By TOM CRAIN

Taking a 5th-Generation Firm TO THE NEXT LEVEL

Valerie Hufnagel makes a difference in the northern New Jersey landscape construction market.

Valerie Hufnagel attributes some of her success as the owner of a fifth-generation green industry company to being a woman in a male-dominated industry. In fact, she's the first woman within her family to run the business and is now in her 20th year at the helm.

"Our clients admire how methodical and organized I am as a woman," says Hufnagel, principal of Hufnagel Landscape Design and Construction Group, North Bergen, New Jersey. "People really take to my personality. Consumer spending research studies consistently show that the wife of the residence is the one who makes the buying decisions. Husbands want to turn the landscaping decisions over to their wives to keep them happy. It's only natural that, as a woman, I connect easier to other women than men do. They are happy to work with me."

Hufnagel is not hesitant to capitalize on leading a female-owned business either.

The Hufnagel Design and Construction Group has grown since its humble beginnings in the 1890s.

PHOTO: HUFNAGEL DESIGN AND CONSTRUCTION GROUP

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Valerie Hufnagel works with many commercial clients to provide common area spaces for multiple rental units.

"Our company is 51 percent woman ownership, which gives us an advantage in obtaining government contracts. That significantly helped us get through the recession years," she says.

Since 1994, female-owned businesses (considered minority businesses) have been awarded 25 percent of federal government procurement dollars. Private companies and organizations also hire competent and professional minority businesses for tax breaks, Hufnagel points out.

But when it comes to working alongside her male crews, Valerie is just one of the guys. "There's nothing I expect them to do that I haven't already done myself," she says. That includes cutting and laying bricks, operating tractors, digging holes and pouring concrete.

Generation to generation

Although the Hufnagel landscaping name extends through five generations, the company is just in its second generation as primarily a landscape builder. The Hufnagel family's landscaping roots were established five generations ago in the 1890s as a florist shop and garden center owned by Valerie's great-grandfather, Bernard Hufnagel, who operated the business in Union City, New Jersey. Because the business was located near a large cemetery, the company survived by selling outdoor grave decorations, which became very popular a century ago as a Memorial Day tradition.

Valerie's grandfather, Edward B. Hufnagel, took over the family business in 1942 but had to move the business because public domain took over the property. That signaled the end of the garden center. Valerie's father, Edward C. Hufnagel, then started a landscape business, which he ran for 40 years. As a young adult, Valerie spent evenings at Rutgers University learning about horticulture and landscape design and also eventually earned a business degree. Realizing she loved the hands-on aspects of the landscape trade, she continued to learn what she could about masonry, woodworking and construction. She knew she would need these skills to build decks, patios and retaining walls. "I always enjoyed seeing how things are put together. I built models as a kid," she says.

In 1986, with her father's health deteriorating, she took over the family business and assumed the role of president and CEO of Hufnagel Landscape. At the time, in addition to Hufnagel, the company included her father, two employees, a pickup truck and a mower.

Today, her son, Jason, is vice president of landscaping. Jason focuses on sales and account management. Her brother, Ed Hufnagel, operates an independent company, Reliable Tree Care, which is a subcontractor for Valerie's business.

Since taking the helm at Hufnagel, Valerie has increased company revenue to $2.5 million and the workforce has grown to 29 employees during the high season, 15 during the winter. The company headquarters are located on a rented half-acre of warehouses and storage facilities in North Bergen.

Outside are spaces for its four International 4700s, Ford F550, Ford F350 and Ford F250, four trailers and a Bobcat—all company owned. The storage yard contains piles of blue stone and bricks, wheelbarrows, tarps, shelving for flower flats and other typical landscaping supplies. Inside are the office quarters in a modernized warehouse space with lockers, a pool table and foosball for employees to kick back, relax and bond. They know it's OK to play hard once in a while, but they also know their boss expects them to work hard.

Valerie spends much of each work day selling, as well as conceptualizing and coordinating projects. A female assistant handles the small details associated with complex projects, while her son, Jason, sells services to existing clients such as landscape lighting, pergolas and other property enhancements.

"We have landscape designers on staff, but we subcontract our architectural services, electrical, plumbing, irrigation and arbor care," Valerie says.

