



# BUSINESS MANAGEMENT

**AMERICAN SOD PRODUCERS ASSOCIATION**

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**DEC./JAN., 1994**

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## Sod Selling Seminar... Highlights Midwinter Meeting

"Developing a Marketing Plan for Your Sod Farm," is ASPA's special Midwinter Seminar scheduled for Thursday, January 20 in Scottsdale, AZ. Featuring Ed Wandtke, Ed Wandtke & Associates, Inc., Columbus, OH, the day-long series of planned exercises has been designed for real-world, practical applications. Wandtke will share the same consultant expertise he currently provides several ASPA member firms across the U.S.

Among the questions to be considered during the seminar will be: Can you predict your customer's sod requirements? Who are your most profitable customers? What is your most efficient and economical way to market sod? How does your quality compare to your competitors? In addition, there will be information on selling in a price-sensitive market, dealing with competitors and developing long-lasting referral business.

As with ASPA seminars for the past several years, registration fees will be \$75 for the first person from a firm, with additional personnel from that firm costing only \$50. Included in the fee will be hand-out and take-home materials, breaks and lunch. In order to maintain a classroom atmosphere, registration will be limited on a first-come, first-served basis.

### Ill-health cancel's Dr. Ray, Co-Author Guzzo to speak

Acting on her doctor's orders, Dr. Dixy Lee Ray has cancelled all 1994 speaking appearances, including her planned presentation at the 1994 ASPA Midwinter Conference. The co-author of both of her books, Lou Guzzo, has agreed to substitute for her in Scottsdale.

### Midwinter Deadlines Rapidly Approach

**December 15** — Registrations postmarked before this date receive discount.

**December 21** — Wyndham Resort reservation deadline.

Call ASPA at 708/705-9898 for information.



# '94 Construction Forecast: 9% Total Gain, Single Family Up 6%

Total contracting for new construction in the United States is expected to grow by 9 percent next year to \$285.1 billion, according to F.W. Dodge, a division of McGraw-Hill's Construction Information Group. The recovery, expected to spread across more of the industry's sectors next year, has had a tougher time taking hold than earlier recoveries from recession.

Good news for turfgrass sod producers across the U.S. is that single family housing is expected to rise 6 percent in 1994 to 1,050,000 units, with the strongest gains to be shown in the South Atlantic and South Central. The Northeast will remain subdued according to Dodge because of defense cutbacks and corporate layoff. They do not anticipate much from the West where the distressed southern California economy will limit expansion at least through midyear. The increase anticipated for the Midwest will be modest since it avoided the earlier collapse of the coastal regions and its manufacturing base remains vulnerable to retrenchment. Reconstruction from the 1993 Midwest floods may boost this area's 1994 construction levels.

The Dodge Report also points out that over the 1983-89 period, single family housing averaged one million units per year, relating it to the growth of the fifties generation that swelled the ranks of the 35 to 54 year olds by about 9 million persons. During the first half of the 1990s, this age group is expected to grow by more than 10 million persons, so that

the demographic fundamentals of the single family market will stay strong.

## Economic Environment

In reviewing economic issues, the Dodge Report notes that, "In the broadest sense, the economic backdrop against which these issues can be addressed will remain one of modest expansion." Corporate downsizing, is contributing to the meager gains in permanent employment as well as weak levels of consumer confidence and cutbacks in military spending have taken a harsh toll on certain regions, notably southern California.

On the positive side, inflation is seen as very much in check and a 4.3 cent increase in gas tax is not viewed as likely as a cause for much disruption, due to earlier weakening of oil prices. The chance for monetary tightening is seen as negligible over the next few quarters, even with the economy picking up some momentum and climbing close to the consensus estimate of 3 percent in 1994.

## Ways NOT to Discount:

1. Do not drop your cost on lower quality sod. BETTER: build your reputation for quality and stick to it. Don't train customers to believe that less-than-the-best is acceptable.

2. Do not discount on a predictable basis, say every fall before planting. BETTER: vary when and why you discount, have a purpose, but don't train your customers to wait to buy.

# Safety Begins With Management

"A poor safety record is almost always a symptom of other more basic problems in a business," quotes *Nation's Business* from Hank Sarkis, president of a Miami, FL consulting firm.

According to Sarkis, there may be no quick fix, but quick results can be achieved by following these general recommendations:

1. All accidents can be prevented. Do not settle for less than perfect safety results.

2. The best consultants are a company's own workers. Allow them the flexibility to decide how the work gets done.

3. Do not pressure people to work safely without first knowing the specific causes of accidents in your operation.

4. Keep things simple. Don't burden workers with a lot of written procedures.

5. Develop a system of reporting events that almost resulted in accidents in the workplace, but design the system so that it doesn't threaten or blame the employees.

