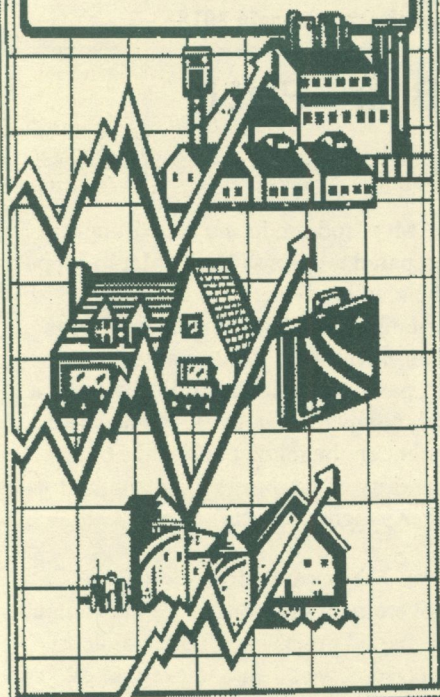


Oct/Nov-'01



ISSUE HIGHLIGHTS

Employee Cell Phone Use Page 3
*While Driving Creates
Liability for Employers*

Marketing Tip Page 3
Why Attend Trade Shows?

No "MSN.com" in Page 1
TPI e-mail Address

Promote Your Business Page 2
by Promoting Your Website

Shrewer Computing Page 3
Thwarting Cyber Attackers

Taking Care of Business Page 2
*Part II: Maximizing Price for
What the Market Will Bear*

TPI Members Express Page 1
Global Support for America

TPI Midwinter Conference Page 1
Revised Format for Excitement

Water Awareness Page 4

TPI Action Page 4
*—Looking for a Few Good Leaders
—TPI's "MSN.COM" E-MAIL
ADDRESS IS UN-PLUGGED*

BUSINESS MANAGEMENT

Turfgrass Producers International



BEARD
COLLECTION

TPI Members Express Global Support for America

From around the world have come messages from individuals asking the TPI staff to convey their expressions of condolences, sympathy and undying support to their fellow TPI members and all Americans in the aftermath of the recent terrorism attacks in New York City and Washington. Although more extensive coverage will be included in the November/December issue of *turf News* magazine, the following are excerpts from those letters:

"...we believe this dreadful deed is an offence against us all"

"We are praying for America for strength in a time like this."

"We are all devastated by the horrific events in New York and Washington, and unfortunately, the whole world is now a much poorer place"

"We are deeply saddened by tragedies in the U.S."

"Don't cry America. We love you, adore you and will always be with you...Our prayers are for you all..."

...God Bless America."

Orlando, Florida—Jan. 29 - Feb. 1, 2002

Midwinter Conference Format Promises Excitement

By now, you should have received your brochure and registration forms for the 2002 TPI Midwinter Conference. Be sure to take advantage of the early-registration discount (December 15, 2001) and reserve your place at this year's TPI Midwinter Conference where the "Magical" theme will be reflected throughout.

In addition to new and expanded Education Sessions, Pre-Conference seminar, Exhibits and Welcoming Reception, Post-Conference Tour, and the ITPF Al Gardner Memorial Golf Outing, this year's event features the beginning of a new tradition that promises to be a night to remember: It's the ITPF Banquet and Fundraiser, featuring great food, musical entertainment and some pretty good odds that you'll become one of the many lucky winners of the numerous raffle items. You'll have opportunity to bid in the silent auctions held throughout the evening, as well as the live auction later that evening.

These charitable donations make it possible for ITPF to fund new and ongoing and new turfgrass research projects that impact everyone in the turfgrass

industry. Everyone benefits because contributions to ITPF are fully tax deductible!

If you have not received your Midwinter Conference registration forms and brochure, contact the TPI office right away.

Review Credit Card Fee Structure Annually

All business who accept credit card payments should review the processing fees they are paying, at least annually to ensure they are receiving the lowest applicable rates.

For example, TPI members using the National Processing Company (NPC) were asked to provide their average sale size when signing up for the program. However, changes in the business may cause the sales size to change and therefore also change the fees charged.

NPC user firms may request a review of their account by faxing their three most recent monthly merchant account statements to NPC at 502/315-7647 or calling 800/5923-1591 for a review or to establish a new account.

Taking Care of Business

By Aaron McWhorter
North Georgia Turf, Inc.
Whitesburg, Georgia 30185

Maximizing Price for What the Market Will Bear—Part II

In Part I, contributing writer Aaron McWhorter discussed various approaches to researching market price ranges and how producers can use that information, along with an analysis of their own businesses, to determine the best price for maximum return...and get it by communicating local market conditions to their customers. Now for Part II:

Some of the activities we mentioned are housing starts, interest rates, golf course construction and development of new markets for sod. Sod usage on a per capita basis has risen enough over the years to absorb increased production trends. However, this has been at a continuous and critical reduction in the net margin returned to sod producers. This is because prices have remained relatively stable for over 20 years while production costs have continued to escalate. It is essential that new uses of sod be found thereby creating higher demand so prices will escalate.

