



BUSINESS MANAGEMENT

AMERICAN SOD PRODUCERS ASSOCIATION

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ISSUE HIGHLIGHTS

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Conference Offers Innovative Speakers

Opening with Dr. Dixy Lee Ray, closing with retired NASA scientist Richard Underwood and interspersed with the most knowledgeable speakers on a diverse array of topics, the three-day ASPA Midwinter Conference in Arizona will give registrants much to talk about, think about and act on. The January 20-22 Conference, hosted at the beautiful Wyndham Paradise Valley Resorts in Scottsdale, is keyed to a theme of innovation and information. Starting with the information packet about the meeting that was first printed in the September/October issue of "Turf News," ASPA members will see a "new look" for the entire meeting.

In designing the educational program, chaired by Trustee Louis Brooking, Brookmeade Sod Farm, Doswell, VA, the committee took to heart many of the suggestions received from the general membership. The 1994 Conference will present only general sessions, so that everyone will be able to attend every session. Also, there will be an optional (separate fee) banquet for those who want to socialize with their fellow attendees, but it's not included in the overall fees for those on a tighter budget. A post-conference tour to A-G Turf Farms in the Stanfield, AZ area will also be an optional event that registrants can enjoy.

Highlights of the educational program will be difficult to identify because of the number of speakers who will be involved. Dr. Ray's keynote talk on the effects so called "environmentalists" are having on the world economy and life in general will start the meeting on a high note. Appearing for his third time on an ASPA program, Richard Underwood's photographic study of the earth from space will be a crowd-pleasing close. Such notable turfgrass scientists as Drs. Beard, Wilkinson and Hall give everyone up-to-date research results that can be put to use on the farm. Also returning to the ASPA speaker's platform will be Dr. Tom Jadin who was so popular at the San Diego meeting in 1989. In addition to all of this talent, a larger than normal number of ASPA members will also be sharing the spotlight, giving everyone the benefit of their knowledge and experience.

Complete Conference information, registration forms and hotel reservation materials have been sent to all ASPA members; however, additional copies can be obtained by calling 708/705-9898.

See Related Articles About the Conference on Page 4 of this Newsletter.

Generating New Sales Leads... Beyond the Conventional Approach

Nearly half of ASPA's members exhibit at various trade shows and over a third exhibit at consumer shows, all with one basic purpose in mind, to sell more sod. As the sod industry in North America enters what could be called the "second selling season," with so many shows being held in the Fall and Spring, the following tips may prove helpful in making the exhibit time and effort more beneficial.

1. Who ever manages the firm's booth should be encouraged to talk to as many people as possible.

2. Get the registrants to talk, not only about their own company, but their

competitors as well.

3. Make some effort to qualify everyone who stops by the booth before adding them to your firm's serious lead list. Try to avoid having too many people from the same firm on your lead list because it will just duplicate your contact costs without any increase in sales.

4. According to the Trade Show Bureau, a surprisingly high 80% of the leads collected at a trade show are **never followed up**. Without a purposeful program to follow up leads, there has to be a real question of "Why bother?"

Pallet Prices Probably Pointed Upward

All indications are that pallets will be more expensive than they are today, with the cost of the standard 48 x 40 unit already 20% higher since January.

Timber-cutting restrictions put in place by the Federal government for the Pacific Northwest, are being blamed for reduced supplies and expectations that raw timber prices will increase by as much as 15% in 1995.

According to a recent ASPA member survey, average costs for sod pallets run about \$3,000 per year, or just less than one percent of the farm's total expenses. Average deposits of \$7 each will most likely have to be increased by the farms.

Telephone Techniques To Improve Sales

Yellow Page ads and customer referrals are the advertising methods most used by ASPA members, yet judging by the way many of the firms answer their telephones, you'd never know they were relying so heavily on the phone to get and keep customers.

At some farms, the phone may ring 10 times and then it's answered by someone you're certain just woke-up and isn't too pleased by your interruption. The person you want to talk to isn't there, and you just know that your message will never be received. But, it doesn't have to be this way.

You can make the most out of incoming calls by adopting these simple telephone techniques:

1. Answer the phone by the third ring or less...when the phone rings for ever, (more than 4 times), the caller starts to wonder if you're even open.

2. Have a "smile" in your voice, sound friendly and alive, be glad the phone rang...a positive attitude can be sensed by the caller.

3. Have ready answers for frequently asked questions...know the business.

4. If necessary, transfer the call as quickly as when it was originally answered...keep up the good feeling.

Lawns + Push-Mowers = Mower Aerobics (Better Health and Environment)

Cursed for years because of the amount of mowing a lawn required; badgered by environmentalists because of the use of gasoline in mowers, lawns may be entering a new era of being "politically correct" because of the simple and old-fashioned push-mower.

