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BUSINESS MANAGEMENT

Turfgrass Producers International

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Year-end Tax Tips for Small Businesses

The following tax tips for small businesses were pulled from various sources. Although most relate to U.S. businesses, collectively there should be ideas of value to all TPI members.

Be sure to consult your financial planner or accountant for your business' best strategy.

Contribute to a retirement plan. Payments to your retirement plan will reduce your income for this year and translate into significant dollar deductions. But keep in mind, different types of plans (e.g., Keogh, Simple, SEP) have different contribution limits and different deadlines.

Defer income. Any payments your business can receive during the first week of January instead of in December reduces your tax bill, deferring taxable status until April 2008. Any deferral strategy will depend on your profit and losses for the year and your company's legal structure. Keep in mind that this

works only if the business' method of accounting is on a cash basis.

Maximize your Capital Cost Allowance claim. Purchase necessary equipment and technology now rather than waiting for the new tax year to start. Although you'll only be able to claim 50 percent of the normally allowable Capital Cost Allowance (CCA) on your new assets, you'll still be increasing it for this tax year, and setting yourself up for an increased CCA claim in the following tax year.

Delay disposing of depreciable assets. If you're planning to dispose of depreciable assets, such as equipment or computer equipment, don't dispose of them until the new year. Otherwise, you'll be reducing your Capital Cost Allowance Claim for this tax year.

Health Savings Accounts. HSAs are a new way to set aside pre-tax dollars to pay for medical expenses or to deduct medical expenses that might not otherwise be deductible.

Note that HSAs are NOT the same as the previously-established Medical Savings Accounts or MSAs. If you have a high deductible health insurance plan, as many small businesses do, ask your tax advisor about HSAs.

Prepay your state and/or local taxes. If you don't think your personal income tax bracket will be higher next year, and you're not affected by the alternative minimum tax, you can make state and/or local tax payments before the end of this year so you can take a deduction this year.

Make charitable donations. If you have extra cash, donate money to charity. Save the receipts and use the charitable donations as deductions on your tax return. A contribution to the ITPF for education and research is an excellent choice.

New FREE TPI Member Benefit!

Did you ever wonder why some of the great photos you saw taken at TPI Conventions and Conferences never made it into *Turf News* magazine? It's a matter of selecting the 60-80 photos that space permits, from the 400-600 photos taken at each event. However, now TPI members will have FREE and easy access to all photos taken at TPI Conferences and Conventions, beginning with the 2006 TPI Summer Convention & Field Days!

You can view the photos at www.tpiphotos.smugmug.com. They are listed by main event (i.e., 2006 TPI Summer Convention & Field Days) and then individual sub-events (Field Day,

Roundtable forum, etc.). The photos are high-resolution JPG format and can be viewed, downloaded and saved or printed from your computer. Or, you can order prints on-line from smugmug.com by selecting the "buy: this photo" or "buy: multiple photos" on the top toolbar and follow the menu to place your order. Smugmug offers gift items with your favorite photo, but no pop-up advertising to distract visitors.

Among the 400-600 photos taken for each event, some are "less-than-perfect." Color-deficiency or dark images can be enhanced ordering from smugmug.com or any other professional processors. Or, you can perform the enhancements yourself in Adobe Photoshop.



15 Nagging Details Business Owners Must Handle Before the Year Winds Down

If you're like most business owners, you've got a huge list of "to-dos" that stay on the back burner. Leaving your business problems behind in 2006 is the best way to begin 2007. The following checklist is of items business owners should review now to avoid the same problems in 2007.

Review all your systems from top to bottom. Carefully examine what is working and what isn't. Decide where the problems are and figure out what can be fixed. You might be able to fix them yourself, or you might need an outside professional such as a computer expert to help you get the most out of technology, or maybe a financial advisor to improve your bookkeeping methods—a system review can be an eye-opening experience for business owners who find their business has fallen into habits that are hindering success.

Review all vendor contracts. How much business you are doing with each vendor? Are you getting optimum pricing based on how much you are working together? Is the relationship mutually beneficial? If not, don't be afraid to make a change. If you're happy with your vendors, tell them.

Determine who your best customers are. You may be surprised to find out your best customers aren't who you think they are. Examine all your customers through a profitability lens. I often find that my needy customers and my most profitable customers are two different groups. Treat all customers well but give the VIP treatment to the best.

Touch base with your best customers. Be sure to tell them you appreciate their business and ask if there is anything you can improve on or do differently to help them grow their business.

