BUSINESS MANAGEMENT

Turfgrass Producers International

Added Membership Benefit:

Ag Safety Newsletter Coming to Class A Members

In September, all TPI Class A (turfgrass sod producer) members will begin receiving monthly issues of the "Ag/Hort Alert" newsletter.

This new member benefit will provide up-to-date information on safety and employment law. Recent issues have included articles on such topics as worker safety training, heat stress,

ISSUE HIGHLIGHTS

ITPF Announcement Page 2
Research and Education
Endowment Drive Announced.

Marketing Tip Page 3
"Evaluating Your Marketing and Advertising Efforts"

Effective Marketing and Advertising Requires Evaluation.

New TPI Member Benefit Page 1 Ag Safety Newsletter latest benefit of belonging to TPI.

PR Program Update Page 1
News from the PR program
front lines.

Safety Tip Page 3
"Forklift Safety"
Costly accidents averted using simple, time-tested method.

Taking Care of Business Page 2 "Installation: Employees vs. Subcontractors"

Advantages and Disadvantages of two employment options.

TPI Action Page 4
What your association is doing
for you, and your firm.

TPI Member Benefits Page 2 "Business Services You Can Use" Put TPI to work for you.

caring for respirators and numerous updates on current U.S. state and federal laws and regulations.

TPI's Business Management and Legal & Taxation Committees reviewed past issues of the newsletter at the recent Summer Convention. They then recommended to the TPI Board of Trustees that this publication be given to all Class A members. At its meeting, the Board concurred with the committees' recommendation, assuring that the newsletter would go to all Class A members in the U.S., Canada and all other countries.

The monthly newsletter is published by Gempler's, a major direct-mail supplier of agricultural safety equipment and training supplies. Non-members can obtain the newsletter through Gempler's at a cost of \$99 per year. There will be no additional cost to TPI members for this newsletter.

Members are encouraged to thoroughly review each issue and adopt as many of the recommendations as possible. Not only will increased safety awareness and practices reduce workplace injuries, but it will also reduce direct costs for workers' compensation insurance premiums.

TPI will provide its Class A members a complimentary subscription for one year and then determine how beneficial this publication has been to the membership. Your assessment of this new service will be very beneficial to the leadership's decision making process.

8.2 Million Readers See TPI's PR Program in First Year

"American How-To," "Woman's Day Weekend Gardening," and "Easy Lawn and Garden," magazines; Time-Life Books', "Low Maintenance Gardening," newspapers around the country as well as a wide assortment of professional magazines have exposed an audience of over 8.2 million readers to the positive story of turfgrass sod during the last year.

All this activity, and much more, is a result of TPI's public relations and education program, being funded by TPI's U.S. Class A and B members, as well as voluntary contributions from others.

The program also paid for placement of TPI's full-page, four-color advertisement with the theme, "Turfgrass—First-Aid For The Earth," in four issues of "Landscape Architecture and Specifier News," and two issues of "Landscape Architecture,: magazines. Some 430 landscape architects personally requested TPI's "First-Aid Information Kits." Those kits contained a listing of

turfgrass sod producers in the requestor's home state, as well as a wide assortment of information about the positive benefits of turfgrass.

In addition, the PR program mailed over 116,500 sheets of information to writers, editors and officials now contained in its ever-expanding database mailing list. The mailings ranged from news releases about the importance of turfgrass sod to the World Cup Soccer matches to fact sheets about the environmental benefits of sodding and the low maintenance benefits of turf in landscapes.

During the coming year, the program will place ads in "Landscape Architect and Specifier News," "Landscape & Irrigation," and "Erosion Control" magazines. Members can also expect to receive more direct-use pieces they can incorporate into their own public relations and marketing programs. A major focus of the program will be turf and the 1996 Atlanta Olympics.

ITPF Endowment Drive Sets \$2 Million Goal

Calling it a "commitment to the future," the International Turf Producers Foundation (ITPF), goal to create an endowment fund of \$2 million was formally introduced at the TPI Summer Convention in Omaha. A booklet describing the foundation and its objectives notes, "Just as each of us within the turfgrass sod production industry has benefited from scientific advances and public education efforts in the past, each of us also shares responsibility for the industry's future."

Endowment campaign chairman Randy Tischer said interest earned from the fund's principle will allow the turfgrass sod industry to support a vast array of needed research, studies that are not being undertaken by any other group, yet of vital importance to the industry's future.

Every TPI member is encouraged to make a generous three to five year pledge to the foundation and those interested in becoming directly involved in this world-wide campaign should contact either Randy Tischer at 513/848-2501 or the ITPF's staff administrator Tom Ford at 800-405-TURF or 708/705-9898.

Business Services You Can Use

What would you do if...

...a local newspaper writer wants your help for an upcoming article? or

...the local water department wants to restrict the use of sod? or

...a homeowner wants to know if it's hard to install sod? or

...you want to start accepting credit cards from your customers?

The answer: dial 1/800-405-TURF or 708/705-9898, or fax your questions to 708\705-9898...the TPI office and home of the new Turf Resource Center.

TPI's public relations program has developed a large number of fact sheets, specialized articles and other

Maintain Your TPI Benefits

Membership Renewals for 1995-96 must be completed by July 30

Call TPI if you are not certain about the status of your renewal.

items that answer many of the environmental questions commonly asked and it has access to even more specific information on just about any topic.

You may also be put in direct contact with other members who have had actual experiences handling the questions you now face, or directed to a university researcher personally familiar with a particular topic.

As a TPI member, you also have access to all of the "Special TPI Benefits" listed in the Membership Directory, plus services such as reduced cost credit card services, long-distance telephone services, plus numerous direct-marketing brochures and technical manuals ranging from employee handbooks to legal precedents on sod production as an agricultural activity.

