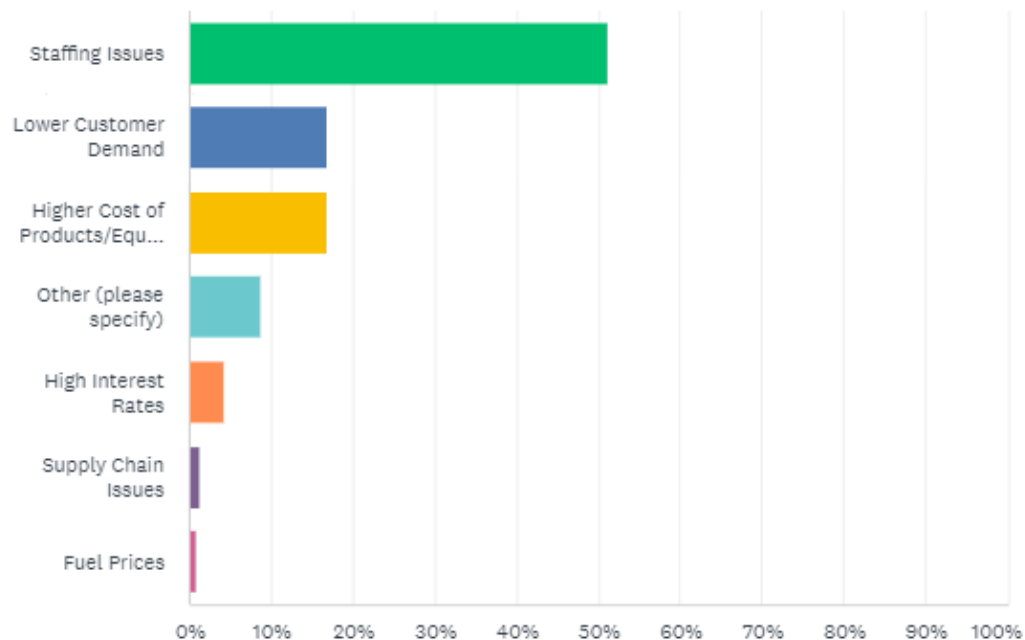
Answered: 328 Skipped: 0



	REVENUE LOWER THAN EXPECTED	REVENUE HIGHER THAN EXPECTED	REVENUE SAME AS EXPECTED	N/A	TOTAL
▼ Landscape maintenance/management (also enhancements)	18.04% 57	39.56% 125	30.38% 96	12.03% 38	316
▼ Installation (construction/plant install)	28.98% 91	36.31% 114	20.70% 65	14.01% 44	314
▼ Lawn care/pest control	14.74% 46	22.44% 70	36.86% 115	25.96% 81	312
▼ Tree care	6.84% 21	12.05% 37	17.26% 53	63.84% 196	307
▼ Irrigation installation or maintenance	15.41% 47	22.95% 70	27.54% 84	34.10% 104	305
▼ Holiday decor/seasonal color	5.63% 17	6.29% 19	18.87% 57	69.21% 209	302
▼ Nursery	3.04% 9	2.36% 7	4.73% 14	89.86% 266	296

