



# BUSINESS MANAGEMENT

AMERICAN SOD PRODUCERS ASSOCIATION

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ROLLING MEADOWS, IL 60008

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JUNE / JULY, 1992

## AMERICANS WITH DISABILITIES ACT (ADA) COULD HAVE IMPLICATIONS ON ALL FARMS

Effective July 26, 1992, all employers with 25 or more workers, (including turfgrass sod farms), must be in compliance with the new ADA requirements that bar discrimination against the disabled in employment and public services. Employers with 15 to 24 employees will be covered under the law as of July 26, 1994.

The laws contains a three-part definition of an individual with a disability: 1. there is a physical or mental impairment that substantially limits one or more of his/her major life activities; 2. has a record of such an impairment and 3. is regarded as having such an impairment. The law prohibits employment discrimination of "an individual with a disability who meets the skill, experience, education, or other job-related requirements of a position held or desired, and who, with or without reasonable accommodation, can perform the essential functions of the job."

A guidance manual prepared by the Equal Employment Opportunity Commission (EEOC), is available at no charge by calling 1-800-669-EEOC or by writing the EEOC Office of Communications, 1801 L St., NW, Washington, DC 20507.

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ASPA MEMBERSHIP RENEWAL NOTICES have been sent to all current members.  
To register for the Summer Convention and receive member rates, dues  
must be paid for the 1992-93 membership year.



MONEY MAKING -- MONEY SAVING IDEAS===TELEPHONE TECHNIQUES=====Don't Say -- "Can I take a message?"

Too often callers will say, "No, I'll call back," and never do. (They may be price comparison shopping.)

The Better Approach: Try to help the caller yourself, or ask for specific information that will assure a return call. Get the caller's name, tell him when the intended recipient is expected back and try to fix a time for a return call.

Don't Put a Caller On Hold -- without his permission/agreement.

The Better Approach: Ask if you can put them on hold (and give them a chance to respond); or take an extended message for the intended recipient of the call, (see above item). If you do place a person on hold, check back with him every few minutes to see if he wishes to continue waiting.

Don't abuse good telephone etiquette --

The Better Approach: Never eat or drink while you're on the phone;

Never hold a second conversation while you're on the phone because background conversations could be a distraction or embarrassing to everyone;

Always remember that your present attitude (mad, happy, grumpy or helpful) is projected when you speak, so try to project friendly confidence whenever you speak.

Don't let drivers call you collect --

The Better Approach: Issue every driver a restricted telephone credit card that can only be used to call the office. The call will cost less than collect and you'll still maintain complete control of the credit card's use.

===CREDIT COLLECTIONS=====The older the invoice, the slimmer the collection...

A recent survey from "Boardroom Reports" shows that when invoices are...30 days old, 94% will be collected

...60 days old, 85% will be collected

...90 days old, 74% will be collected

...180 days old, 58% will be collected

...one year old, 27% will be collected

...two years old, only 14% will ever be collected.

The US practice of payment in 30 days is unheard of elsewhere. In Britian, payment habits are typically 70 days. In Japan 60-90 days.

===DIRECT & POSITIVE CONVERSATION==

To improve the results of your conversations, be more positive:

Don't Say...

We'll try to get this done by...

Is there anything I can do?

I disagree...

Have you been pleased with our service lately?

Instead Try Saying...

We'll have this done by...

What's the one thing you'd like me to do?

I understand, can we consider several viewpoints in our decision?

How can we provide you better service next time?

EMPLOYEE TERMINATION, TRAINING & PROFITS

Prepared by Ron Nixon, Cowikee Turf, Ltd., Eufaula, AL

If you are successful in selling sod, collecting the money, controlling expenses, managing your tax liability and end up with something left over, Congratulations, because it is not easy to do that.

Also, Congratulations...you are now a prime target for a law suit because the world sees you "Mister Business Owner," as having deep pockets that are full of money. A popular lawsuit today is that of wrongful dismissal of an employee.

In the first paragraph of our company's employee handbook, it clearly states that the employee has no guarantee of employment and that he is employed "at will." If you think that this gives the boss the right to fire someone whenever he has a bad day, you are mistaken. The days when an employer could act like a tyrant and treat people unjustly are gone and good riddance to them.

