



## BUSINESS MANAGEMENT

AMERICAN SOD PRODUCERS ASSOCIATION

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HILLSIDE, ILLINOIS 60162

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Permit No. 217

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February/March, 1985

### ASPA'S FIRST REGIONAL SEMINAR MARCH 26 IN DETROIT

It's not "just another turfgrass meeting." It's not "just a day with the boys." ASPA's first regional seminar will present a highly specialized series of talks on sod production by the region's most knowledgeable and respected people.

The day-long ASPA Great Lakes Sod Producers Seminar will begin at 9:00 a.m., Tuesday, March 26, at the Detroit Airport Hilton and is scheduled to conclude by 4:00 p.m. Included in the registration fee will be study materials, lunch and two refreshment breaks. The seminar, open to all sod producers...ASPA members and prospective members alike...will cost \$40 for the first registrant from a firm and \$20 for each additional person from the same firm.

Successful sod producers will be featured on the program as a panel of growers from Michigan, Illinois, Indiana and Wisconsin discuss "The 1985 Sod Business Climate." A "Show & Tell" segment will demonstrate innovations developed by others.

Specialists on the program will be Dr. Paul Rieke on Soil Fertility, Dr. Joe Vargas on Disease Control, Dr. Bill Daniel on Variety Selections, Dr. Harry Niemczyk on Insect Control, Dr. Bruce Branham on Weed Control, and Dr. Ralph Hepp on Agronomic Economics. Each of the presentations will focus on the unique situations of sod production.

In addition, representatives from Parker, Aleshire & Company will be present to describe the recently endorsed group accident and health insurance program. This program is designed to improve insurance coverage, reduce premiums, or a combination of the two, as it meets the specialized needs of sod producing operations.

**MARK YOUR CALENDAR...RETURN THE ATTACHED REGISTRATION FORM...DON'T MISS THIS SEMINAR**

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is provided with the understanding that this publisher is not engaged in rendering legal, accounting or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought. Published bi-monthly for members of the American Sod Producers Association, under the auspices of the ASPA Business Management Committee. We invite your comments and recommendations.



# ASPA SEMINAR ENROLLMENT FORM

## GREAT LAKES SOD SEMINAR

Please enroll the following:

FIRM \_\_\_\_\_ PHONE (\_\_\_\_) \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE/PROV \_\_\_\_\_ ZIP \_\_\_\_\_

FULL NAME

FIRST/NICK NAME

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

### Fees:

1st registrant \$40

Additional registrants from the same company \$20 each

Please enroll \_\_\_\_\_ people.

Enclosed is \$ \_\_\_\_\_ for registration.

(Sorry, ASPA cannot bill you. All fees must be paid in advance (in U.S. Funds) and accompany this form)

☐ My check payable to American Sod Producers Association is enclosed

☐ Charge my \_\_\_\_\_ VISA \_\_\_\_\_ MasterCard Acct. # \_\_\_\_\_ Exp. Date \_\_\_\_\_ Signature \_\_\_\_\_

**MAIL TO:** ASPA, 4415 West Harrison, Hillside, Illinois 60162

----- (DETACH AND RETURN) -----

### 'Z-SCORE' MAY PREDICT LIKELIHOOD OF NEAR-TERM FAILURE...MAY

A few years ago, a finance professor developed a formula to predict the likelihood of a public company failing or continuing within a relatively short time. Originally termed the "Z-Score," the slightly modified version presented below may be used by privately held firms to determine their own fate. Please keep in mind that the results cannot be absolute and the continued application of sound business practices will be necessary no matter how high the score. Similarly, a low score doesn't necessarily mean you should "sell the farm."

Here's the formula:

$$\begin{aligned} Z = & \frac{\text{Working Capital}}{\text{Total Tangible Assets}} \times 1.2 + \frac{\text{Retained Earnings}}{\text{Total Tangible Assets}} \times 1.4 \\ & + \frac{\text{Income Before Int. \& Tx.}}{\text{Total Tangible Assets}} \times 3.3 + \frac{\text{Total Equity}}{\text{Total Debt}} \times 0.6 \\ & + \frac{\text{Net Sales}}{\text{Total Tangible Assets}} \times 1.0 \end{aligned}$$

For example, if you had the following information and put it into the formula, this would be the result: working capital, \$600,000; retained earning, \$1,000,000; income before interest and taxes, \$200,000; total equity, \$1,600,000; total debt, \$1,400,000; total tangible assets, \$3,000,000 and net sales, \$3,600,000. Z=2.80

To interpret the score, use the following table:

Score	Probability of failure within 2 years
3.0 or higher	Not at all likely
2.8 to 2.99	Possible but not probable
1.81 to 2.79	Relatively high risk
1.80 or lower	Very high risk

What's your "Z-Score?" What can you do to improve it?