According to the Chicago *Tribune's* "Womanews-Smart Talk" section, "cutting your grass is the latest way to push yourself to fitness." The article explains that human-powered, push-reel mowers are making a remarkable comeback.

Sales of push-mowers, which dipped to 84,000 annually in the 1950s with the advent of gas-powered units, are now back to their 1945 record of 200,000 as

of last year. The *Tribune* article reported that 22% of recent reel-mower purchases were for health reasons, while 27% were for environmental benefits: no pollution from gas and instant compost.

Dr. Bob Goldman, president of the National Academy of Sports Medicine in Chicago said of push-mowers, "It's a great cardiovascular workout and good for strengthening the upper body." Studies have shown that pushing a reel mower burns about 480 calories an hour, the equivalent of tennis, downhill skiing and low-impact aerobics.

(Editor's Note: What would happen if sod producers gave, or heavily discounted push mowers with homeowner sod purchases?)

'Reference' Selling, Make it Easy to Check

To make it easy for prospective customers to check your references, why not list them in your promotional fliers and brochures, or on a separate sheet?

According to "Boardroom Reports," one company (not a sod farm), lists the names, addresses and phone numbers of 27 individuals from 20 customer companies in their literature.



Have **YOU** Contributed
to the

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Your support is needed.

Taking Care Of Business

By Darwin McKay, The Turf Co.
Meridian, Idaho

'ATTACHED EMPLOYER' PLAN HELPS KEEP QUALIFIED EMPLOYEES

As Fall approaches and we deal with the fact that our industry is seasonal for many producers, we have to decide upon the merits of various employees. Who will we want to return next year with their skills and qualifications?

In Idaho, we have discovered a form of unemployment insurance that allows the claimant to maintain attachment to the employer during the period of reduction in force. The procedures are as follows:

1. As a manager or owner, you determine who you want to return to work when the season picks up, then you tell to the employees to indicate this when they sign-up for unemployment.
2. When the separation statement is mailed to you as manager or owner, you

stipulate that the individual is to be carried as job attached and indicate when you think re-employment will take place.

3. There are no changes to the unemployment insurance rates your company pays and the employee's benefit level is not affected.

The advantages of this system, as opposed to regular unemployment are:

1. There exists a level of reassurance to both the employer and employee of stability for the coming season. You almost certainly have a qualified employee returning to a job they like.
2. The employee is not required in most cases to actively seek employment, which may result in a career change or necessitate a change of residence.
3. The employee can work part-time for his former employer or someone else and earn on a weekly basis up to one-half of his weekly unemployment benefit

without affecting the benefit amount. If the employee has a good benefit, plus additional earnings, actual take home pay during the period of unemployment can in some cases be 60-80% of earnings during full employment.

4. The employee is rested and eager to resume full employment when the season resumes.

One caution: The claimant is to remain in the geographical area and be available for work during the period of job attached unemployment. The employee cannot draw benefits while on an extended vacation.

If circumstances change and you decide against re-employing a person, you will have to inform the individual and treat this as any other case of termination.

I am advised that a number of states make this provision available. You need to check the provisions which may apply in your area.

Getting New Lower Bank Rate Loans

With interest rates at 20-year lows, many businesses are exploring the possibilities of refinancing. To improve the likelihood of approval, consider the following before walking into the bank with your proposal:

- A. Present the bank with financial statements that are no more than 90 days old.
- B. Show a profit for at least two years.
- C. Invite the banker to visit your farm.
- D. Present cash flow projections and profit and loss projections.
- E. If the bank turns down the loan application, ask if there is a chance of getting a loan from one of its other departments.
- F. Try a smaller bank.

These steps won't guarantee your getting a loan, but they will help you even when rates go up.

Member Marketing Tip

COMMUNITY SERVICE ALSO SERVES THE COMPANY

An inexpensive way to promote your farm and provide a community service is to donate sod to your local garden club or Master Gardener program. Don't be fooled by these organization's quaintness. Members of these clubs are the people who have the influence to buy or recommend your farm for future large sod orders.

Offer to speak at one of their meetings about turfgrass benefits and installation. Contact these groups and determine if they have a "Lawn of the Month" program and offer to donate a pallet of grass to their organization for a good

By Rob Stephens,
Stephens Turf Farms, Little Rock, AR

cause they define, in the name of the monthly winner.

You can also donate sod for small community landscape projects. Don't hesitate to put a sign up in the area where the sod is installed, reminding people of the beautiful new sod that your farm donated.

Name recognition is a strong marketing tool and the more the 'green' public sees your farm's name, the better chances are that they will remember you when they want to resod their lawn or ask you for a bid for that big commercial job where they serve as landscape chairman.