Lawsuits for unjust termination are numerous with very large monetary settlements. As with any change, the pendulum swings from one extreme to another. For now, the pendulum is on the employee's side and a person cannot be terminated without very good reason. Not only must there be good cause, but you may very well have to prove it.

Your best defense is a complete set of employee records. Not only must you keep the numerous employee documents that you are legally required to, but I suggest that rules of employment be set forth in an employee handbook and you the employer follow it!

I am sure you work too hard for your money to give it away to someone who does not deserve it.

MEMBER MARKETING TIP -- LISTEN TO YOUR PROSPECT

Prepared by John Addink, A-G Sod Farms, Inc., Riverside, CA

Most of us sell at one time or another. If we don't, we probably should. Many salespeople are taught to tailor the presentation to the personality of the prospect. A "driver" wants the bottom line and then your departure. An "inspirational" wants to talk a while - get to know you - maybe just have you listen to him or her. An "amiable" wants to get to know you and will likely be a pleasant listener. An "analytic" wants facts - details and more details - he or she wants to be convinced.

The weakest part of the call is usually the presenter. Most of us were not created to speak the desired amount. The quiet type may be short on providing needed information, maybe not even asking when the next sod order will be and if his or her company can have the order. The other type of salesperson is often considered a normal salesperson, to the detriment of themselves and their company. This person talks too much. Like the little boy who asks his father a question and the father suggests he ask his mother, the son says, "I really did not want to know that much."

We need to watch our prospects for their signs and then take their hints and clues to guide our presentations.



CUTTING PRICES CAN RUIN THE COMPANY

Every company has a right to establish prices at whatever level is deemed appropriate, but too often, price-cutters don't take the time to calculate what a price-cut really means. Seldom do people think through what real effect a 5%, 10% or 15% price-cut will mean to the company's profitability and ultimate market survival.

The following chart clearly illustrates the effects of price cutting on profits. All numbers and calculations are based on 30% profit margins, with different numbers easily calculated on any profit rate you may like.

<u>Price</u> <u>Off</u>	<u>Selling</u>	<u>Dollar</u>	<u>% Increase</u> <u>In \$ Volume</u>	<u>\$ Sales Needed</u>
<u>%</u>	<u>Price</u>	<u>Profit</u>	<u>Needed to Make</u>	<u>to Make Same</u>
			<u>Same \$ Profit</u>	<u>\$30 Profit</u>
0%	\$100	\$30	--	--
-1%	\$ 99	\$29	3.45%	\$102.42
-2%	\$ 98	\$28	7.14%	\$105.00
-3%	\$ 97	\$27	11.11%	\$107.78
-4%	\$ 96	\$26	15.38%	\$110.76
-5%	\$ 95	\$25	20.00%	\$114.00
-10%	\$ 90	\$20	50.00%	\$135.00
-15%	\$ 85	\$15	100.00%	\$170.00
-20%	\$ 80	\$10	200.00%	\$240.00
-25%	\$ 75	\$ 5	500.00%	\$450.00

Cutting price by just 5% means that to generate the same amount of real profit, the seller will have to increase volume by 20%!

If sales weren't coming in fast enough at the 100% price, will a 5% selling price cut really be sufficient to generate an additional 20% in volume? It's highly doubtful, yet too often we see businesses attempting to fool themselves into thinking that will happen, so they cut the price and then wonder why they went out of business!

'PINEX' CAN CLARIFY IRS CLAIM

The General Accounting Office has reported that hundreds of millions of dollars in Internal Revenue Service assessed penalties and interest charges are unwarranted and erroneous.

Any taxpayer can request a Penalty and Interest Explanation (PINEX) from the IRS center where the tax returns were filed. The PINEX is a computer-generated statement showing the amount and timing of payments against tax liabilities and a written explanation of why the penalty has been charged. With this report, you can determine whether or not you owe anything, or if the IRS has made an error.

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CELEBRATE IN CHICAGO -- JULY 23-25 -- ASPA'S 25TH ANNIVERSARY

Register now to attend the Summer Convention and Field Days.

For more information or complete registration and/or exhibit materials call the ASPA Office at 708/705-9898, or fax your request to 708/705-8347.