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31
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SmallBiz

Arborwell: Firm's money does grow on trees

SORTWELL: "It's a momentum thing. You become the buzz word in the industry."

SPENCER BROWN

BY MICHELLE DAMMON LOYALKA
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When Peter Sortwell mortgaged his house to buy a small Castro Valley-based tree maintenance enterprise back in 2001, making money was his top priority. Even so, he never imagined it would happen so fast.

In the first year alone, revenue at the company, which he renamed Arborwell, doubled to more than \$1 million and has since continued to rise about 80 percent per year. This fiscal year, the firm, now boasting 48 employees in three Northern California locations, brought in \$7.2 million. In an industry dominated by local mom-and-pop operations, that makes Arborwell something of a Bay Area giant.

"It's a momentum thing," said Sortwell, a certified arborist who is the company's president. "You become the buzz word in the industry. It becomes very exciting and everyone wants to keep it going strong."

Growing the business out of its small-time shell hasn't been easy. When he took ownership in 2001, the company lacked all but the most basic operations management systems.

He spent several years designing and implementing customized work order and financial management systems, and even installed a GPS tracking system in the firm's service vehicles so that driving patterns, speed, location and fuel consumption could all be monitored in real-time right from the office.

But for Sortwell, who spent 15 years as vice president of the tree division at a large national landscaping firm, the even bigger challenge has been getting Arborwell to run like a large-scale operation while still maintaining a fun,

non-corporate feel.

To that end, he allows account managers to work from home, keeps upper management positions to a minimum and reduces paperwork by using a system that automatically generates sales and backlog reports.

"I don't bog people down with a lot of other stuff they've got to do for the company," he said. "I'm a very hands-off manager. I let people just go out and perform."

And while many businesses have scores of regulations that employees must adhere to, Sortwell prides himself on having just one major rule: Satisfy the customer at all costs.

To do that, he's expanded beyond standard pruning and fertilizing to provide comprehensive long-term management, planning and budgeting for the life of a tree.

For Scott Pritchett, senior vice president of Belmont-based Woodmont Real Estate Services, what sets Arborwell apart is its reliability and strong customer service. "They do what they say they're going to do, when they say they're going to do it," he said. "You call and it's done."

Another key to Arborwell's success is pursuing the right customers, Sortwell said. From the beginning, he chose to make direct calls and visits to property management firms, landscaping companies and large corporate campuses.

While Arborwell does serve residential customers, even then it generally targets select high-end neighborhoods, he said.

"We try to keep away from bidding work," he said. "We want to form relationships."

Michelle Dammon Loyalka is a contributor to the San Francisco Business Times. ■

SmallBiz Snapshot

Company:
Arborwell.

Description: Tree management.

Location:
Castro Valley.

Owner:
Peter Sortwell.

2006 Revenue:
\$7.2 million.

Founded: 1997.

Employees: 48.