

**MANAGEMENT LETTER** Vol. 2-Mar. 15, 1982

The metric system seems to be moving away from popularity. It has been reported that the government board responsible for implementing the metric system will not receive funding after fiscal 1982.

Affirmative action employment programs will find fewer companies being forced to carry out such programs. Only employers with federal contracts for a million dollars or higher and who employ 250 or more employees will be required to have formalized affirmative action programs, we are informed. Firms with 250 to 499 employees will be required to have programs, but will be much abbreviated in form.

What to do during the recovery period. "Work thin", lean inventories and minimal staff. Most important is to retain key people that will be most important when the recovery comes. "Ride herd" on salespeople to stay in the field and stay in touch with the customers so as to be able to identify when improvement is coming and increased willingness to spend appears. While sales are more difficult, there are still many out there. Develop your visibility and promote your product. When things start "on the rise" everyone is going to want something right away.

Task Force On Regulatory Relief will continue working with small business. Throwing out many reports and letters...owners sign a certificate that they are in compliance with federal rules being proposed.

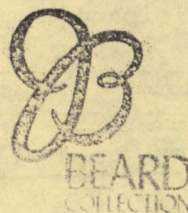
Some investment counselors suggest putting stop-loss order on any stock you buy. For stocks on the American or New York Stock Exchange, it is suggested that "stop" be put at approximately 10% to 15% below the purchase price. Move the "stop" order up as the stock increases in value so as to protect profits.

Criminals do not usually confess the full amount of their stealing. Law enforcement experts suggest that you double the amount that the worker who might steal from the firm admits that he took.

Hertz Corporation reports that the average American compact car cost 44.6¢ per mile to operate this past year. Full size cars averaged 51.1¢. Sub-compacts dropped slightly to 34.3¢.

Clean trucks considered by the public to be safer and better driven and better maintained than dirty ones. These are the results of a survey by a national market research firm. In addition, the company that puts its name on its trucks is considered more concerned with safety than those without names.

(OVER)



American Sod Producers Association
Assn. Bldg., 9th & Minnesota
Hastings, Nebraska 68901
Phone (402) 463-4683

The world's best car salesman has suggestions for what he would do right now if he were in your business: Advertise more than ever and resist the impulse to cut costs. Send soft-sell mailings to every contact every month and use envelopes of different sizes and colors to maintain interest and curiosity. Redouble your prospecting efforts. Pursue each prospect no matter how unlikely a sale may be and stay active and aggressive.

Washington reports indicate that there will be no more direct Small Business Administration loans after October 1st. However, SBA guaranteed credit will continue, but at a lesser level. FHA mortgage insurance premiums will be payable upon settlement. Fee on VA guaranteed loans will be 1½% of the mortgage, according to the reports.

Forecasts on inflation for 1982 project 7½% rate compared to 9% last year, and 12½% in 1980. 7½% would be the lowest figure since 1977 on the rate of inflation.

Daylight savings time starts the 4th Sunday in April - April 25th this year.

More forecasting: 1982 will be another fairly lean year. However, after 1982 several strong years and things look up.

If you have any ideas on how to reduce the burden of government rules, write Mr. Robert Miki, Director of Regulatory Policy, Room 6708, U.S. Department of Commerce, Washington, D.C. 20230. Be very specific and give illustrations.

Postmaster General says no general rate increases for at least another year and a half. Local telephone rates may double within five years according to some forecasters. Natural gas likely to go up 20% this year.

You are automatically covered by the airlines on checked luggage up to \$750 per bag on domestic flights. Suggestion: Make a list of the contents of all your luggage before you go so that if luggage is lost, you can file a detailed report with the airlines customer service department.

Inflation is a thief! A one dollar bill today is worth 35.6¢ in comparison with its 1967 purchasing power.

Everybody gets lots of requests from the Federal Government for surveys, information and so forth. If they don't have a control number from the Office of Management and Budget, you can toss them away. This number is usually printed at the top right of the form and has been required since January 1st. OMB, it has been reported, has already vetoed some 700 proposed forms.

Forecast for housing for the year is expected to be 1.25 million starts versus 1.1 million in 1981, mostly in the fast growing areas. Some forecasters are predicting that there are going to be no real increases before 1983 when it will go back to 1.5 million or so. Housing industry will have a lot of changes with the days of easy money and rapidly expanding demand apparently at an end. And even more creative financing such as mortgage subsidies, no interest loans, land leases and so forth to reduce monthly payments is anticipated.

CREATIVE SELLING BY SOD PRODUCERS WILL BE REQUIRED. Need for aggressiveness, repeat contacts, better salesmanship, better product...are going to be required. The good will prosper ultimately.