BUSINESS MANAGEMENT

Oct./Nov., 1994

Turfgrass Producers International

TPI's 1st PR Ads are Out

Look for TPI's new four-color, fullpage advertisements promoting the environmental benefits of turfgrass sod, **"Turfgrass, First- Aid for The Earth,"** which are now running in "Landscape Architecture," (Oct. & Nov. issues) and "Landscape Architect & Specifier News," (Sept., plus three 1995 issues). Both publications will be highlighted during the October 8-11 American Society of Landscape Architects' annual meeting in San Antonio.

These publications were selected by the TPI marketing committee during their summer meeting in Newport, RI. The committee decided that these magazines targeted TPI's prime audience and decision makers, the landscape architects.

The advertisements illustrate and outline the benefits of turfgrass sod. A toll free phone number is listed at the bottom f the advertisement for landscape architects who wish to receive a "Turfgrass First-Aid" kit. The "First-Aid" kit will be a packet of educational and useful information on turfgrass sod, which will include producers in their area.

TPI Magic Starts in Orlando Feb. 8 Dr. James Beard- Keynote Speaker

The magic starts at the Walt Disney World Hilton Hotel in Florida when more than 700 turfgrass sod industry colleagues from around the world will meet to share ideas, discuss business tips and plan for the future at the 27th annual TPI Midwinter Conference and Exposition, Feb. 8-10.

"2020 - A Vision of the Future" will be the theme focusing on the turfgrass sod industry's next 25 years.

A pre-conference seminar Feb. 8, will focus on farm labor issues, featuring fair labor and ergonomic standards, health care, EPA & OHSA standards and immigration laws. Following the seminar, everyone will be welcomed with a reception and their first tour of the exhibit hall.

The second day of the conference will begin with round-table discussions on various turfgrass sod industry topics.

Dr. James Beard, director and chief scientist with the International Sports

Turf Institute in Texas, will be featured as the first Ben Warren Foundation Keynote Speaker. (The Foundation board decided at their summer board meeting in Newport, RI, that it would fund the Midwinter Conference keynote speaker starting in 1995.)

Educational sessions, discussing the future of the turfgrass industry through technical, congressional and economic outlooks, will be presented Thursday. Industry exhibits will open for luncheon and a banquet will highlight the evening.

Day three will begin with round-table discussions followed by educational sessions discussing production practices and turfgrass developments, TPI-member farm presentations and an overview of the 1995 TPI Summer Convention and Field Days in Omaha, Neb., July 26-28.

A special post-conference tour of Disney 'grounds,' and their groundsmanagement `techniques take place Saturday, Feb. 11.

2.6 Million Readers; \$73,000 Value **PR** Program Gains Exposure For Industry

In just the first quarter of TPI's new Turfgrass Resource Center sod industry public relations program, 33 articles in 22 different publications have reached over 2.65 million readers.

Based on advertising rates, the 41 pages of space in these industry and consumer publications would have cost over \$73,000. These figures are based only on the publications and articles received by the TPI staff and are thus extremely conservative totals. It is very likely that many additional publications have relied upon information provided by the Center for their articles, even if the association was not identified in any manner.

These outstanding results are a combination of timely news releases on items such as the World Cup Soccer field preparations, new scientific findings and association news, as well as general information media kit mailings and exclusively written articles for individual publications.

While information about turfgrass sodding for the World Cup saw the widest use, the scientific paper prepared by Drs. James Beard and Robert Green ("The Role of Turfgrasses in Environmental Protection and Their Benefits to Humans,") is capturing considerable media and reader attention. Publications such as "Turf Management" and "Landmark" have also been provided exclusive original articles at their request.

A second general information media

kit will ready for mailing in late November. The kit will include; sample TPI brochures with news releases about their availability, an article by Dr. Eliot C. Roberts, past executive director of The Lawn Institute, titled "Sod: A Value-Added Commodity," the results of the new U.S. Ag. census report and reprints of positive turfgrass sod articles.

Funded by a special mandatory assessment of all U.S. members and a voluntary assessment of all other members, the Turfgrass Resource Center's public relations program is an association effort to distribute scientifically based information about the benefits of turfgrass sod to as many publications as possible.

First "Green Industry" Survey Reveals \$12.5 Billion Spent on U.S. Yards & Gardens

About 17 million U.S. consumers were seen spending \$12.5 billion on professional landscaping and lawn care services in 1993, according to a recent Gallup poll.

The survey, the first-of-its-kind to measure the lawn and landscape industry, found the following results:

*Average 1993 household spending on landscape services was \$721.

*Lawn/landscape maintenance received the largest share of total homeowner landscaping dollars at \$6.4 billion, followed by landscape installation/ construction at \$5.6 billion, and landscape design at \$381 million.

*The number of homeowners using landscape professionals climbed 29% over 1992, and is expected to grow by an additional 6.0% in 1994.

*Americans age 50 & above accounted for nearly half of all lawn/landscape maintenance expenditures.

*The Western U.S. had the highest average expenditures on lawn/landscape maintenance at \$536.