Taking advantage of the "boom"

After taking over the company in the mid-1980s, Valerie targeted the new crop of "gentrifiers" flooding into the inner New Jersey suburbs of New York City. She focused on the plantable spaces of the newly renovated brownstones in Hoboken and Jersey City when very few other

PHOTO: HUFNAGEL DESIGN AND CONSTRUCTION GROUP

Management companies are including more recreational outdoor spaces such as outdoor kitchens.

companies were creating garden and outdoor spaces there. Hoboken and Jersey City suffered from urban blight from the 1950s through the 1970s.

"Typically, the brownstone owners had small, unused spaces—15-by-20 yards, usually—that were basically open dirt pits," Valerie says. Gentrification began by the early 1980s when people were buying brownstones and renovating them. People began to flock to these neighborhoods, and the boom began. About 10 years ago, Valerie began promoting the concept of outdoor entertainment in her North Jersey market. Her timing was spot-on.

"People want to stay home now so they want their outdoor spaces looking great," she says. "These 'staycation' spaces can be used in our area nine months out of the year. Housing is so expensive here that people want to take advantage of every square inch of their properties."

Valerie is delighted by the new, customer-pleasing variety of paving materials and hardscapes hitting the market the past five years.

"Companies, from big box stores to high-end Frontgates and Restoration Hardwares, are selling elaborate outdoor furniture, fire pits, fireplaces, heaters, misting systems, lighting, pergolas, patios decks, custom fencing, ponds and other water features previously unavailable," she says. "These new product line extensions help us sell the concept of magnificent outdoor staycation spaces to our customers."

Valerie operates within a 20-square-mile radius of her shop. This includes the three counties of Hudson, Essex and Bergen; the cities of Hoboken, Jersey City and Harrison in New Jersey, and Manhattan and Brooklyn in New York.

Seventy percent of the company's jobs are construction, 20 percent are maintenance and 10 percent are snow removal.

Cash flow and profit

Valerie admits competing in her region's maintenance market is tough. While she appreciates the cash flow it generates, she says the low margins landscape maintenance generates for her company discourages her from more aggressively chasing it.

"When I do compete, I want to ensure that we are making large profits off of each job, and we can do that much better with construction," says Valerie, who doesn't chase HOA business either. "I don't like working for boards. There are too many bosses coming and going too frequently. Most of our work comes from management companies of rental properties."

Valerie focuses on commercial clients that manage large multiple rental units, some maintaining apartment units more than 70 stories high. Management companies are presently renovating their properties to accommodate millennials demanding more recreational outdoor spaces, including dog parks, outdoor kitchens, rooftop parks and spas.

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>
> - Valerie Hufnagel

"We are experiencing a building boom again," she says. "We are riding the high wave." Valerie just hired eight new crew members to take on new projects.

The company balances its commercial business with residential projects. "Commercial brings in the big bucks," she says, "but I like residential because you can build relationships with people. I am still maintaining the gardens I built for Hoboken customers back in 1986." She admits to still being delighted when she gets a friendly thank-you note from a homeowner client.

Word-of-mouth and high visibility

Most of her company's residential business (generally single-family homes in the $2 to $3 million range) comes from word-of-mouth referrals and the name recognition she has generated for her company from being actively involved in local organizations.

For example, she serves as board president of the Hoboken Historical Museum and was past commissioner of the Hudson County Public Arts Commission. Her company also provides volunteer services for building community spaces, such as contributing a children's vegetable garden in an urban environment at the Stevens Cooperative School in Hoboken. Also, she

donated a crew for three weeks to build and install a corner lot 9/11 memorial in Fairview, New Jersey.

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When managing clients, Valerie knows how important it is to be transparent and write down every detail for the client before even getting started. "I prepare a five-page contract for every client," she says. "And when there is a problem, we know how important it is to not sweep anything under the rug or ignore it. The problem won't go away. We deal with it right away."