6. Do not place too much emphasis on incentives or awards to make an operation safe.

7. All workers should have part of their compensation tied to the long-term financial health of the business.

8. Provide a method for workers to give supervisors both positive and negative feedback on all matters.

# Member Marketing Tip

By Bill Campbell, Fairlawn Sod  
Lynden, Ontario

## DEALING WITH COMPLAINTS

Few of us can ship perfect sod at all times. Potential problems are legion. Grass can be off color or contain weeds. It can be harvested too thin, or too narrow. Rolls can be tender. Delivery may be later than promised and drivers sometimes irritate the customer.

**Some Suggestions:** Apologize. It's easy and it defuses the situation. Then,

and more importantly, fix the problem promptly. Give your frontline people the authority to make an immediate adjustment. For example, a couple of free pallets to replace some poorly cut sod or a credit for the landscaper's labor because the truck was late. If it's a service call to assess the problem, set a time and keep it.

In most cases, this means that your dispatcher/office manager will have resolved the problem even before you

are aware of it. However, they should write a short report that goes to the manager's desk. This allows for two things. 1. The manager may elect to call the customer for a brief follow-up if it seems warranted, or 2. The manager can assess why the problem occurred in the first place and attempt to ensure that it doesn't happen again.

Complaints can't always be avoided, but their seriousness can be reduced.

# Taking Care Of Business

By Mike McDermott, Grass Pad, Inc.  
Olathe, Kansas

## MARKETING CHECKLIST... TO INCREASE NEW CUSTOMER CONTACTS

Most sod producers are proud of their operations. They are proud of both their employees and their turfgrass product. The sod crop they produce represents a combination of hard work, good luck and experience in dealing with seed, soil, fertilizer, mowing, water, weather and dozens of other variables. Sod growers are constantly experimenting, trying something new to see if it works. They keep what works and discard what doesn't. They fiddle.

When marketing their sod crop; however, many growers tend to be more conservative...most rely on yellow page advertising, word of mouth recommendations and occasional promotions to existing customers. Sod growers are less experienced at generating new phone calls from new customers. The following are some of the things we try to keep in mind when selling our own sod. Some may work for you.

**Remember, keep it simple.** Pick a theme or slogan for your advertising program and repeat it over and over. Use different media and locations for the message, but keep the message the same. When customers see bare dirt, the first thing they should think of is sod. The next thing should be "Your Sod." Keep it simple: Your Name

Your Slogan and Logo

Your Phone Number

\*Don't clutter up your advertising with too much information. It confuses the customer and he may forget your phone number.

\* Don't let your ego drive your advertising. Your picture and that of your family will flatter your ego and please your mom, but it won't sell sod.

Experimenting with new promotional and advertising formats often yields new customers:

**Name Recognition:** Do you have your name and phone number

where people will see it everyday...on your trucks, tractors, sod pallets and on your shirt? Simple stuff, but do you?

**Promotional Literature:** A simple promotional flyer should accompany every sale. Promote "Your Sod." Include instructions for the installation and care of sod. Add a promotional special, "One roll free with next order." Make sure all of your employees have this piece in their trucks. It's much more effective than a business card. Have the employee sign the flyer when he gives it out. Keep the flyer simple so that extras can be run on a copy machine. Show your name, logo, slogan and phone number on both sides.

**Speaking Opportunities:** Be a guest speaker for Rotary, Chamber of Commerce, garden clubs, turf associations, grade schools. Talk to the local county extension agent. Let him know you can provide a speaker on sod production. Every spring my local Rotary Club asks me to speak on a turf related topic. I get 20 minutes to promote grass and the Grass Pad in front of the mayor, the presidents of all the local banks and the business leaders of our community. The amazing thing is, it's free!

**Yellow Pages:** Don't blow your whole advertising budget in the phone book. The most expensive ad in the phone book is not necessarily the most successful. Ads that are too large and cluttered often confuse, but don't sell.

## ASPA To Announce Sod Marketing Program in Arizona

A new, comprehensive turfgrass sod marketing program will be unveiled at the ASPA 1993 Midwinter Conference in Scottsdale, AZ, followed by a mailing to all members.

Based upon results of the member needs assessment survey, the program is intended to widen the market for sod and help members promote their own products.

Look for Sam Walton's ad in the yellow pages and see how big it is. Are you listed in the business white pages for all the communities you service? Call information and ask for your business phone number. Do they have it right?

**Television:** Television is very costly and should be used only to support radio and newspaper promotions. Don't waste your money on late night 2 am TV spots that no one but your mom will watch. Remember, this is to attract name recognition from new customers, not to wow your friends. (Unless they plan to buy sod.)

**Radio:** Pick one radio station and use it for at least 90 days. Run the same ad. Make it simple and memorable. Run three times a day, the same day every week. Don't record your own spot, the station will do it for free. When the salesman asks for more business, ask for a "trade out." Trade sod for air time.

**Newspapers:** What works is name recognition. The secret to name recognition is repetition. Again, keep it simple. Same name, same logo, same slogan, same phone. Don't blow your whole budget on a few big ads. Smaller repetitive ads are more effective. Pick the same two days every week. Run for 90-120 days, Spring and Fall.