# What was your #1 challenge to business growth in 2023?

Answered: 328 Skipped: 0

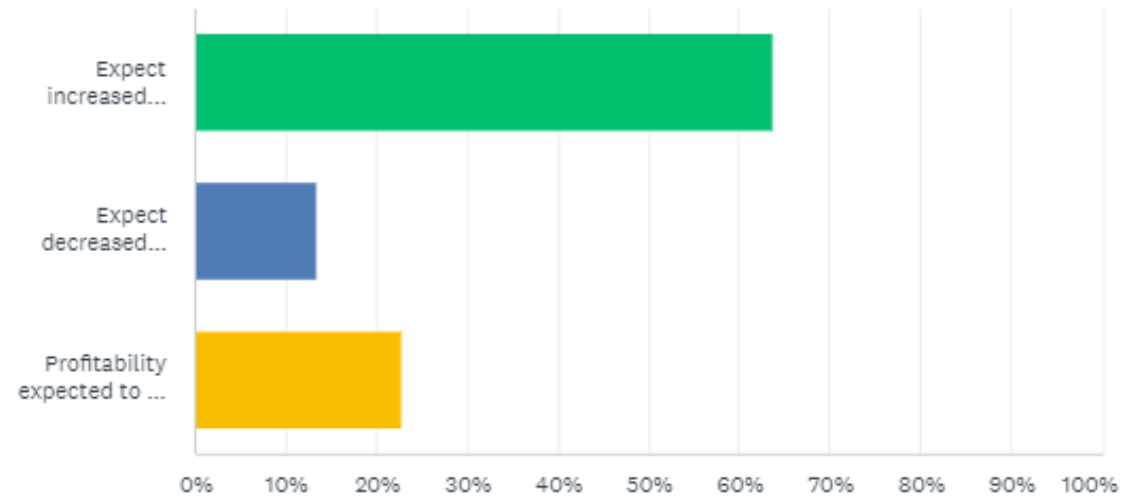


ANSWER CHOICES	RESPONSES
▼ Staffing Issues	51.22% 168
▼ Lower Customer Demand	16.77% 55
▼ Higher Cost of Products/Equipment	16.77% 55
▼ Other (please specify) <a href="#">Responses</a>	8.84% 29
▼ High Interest Rates	4.27% 14
▼ Supply Chain Issues	1.22% 4
▼ Fuel Prices	0.91% 3
<b>TOTAL</b>	<b>328</b>



# Do you predict your profitability will grow, shrink, or stay the same in 2024?

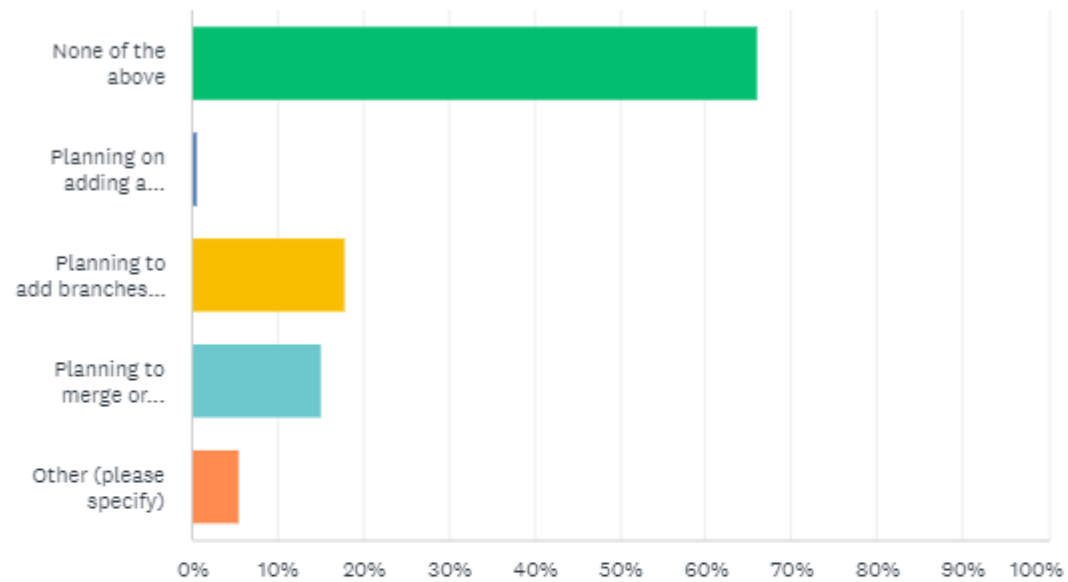
Answered: 328 Skipped: 0



ANSWER CHOICES	RESPONSES
▼ Expect increased profitability in 2024	63.72% 209
▼ Expect decreased profitability in 2024	13.41% 44
▼ Profitability expected to be about the same in 2024 as 2023	22.87% 75
<b>TOTAL</b>	<b>328</b>

