



BUSINESS MANAGEMENT

AMERICAN SOD PRODUCERS ASSOCIATION

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AUGUST / SEPTEMBER, 1991

BASF'S BASAGRAN REBATES BENEFIT ASPA RESEARCH Submission Deadline...September 15

Select ASPA members have until September 15 to help increase funding for turfgrass research through a new rebate program offered by BASF.

According to BASF officials, purchases of between 5 and 50 gallons of Basagran and Basagran T/O made by ASPA members between September 1, 1990 and August 31, 1991 will be eligible for a rebate of \$2.00 per gallon to the member and an additional \$1.00 going directly to ASPA. Rebate request forms have been sent by BASF to all members in the eligible states which basically extends north of the Mason-Dixon Line, extending east of the Mississippi, plus Missouri, Iowa, Minnesota, North and South Dakota, Nebraska, Kansas and Colorado.

Although ASPA does not endorse BASF or any other firm's products, it has encouraged chemical manufacturers to become more supportive of ASPA's research efforts. This unique rebate approach presents a win-win situation for ASPA and its members. Additionally, because the rebate program is restricted to ASPA members, it may also encourage more turfgrass sod producers to join ASPA in the future.

Additional details can be obtained by contacting ASPA staff member Tom Ford at 708/705-9898.

Las Vegas is a "sure bet" February 5-7, 1992

ASPA's Midwinter Conference & Exposition
Bally's Hotel

Watch your mail for more details and registration information

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RECESSION SELLING TACTICS

While some say the current recession is winding down, most turfgrass sod producers would not agree...at least not just yet. Many, if not most, are still feeling the effects of the recession, which at the consumer level include:

- postponing sod purchases because of the recession--living with the weeds, mud and dust;
- buying less sod--only the front yard or only the back and not both, ignoring the sides altogether;
- switching to something less expensive--seeding in one form or another.

Out-and-out price cuts are often seen as the fastest remedy to increasing cash-flow on a sod farm, but such acts create greater long-term problems than the short-term problem they were intended to solve.

Any of the following recession selling approaches that have proven themselves in other industries may merit a try in the sod industry:

1. Select Rebating -- offer rebates to wholesale customers when they reach specified quantity levels, within a given time. If they exceed a six-month target, they receive "X" in a rebate. This rewards long-standing or high volume customers, without dropping prices to those who would have bought your sod any way.

3. Frequent Buyer Program -- similar to the airlines' frequent flier programs, where long-term loyalty is the goal and purchase "points" are accumulated over a longer time. The "prizes" can range from something modest for a small buyer, to something especially nice for the larger one. For example 10,000 rolls might earn the buyer a dinner for two at the best restaurant, while 100,000 might be a weekend at a nice hotel.

2. Bonus Quantities -- "Buy 10, get 1 Free," (pieces, pallets or truckloads). The appearance of added value and not decrease product quality is the goal here. Again, the special bonus should be available for a stated length of time.

General price cuts can create an impression in the customer's mind that the product (sod or anything else) was priced too high all along, so they'll quickly accept the reduced price, and argue forever if prices start to come back up.

SAFE YOURSELF SOME \$\$\$\$\$\$ WHEN FLYING

Today's airline prices change so quickly that even the most sophisticated and well-intentioned travel agent may have trouble keeping up with the options. To save money when planning a trip, consider the following options of your own. You may have to work the "system" a bit to make it work, but all of these approaches are legal:

1. Never accept the first fare quoted. Ask for the lowest possible fare and be as flexible as possible in your itinerary.
2. Book as early as possible. Last-minute passengers usually pay the highest prices on any flight.
3. Ask your travel agent to look for "hidden city" destinations that are actually beyond your real stop, but just get off at your city. Remember not to check any baggage on these flights.
4. Buy two super-saver round trip tickets and only use one portion of each ticket to avoid a weekend stayover.

American Sod Producers Association

LAS VEGAS

1992 ASPA Midwinter Conference *Always On The Money!*

Your 1992 ASPA Midwinter Conference and Exposition will be held in Las Vegas, Nevada, February 5-7. Bally's Casino & Resort has been selected as the host hotel for this annual event. Planning for the Educational Sessions is well under way and topics will range from Sod Production Alternatives to Media Relations and from Environmental Issues to the Compatibility of Turf and Trees. A Marketing theme will run throughout the program with various techniques and perspectives being discussed. Exhibits, as always, will provide you with the opportunity to meet with company representatives who will help keep you informed of the latest products and services available for use on your turfgrass sod operation. You won't want to miss this event where we intend to prove, once again, that

ASPA Programs Are A Sure Bet!

Bally's Casino & Resort *An Oasis In The Desert*

Bally's Casino & Resort is truly an oasis in the desert. An ultra-modern 26-story hotel, Bally's houses 2900 rooms - each offering a panoramic view of either the Las Vegas Strip or the surrounding mountains. Dining opportunities vary from classic French cuisine to Northern Italian specialties and from authentic Chinese to casual American flavor. Bally's also boasts ten championship tennis courts, an Olympic-size outdoor pool, health spas and an indoor mall with 40 specialty shops for your enjoyment. A world-class resort, Bally's offers you entertainment, dining, recreation and gaming in an atmosphere where the excitement never ends. Make the 1992 ASPA Midwinter Conference and Bally's part of your plans for the new year. You're sure to find that in a city famous for games of chance, ***ASPA and Bally's are Right On The Money!***

Conventions In America Saves You Money!