**Shoppers:** Local shopper type papers are generally not as effective as larger general circulation papers. Their rates will be cheaper, but coverage is generally more expensive per reader.

**Direct Mail:** The reason your mail box is full of unsolicited trash mail is that it sells. It sells insurance, credit cards, vitamins and underwear. It will also sell sod. The secret is a cost-effective mailing list. Local trade associations, builders, golf courses, lawn maintenance companies all have mailing lists. Plan to repeat the same list two or three times. Use the same flyer on old customers you haven't seen recently.

They say insanity is doing the same thing over and over again and expecting a different result. If you are not getting the new customer contacts you want, it's time to take a new look at your advertising and marketing.



# ASPA Action

**ASPA TESTIFIES AT HOUSE SUBCOMMITTEE ON DISASTER RELIEF**  
November 16 to demonstrate its members' concerns for the way in which the USDA and ASCS have handled current claims from turfgrass sod producers. In its statement, ASPA noted that while sod is eligible for disaster relief assistance as a result of the 1990 Farm Bill, its members have experienced unreasonable delays and excessive exclusions while attempting to actually receive relief for some of the worst natural disaster damages in recent times. ASPA was joined in the special hearing by representatives of the American Association of Nurserymen and numerous growers/grower groups from Hawaii, Florida and Iowa.

Prior to the official hearing, a day-long series of face-to-face meetings with the Subcommittee's staff members took place to further express ASPA's concern and hope that some actions could be taken to remedy the entire matter.

**SOD'S INCLUSION AS AN AGRICULTURAL COMMODITY FOR MORE FAVORABLE TREATMENT IN WETLANDS ISSUES** was again advanced during meetings with Congressional staffers in Washington, D.C., receiving strong support for its position. None of the House of Representative offices expressed anything less than total support for ASPA's position that sod should receive wetlands treatment identical to annual crops. Efforts to gain such recognition did gain some ground with the Administration when it was learned that an agreement to shift agricultural related wetlands issues to the USDA will spell-out a new definition for agriculture that does in fact include sod production.

**SOD EXHIBITS AT 'CONSERV93,' 'GCSAA,' AND 'IECA'** will gain increased exposure for turf's important role and offer area members an opportunity to assist in this important ASPA program. Invitations to assist in manning the ASPA booth at these shows were sent to members in the host and surrounding states; however, all ASPA members are welcome to volunteer to assist. ASPA will have a booth at the following national shows:

CONSERV93, Dec. 13-15, Las Vegas

GOLF COURSE SUPERINTENDENTS ASSN. OF AMERICA,  
February 4-7, Dallas

INTERNATIONAL EROSION CONTROL ASSN., Feb. 15-17, Reno

Members interested assisting should contact the ASPA office for additional details and to confirm the dates where they can be most helpful.

An exhibit at the national American Society of Landscape Architects (ASLA) in Chicago, October 2-5 was the fourth time ASPA had participated in that show. While attendance was somewhat lighter than normal, those present were given up-to-date information about turfgrass sod and its important role in protecting the environment.

**CONCERNS FOR HEALTH CARE REFORM AND RISING MINIMUM WAGES** were two major issues raised during the National Council of Agriculture Employer's executive committee. ASPA's executive director is an elected member of that leadership group, representing Illinois specifically, but also the entire turfgrass sod production industry. As a result of active participation in the ag employers group, ASPA is often on the leading edge of information and activities that affect sod growers.

There is a growing concern that the Clinton health plan and renewed efforts to raise the minimum wage will eventually cost all ag employers so much that it may become unprofitable to continue some farm operations. NCAE committees and staff will continue to track these sensitive issues, issuing reports as necessary.

**GET MORE FROM ASPA...BE AN ACTIVE COMMITTEE MEMBER.**

## Pitfall of Price-Only Sod Marketing

How often has the phone rung at your sod farm's office and the caller simply asks what your price is and then thanks you for the information without placing an order? Daily, or greater? Those calls are obviously from "price-shoppers," but they may also be telling you something important about your marketing approach.

According to John Graham, a Massachusetts business consultant and author, if customers and prospects see the selling company as a mere conduit for delivery, they will focus more on price and negotiate harder to get a lower price.

He also sees these problems that most sod producers could identify with:

a. the seller's products are not differentiated from his competitors', so buyers think they can get the same thing elsewhere; or,

b. the buyer thinks the seller is only interesting in making the sale, rather than establishing a mutually beneficial relationship; or

c. the selling company has not educated customers about the unique skills or assets it can offer customers.

There is no "quick-fix" to this type of marketing problem, but rather it takes a concerted effort over time, as described in this issue's "Taking Care of Business" column.

### Looking For A Few Good Men?

As the U.S. military down-sizes, a large number of highly skilled, motivated people are readily available. To plug into the military's databases that match skills with needs, call these offices:

**The Defense Outplacement Referral System, 900/226-8212**

**Transition Bulletin Board, 800/727-3677**

**Army Employer Network, 800/445-2049**

While there's different forms or procedures for each group, all will give you prompt service and a lot of choices.