# Do you plan to grow your company with franchising, new branches, or acquisitions in 2024? (choices)

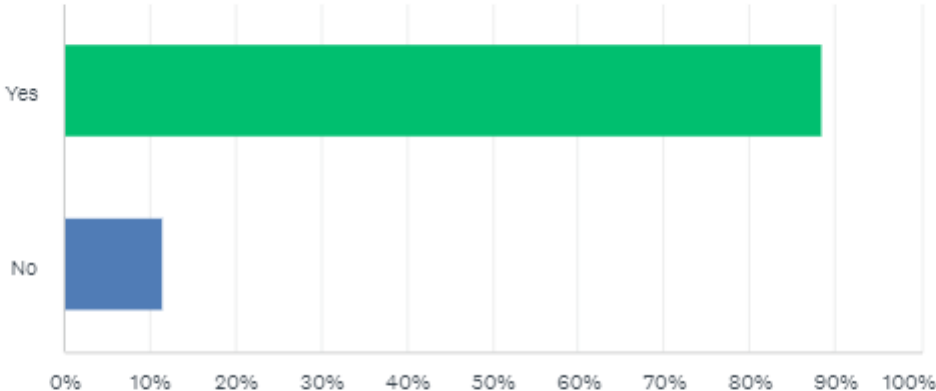
Answered: 328 Skipped: 0



ANSWER CHOICES	RESPONSES
None of the above	66.16% 217
Planning on adding a franchise in 2024	0.61% 2
Planning to add branches in 2024	17.99% 59
Planning to merge or acquire companies in 2024	15.24% 50
Other (please specify)	Responses 5.49% 18
<b>Total Respondents: 328</b>	

# Do you plan to increase your employee roster in 2024 if you can find qualified candidates?

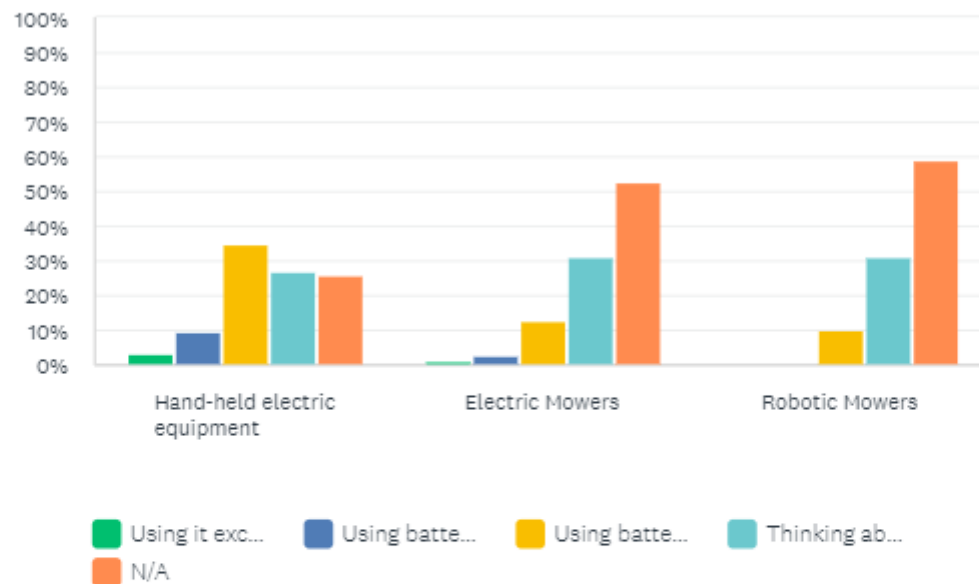
Answered: 328 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	88.41%	290
No	11.59%	38
<b>TOTAL</b>		<b>328</b>

## Are you using battery-powered equipment in your business?

Answered: 328 Skipped: 0



	USING IT EXCLUSIVELY	USING BATTERY-POWER MORE THAN 50%	USING BATTERY-POWER LESS THAN 50%	THINKING ABOUT ADDING IT	N/A	TOTAL	WEIGHTED AVERAGE
▼ Hand-held electric equipment	3.07% 10	9.51% 31	34.66% 113	26.99% 88	25.77% 84	326	3.28
▼ Electric Mowers	0.96% 3	2.56% 8	12.78% 40	30.99% 97	52.72% 165	313	4.19
▼ Robotic Mowers	0.00% 0	0.32% 1	10.00% 31	30.97% 96	58.71% 182	310	4.38

## Commercial Service Providers

Commercial providers are those companies where more than 50% of their business is with commercial clients.

### 2023 Performance

While commercial-focused companies' profitability goals performed about the same as all respondents, their performance on service lines differed in a few areas with 34% reporting higher than expected revenue in irrigation installation and maintenance (versus 23% of all respondents). And 43% of commercial-focused companies reported higher-than-expected revenue in plant and construction installation (versus 36% of all respondents).

### Biggest Business Challenge

While staffing concerns were the #1 challenge for commercial-focused companies at the same rate as all respondents (51%), a few areas were different. Customer demand was less of an issue (9% of commercial-focused companies reported it as their #1 concern, compared to 17% of all respondents). While high interest rates were more of a concern for commercial-focused companies, as 9% identified it as their biggest business challenge, compared to 4% of all respondents.