Hold annual performance reviews. Discuss with your employees what they can do to help the company run more smoothly. Also, ask them what they feel most passionate about in their work, and

ask if there is another part of the business in which they'd like to play a larger role. Always be honest with them and take the time to listen to their concerns one-on-one.

Engage your employees as partners. The best people to help you solve problems, particularly those involving customers, are the ones who experience them on a daily basis. Your employees are a (possibly untapped) wellspring of ideas on how you can make your customers happier. Listening to and implementing your employees' suggestions is a great way to make them feel like valued business partners. It will stoke their passion for what they do and encourage them to work harder in the coming year.

Do an early Spring cleaning! Our mental processes are influenced by our external environment. Purge your office. It's time to get rid of all of that stuff you don't need or that doesn't work anymore. Don't limit your efforts to the inside of your building. Take a look outside. Does your building need repainting? Does your entrance driveway need landscaping? Are there pieces of equipment just sitting around that you could sell, perhaps through a classified ad locally or in *Turf News* magazine?

Review your marketing campaign. The year end is a great time to take a look at which marketing efforts are driving business and which are not. Do not hesitate to make changes.

Overhaul your website. In the same way that retail stores move around their floor sets, you need to make changes to your website to keep people coming back. Make sure all of your information is updated, and post any articles that visitors will find of value. Set your company's website as the homepage on your browser so that you see it often—a great reminder that you need to keep making updates and improvements.

Look at your business cards. Make sure all of the information is updated,

including all phone and fax numbers and e-mail addresses. Does the layout (colors and design) match that of your website and business letterhead?

Review professional magazine subscriptions. Are you really reading all those magazines that come each month, or are many piled up somewhere in the office or simply being thrown away when they arrive? Cancel those that have no value to you. It could save time and even a bit of money.

Consider technology upgrades. If you need new computers or a new phone system, the year end is a great time to make those upgrades. A new computer, phone system or other technology upgrade can make a huge difference in the daily lives of your employees. Technology upgrades can increase productivity by eliminating time spent on computer crashes, lost voice mails, etc.—be sure everyone gets the appropriate training on these updates.

Review insurance policies. Often insurance policies are set up and filed away, forgetting company changes could impact liability and other coverage, until something happens. It is then that too many business owners discover they are not adequately covered.

Update your meeting minutes. Keeping meeting minutes and even agenda or appointment books up to date can save you from future problems. If you ever face a legal problem, the first thing your attorney will ask for is documentation.

Meet with your accountant. The end of the year is the perfect time to meet with your accountant to plan your taxes, discuss what you should do with excess cash and look for anything you can write off.

When 2007 rolls around, you'll tackle your new goals without guilt over all the loose ends that would have been neglected. It's a great feeling and one that you'll be eager to replicate next year.

Marketing Tip

By John R. Graham
Graham Communications
j_graham@grahamcomm.com

How to Successfully Climb the Slippery Slope

What might appear to be a pessimistic prognosis for companies that need to get their messages to the right buyers points out the need to take the marketing task more seriously than ever. Here are guidelines for reaching out and actually touching the right someone:

Never let a crisis drive your marketing decisions—Ironically, far too many marketing decisions take place when the participants are unprepared to make them. "We've got to do something to rev up business," demands the sales manager of a mid-sized company. In a crisis, reason is short-circuited and otherwise levelheaded, competent people take irrational action.

Don't get stampeded into making a buying decision—As a tactic designed to get orders signed, a cable TV advertising salesman thought he could create buying urgency by telling prospective advertisers an upcoming month's time slots were sold out. Instead, astute buyers backed off fast.

It's the same with sending out direct mail or planning a seminar. The key to marketing success is planning. When that is compromised in any way, the results can be disastrous.

Forget about your personal opinions and those of anyone else—

There are times to trust your gut, but only when you're an expert on the issue. The trouble is that CEOs, CFOs and everyone else often fancy themselves as experts on marketing. They should trust their opinions in areas where they are competent but not in those where they aren't—at the top of that list is marketing. Personal opinion only clouds the issues, forces valid discussion off-track and precludes a sound marketing program from moving forward.

Focus on one customer—As elementary as it may seem to base marketing decisions on specific customers and prospects, more often than not it fails to happen in practice. One manufacturer in the upper Midwest spent tens of thousands of dollars to advertise

its product in trade publications. The full-page, full-color ads were attractive, but they never mentioned how the product solved the problems facing the readers. Once the customer issues were identified, new ads focused on a series of customer concerns.