## WHY SALES CALLS WORK

It's that time of year when growers in the north are out visiting their customers and looking for new ones, so it seems appropriate that this month's theme page deals with sales calls.

Many books have been written about successful selling and the ingredients of a successful sales call, but I've never seen one that is appropriate for the type of calling that we as sod growers do.

First of all, a majority of sod farms do not employ full-time salesmen; most selling is done during the off-season by an owner or manager. Secondly, because selling is done during the off-season, we rarely write an order (or should I say close a sale) and that's where the emphasis is usually placed in books on selling techniques. And yet, despite the fact that we rarely write an order, good sales calls are the foundation of a successful wholesale sod business.

So what constitutes a successful sales call and how do we achieve one?

A successful sales call is one which leaves a potential buyer favorably disposed to consider buying from you when next he needs sod. When people ask me what I do in the winter I answer, "I go out and make friends and in the summer my friends buy sod from me."

Fortunately this type of selling is easier than most. There is no pressure to close a sale and the timing of the call usually means the prospective customer is in a pretty relaxed frame of mind. Nevertheless, there are some rules:

Don't wear out your welcome. If the customer is busy or fidgeting, suggest you come back at a later date, making an appointment if possible.

When invited into a prospect's office or home, encourage him to talk about the things that interest him. A quick look around will often reveal his special interests as evidenced by trophies, pictures, etc. If you see nothing of that sort, a simple "How did you happen to get into this business?" is usually good for an hour.

If the prospect says he is buying from a competitor and is very happy, just smile and let him talk or suggest you would like to be considered as an alternate source if the occasion arises. Then explain why you feel qualified to fill this role. In other words, give him your sales pitch: talk quality, service, etc. Be agreeable. Often the prospect will tell you about all the times his present supplier has let him down. If this happens, don't knock the competitor or your prospect may feel it necessary to defend him, and you've lost the friendly atmosphere.

When it is time to leave, suggest a follow-up - either another call or, if you have discovered a specific job coming up or something of that nature, a telephone call or written quotation.

Finally, I like to leave something which will remind him of the visit, such as a price list or promotional piece.

Many people find it hard to go out soliciting business because of a fear that is common to most of us: the fear of what is behind a closed door. What's actually lurking behind that door is just a friend you haven't met.



## TAX RECORDING THAT WAS "ADVISABLE" IS NOW REQUIRED

Beginning 1985, business owners no longer have a choice about whether or not to keep records of all deductible expenses for business travel, entertainment, personal cars, etc. The IRS says now you must keep records when the expenses occur or the deductions will be thrown out. Putting a real bite in their bark, when the deductions are disallowed, there may be a negligence penalty of 5 percent of the tax underpayment, plus a 5.5 percent underpayment penalty, plus 11 percent interest from the date of the return.

Consult with your accountant, tax attorney or other experts to determine the degree to which this requirement applies to your operation and the degree of detail required on the appropriate records.

## DUN &amp; BRADSTREET COMMERCIAL COLLECTION SERVICE AVAILABLE THROUGH ASPA...

...SAVE 75% OF ANNUAL FEE AS AN ASPA MEMBER

Since January 1, ASPA members can use the clout of the Dun & Bradstreet Commercial Collection service for just \$25 for the calendar year...an immediate savings of \$75 of the annual fee. D & B is known throughout the U.S. and Canada as one of the most effective and competitively priced services available.

In addition to the annual \$25 fee, D & B will retain a percentage of the amounts it collects for a member, but only when the debtor pays. There is no additional D & B fee if payment is not made.

Details of the program and a sign-up form were contained in the January/February issue of "Turf News" magazine. For additional information, contact the ASPA office at (312)449-2890.

## KICK-OFF SPRING SEASON WITH MARKETING PLAN DESIGNED NOW...

...ASPA WILL HAVE NEW ADVERTISEMENTS, BROCHURES, DECALS AND STICKERS

The best time to design an effective marketing plan is right now. In most northern locations, snow covers the fields and except for some repair and maintenance work, the most you can do is think about the future. When you can get back into the fields and actually start to implement a marketing plan, it's usually too little, too late to do much good.

With the help of a wide variety of new materials from ASPA, the coming year's marketing plan may be easier to develop and far more effective because of a unified approach. At the Midwinter Conference, ASPA unveiled a comprehensive marketing program that includes a series of advertisements directed at either the wholesale or retail market, as well as new brochures, an ASPA membership window decal and two bumper stickers.

In addition, ASPA will be sponsoring advertisements in national publications heavily read by landscape architects and contractors. All of the materials promote the special advantages of sod, particularly when it's grown by an ASPA member.

Order forms for the materials will be sent to all ASPA members in the near future. Make your plans now to use these new materials in your 1985 marketing program.

FORD'S PRINCIPLE: If you think you can, you're right. If you think you can't, you're right again.