



BUSINESS MANAGEMENT

AMERICAN SOD PRODUCERS ASSOCIATION

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ASPA'S 'SOD SPEC GUIDELINES' OPEN DOORS WITH ARCHITECT MARKET

"Guideline Specifications to Turfgrass Sodding," are proving to be an effective tool to enter the landscape architect and contractor market, according to several ASPA members.

Citing the need for accurate, high-quality information in an area where up-to-date knowledge may not be sufficient, members take or send copies of the "Specs" to prospective or current clients, along with information on the various types of turfgrass sod they currently produce. Architects, contractors and others who specify turfgrass are finding the guidelines very helpful and efficient. Members can also use this opportunity to discuss the latest developments in turf production, quality advantages and varietal choices that can meet the specified need in areas such as drought tolerance, maintenance requirements, etc.

The 18-page publication, first produced by ASPA in 1972 and thoroughly revised in 1988, offers to-the-point guideline specifications for turfgrass sodding projects. The specs address topics such as subsoil preparation, topsoil materials, fertilizers and other amendments, sodding materials and maintenance. With little additional input, the spec writer can easily modify the samples for specific applications.

Available from ASPA, the publication costs \$2.00 per copy or 10 for \$15.

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.

USDA & IRS RELEASE TIMELY GUIDELINES FOR AG EMPLOYERS

"A Summary of Federal Laws and Regulations Affecting Agricultural Employers," produced by the USDA and "Agricultural Employer's Tax Guide," issued by the IRS offer excellent information on these often-times complicated issues.

The USDA publication highlights the Fair Labor Standards Act, OSHA, Migrant and Seasonal Ag Worker Protection, Immigration Reform and Federal employment tax laws. It may be ordered by calling 1/800-999-6779 and asking for Ag Info Bulletin 550. The \$5.50 cost can be charged to Visa or Mastercard.

The IRS Publication 51, may be obtained free of charge by calling 1/800-424-3676. "Circular A, Ag Employer's Tax Guide," covers social security and federal unemployment taxes, as well as income tax withholding requirements.

BETTER CREDIT CHECKS MEAN FEWER BAD DEBT PROBLEMS

As the sod-selling season builds momentum, so too will requests for start-up credit or extended payment terms. The best way to avoid serious bad debt problems later in the year is to perform adequate background credit checks before delivering the first piece of grass. The following suggestions may assist in gaining better credit information:

1. Call the customer's bank... You shouldn't expect to receive detailed specifics, but you can ask, "What is the average balance in the company's account?" "How long has the company been a customer of the bank?" "Has the company borrowed from the bank?" "Is the borrowing secured by some or all of the company's assets?"

2. Call the company's accounting firm... questions to ask of the accountant would include: "What is the company's net worth?" "How is its cash flow?" "What is the current ratio of assets to liabilities?" "Have the officers been drawing large amount of cash out that has been treated as loans?"

3. Ask for references from other suppliers... call to determine what the firm's payment history has been. If there's a history of slow-pay, or high debt load, you may want to offer little, if any credit.

4. Ask for a financial statement... while a firm may not want this information in a competitor's hands, a solid firm should have an equally solid statement, that they're willing to present.

The old saying goes, "The sale isn't made until the money has been collected." When cash-flow is slow at the turf farm, the promise of improvement from a new customer may look good, but the owner should always ask himself if he's in the turfgrass sod business or the banking business? Extending credit to an unknown firm can be risky at best or foolish at its worst.

CAN YOU AFFORD NOT TO BE INVOLVED?

Prepared by Ronald Nixon, Chairman,
ASPA Business Management Committee

I went to see one of my U.S. Senators the other day, who was holding a town meeting. There were maybe 30 people in attendance. There should have been 10 times that many. Several of the people there used the opportunity to speak as a forum to promote themselves. They were not there to see the Senator, but to hear themselves. Others appeared to come because they had nothing else to do. Some may have come for the coffee and cookies. You could have counted on your fingers the people who were there because they cared what their elected government official was doing.

It would have only taken two or three people who were sincere and committed on an issue to have influenced the Senator. If this is representative of the population at large, a group as small as the turfgrass sod producers becoming committed and vocal could effect regional or national legislation.

I asked the Senator what was his opinion of Section 89, which calls for the employer to prove that his health benefit plan does not discriminate in favor of the higher paid employees. He said it was burdensome to the employer and may very well cause the opposite effect than the intention of the bill, for many people may choose to drop the benefits rather than comply with Section 89.

The politicians have found a way to have new social programs without costing the taxpayer anything. These concealed taxes are called "Employee Mandated Benefits." There is a long list of mandated benefits legislation for our elected officials to vote on, such as increases in minimum wages, maternity leave, mandated health insurance and many others.

Once an employee benefit is mandated and every business must have it, an employer loses any advantage that an employee benefit might have for him toward attracting and keeping employees. A mandated employee benefit adds a fixed cost to running a business that may very well take the profit out of many businesses. It would even be more difficult to start a business than it is now. If the stage is set, where established businesses are slowly dying and new ones cannot be started, it will not be long before the economy is destroyed. What good is a mandated benefit if there are no businesses to pay for them?

The idea that people are not responsible for themselves, so make the employers take care of everybody, is a foolish one. It not only threatens our personal livelihood, but our economy as a whole. If insects threatened to destroy a field of turfgrass, you would do all you could to stop them. I suggest it is just as important to get politically involved to stop adverse legislation. Mandated employee benefits may be worse than a field of worms.

HIGH-SEASON, SUMMER EMPLOYEES HOW TO FIND THEM, HOW TO KEEP THEM

The availability of unskilled and semi-skilled employees continues to shrink, according to everyone who has studied the question. This comes as no surprise to turfgrass sod producers who rely heavily on this level of worker during their peak production season. Finding, training and keeping adequate summer employees is difficult today, with the promise of becoming even more difficult in the future.

There obviously is no easy answer, or there wouldn't be a problem, but some of the following suggestions may assist:

1. Look to current employees for referrals...if your current employees enjoy their jobs, they may have friends and acquaintances they could talk to about working for you. Posting job openings on a company bulletin board will make everyone aware of the job and in addition to more employee applications, a current employee may express interest in being promoted to the new listing.

Offering a cash incentive for recruiting has been shown to be very effective, even in amounts as small as \$20-\$50 per new employee who stays on the job for a month or two.

2. Look for employees in new or different places...football coaches who want to keep players in shape may be an excellent source for able-bodied employees, and work-release or minimum ex-offenders may be still other sources. Thoroughly screen every applicant and look for demonstrations of the individual's personal desire and motivation. Bad hiring can be more detrimental than not having someone in a slot at all.

3. Encourage loyalty among current employees...keeping good people is an essential of business success, and there are many ways to do this. In addition to competitive pay and benefit plans, employers should look for other ways to encourage loyalty and longevity. One study showed that twice-a-year pay raises are more motivational than once a year. For example give two 5% raises rather than a single raise of 10%.

Ask your employees what single thing would help improve their productivity the most. It might be something as simple as how work is scheduled, or how a piece of equipment is set-up, or it may require additional expenditures. By asking them, the employer shows he places a value on their work and gains new respect.

Prior to the July 17-19 ASPA Summer Convention in Columbus, Ohio, employers may want to ask their employees what new equipment would help them, or what technical or service questions they may have. Bringing them to the convention could also provide a real return on that investment by exposing them to others sod producers, the equipment manufacturers and suppliers.