



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, 1989

U.S. BUILDING & EMPLOYMENT STATISTICS AVAILABLE BY PHONE FROM ASPA

Beginning immediately, ASPA members may call the ASPA office at 312/705-9898 (8:30 am to 5:00 pm, Central Time) to receive the latest statistical information on single and multiple family home building permits, as well as employment and unemployment rates for most U.S. state and metropolitan areas, as compiled by The National Association of Home Builders. Gopal Ahluwalia, NAHB's assistant staff vice president and director of research who spoke at ASPA's Midwinter Conference in San Diego this past January, suggested this means as a way of providing ASPA's members additional information about potential market growth or decline.

According to Ahluwalia, building permit activity is a strong indicator of market direction; however, employment/unemployment statistics will provide another helpful forecasting tool.

ASPA members calling the office should identify the state and metro area they are interested in and be prepared to copy statistical information that will be given to them at that time. Because the service is based upon receipt of information from the NAHB, its timeliness and accuracy cannot be controlled by ASPA.

At this time, the potential use of this service cannot be determined, therefore, alterations to the process may be developed to best serve the members' interests and needs.

UNDERPRICING PRACTICES EFFECT BOTTOM-LINE PROFITS

According to the Bank of Montreal, many small business owners fail to make a reasonable profit because of five basic underpricing practices... all of which are equally important, all of which can seriously effect a firm's bottom-line. The five practices are:

"Easy Out"--rather than do a proper selling job, the firm sells at a lower price, as in it's easier to sell a Cadillac at Chevy prices.

"Fear Of Losing A Sale"--rather than let any potential sale go by, the firm offers a low price, just to close the deal...profit or no.

"Mark-Up Pricing"--using industry or area standards to determine selling prices, rather than determining what the market will bear, causes some firms to drastically underprice their product or service.

"Incorrect Cost Information"--knowing what it truly costs to produce an item, and then charging accordingly is a weakness suffered by many firms. Missing or late cost information can have a dramatic affect on profits.

"No Profit Goals"--because a profit goal target has not been established, the firm is never sure where it's headed. According to the Bank of Montreal, a 20-30% pre-tax return on assets or a 20% pre-tax return on gross profit are reasonable guides.

Raise the Prices for a Day...as a test to see what his market would bear, one turfgrass sod producer decided to increase his prices for a single day, just to see what would happen. He determined that if he was way out of line, a single day's sales could be made-up, but if the day's results were positive, he'd be ahead for a long time and could adjust the prices accordingly. Apparently it worked because he's still in business and appears to be doing quite well!

10 HUMAN CAUSING ACCIDENT FACTORS THAT CAN BE CONTROLLED

Human factors account for 80%-90% of all accidents that occur in businesses and homes. The Employers Association of Charlotte, NC, has identified 10 items that can be effectively controlled to reduce accidents:

1. Negligence--failure to observe rules, instructions or maintenance
2. Anger/Temper--becoming irrational and disregard common sense
3. Hasty Decisions--acting before thinking, taking hazardous shortcuts
4. Indifference--lack of attention, daydreaming
5. Distractions--interruptions by others, thinking about problems, play
6. Curiosity--doing the unknown, just to see what happens
7. Inadequate Instruction--improper or poorly trained person
8. Poor Work Habits--cluttered area, loose clothing, removing guards
9. Over-Confidence--too cocky, taking chances, being "macho"
10. Lack of Planning--two or more people depending on the other for something that doesn't get done.

Whenever anyone sees one of these 10 factors taking place, the chances are very high that they'll also see an accident take place in the very near future. To reduce the chances of accidents even taking place, prudent employers and managers will review this brief list with all employees and follow-up to see that they don't become established workplace practices.

WHAT BUSINESS ARE YOU REALLY IN?

Prepared by Ronald Nixon, Chairman
ASPA Business Management Committee

If you had asked me six months ago if I was in the trucking business, I would have said, "No, I am in the turfgrass sod business and just so happen to operate trucks to deliver our own sod. Because we haul our own product and do not haul for hire, we do not have to adhere to all of the rules we would if we were a trucking company." That is a big deception and it took a friendly, complimentary inspection by a Department of Transportation (DOT) representative to convince me I was kidding myself.

If you operate a commercial vehicle over 10,000 pounds, you are in the trucking business and to be legal, you must act accordingly. This means maintenance service records must be kept, drivers must be given written, as well as on road tests with records of this kept as well. They must pass a DOT physical and keep a medical card with them. In many cases, a log book must be kept by the drivers. Soon all drivers must also have a commercial drivers' license.

I turned to my state trucking association for help. They came through with the answers and forms I needed. They were an excellent resource that I would highly recommend, particularly as various states may handle this area differently from each other.

All this work can be aggravating, but there are some positive effects from it, like better maintenance can translate into fewer breakdowns and longer equipment life. Checking-out drivers translates into lower insurance costs and better company representatives.

By the way, I am also in the chemical application business, which means all persons handling chemicals must be trained and use mandated safety equipment. Waste chemical containers must be triple rinsed and disposed of in the proper manner. The handling of chemicals gives me the potential of being a polluter of the environment, for which I would be held liable. Though turfgrass itself is being proven to be very beneficial to the environment, the turfgrass producer must be very careful to act responsibly with his use of chemicals.

Turfgrass sod production is a difficult profession because it involves many different areas of expertise. It is important that you do a competent job in every area, for all it takes is one disaster by a turfgrass producer to bring havoc to himself and his entire industry. Remember, there is no unimportant part of our business and a professional job must be done in every area. One thing is for sure, life as a turfgrass sod producer is never dull.

INS PUBLISHES NEW REGULATIONS ON
REPLENISHMENT AGRICULTURAL WORKER (RAW) PROGRAM

Because of ASPA's strong presence, new regulations from the Immigration and Naturalization Service (INS) to implement the Replenishment Agricultural Worker (RAW) program will qualify sod workers in the first work-related category of priority, rather than the last priority as was initially proposed by INS. While the RAW program will not necessarily guarantee availability of sod farm employees, the new regulations at least provide for improved hope and possibilities. The major provisions of the RAW program are as follows:

.Workers admitted as RAW workers must establish each year for three years after admission to the U.S. that they worked at least 90 days in seasonal agriculture to maintain their RAW status. After three years, RAW workers can become permanent residents. (Note: Sod's inclusion as a perishable, seasonal crop is still being litigated, if the case is won, sod farm owners would be able to hire RAW workers as soon as they were available. If the case is lost, RAW workers would have to work at least 90 days a year in a seasonal ag capacity to maintain their RAW status.)

.Workers who worked at least 20 man-days in any agriculture, including turfgrass sod, in any one year between May 1, 1985 and November 30, 1988, will be eligible to register for the program.

.If the Secretaries of Agriculture and Labor determine a shortage of ag workers for the coming year, first preference for RAW status will be given to eligible workers in the U.S. Second preference will be given to eligible workers outside the U.S. Overall priority will be given in each category to family members of legalized aliens.

.General registration for the RAW program lasts from September 1, to October 30, 1989. Workers will be randomly selected from the registration list and invited to petition for RAW status.

.Eligibility for the RAW program will be based on an oral interview of workers by the INS. Documents proving work experience may be submitted to INS, but are not required.

Turfgrass sod industry employers should notify workers of the RAW program and encourage them to apply as soon as possible after September 1. Forms will be available at all local offices of the INS and several legalization assistance organizations.

Additional details regarding the entire RAW process will be included in the September/October issue of "Turf News" magazine.