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TPI

BUSINESS MANAGEMENT

Turfgrass Producers International

## ISSUE HIGHLIGHTS



### Preview of 2006 TPI Summer Convention & Field Days (Memphis, TN)

Be sure to check the TPI website www.TurfGrassSod.org and *Turf News* for updates:

July 18—Al Gardner Memorial Golf Tournament; Tours of Graceland and Wimmer Cookbook Factory

July 19—Catfish & Sod Farm Tour; Tunica Casino; TPI Banquet

July 20—Women's Forum; Regional Groups & Associations Breakfast; TPI Annual Business Meeting; Roundtable Forum Lunch; Family Fun Fair

July 21—Field Day

# *Mixed Economic Signals Indicate a Need to Remain Aware and Plan*

Turfgrass sod producers and the green industry as a whole can expect challenges, as well as opportunities, during 2006, according to TPI President Warren Bell. A projected slowdown in housing starts, the cost and availability of labor, increasing insurance and health care costs and many other economic indicators can leave one wondering about the year ahead. The key in projecting what the future might offer requires considering all information that's available, keeping it in proper perspective and evaluating all of it in order to plan effectively based on various scenarios that might unfold.

From the White House came the projection that the U.S. economy would expand 3.4 percent during 2006, having reached a growth rate of 3.5 percent for 2005. Reuters news service advised that despite the vibrant U.S. growth, many Americans have been anxious about rising oil prices, a reality that certainly impacted the agriculture industry and business and commerce nationwide in recent months.

Another economic variable that impacts the turfgrass industry is new home construction. The National Association of Home Builders (NAHB) Chief Economist David Seiders reported, "We see a flattening of housing starts and the beginning of a cooling process." He predicts housing construction would drop by 4.8 percent to around 1.92 million starts in 2006.

Other factors include a mixed labor market, unpredictable energy prices and changing interest rates. While all of these elements certainly have to be taken into consideration to project what 2006 might have to offer, there are positive factors that help create a more promising outlook.

Project EverGreen announced a survey, conducted by Market Intellect, revealed, "The nation as a whole thinks strongly of the green industry, despite what media reports sometimes imply." Over 80 percent of the respondents agreed most lawn care companies care about the environment and that maintenance of public parks and sports fields is good for the environment. Ninety-nine percent agreed landscaping adds value to a home's worth and a well-maintained landscape increases curb appeal and property value.

Regarding safety, 97 percent agreed a well-maintained lawn provides a safe, cushioned play surface for children.

Among the recent efforts that could have a positive influence on the U.S. green industry during 2006 and beyond are two significant events. Legislative Day on the Hill, according to PLANET Director of Government Affairs Tom Delaney, provided a valuable opportunity for green industry service providers, suppliers, educators and state association executives from the U.S. and Canada to meet with congressional representatives to discuss key issues affecting the green industry.

In September 2005, turfgrass industry representatives met with U.S. Secretary of Agriculture Mike Johanns to discuss the National Turfgrass Research Initiative and the importance of the turfgrass industry, including: its size and impact (over $40 billion dollars) on the U.S. economy; restrictions and/or regulations challenging the turfgrass industry; and the need for government support in research to help address industry issues.

If we address these challenges with effective communication, we can soften the blow of any challenges and reap the rewards of positive growth.

By Carl & Deb Potter
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# What We Have Here is a Failure to Motivate

## (The Truth about Safety Incentive Programs)

In spite of the millions of dollars companies spend every year on safety incentive programs, research shows that injuries continue to occur. Additionally, such programs often actually de-motivate employees, at best yielding diminishing returns over time.

Does your organization have one of the following ineffective safety incentive programs or something similar?

- ▲ Play Lotto!: In some companies, the names of those employees who work without a recordable injury are entered in a lottery-like drawing for great prizes, like exotic vacations or a new pick-up truck. The result is one very happy winner and a lot of disappointed losers. Talk about de-motivating.
- ▲ You can't bank on it: Another popular incentive program is like giving every employee a checkbook full of withdrawals but no deposits. Each worker begins the year with a "safety fund." Every time a recordable injury occurs to anyone in the company, a specific amount is subtracted from every employee's "account." At the end of the year, employees receive the remaining balance as a bonus. As a result, employees look for targets to blame—often their co-workers or management—as their bonuses decrease. Because they're usually busy pointing fingers at others for their smaller bonuses, employees working under this kind of incentive system rarely pause to consider what their own role could be in the effort to reduce injuries.
- ▲ Racking up points: Other companies dole out incentives based on a points system. Employees accumulate points by attending safety meetings, participating on safety committees, successfully completing audits, submitting near-hit reports, etc. Management deducts points for injuries or vehicle incidents. Employees receive monetary rewards based on their accumulated points. The problem with this system is that employees often feel as if they have no control over the outcome. As a result, employees and supervisors tend to under-report or play games with the numbers, so no one trusts the outcome.