Most sod producers are farmers at heart and love to grow and harvest agricultural products. Unfortunately, many are less likely to enjoy the business aspects of marketing sod and—far too often—rely upon, expect and hope for stable relationships with valued and trusted customers in determining sod prices. Some experienced producers can certainly benefit from customer comments; however, the explosion of new sod producers provides a continuous group of new growers who have not learned to discount a substantial amount of what customers tell them. New growers who use a broker to market a high percentage of their production can be especially vulnerable.

Here are more ideas. Call most of the sod growers in your market; they often will tell you what their prices are for various products. Ask about inventory of various varieties. And remember to answer their questions! Information exchange tends to reduce the uncertainty

of individual growers. With this accurate and correct information producers can then determine how they need to price in their market. Our staff never hesitates to provide current pricing data and often times someone does so during an anonymous survey, and that's OK too.

Then, you can decide whether you need to adjust your price. You can decide to be a premium quality producer at or near the top of the market price; or you can price nearer the low end of the market. Often at the producer meeting, the lower end price is from a producer with less quality and who does not support the marketplace...even when the opportunity is there to attain a higher unit price and support the market for every

producer's long-term advantage.

Most sod producers are willing and prepared to miss sales in order to support the market. No grower benefits by pricing significantly under the market. Those who aren't financially able or prepared to reduce cash flow will often sell below market, causing a negative effect on the market unless the bigger majority of producers maintain the current year's higher prices.

Sod prices are not supported by government floor prices. Wide variations in market prices are always possible; therefore, we all should exercise diligence in monitoring our market price. Plus, many growers will increase their return!

Promote Your Business by Promoting Your Website

Whether you're promoting a new website, trying to reach a new audience, spreading the word about a new website feature, or have simply experienced a drop-off in the number of visitors to your website, it's time to market it.

Let your community know there's something new at your website by adding a few lines to your local advertising, as well as your billing invoices, newsletter and any direct mail efforts, promoting some new addition (information) your customers, and consumers in general, will find helpful. But first, you'll need to do something to your website to create added interest. Here are some considerations for getting the most out of your website as a marketing tool:

✓ Add case studies from the ITPF *WATER RIGHT* book, or content from the various TPI marketing brochures "Turf Installation Guide," "Why Most Lawns are Sodded," "The Dream Lawn is Yours in Hours with Turfgrass Sod," etc. Be sure to add new materials or modify your site weekly to keep it fresh and interesting and to keep people coming back for more information.

✓ Provide something fun; make your site "sticky" by putting something on it that people will think is amusing or inventive. One company created an on-line game and promoted it via e-mail to 150 targeted contacts, inviting players to e-mail friends asking them to play. Within two months, 40,000 people visited the site to play the game.

✓ Be sure to include your website address on all business materials, including fax forms, letterhead, business cards, advertising, trucks, uniforms, invoices, advertising, and handouts.

✓ Support of charitable events and organizations, such as Little League, Boy Scouts, etc., should also carry your company website address.

✓ A final word of caution, regarding unconventional marketing: Keep your target audience in mind. If you're trying to reach a conservative audience, tactics that are way out in left field may turn them off. Or a younger audience may respond better to electronic modes of advertising. Build on what you already know about your potential visitors.

Marketing Tip

By Darin Habenicht
H&E Sod Nursery, Inc.
Momence, IL

Why Exhibit at Trade Shows?

One of my earliest memories about ASPA (now TPI) is going to the trade shows where I would visit every vendor to see what they were handing out. Over the past 10 years since graduating from college and becoming more involved in the family business, I have been on the other side of the counter working trade shows. Some are relatively small and some, like the GCSAA, are extremely large, and we don't always come away with sales.

Some people think that if you exhibit at a trade show and don't make any sales, then the show was a bust and you wasted your time and money. I don't believe they're looking at the big picture. It's better to be there and exhibit, even if you don't make a sale; otherwise, both your customers and competitors might begin wondering if you are still in business.

If you don't exhibit at trade shows, you'll miss a lot of opportunities to meet potential customers who don't know your company even exists. It's also an inexpensive way to market your company and products.

For example, at a trade show where we decided to exhibit this past winter, I had a golf course superintendent and golf course architect come to me looking for a certain type of sod for their surrounds of tee-boxes and bunkers. They were looking for a special sod blend. We didn't have the exact blend they wanted; however, what they were looking for is not grown in the midwestern part of the country. After looking into it further they realized our sod blend was the closest to what they wanted and, under their fertility and irrigation practices, should perform quite similar. If we had not been there, we would not have gotten the job for 20 acres of sod.

For most associations, trade shows are generally their largest revenue producer. Depending on the association, some of those dollars generated goes to research that could benefit us in the future.

So when you exhibit at a trade show,

you're not only promoting your own business, you're supporting the association as well.