It will soon be time to think about your travel arrangements to the ASPA 1992 Midwinter Conference and Exposition being held in Las Vegas, Nevada, February 5-7, 1992. In addition to the special discounted rates available to all attendees, substantially lower airfare is possible when you extend your stay over Saturday night. The difference in airfare can amount to hundreds of dollars and should more than pay for your extended stay. For airfare, car rental, and other travel information, call "Conventions In America" 1-800-535-1492. Be sure to refer to airfares on any airline (guaranteed at time of booking); Discounted airfares on official carrier (American Airlines) - You may call American Airlines direct at 1-800-433-1790 (refer to Star File #SO3Z2V5); Free flight insurance plus Free travel extras for ASPA members only. Remember, call Conventions In America, 1-800-535-1492.

Don't Gamble with your travel arrangements!

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Bally's Casino & Resort

SUPPLIER RELATIONSHIPS - THE HIDDEN VALUE

Prepared by John McPhail, Chairman, Business Management Committee
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How important is it to maintain a long-term relationship with your suppliers?

Many times, loyal customers will be rewarded with intangibles that are more valuable than just a better price. The farmer who changes suppliers constantly, always looking for the best deal may be insuring the worst deal for himself. He will someday find that he has not cultivated a relationship that he can draw upon. Just to supply product at a cheap price is not enough in this business. What happens when there is a cash flow problem? Will your suppliers work with you and extend your credit to the limits you need to operate? Chances are better that they will if you've been doing business with them for a long time. How about that emergency situation that happens at the worst possible time? Your best and biggest customer absolutely has to have that sod delivery on time and your only forklift bites the dust? Does your supplier say, "Sorry, we can't get to you for three days." or does he say, "We're on our way with a replacement!" Again, your chances of a happy solution are better when you've established a relationship.

Time is one of our most valuable considerations and there never seems to be enough of it. A good supplier can and will save you time. It may be in hours your mechanic would have to spend on the phone trying to locate a part your supplier found for you, or a delivery right to the field where the part is needed.

Even if you have an excellent and longstanding supplier relationship, it doesn't mean you have to be all accepting of their terms and prices. There is always room for negotiation and keeping them honest in their pricing. We recently found that our fuel supplier, who we've done business with for over ten years, no longer had competitive prices. Over the years, the prices had crept up to a point where going elsewhere would save us several thousand dollars a year. Instead of just taking our business elsewhere, we pointed this out to them and after some negotiating, arrived at a fair price. Everyone was satisfied and we were able to continue doing business with a company we know we can count on.

Loyalty is a two-way street. You know you can count on your supplier for service and price, and he can count on you as a customer to help keep him in business. Sounds like a good arrangement, doesn't it?

MEMBER MARKETING TIP

Prepared by Richard Schiedel, Vice Chairman
ASPA Business Management Committee
Compact Sod, Cambridge, Ontario

Nothing is more harmful to the bottom line than writing off accounts receivable, or reducing revenues by the amount taken by collection agencies. T_I_P: re-evaluate credit policies and make them clear to your customer contact people. Keep the right balance between caution and maintaining sales. This does not happen automatically. It must be managed.

Update:

Lawsuit on sod's perishability continues at the U.S. Court of Appeals. The Court has ordered oral arguments by both sides for September 13 in Chicago. No decision date has been projected.

MORE STEPS TO HELP CONTROL/REDUCE WORKERS' COMP COSTS

(see June/July, 1991 ASPA "Business Management" Newsletter for additional ideas.)

Creating a permanent team of supervisors to help control or reduce workplace accidents, and therefore workers' compensation claims, is highly effective, according to Robert Miata, Consolidated Risk Services president.

Miata suggests that the owner should take the following steps:

1. Inform supervisors that the company regards workplace accidents as a production problem that costs the company money. Tell these supervisors that they are expected to handle accidents with the same attention they would any other production problem.
2. Create a permanent team of supervisors to investigate accidents and write complete and accurate reports.
3. This team is also responsible for preventing and correcting problems that may lead to accidents.
4. Enroll the team in accident prevention training, so they can more readily identify potential problem areas.
5. Establish a bonus or salary increase plan for workers in the department that reduces accident rates the most, and keeps the rate low. (Don't start the incentive plan until after the team has been in place for at least six months. This will help demonstrate that the concern for safety is an on-going, long-term company effort.)

DEPOSITING UNSIGNED CHECKS

One of your drivers returns from a series of deliveries and you notice that a payment check wasn't signed...maybe you get this type of problem check in the mail. How can you deposit that check?

These three steps will practically guarantee that an unsigned check will be deposited and credited to your account without delay:

1. write or type the word "Over" on the signature line on the front of the check;
2. on the back of the check, where the endorsement would go, type, "Lack of signature guaranteed," your company's name and your name and title;
3. Sign our name above the typed name and deposit the check.

Your endorsement is a guarantee that your company will be responsible for the amount of the check if your customer's bank doesn't honor it. This process will speed the deposit of an unsigned check and give you faster access to those funds.