*Americans 30-49 years old accounted for 83% of landscape installation/ construction sales; they also had the highest average spending on landscape installation/construction, \$6,147.

*Women accounted for 70% of spending on landscape design services; their average expenditures in this category were twice that of men.

The improved national economy and the upturn in homebuilding are believed to be contributing factors to the growth in the lawn and landscape industry

Additional information about the poll is available from the Professional Lawn Care Association, 800/458-3466. Fax: 404/578-6071.

Spread the Word! Public Gets Positive Articles About Turf

At least three high-quality consumer publications have featured very positive articles about turfgrass in recent editions. Although sodding was not the emphasis of any of these pieces, sharing them with turfgrass sod customers could be a very positive local public relations activity.

These articles are worth locating in

your area bookstore or library:

"Harrowsmith Country Life," November, 1994 — Greener Than Grass, pages 46-49 & 82.

"Martha Stewart Living," October, 1994 — Tending A lawn, pages 28-32.

"National Gardening," Septem-

ber/October, 1994 — Garden Meadows, pages 46-51 &64-65.

(Attention Readers: if you find any articles about lawns or grass, positive or negative, phone the TPI Turfgrass Resource Center at 800/405-8873 or mail/fax 708/705-8347 a copy immediately.

Member Safety Tip

A Positive Attitude Toward Safety

The following are some attitudes that must be developed in order to decrease the possibility of accidents and to promote a safe environment for your employees.

1. Accidents can be prevented.

2. Preventing accidents is more important than blaming the people who cause them.

3. Safety rules and regulations are reasonable and important.

4. Safety is a sign of intelligence & skill.5. It is dumb to take chances.

5. It is duffid to take chances.

6. I have a responsibility to do something to correct any hazard that I see.7. Think safety - Then act safely.

"It takes One ...

minute to build a safety thought hour to make a guard week to study plant conditions month to develop a safety program year to make it operate lifetime to make a good safety workman second to destroy it with one accident" anonymous

The list below are some \$\$\$ reasons for implementing a good safety program: *fewer accidents result in reduced workers compensation insurance

\$\$\$ saved *accidents take employees from work requiring training of new employees \$\$\$ spent by Mike Ward, Eastgate Sod Loveland, Ohio

*replacement of damaged tools & equipment from unsafe practices

\$\$\$ spent

*prevent accidents and production usually rises - (Things that cause accidents generally creating inefficiencies in your operation)

\$\$\$ saved

A good safety program really does pay off!! It not only saves the company money in the long run, but it also assures you and your employees that the company will be around for a long time. Afterall, our jobs are tied in with th successful and economical operation of our company!!!

Member Marketing Tip

by Ed Zuckerman, Delta Bluegrass Stockton, California

Turning Problems Into Increased Sales

The old adage, "the customer is always right" can go a long way toward maintaining and increasing your company's sales and good will.

My experience has been that approximately 99% of all post-sale problems with sod have nothing at all to do with the product, rather thay have to do with how the turf is cared for or mostly the lack thereof.

Nevertheless it is always the sod producer who gets the call from the lack thereof. The turfgrass producer is usually called by the landscape contractor or the homeowner who reports that their turf is dying or close to it and "what are you going to do about it?" Most of the time these problems are handled by the giving of a little friendly advice such as "water your new sod a little more or a little less," whatever the situation may be.

There are cases however, where the situation cannot be rectified verbally and will require replacement of the turf. I have found that if I approach the problem as an opportunity to build some goodwill, it makes the expense of replacing the lawn much easier. I have seen more than one irate homeowner turn into a great spokesman for my company, its products and service when I have gone to this relatively small expense to solve a problem that wasn't mine in the first place.

I have used this technique with great success, especially in new housing areas where many new landscapes are going in. Conversely, if that irate homeowner or contrctor is not satisfied...

Although it may be a bitter pill to swallow at the time, the good will your company builds will assure you many repeat customers well into the future.

In addition...

William A. Band, author of the book "Creating Value For Customers, also suggests that companies setup warranty polices, appropriate and efficient complaint procedures and give front-line personnel the authority to solve problems. He also states the faster a problem is solved, the happier the customer.

Taking Care Of Business

Compensating Salesmen

Without doing a survey of all TPI members I'd be willing to bet that at least 75% of all TPI members (sod growers) do not have a salesperson. However of that 75%, I'm sure the idea of a salesperson has been considered at one time or another. When considering this investment a very important question always seems to come up, 'How to Compensate a Salesperson on a Sod Farm.' For this article, I have called on my fellow sod growers who already have sales personnel in their operations to answer that question.

The following is a list of the different ways turfgrass sod growers compensate their sales personnel.

1. Strictly commission on sales made by the salesperson. Producers I talked with paid commissions in the following way:

- a. 5% on F.O.B. price
- b. \$.06 per roll (or slab)
- c. 10% F.O.B. price

On high volume accounts most sales commissions would be lower. All agreed no commissions are paid until the customer pays for the sod. Most salesmen paid on commission are manufacture representatives who sell a whole line of products.

