



BUSINESS MANAGEMENT

AMERICAN SOD PRODUCERS ASSOCIATION

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'DIVERSIFICATION' TO TREES & SHRUBS SUGGESTED BY STATE OFFICIALS...IS SOD NEXT?

State officials, especially those in Texas, are urging embattled farmers to avoid heavy reliance on a single crop such as corn or soybeans and begin diversification into other areas, such as trees and shrubs. Knowing how closely tied trees and shrubs appear to be with sod operations, one wonders when their "suggestions" might be expanded.

While there's the obvious potential problem of over production of sod, or any product when a sweeping recommendation is made, it does not appear that state officials are offering a complete picture of what could be involved in such a business.

Unlike most other crops, sod must be marketed by its grower, because there is no existing marketplace for the product. Unlike soybeans or corn, you can't truck a load of sod to the elevator and take whatever price is being offered. You have to market the sod yourself if you expect to sell it and be paid for your hard work and investment.

The next time you hear of anyone suggesting that trees, shrubs, sod or other such items may be just the answer for a farm's recovery, point out the obvious!

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**WORKPLACE SAFETY...
EVERYONE'S INTEREST AND CONCERN**

If workplace safety is not on the top of everyone's list of activities around a business, something is wrong with the list. While almost everyone conducting business in the U.S. and Canada is finding insurance difficulty to locate and very expensive, safety has always been a major concern.

The Canadian Centre for Occupational Health and Safety recently developed the following list of questions its investigators would probably ask if an accident occurred at your place of business. Assume for a minute that an accident just took place on your farm, how would you answer each of these questions:

- ___ Was a safe work procedure used?
- ___ Had conditions changed, making usual procedures unsafe?
- ___ Were the appropriate tools and/or materials available?
- ___ Were they used?
- ___ Were safety devices working properly?
- ___ Was there an equipment failure? If so, what caused the failure?
- ___ Was the machinery poorly designed?
- ___ Were hazardous substances involved? Were they clearly identified?
- ___ Were less hazardous alternative substances available?
- ___ Was protective equipment/clothing needed? Was it used?
- ___ Was poor housekeeping a problem?
- ___ Was the weather a factor? Heat? Cold?
- ___ Was there adequate light and ventilation?
- ___ Were the workers experienced in the work being done?
- ___ Had they been adequately trained?
- ___ Were they physically capable?
- ___ What was the status of their health? Were they tired?
- ___ Were they under stress (work or personal)?
- ___ Were safety rules in effect? Were they being enforced?
- ___ Was adequate supervision given?
- ___ Were hazards properly identified and procedures developed to overcome them?
- ___ Were unsafe conditions corrected?
- ___ Were there systems for regular maintenance of equipment and safety inspections?

In addition to the basic questions themselves, you or an inspector would normally add, "if not, why not," to each of the above.

Rather than using this list as a follow-up device after an accident occurs, it can be many times more effective and beneficial as a preventative measure, highlighting where an employer could identify potential problem areas that need correction...eliminating causes for accidents before an investigator ever has reason to set foot on the property.

DOES_OVERTIME_=_\$UCCE\$\$_??

Prepared by Randy Tischer, Chairman
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Do you ever feel the need to wear a nametag on your shirt saying, "Mom" or "Dad" so your children will recognize you when you finally walk in the door at the end of a long day? Do you now find a "Home Sweet Home" sign hanging from your office wall? Are your favorite breakfast cereals replacing the "office stuff" on the shelves in the back room? Is all of that overtime you have been putting in on your farm really necessary for your professional success? The answer seems to be yes...and no.

Certainly it is true that longer hours are becoming the rule rather than the exception. As few as five or six years ago, those who worked late may have appeared incompetent rather than diligent. Now, 60 hours is a normal work week for many turf producers. But whether or not long hours will make your farm more successful may depend on your reasons for working those long hours.

Some individuals, such as athletes, are "workaholics" simply because they relish what they do. There are also professions such as law, accounting, real estate and medicine where occasional long hours are hard to avoid. Indeed there are some cases where long hours do pay off.

More and more frequently, however, burning the midnight oil is a result of chronic understaffing, inefficient work habits, or pressure from peers or bosses. And, researchers are finding that the individuals who work for those reasons are far less likely to reap the benefits from their labors.

One way to get home at a decent hour each evening is by delegating some of your work to others. "I always operate on the principle that I could be hit by a truck tomorrow," says one insurance company vice president. "What would happen to the operation? It's going to have to function somehow. If you don't bring along a good second team, you're not going to move along."

The bottom line: Long hours in and of themselves don't always produce positive results. The most successful people are those who keep a healthy balance between work and play.

SHORTEN_COLLECTION_PERIODS_TO IMPROVE_CASH_MANAGEMENT

Managing a firm's cash is one of the most difficult and perhaps frustrating activities that exists. Those you owe want their money "yesterday," while those who owe you "need just a couple more days." Sometimes you have to wonder if your business is growing and selling turf or being a loan officer.

But, there are some proven ways to effectively shorten the number of days most accounts are payable, and thereby improve your cash flow.

The first is to stay on top of your receivable accounts. If you haven't already done so, assign someone the task of aging them on a regular basis...usually at least once a month. But don't stop there, be alert to accounts that are slipping into slow-pay habits.

Establish a firm procedure to collect your money. Use the phone. Don't wait for the mails. Be firm and constant in your efforts. Try to collect all accounts in 50 days rather than 60. Even when someone takes that "extra" 10 days, you'll be on track.

Establish discount terms that encourage the customer to pay early, but be aware of what the discount is costing you. Because discounts actually penalize earnings, don't let the small ones snowball into big dollars when totalled.

Send a bill as soon as the shipment leaves the farm. Don't bill in batches that gives your earliest deliveries a few more days than your latest customers, even within a single week. Bill everything daily...start the collection clock running.

Even though it's hard, be ready to refuse an order from a customer who has let his credit rating slip. The promise of big future orders won't help pay your bills, and the adage that a sale isn't made until the cash is collected still holds true. Talk is cheap, paying on time is the best way any customer could ever show you how serious he is about doing business with your firm.

CREDIT_INVESTIGATIONS_BY_BANKS PROVE_WORTHWHILE_WITH_SOLID_INFO

Having your bank conduct a credit check on a current or prospective customer may save you time and money in the long run. Your bank contacts the customer's bank to obtain a record of checking and loan payment experience, and then provides this information to you for decision making.

According to proponents of the technique, banks exchange information between themselves that is more detailed than you or other companies could get by going directly to your customer's bank. The cost will vary widely from bank to bank, but expect to pay \$25 to \$150 for such a service.