### 2024 Outlook

While about 62% of commercial-focused companies expect their profitability will grow in 2024 (the same as all respondents), there were differences in their plans for growth as a whopping 28% plan to add branches in 2024 compared to only 18% of all respondents. When it comes to transitioning to battery-powered equipment, commercial-focused companies are currently using the equipment at similar rates, but many are thinking about adding electric mowers (35% thinking about it versus 31% of all respondents) and when it comes to robotic mowers (36% thinking about it versus 31% of all respondents).

## Residential Service Providers

Residential service providers are those companies where more than 50% of their business is with residential clients.

### 2023 Performance

While residential-focused companies' profitability goals performed about the same as all respondents, their performance on service lines differed in a few areas, not performing as well as the general respondent pool in a few areas. Only 14% reported higher-than-expected revenue in irrigation installation and maintenance (versus 23% of all respondents). And 31% of residential-focused companies reported higher-than-expected revenue in plant and construction installation (versus 36% of all respondents).

### Biggest Business Challenge

While staffing concerns were the #1 challenge for residential-focused companies at the same rate as all respondents (51%), one area was different. Customer demand was more of a top issue (23% of residential-focused companies reported it as their #1 challenge, compared to 17% of all respondents).

### 2024 Outlook

While about 17% of all respondents plan to grow in 2024 by adding branches, only 10% of residential companies plan to grow that way next year.

## Landscape Maintenance Companies

Landscape maintenance companies self-identified in the survey because this area provides the largest part of their revenue.

### 2023 Performance

While landscape maintenance-focused companies' profitability goals performed about the same as all respondents, their performance on service lines differed when it came to landscape maintenance (and enhancements) with 49% reporting better than expected revenue compared to 40% of all respondents.

### Biggest Business Challenge

While staffing concerns were the #1 challenge for residential-focused companies at the same rate as all respondents (51%), one area was different. Higher equipment/product cost was more of an issue (22% of landscape maintenance-focused companies reported it as their #1 challenge, compared to 17% of all respondents.) And lower customer demand was less of an issue, with only 11% listing it as their top challenge, versus 17% of all respondents.

### 2024 Outlook

Landscape maintenance companies are a little more optimistic about their profitability in 2024 (67% versus 64% of all respondents expect to see increased profitability next year.) When it comes to expansion in 2024, 25% of landscape maintenance companies expect to add branches, compared to 18% of all respondents. When it comes to equipment transitions, a higher number, 36% of landscape maintenance companies, are thinking about adding electric mowers versus 31% of all respondents.

## Design-Build Companies

Design-build companies self-identified in the survey because this area provides the largest part of their revenue.

### 2023 Performance

While design-build-focused companies' profitability goals performed about the same as all respondents, their performance on service lines differed when it came to installation work, with 43% reporting better than expected revenue compared to 36% of all respondents, while only 13% reported better than expected profits in lawn care services versus 22% of all respondents.

### Biggest Business Challenge

While staffing concerns were the #1 challenge for residential-focused companies at about the same rate as all respondents (51%), lower customer demand was an issue, with 23% listing it as their top challenge, versus 17% of all respondents.

### 2024 Outlook

Design-build companies estimate profitability at about the same rates as all respondents, but when it comes to expansion in 2024, they are much less likely to be planning to add branches (9% versus 18% of all respondents) or grow through mergers and acquisitions (9% versus 15% of all respondents).

When it comes to equipment transitions, a higher number, 37% of design-build companies are thinking about adding electric mowers versus 31% of all respondents and 41% are thinking about adding robotic mowers versus 31% of all respondents.



## Lawn Care Companies

Lawn care companies self-identified in the survey because this area provides the largest part of their revenue.

### 2023 Performance

Lawn care companies' profitability goals performed about the same as all respondents.

### Biggest Business Challenge

While staffing concerns were the #1 challenge for lawn care companies at about the same rate as all respondents (51%), many reported customer demand as their biggest challenge in 2024 (26% compared to 17% of all respondents). While the cost of products and equipment was less of a challenge (8% of lawn care companies reported it as their top issue versus 17% of all respondents).

### 2024 Outlook

While about 64% of lawn care companies expect their profitability will grow in 2024 (the same as all respondents), a larger portion, 31%, think their profitability will stay about the same in 2024 compared to 23% of all respondents. Whereas only 5% think they'll see decreased profits compared to 17% of all respondents. When it comes to expansion in 2024, 26% of lawn care companies expect to merge or acquire companies, compared to 15% of all respondents.