Example: Salesperson is paid 5% of sales made based on F.O.B. price.

ie: Salesperson gets Green Grass Garden Center to buy sod from your farm. First order is 5,000 sq./ft. delivered is \$.25 per sq./ft. (don't you wish). Trucking is \$.05 per sq./ft. So, F.O.B. price is \$.20.

> 5,000 sq./ft. @ \$.20 =\$1,000 \$1,000 @ 5%=\$50 commission

2. Small salary paid weekly plus a monthly bonus based on sales, usually involves a sales goal.

ie: Salesperson is paid \$200 per week

by Chip Lain, Pine Island Turf Pine Island, New York

plus 13% of sales. If monthly sales goal is surpassed a set dollar bonus is paid to the salesperson.

A full-time salesperson would be expected to service all existing accounts besides trying to sell new products. I would expect this person to also be familiar with any turfgrass sod problems that have to be dealt with.

At Pine Island Turf we currently are under contract with a manufacture's representive. He sells our sod along with many landscape and nursery products to garden centers in our trade area. He is paid 5% of the F.O.B. price. Again, he is only paid after we are paid for the sod.

Ag. Publication Reports Sod Prices Up 20-30%

The "Ferguson Ag Report," a monthly economic ag. newsletter, figures that last year's widespread weather problems followed by this spring's cool temperatures has cause the nation's sod prices to advance 20-30% in 1994.

The report finds that production states such as Oklahoma typically exports 40-60% of their annual volume to buyers located up to 750 miles away. The publication also reports that producing sod has also been one of the most interesting and rapidly expanding niche markets in many parts of the U.S.

"Southern" locations, resonably close to metropolitan areas where normal weather conditions permit harvesting from March through October, have seen the greatest development of sod farms.

The report is available from the Ferguson Group 918/299-6800.

FARM LABOR

The U.S. Immigration & Natualization Service (INS) announced that the deadline for green card replacements will be extended for another six months to March 20, 1995.

In 1993, the INS issued regulations that established Form I-151 as the exclusive document for permanent residence registration in the U.S.

The extension means that employers must continue to accept the I-151 card as proof of employment for I-9 purposes. However, permanent resident aliens should fill out and file an application for the Form I-551 card before the deadline.

For questions about immigration laws and how to fill out authorization forms an **immigration hotline** has been setup by the Office of Special Counsel for Immigration-Related Unfair Employment Practices, US Department of Justice. Call **800/255-8155.**

ECONOMIC OUTLOOK

Housing starts are expected to advance by 7.84% in 1994 from one year ago to 1.389 million units, according to the National Association of Homebuilders.

In August the regional picture was mixed. Housing starts in the Northeast fell by 10% to 120,000 units, seasonally adjusted, and production decreased slightly by 0.7% in the South to 592,000. An increase of 14% to 340,000 starts was noted in the Midwest while the West's activity jumped by nearly 13% to 361,000.

Overall Residential Fixed Investment is forecasted to expand by 11% in 1994 from one year ago to \$213 billion.

TPI Action

EPA HEARS TPI CONCERNS ON WPS: Turfgrass sod's loss of pesticides, employer liability, excessive re-entry restrictions, posting/decontamination requirements and state-level training were issues explored for more than three hours September 29 in the Washington, D. C. offices of the Environmental Protection Agency (EPA) concerning the new Agricultural Worker Protection Standards (WPS). Expressing near-dismay for many of the concerns their new standards are creating, the EPA officials agreed to provide immediate answers to many of the questions and carefully research all of the others. The positive, results-oriented session's findings will be shared with all TPI members as soon as possible. Representing TPI at the EPA's first-ever invitation for such a meeting were Board Members Louis Brooking, Doug Barberry and Ben Copeland, plus Dr. John Hall of VPI and TPI Executive Director Doug Fender.

TPI IS VICTORIOUS...TURFGRASS SOD IS INCLUDED IN FEDERAL CROP INSURANCE LEGISLATION: Because of efforts by TPI and many individual members writing to their Senators, turfgrass sod is specifically defined as an "eligible crop" in the new federal crop insurance bill expected to be passed by both Houses of Congress. Originally limited to "food and fiber," TPI's direct actions exanded the coverage to include turfgrass sod within the noninsured crop disaster assistance program. The bill requires creation of a specialty crop coordinator within the Federal Crop Insurance Corporation and causes the FCIC to gather data on uninsured specialty crops to consider creating new insurance policies. TPI will distribute detailed information on this program's implemention as soon as regulations are finalized in the coming months.

SHOULD LIGHT TRUCKS HAVE TO GET 28 MPG? TPI JOINS COALITION THAT SAYS "NO!' With the National Highway Traffic Safety Administration (NHTSA) proposing that light trucks (pickups, vans and sports utility vehicles) should be required to get better gas mileage than cars, TPI has joined the Coalition for Vehicle Choice to object. The TPI/CVC Coalition objects the requirements for light trucks to get 28 mpg, while cars are only required to get 27.5 mpg. This will result in trucks that are less safe to operate, more costly to purchase and maintain and less practical for on-the-job needs. With an average of two pickups per turfgrass sod farm, a new and more restrictive gas mileage requirement could have a very serious and negative impact on farm operations and overall safety.

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