Unfortunately, most organizations that have adopted these and other forms of safety incentive programs find that the results are significantly less than they hoped for. The programs can be costly and, in the long run, do not typically result in a reduction of injury rates. Rather than try to "buy" your employees' commitment to safety, consider these techniques to engage everyone to take personal responsibility for safety:

### 1– Make Safety a Core Value

Safety needs to be as important to your organization as production and profits. Let employees know that no job is so important that it should be done at personal risk. Start every meeting with an update from a safety contact.

### 2– Commit Management to Worker Safety

When executives, managers, and supervisors are actively engaged in the organization's safety efforts, employees will notice. Leaders can demonstrate their commitment to safety by following the company's safe work procedures, listening to and acting upon employees' concerns, and participating in safety meetings.

### 3– Involve Employees in the Safety Process

Encourage employees to take part in making your workplace safe by including them in safety committees, inspections, accident investigations, and safety suggestion programs. Give them time to participate during their regular work hours and recognize their efforts.

### 4– Set High Expectations for Safe Behavior

Research shows that employees will usually work hard to meet their managers' and supervisors' expectations, so among those stated expectations must be safe behavior: everyone will follow safety procedures and wear appropriate personal protective equipment (PPE). Managers and supervisors should also expect employees to identify, control, and report all hazards found in the workplace.

### 5– Allow Employees to Set Their Own Goals

Most incentive programs develop around corporate safety objectives, but employees may resist the proclamations of executives or managers, especially if the workers consider management to be out of touch with their day-to-day experiences. However, employees will respond more positively to setting their own goals. Give them the autonomy to do this and encourage them to make it a personal aim to go home each day without injury.

### 6– Invest in Motivation, Not Incentives

Even the most creative incentive program won't get you the results you want: greater worker safety and less lost time due to injury. Safety incentive programs take money out of your company's bottom-line without a significant or sustainable return on your investment. So instead make motivation a priority for executives, managers, and supervisors. Get them to commit to investing their time and effort to improve their safety and encourage workers to do the same. That way, each individual becomes responsible, not only for their own safety, but also for that of everyone in the organization.

Carl Potter, CSP, CMC and Deb Potter, Ph.D., CMC, with a combined total of more than 44 years experience consulting in the hazardous industries, have authored several books, including "Who is Responsible for Safety?" "Simply Seamless Safety" and their latest book "Zero! Responsible Safety Management by Design."

# Marketing Tip

By John R. Graham
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## Seven Ways to Differentiate Your Product or Company That Make a Difference

Differentiation has long been a marketing strategy used to separate a company from its competition. Differentiation works if it's based on what appeals to the customer.

So, what should you do to differentiate your company from the competition?

**1– Get inside the Customer's Head**—The difference that differentiates is what the customer thinks. Your job is to find it. Greg Brenneman, who flipped Burger King from being troubled, to achieving success in short order, states the task clearly, "Focus on giving customers what they want, not what others think they should have." (Wall St. Journal, 4/26/05).

**2– Create a Sense of Excitement**—The sports industry has discovered that excitement of the teams isn't nearly enough to draw high-paying crowds. As admission prices go up, so does the entertainment. That's why it's easy for millions of spectators to drop a couple of hundred bucks or more at a single game.

**3– Eliminate Doubt**—Doubt is the major hurdle to making a buying decision. If it's purchasing a home, "Will our friends and relatives like it?" If it's a car, "What will our friends say?"

Hyundai, the South Korean automaker, overcame serious customer doubts about its vehicle quality by making enormous improvements in the product and offering a 10-year, 100,000-mile warranty. Hyundai took action and sent a powerful, unequivocal message to car buyers. If General Motors and Ford believe in the quality of their vehicles, why not offer the same warranty as Hyundai and Kia?

**4– Create Buyer Satisfaction**—After-the-fact worries eat away at customer satisfaction and undermine the possibility of getting referrals, just as doubt delays buying decisions. Too many companies act as if their name, size or years in business are ringing endorsements. The key is staying in contact with the customer after the sale. Far too often, this is when the customer feels abandoned and alone and any dissatisfaction translates into complaints over minor matters. Close continued contact reinforces the wisdom of the buying decision and it helps to create a bond that can minimize potential problems.

**5– Give it a Name**—In other words, make it yours. It isn't just an MP3 player, it's an *iPod*, and it left formidable Sony in the dust. The name quickly became generic like Life Savers, Kleenex and Blackberry. In North Carolina, it isn't just "sod," it's North Carolina-grown sod. Names transform the ordinary into the extraordinary. Give it a name and get the business first.

