



BUSINESS MANAGEMENT

AMERICAN SOD PRODUCERS ASSOCIATION

1855-A HICKS ROAD
ROLLING MEADOWS, IL 60008

FIRST CLASS MAIL
U.S. POSTAGE
PAID
Rolling Meadows, IL 60008
Permit No. 662

Rush to:

FILE

AUGUST / SEPTEMBER, 1988

CONSTRUCTION TRENDS DECLINE, '89 PROJECTED TO DROP FURTHER

All major regions of the U.S. are expected to share in a national construction decline for the remainder of 1988 and into 1989 according to officials of "Dodge/Sweet Construction Outlook."

George A. Christie, the firm's vice president and chief economist reported, "For at least three reasons, the odds are against a recovery of construction contracting in 1989. The surplus of office and apartment space which is currently depressing these markets will not be fully absorbed by the end of 1988. Public works construction will remain under a tight lid. And interest rates will be rising."

The South will see the biggest slide at minus 8 percent, followed by the Northeast at minus 4 percent, with the West dropping three percent and the North Central states slipping by one percent.

ASPA members are encouraged to carefully examine local construction trends and the issuing of new construction permit within their particular market area because of the seeming wide-spread variance from area to area.

HELP-WANTED ADS KEYS TO FIND THE QUALIFIED

As the pool of available employees continues to get smaller, owners and managers will have to sharpen their skills in attracting people who are qualified and have some basic understanding of what a job requires.

Here are a few tips to writing want-ads that can result in increased responses, as well as serve as a defense should an unsuccessful candidate file a discrimination suit:

Training, skills, experience... specify at least the acceptable minimums of education, work experience and work history you are seeking. Be prepared to justify the qualifications necessary to do the job.

Job duties... briefly outline the job's scope and responsibilities, listing both attractive and unattractive aspects.

Salary... provide a realistic salary range so you attract only those who are qualified and aren't expecting too much or believe the job may pay too little.

Working conditions... especially for a field job, be sure to specify the hours, overtime demands, field conditions or other factors that could influence a person's decision to respond to the ad.

As a general rule, be specific, without being negative. You can waste precious time by handling responses from people who don't truly understand what the position requires or returns.

EMPLOYEE MOTIVATORS, NOT ALWAYS WHAT MANAGERS THINK

Knowing what motivates an employee can help solve many problems and help you avoid many others. A recent study shows that what employees prefer and what employers think they prefer don't always mesh. Here's a listing, in rank order from both sides:

employees prefer

1. interesting work
2. management's appreciation
3. be well-informed
4. job security
5. good wages
6. growth opportunities
7. good working conditions
8. company loyalty
9. tactful discipline
10. help with problems

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1. good wages
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8. management's appreciation
9. help with problems
10. be well-informed

WHO REPRESENTS THE COMPANY?

Prepared by Ronald Nixon, Chairman
ASPA Business Management Committee

It's Monday morning with the boss arriving at the office a few minutes early. The telephone rings, he answers, "Good morning, Turfgrass Sod Farm." Customer on the other end asks, "May I speak to Flora, please?" "Boss responds, "She's not here, may I help you? Customer asks, "When will Flora be in?" Boss, shaken, answers, "She won't be in, she got married and moved to Boston last year." Disappointed customer responds, "Maybe you can help me. What kind of sod do you have for sale?"

Who represents the company? In this case it sure was not the boss. Flora was the person the customer had made his contact with and apparently was comfortable dealing with her. Flora represents the company to this customer, not this strange person on the other end of the phone who just happened to be the boss.

The opinions of our customers about your farm business are developed from the employees they come in contact with. If you are not that contact, then you did not personally contribute to their opinion. That makes many of the farm business employees company representatives.

If this is the case, are they representing the farm business well? What kind of attitude are customers confronting when they call for an order? Are they being promised sod, but it will not be ready on time? Are customers being told too much insider company information? Are the delivery truck drivers giving the customer service, with a thank you for your order attitude? Are forklift drivers being helpful in loading and securing the load? Are sales persons acting in an ethical manner and not promising anything to get the order? The answers to these questions can make a difference in the opinion formed about your farm business.

Employees may not realize how important their words and actions are with customers, for they do not consider that the customer sees them as being a company representative. Employees may not consider the turfgrass customer the monetary source of their paycheck and how their employment depends on repeat business.

Employees may have no idea how you would like the company represented. It is up to you as manager to find the way to convey to your employees the proper way to conduct a relationship with your customers. They could be written in a personnel handbook, addressed at a company gathering or an employee meeting or on an individual basis. This is a very positive message to convey, for what you are saying is that the employee is important and so is his or her position in the company.

DIESEL_FUEL_EXCISE_TAX_REFUND_PROCEDURES

Since April 1, 1988, U.S. sod farmers have been paying a 15 cent per gallon tax on all of their diesel fuel. While repeal of this action is vigorously being sought as part of the technical corrections bill approved in the Senate Finance Committee, the tax can be recovered by applying for a refund.

Three methods for recovering the tax payments can be used, depending on the amount of fuel used and taxes paid.

Income tax credit will be the method used by most sod farmers. When filing year-end taxes, a credit is claimed on the taxpayer's income tax return by filing IRS Form 4136, "Computation of Credit for Federal Tax on Gasoline and Special Fuel." Excise taxes paid on diesel fuel used in farm equipment and other non-highway vehicles can be claimed as a credit against the income tax for the year.

Refund claims can be filed by persons or farms who do not have sufficient income taxes against which to file for a claim. This is accomplished by filing IRS Form 843, "Claim," at the end of the tax year.

Quarterly refund claims can be filed by those firms who have used at least 6,667 gallons of diesel in a quarter and therefore have a refund claim of at least \$1,000. The quarterly refund claim must be filed by the last day of the third month following the end of the quarter for which the claim is being filed. If this deadline is missed, the quarter's refund can be claimed at the time of year-end tax filing. These refunds claims must be filed on IRS Form 843, "Claim."

Local and regional IRS offices may not have these forms readily available, but they can all be ordered by calling the IRS at 1/800-424-FORMS. When calling, specify the form number and title you need.

IRS Publication 378, "Fuel Tax Credits" is available from the IRS and contains additional useful information.

SELLING_TO_THE_SENIORS

People over age 50 control 77% of the nation's assets and they're growing in numbers and wealth according to Ernst & Whinney. They may represent a very strong market for sod.

According to the Survey, 88% said they are willing to pay more for high-quality items and only 4% listed high price as a barrier to shopping. Their average income is 22% above the 20-49 age group, with discretionary income 29% greater.