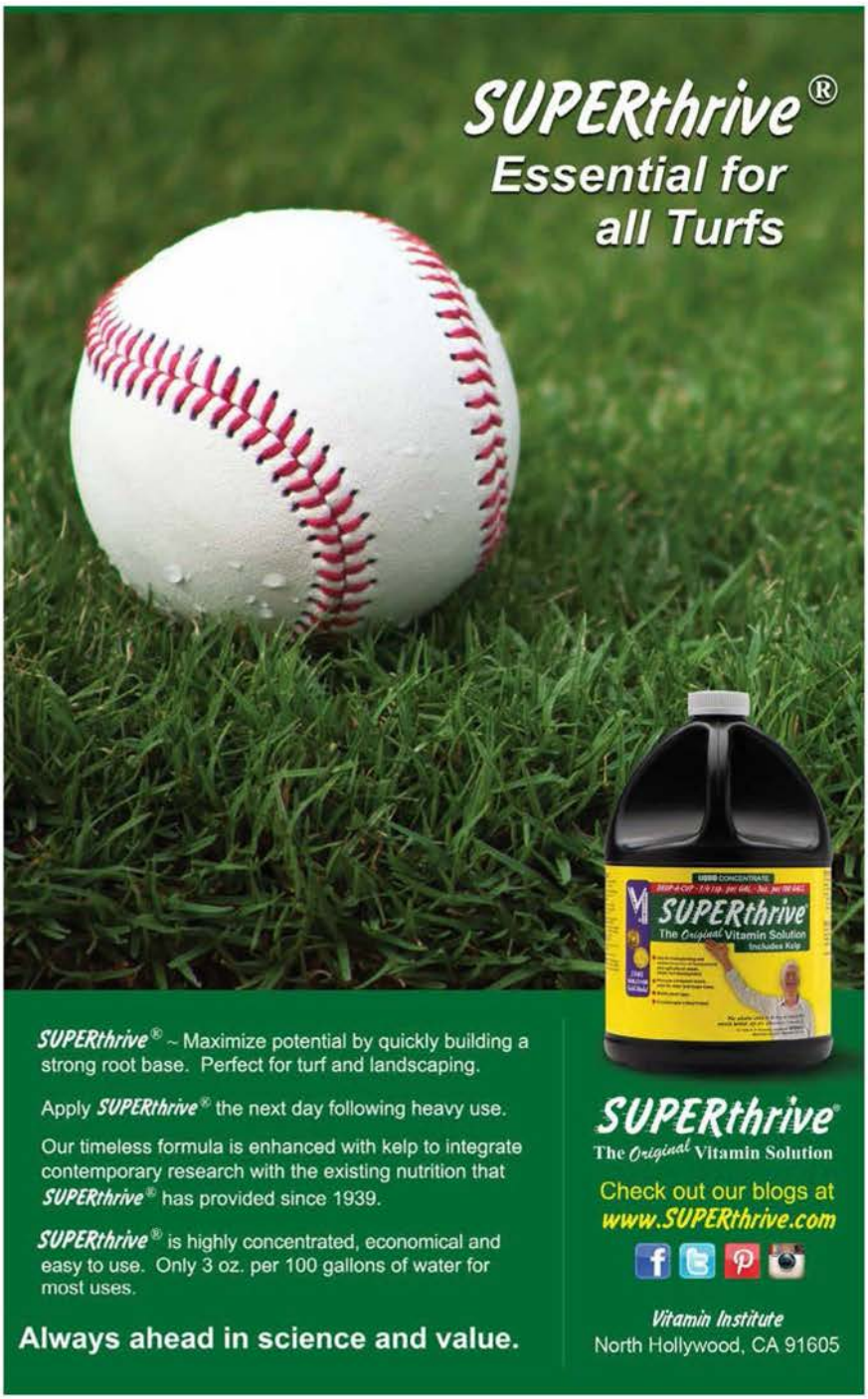
But, even the best-laid plans of men (and women) go awry, as Valerie relates ruefully about one particular job. "Our architectural drawings were not specific. That created a chain reaction down the whole line. We are taking a beating on this project," she says. "The devil is in the details. I wish that all of the information was in one place from day one." But despite it all, she knows that she will get through it, learn from it and move on.

During the recession years of 2009 to 2013, the company's area never took the real plunge. "Construction didn't go on, yet home values never dropped," Valerie says. "Because we specialized in high-end residential and secured federal contracts as a woman-owned business, we weathered the recession better than most other companies. We never laid anyone off, but we did reduce wages of our leadership team."

The complexity of some of the projects that her company tackles creates challenges of their own, Valerie says.

"Every part of each project we do is customized, so it's difficult to train someone else to do sales. We aren't out there selling just one style, and every project is different depending upon such factors as access, locale, time of year, workload and project completion dates," she says.

Another challenge is working with other family members. While it is rewarding in many ways, it also creates its own set of challenges, which the family handles by keeping business and family matters separate.

"The most important thing about working with family is remembering that when the day is over so is your conversation about work," Valerie says. "Also, you should always be respectful toward each other and remember your family always has your back."

Tom Crain lives and works as a freelance writer in Akron, Ohio, and is a regular contributor to *Turf*. If you have a landscape business story to share, send them to nwisniewski@grandviewmedia.com.