**6– Breathe Life into the Company**—How do you give life to Europe's biggest bank in the U.S.? Not an easy task, even with enormous resources. Yet, this is exactly what has happened with UBS. A BusinessWeek survey revealed that the "You and Us: UBS" campaign rocketed UBS into 45th place of the top 100 brands worldwide. As someone noted, "It came out of nowhere."

While few people may really know much, if anything, about UBS, the "You and Us: UBS" campaign has created a positive and personal feeling. It has brought the company to life and separated it from the competition.

**7– Practice Creative Destruction**—With telecommunications deregulation came the break-up of century-old AT&T and the spawning of a string of Baby Bells. Now, one of the energetic offspring has acquired the parent. It's creative destruction at work.

Business survival demands different values and performance standards in every area of business. Creative destruction demonstrate a daring, innovating quality that sets them apart from the competition and attracts customers. In a word, what's dangerous is staying the same.

# Shrewder Computing

## Anti-Phishing Refresher

Phishing e-mail scams continue pounding away in frequent attempts to trick you into providing personal information such as credit card numbers, bank account numbers, etc. These usually appear as an e-mail from CitiBank, Amazon.com, eBay, PayPal, etc. They usually refer to your account having some type of problem and ask you to click a link and enter your information. These bogus messages and websites are convincing because they look so much like the real thing.

Legitimate companies do not send e-mails asking you to verify personal information. Never click on the links in these types of messages.

**Anti-phishing e-mail tips:**

Be suspicious of any e-mail with urgent requests for personal financial and other information such as: user names, passwords, credit card numbers, social security number, etc.

Phishers typically include upsetting or exciting (false) statements to get people to react immediately

Phishers typically are NOT personalized, while valid messages from your bank or e-commerce company generally are

DO NOT use the links in a phisher to get to any webpage—if you suspect the message might not be authentic, contact the company by telephone, or log onto the company's website directly by typing the web address into your browser

Only communicate information such as credit card numbers or account information via a known secure website or the telephone

To make sure you're on a secure web server, check the beginning of the web address in your browsers address bar—it should be "https://" instead of "http://"

# TPI Action

### ITPF Helps Fund Council for Agricultural Science and Technology Workshop

ITPF and USGA have both provided funding for a three-day workshop sponsored by Council for Agricultural Science and Technology (CAST) entitled, "Water Quality and Quantity Workshop on Turfgrasses Used in Urban Landscapes." The resulting science-based proceedings will be published later this year to help sort out the large body of research on water quality and quantity issues that need to be distilled into a topic-based publication to help policy-makers and regulators better understand all aspects of turfgrass and water management in urban landscapes. The workshop's format encouraged oral and written interaction among the 98 attendees after each 30-minute presentation.

### TPI Artificial Turf Infringement Survey Response Above Average!

Generally, a three to five percent survey response rate is considered an acceptable average by marketing companies. The recent TPI Artificial Turf Infringement Survey response nearly tripled the typical average rate. More importantly, the results will help direct the Artificial Turf Working Group's efforts to more accurately determine the impact of artificial turf sales within member markets and what efforts will provide the greatest member support. The survey results have been compiled and will be published in the May/June issue of *Turf News* magazine.

### TPI Media Impressions Exceed Five Million!

Over the past six months, TPI related press releases have reached over five million readers nationwide!

**To receive additional information on any of these items, contact the TPI Office**
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### Synthetic Turf Costs More. . . Lots More

University of Missouri Extension Turfgrass Specialist Brad Fresenburg recently completed a cost analysis of installing and maintaining natural and synthetic fields. In a 16-year scenario, he calculated an annual average cost for each field type, including installation, as follows: natural soil-based turfgrass field, $33,522; six-in. sand-cap turfgrass field, $49,318; basic synthetic field, $65,846; premium synthetic field, $109,013.

In the scenario, an existing soil-based field would have no start-up cost except a $25,000 annual maintenance budget. The sand-capped field with a six-inch base would have a $300,000 start-up cost and also the $25,000 yearly maintenance cost.

The basic synthetic field would cost $600,000 initially with an estimated $5,000 annual maintenance budget. The premium synthetic turf installation was estimated at $1,000,000, plus $20,000 annually for maintenance.

Fresenburg factored in sod replacement costing roughly $25,000 every four years for the natural turfgrass fields and surface replacement on the synthetic fields after eight years.

Most public agencies spend much less than $25,000 annually maintaining a natural turfgrass field, according to Fresenberg, who noted some turfgrass managers reported the $5,000 annual synthetic field maintenance is a fourth of the actual cost.

## Business Management

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