Harness success with a plan—A marketing plan is nothing more than a way of answering one crucial question: "Who's going to do what to whom and when?" A plan also suggests that a series of marketing activities are involved. Interestingly, this is where much of the breakdown occurs. Yet, the successful marketing program demands that a series of activities occur concurrently so that the whole generates more impact than the sum of the parts.

Stick with 'em—Over the entrance to every business there should be a sign with a three-word marketing message: "Persistence Pays Off." Unfortunately, there's too much misdirected persistence, like the salesperson who calls and calls or sends a half-dozen e-mails and then stops when there's no response—this isn't persistence.

Persistence is about planning. It recognizes that decisions are not made quickly and that other issues might require immediate attention. Persistence sets in motion marketing actions designed to get you acquainted with the customer, let them get acquainted with you and to build trust and confidence. Most importantly, it sends the message that persistence sets you apart from the competition.

In spite of all the roadblocks and hurdles to reaching out and actually touching the right customer, there are tools and techniques, mostly driven by the computer and the Internet, that make it possible to connect with the customers you want to influence. There are more opportunities that not only reach the right person, but also connect with their interests, concerns and goals. In other words, we can actually touch them with their message.



Shrewder Computing

Achieving Data Security

Total data security requires rigorously defending against cyber attacks as well as physical loss or damage to your computer from theft, fire or malicious insider acts.

Following good on-line and e-mail practices isn't enough if you make it easy for others to get into—or walk off with—your computer. Your data is the lifeblood of your business, and you need to cover all bases when it comes to keeping the data safe.

Using an anti-virus program, updating all of your software, restricting physical access to your computers and following a regular back-up routine are all good ways to safeguard your business. You also need to have standards in place for how and with whom information is shared, and you should restrict access to all sensitive customer and business information.

Mobile computing equipment also requires proper safeguards. You and your employees need to take extreme care with devices such as cell phones, PDAs and laptop computers. Many recent cases of data loss have been the direct result of physical loss or theft of mobile equipment. Use passwords and data encryption so that even if a computer or other device is lost or stolen, your data is still protected.

When you establish and enforce sound information-handling practices, it helps keep your employees mindful of protecting the digital bits that drive your success. The U.S. Chamber has teamed up with Microsoft to offer a series of Get Net Safe events to help small businesses establish strong cyber security practices. But don't forget you also need a recovery plan.

Source: October 2006
uschamber.com "TECH TOOLS,"
By Ricardo Harvin

TPI Action

TPI Membership Growth Continues Strong!

Recent efforts have generated positive results in TPI membership numbers. Among these are trial membership promotions, an increased participation of TPI Board and staff at regional turfgrass events, and other programs. All TPI members are strongly encouraged to help grow your association by bringing non-member competitors to TPI. When a new sod producer becomes a TPI member, several things happen:

- 1- They gain an understanding of what this business is all about and why they need to be professional and charge a price that will return a real profit.
- 2- Greater numbers representing our organization will strengthen our credibility in the industry when we meet with government policy-makers and when we talk to the media.

Business Management Newsletter Expands to Include Safety Management Information

Beginning with the February/March 2007 edition of this newsletter, a two-page section will be added to include information about farm safety. Authoring the additional pages will be Barbara Mulhern, former editor of *Gemplers Alert* newsletter. All TPI members will receive this new, valuable information.

TPI to Celebrate 40th Anniversary

A new TPI history update is being written to celebrate TPI's 40th Anniversary in 2007! The document will be available electronically on the TPI website and on CD which will be mailed to all members after the 2007 Summer Convention. In addition to a summary of TPI's first 25-year history as ASPA (American Sod Producers Association), the document will include achievements of the Association over the most recent 15 years.

To receive additional information on any of these items, contact the TPI Office

Tel: 800/405-8873 or 847/649-5555

Fax: 847/649-5678

e-mail: info@TurfGrassSod.org

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

TGIF Updated for Better and Faster Retrieval

The Turfgrass Information Center's (TIC) recent newsletter reported the Turfgrass Information File (TGIF) database has been upgraded to a new server that dramatically improves record retrieval time. The increased efficiency has changed the default "Max Records to Be Retrieved" to "All Records."

The TGIF database, accessible within the "Members-Only" section of the TPI website, contains more than 100,000 records representing the most comprehensive collection of turfgrass educational materials in the world. As a significant added benefit to TPI members at no charge, this valuable database is only available to others for a fee. In addition to other industry documents, these resources include:

-Archives of all *Turf News* magazines (published prior to the current year)

-Archives of *Business Management* newsletters

Business Management

Turfgrass Producers International

2 East Main St., East Dundee, IL 60118

e-mail: info@TurfGrassSod.org

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