



BUSINESS MANAGEMENT

AMERICAN SOD PRODUCERS ASSOCIATION

1855-A HICKS ROAD
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JUNE / JULY, 1988

NEED MEMBERS' HELP TO IDENTIFY TAX REFORM ACT PROBLEMS

ASPA members can help resolve some of the problems created by the 1986 tax act, simply by providing specific examples of their own nightmares.

As implementation of the Tax Reform Act continues, more and more problems are coming to the forefront, with leading Senators and Congressmen publicly stating they will revisit the issue of tax "simplification" in 1989. While not willing to address all issues, many critical items will receive thorough review by the appropriate committees. Problem areas, to name just a few, include the inventory capitalization rules, the alternative minimum tax, the interest expense allocation provisions, capital gains and the investment tax credit.

The Small Business Legislative Council (SBLC) to which ASPA belongs, is coordinating the efforts to bring some sense of fairness and reasonableness to tax issues.

ASPA members are asked to provide specific examples of problems and concerns they have confronted, by letter to the ASPA office. These letters will be added to others received by SBLC to compile a prioritized listing of points the group would hope to bring before Congress for reconsideration during the 1989 sessions.

DOUBLE-CHECK LIABILITY COVERAGE
FOR ACCIDENTAL CHEMICAL DAMAGE

Could this happen to you?...Strictly following all label requirements, you apply a pesticide to your sod fields, but a gust of wind blows across the field and some of the spray goes onto a neighbor's tomatoe greenhouse. Within a couple of days, the neighbor is calling you to report a very serious die-off of his new tomatoe crop, apparently related to the pesticide drift. You apologize and immediately call your insurance agent to have a damage claim filed to reimburse your neighbor's loss. After a short delay, your insurance agent calls back to inform you that such damage is not included in your policy!

Double-check your insurance coverage, apparently accidental damage caused by farm chemicals is not automatically included in most liability policies.

With the heightened awareness of many people regarding chemical accidents and near-paranoid concern for the problem, all variety of claims are being made against users. Protect yourself with label-following techniques and constant training practices, but also be aware of what your insurance policy will or won't cover.

Short but Sweet...
A FEW POINTS TO PONDER

All brands of milk are alike according to 69% of all consumers and 38% think all packaged white bread is the same. But, 68% believe one brand of shampoo is better than all others and there is an equally high preference for one brand of canned soup, cold cereals, tea and headache remedies. THE POINT: Preceptions are important to the consumer, but you have to repeatedly tell them "Why we're different." (From Action Line Newsletter)

"It's easier to sell consumers what they want than to make them want what you sell." (From "Restaurant Management")

Defining Customers: 1. The most important people in any business; 2. Not dependent on us—we're dependent on them; 3. Not an interruption of our work—they're the purpose of it; 4. People who come to us with their needs and wants—it's our job to fill them; 5. The lifeblood of this and every other business—without them, we would have to close our doors. (From an IBM internal communication)

Spread the Word...If you know just 50 people on a first-name basis, and so do all of the people you know, you have 2,500 friends of friends and 125,000 friends of friends of friends and more than 6,000,000 friends of friends of friends of friends! (From Stanley Milgram, "The Individual in a Social World")

ARE YOU RUNNING YOUR BUSINESS, OR IS IT RUNNING YOU?

Prepared by Ronald Nixon, Chairman
ASPA Business Management Committee

I hope by now you are in the busiest part of your sales season. If your farm is like ours, your work days may be long, hectic and tiring. There is nothing wrong with hard work, in fact self-motivators thrive on it. But this time of year in the turfgrass sod business, there is more work than there is time to do it. If you push yourself too much with too many hours, exhaustion and fatigue will affect your ability to make good leadership decisions which will effect the running of the farm. Fatigue can also affect your personal health and family life. I have never been around an over-tired person who was much fun.

No job is more important around the farm than providing guidance and direction for the business. No bad decision is more costly than a bad top-level management decision. For this reason, it is imperative for people in management level positions to keep themselves capable of good decisions. If too much of your time is being taken up with things that someone else could do, delegate the authority to an employee or hire someone else. If things around the farm business have gotten so hectic you cannot operate efficiently make out a written plan of what needs to be accomplished. Though any plan must be flexible, having what must be done written down will help your work proceed in a more orderly manner. If that happens you will probably get more done in less time. You may also be surprised in looking back over the plan how much work was accomplished.

This season, with time so short and so much work to be done, work as efficiently as you can. Accomplish as much as you can today, and the rest will be there tomorrow.

PERSONALIZE & RECOGNIZE,
EMPLOYEE PRODUCTION MAY INCREASE

Federal Express, one of the fastest growing success stories in the marketplace today, motivates its employees with an easily transferrable idea. They put the names of employee's children near the nose of their planes.

On a turfgrass sod farm, you could think in terms of the trucks, tractors, harvestors, etc. (Maybe for the family with a lot of kids, you would name each unit of the gang mower!)

The personal pride of seeing their name or the name of one of their children on the item they're driving will probably create more concern for the piece of equipment and increased productivity with the subtle reminder of why they're working.

THE JOYS OF BEING SMALL

Written by Billy Duller, submitted by John Addink, Member
Business Mgt. Comm.

We hear much today about growing--expanding, getting more equipment, more jobs, more customers, more business, more employees.

I decided five years ago that our business was large enough. We have three year-round employees and three to five seasonal workers. My wife does the bookwork.

Our volume is in the low six figures. We install sprinkler systems, plants, trees, sod, seed and some maintenance. Our jobs include residential and small commercial projects.

We started in the landscaping business 15 years ago. I had an AA degree in horticulture. I grew up on a farm and my father always wanted to own the land next to him. He went broke several times.

We grew to 20 employees eight years ago. I spent most of my time bidding jobs, hiring employees, fixing equipment and collecting past-due accounts. This left little time for me to do the things I enjoyed--working with plants and customers.

Today, we make as much money and have far fewer headaches. Most of our work is now referral work. We cannot coast, but I have time to see our two kids' activities, take a vacation each year and smell the roses.

We also have no debt. We have been through several bad times and want to make it through the future down-turns. Many larger competitors have bit the dust during the down-turns and large debts contributed to their demise.

Now, I don't want to say no one should get big; but I know of only a few good large contractors that have been around for 15 to 20 years. Maybe the so-called "Peter Principle" would indicate that most of us are happier running a smaller, well-organized company.

SPACES STILL AVAILABLE ON England/Scotland Study Tour

Anyone interested in participating in the Oct. 19--Nov. 3, 1988 ASPA Study Tour of England and Scotland should contact the ASPA Office immediately by calling 312/705-9898.