ASPA studies industry-wide sod marketing program

ASPA's Board of Trustees will be holding a special meeting in suburban Chicago this December to further study a comprehensive and industry-wide turfgrass sod marketing program initially

suggested by the Marketing Committee. The two-day meeting will attempt to define the particulars of the program so they can be unveiled at the Midwinter Conference in Scottsdale, AZ.

ASPA Action

DISASTER RELIEF DETAILS for turfgrass sod farms in the U.S., which are enclosed for all ASPA members, should provide assistance to those farms hit hard by the floods and droughts. Working closely with ASPA members in select Congressional Districts, as well as the USDA/ASCS offices in Washington, ASPA has been able to raise awareness of the needs of sod producers across the entire administrative process. While no one should be foolish enough to think that the assistance filing process will not be without its hitches and problems, ASPA's efforts should reduce or eliminate many that would have otherwise existed. *Members are encouraged to advise ASPA of the results of their own efforts to gain disaster relief assistance so that this information can be used in the future.*

SOME PRO-FARM AND SMALL BUSINESS TAX PROVISIONS do exist in the newly passed budget/tax bill thanks at least in part to ASPA's efforts with the Small Business Legislative Council to which the organization belongs. Among the bill's favorable results for sod farmers and small businesses are:

Farms are exempt from the 4.3-cent per gallon fuel tax increase for fuels used on the farm;

Direct expensing of up to \$17,500 per year for depreciable assets, represents an increase from the former level of \$10,000 per year.

Self-employed farmers, and their family members will be allowed a 25-percent deduction for health insurance premiums.

Rules have been simplified for the filing of estimated taxes.

As with all tax matters, ASPA members should consult their own tax professional to fully understand how these and other new rules can be applied to the farm or other business operation.

THEN, THERE'S THE DOWNSIDE TO THE TAX BILL on some issues that ASPA and others were not able to overcome, despite strenuous efforts on the part of many groups, including the very powerful American Society of Association Executives. These include:

A change in the business meal deductibility allowance, reducing it from 80 percent to 50 percent; and,

Denial of deduction for travel expenses paid or incurred for a spouse, dependent or other individual accompanying a taxpayer on a business trip, unless the companion is a bona fide employee or business partner.

Both of these new laws are effective January 1, 1994 and should be examined in light of the ASPA Midwinter Conference and Summer Convention. While ASPA does not want to discourage attendance at these events, the members should be aware of the effects of these changes.

FREE MONTHLY HOUSING AND EMPLOYMENT STATISTICS are available to ASPA members just by calling 708/705-9898...the ASPA Office in suburban Chicago.

Compiled by the National Association of Home Builders each month on a state level and major metropolitan area, where practical, ASPA is able to provide its members with this information on a timely basis, with just a single phone call. When calling to place a request, the members just need to specify the geographic areas they are interested in and the office will mail or fax the information that day.

FEDERAL PESTICIDE RECORDKEEPING REQUIREMENTS, now in effect, are detailed in a special flier going to all Class A ASPA members with this issue of the newsletter. Prepared by the National Association of State Departments of Agriculture, the flier describes the type and level of detail needed to be maintained by each pesticide applicator. Additional copies of the flier are available by calling the ASPA Office at 708/705-9898.

Marketing Seminar Focuses on '90s

No matter how great you are at growing turfgrass sod, if you can't sell it at a reasonable price, you'll soon be out of business!

"Marketing Sod in the '90s" will be the focus of ASPA's January 20 day-long pre-conference seminar in Scottsdale, AZ. Featuring Ed Wandke, a well-known marketing consultant, the seminar will include in-depth details on developing a marketing plan, implementing and monitoring that plan and modifying it as recognized needs change it.

Wandke, because of his sod-farm-specific knowledge and experience, will lead the seminar participants through a series of practical, real-world exercises that can be translated to any operation.

Presented Wednesday, Jan. 20 at the Wyndham Resorts, Scottsdale, the 9 am to 3 pm seminar will conclude just prior to the official opening of the Midwinter Conference exhibits. Cost for the seminar will be only \$75 for the first registrant from a farm and \$50 for each additional person from that farm. The seminar include study materials, breaks and lunch.

Committees Gather, In Open Meetings

All ASPA members are encouraged to participate in the numerous committee meetings that will be held during the Scottsdale, AZ Conference.

Subject to change, the following committees are now scheduled to meet:

Wednesday, January 19

9:30 am, Membership Development

12 Noon, ASPA Representatives

3 pm, Business Management

'Turf News' Magazine

MAC/Convention/Conference

Friday, January 21

7 am, Marketing

Saturday, January 22

7 am, Legal & Taxation

Pre-registration is not necessary to attend these meetings.