While we may not always generate any new sales at our local trade shows, we're there to support the local association and to make our presence known. By exhibiting at these shows, we have opportunities to talk with our existing customers and let them know we appreciate their business. And who knows, one of our customers might mention a new project they're going to start, maybe even confirm price and availability on a certain type of sod.

Employee Cell Phone Use While Driving Creates Liability for Employers

A growing number of employers have been faced with large jury verdicts in favor of persons (their employees) injured or killed when employees had car crashes while using cellular telephones to discuss business. A useful step in avoiding employer liability for such accidents is the adoption of an employee cellular telephone usage policy, requiring safe driving practices.

Companies whose employees use cellular phones while driving should consider development of such a policy which should be circulated to all employees.

Just a Reminder...

All members are encouraged to send articles, ideas and business tips for editorial consideration in TPI's *Business Management* newsletter. This is your newsletter and it can become an even better and more valuable source of information by sharing your experience and knowledge with others. Take a few moments to e-mail your ideas or articles to: roquinn@TurfGrassSod.org

Shrewder Computing

Thwarting Cyber Attackers

Companies around the globe, especially those with a high profile, are likely targets of computer hackers. In early May, a large number of websites were victims of such attacks. Although there is no "silver bullet" that can prevent cyber attacks, there are defensive steps you can take to minimize the risk, according to the technical staff at the CERT® Coordination Center at Carnegie Mellon University.

The first step is to install all applicable Web server security patches where possible. There are sites that have better security practices and procedures than other sites but those with patches are more "survivable." These patches may not be automatically included with software upgrades, so you should subscribe to special e-mail lists from sources like CERT (www.cert.org) or your vendor to keep up to date with the latest security risks.

Multiple layers of defense, such as installing properly configured firewalls and special routers, make it more difficult for mischievous hackers to gain access. Other basic protective steps include creating passwords that contain a combination of upper and lowercase letters, numbers and characters, and encrypting all credit card transactions.

Companies are advised to have response systems in place in advance of a cyber attack. Such plans usually include how to deal with legal questions, which employees will handle the task and whether customers need to be notified of the security breach. For more information, visit the following:

www.cert.org—CERT Coordination Center at Carnegie Mellon's computer emergency response team

www.ds-osac.org—Overseas Security Advisory Council

www.nipcc.gov—National Infrastructure Protection Center

TPI Action

LOOKING FOR A FEW GOOD LEADERS!!!

TPI Nominating Committee Chairman Earl Slack is looking for a few good leaders to consider as candidates to the TPI Board of Trustees. Specifically, the committee is charged with developing a slate of candidates that includes two three-year Trustees, a one-year Secretary-Treasurer and a one-year Vice President. The basic qualifications for these positions are that the individuals must be from TPI Class A (producer) farms and be willing and able to participate in four day-long meetings each year.

To recommend a candidate (including yourself), send a fax (805/986-5210) or e-mail (eslack@pacificearth.com) to Earl as soon as possible. The committee will interview prospective candidates in Orlando and present its slate of candidates at the July Annual Business Meeting in Colorado.

TPI's "MSN.COM" E-MAIL ADDRESS IS UN-PLUGGED

It's official, TPI's former e-mail address: Turf-Grass@MSN.com, has been "un-plugged" and will no longer be a means of sending electronic mail to the office.

Everyone is asked to update their electronic address books as follows:

General office address = info@TurfGrassSod.org

Executive Director Doug Fender =

dfender@TurfGrassSod.org

Membership & Marketing Manager Terri Berkowitz =

tberkowitz@TurfGrassSod.org

Administrative Assistant Stephanie Ciardullo =

sciardullo@TurfGrassSod.org

Meetings and Education Manager Kirk Hunter =

khunter@TurfGrassSod.org

Magazine Editor/Communications Manager Bob O'Quinn =

roquinn@TurfGrassSod.org

To Receive Additional Information On Any of These Items, Contact the TPI Office

Phone: 800/405-8873 or 847/705-9898

Fax: 847/705-8347 or e-mail: info@TurfGrassSod.org

Website: <http://www.TurfGrassSod.org>

Water Awareness

Given information and technology, along with guidelines that allow the freedom to choose, people will make the effort to conserve water. One of the most effective techniques—water budgets—is based on advising people how much water they can use, rather than telling them how they must use it. Termed a "water budget" or "water allocation" method, water providers establish a series of escalating allocation/pricing tiers so that every unit of water in excess of a base quantity costs more than the previous unit.

Because outdoor water use can be measured and priced higher, people adjust their end uses according to their personal desires and financial concerns. This approach eliminates the need for contentious public hearings on landscape ordinances and the development of debatable plant lists, as well as the potential for draconian enforcement practices and so-called "water police."

Water budgets for both indoor and outdoor water use encourage individual freedom of choice and allow artistic expression on the part of homeowners and landscape designers. Rather than attempting to regulate or ban a specific water use, this technique leaves the determination in the hands of the rate-paying water user. As we've seen when gasoline prices rise, individuals can quickly adjust their use patterns. The same holds true for water.

BUSINESS MANAGEMENT

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Permit No. 662

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