By using the toll-free, 800 phone number, questions can usually be answered immediately, or the research process can be initiated more quickly. For those outside of the U.S., faxed questions receive immediate attention with the fax operating 24 hours a day.

Taking Care Of Business

Installation: Employees vs Subcontractors

As the sod industry changes, we all face many choices on how we choose to run our business. One of these choices is whether to install sod and additionally should you hire employees or sub-contract the installation. One of the most important considerations is whether installation is going to be it's own profit center or simply exist to help the farm sell more sod. In most cases, the farm with an installation profit center will fare better served utilizing sub-contractors.

Advantages of Employee Installation:

- 1. More control of quality, timing, etc.
- 2. A higher level of customer service is POSSIBLE.
- 3. Greater profit POTENTIAL.
- 4. Allows the farm to expand the business and enter new markets.

5. Additional employees available to help with the farm work load.

Disadvantages:

- 1. Considerably more paperwork; I.E. payroll, insurance, etc.
- 2. Increased time commitment with hiring,training,scheduling,etc.
- 3. The constant problem of either having too much work and not enough employees or too many employee and not enough work.
- 4. Additional equipment including trucks, tractors, and hand tools plus all of the additional repair and maintenance.
- 5. Managing crews working away from the farm.

Advantages of sub-contractors:

- 1. Fixed installation cost.
- 2. No overhead, tools, trucks, equipment.
- 3. Less obvious competition with your traditional sod buyer.

By Mike Ward, Eastgate Sod Loveland, Ohio

- 4. Sub contractor assumes some of the warranty issues.
- 5. Reduced/eliminated staffing concerns.

Disadvantages:

- 1. You are more subject to the sub contractor's work load and scheduling.
- 2. Your reputation is tied to that of the sub contractor.
- 3. More legal paperwork like affidavits,
- 4. Unless you have multiple subs there is a risk of being totally exposed if something would happen to your sub.

In conclusion, the farm needs to identify whether sod installation will be used only as a tool to enhance their existing sod business or will be a stand alone profit center. Once this is identified, the pros and cons of utilizing employees vs. sub contractors can be weighed and a sound business decision made.

Marketing Tip

Evaluating Marketing/Advertising

Let's start by examining what makes a successful business. You, the business owner, must present your products and services within the framework of the market place along side other competing products and services.

The almighty consumer then picks and chooses from these products and services based on what appeals to them. The place where the consumer spends his or her money is a daily vote of confidence in that product or service and business.

Peter Drucker puts it another way. "Marketing's purpose is to create a customer. The business enterprise has two and only these two basic functions, marketing and innovation. Marketing and innovation produce results, all the rest are costs."

One of the principal means of leading the consumer to their decisions is marketing. One of the oldest and purest forms of marketing is selling.

Selling and marketing are not opposites, they are one and the same. The same goes for advertising. It is nothing more than selling in print, over the air or visual selling.

Most people try to get very cute with their ads or they employ only institutional ads. An institutional ad is one that tells the consumer how great "you" are. It tries only to keep your name in front of the customer, and frankly, most are a waste of time and money.

Institutional ads are not only ineffective, but they are non trackable and deplete your advertising budget with very minimal returns. Switch to direct response advertising. They are not only trackable, they ask the person to respond now (by phone,mail,by coupon,etc...) so you can measure the effectiveness of the ad.

This leads me to the most important aspect of the direct response ad, testing.

The purpose of testing is to develop maximum performance from every marketing effort. yet, it's amazing how few companies ever test any aspect of their marketing and compare it to something else. They bet their destiny on subjective decisions and conjecture.

Testing is the key to advertising success. Take your best existing ad and begin testing different versions of the ad. Test only one variable at a time. This is the scientific approach of control. This allows you to know which change was the source of the results, be it positive or negative.

Along with this, you must be able to tell from which ad each prospect ask for a department number. Code the return mailing label. Use different phone numbers. Have the caller ask for a specific person (this time can be fictitious).

By Stan Gardner, A-G Turf Farms Westminster, Colorado

There are also many things to test such as, prices, sales pitches, wording, different parts to the ad (headline, body, closing) different local media (newspapers, magazines, radio stations,) different intervals (seasons, days of the week, radio time slots, etc...). In short, test everything that can be tested.

Never test big when you can test small. An example of this would be if you are spending \$2,000 on an ad in a major newspaper you could buy a list of 500 names of subscribers for \$300 and send them a direct response mail piece.

A business man does not have the right to predetermine what the market place wants or needs. Rather, they have the obligation and the power to put everything to a vote with the only people who count, prospects and customers.

Suppose a Doctor said he had found the cure for cancer. The community at large would probably be skeptical. A Doctor will never state a supposition before he has proved it. He conducts tests, sometimes hundreds of replications until he proves the results.

How long before we apply this exactness to advertising?

The leaders in business today are doing just this and maximizing the earning power of every dollar in their marketing budget.

Member Safety Tip

Forklift Safety

How many times have your drivers unhooked their piggy-back forklift without unhooking the light cord first?

When this happens, your truck is without turn signals, brake lights and tail lights.

A potentially dangerous situation may result which could have been easily avoided.

To solve this problem, we wired our forklifts so they have to be unplugged from the trailer and plugged into an outlet on the forklift before they will start.

By Wayne Thorson, Todd Valley Farms Mead, Nebraska

It solved the continuing problem of broken wires and plugs, and saved time spent on repairs.

Trucks are made safer and time and money are saved using this simple yet effective device.

Farm safety always pays off.

TPI Action

The following U.S. federal issues are being monitored and/or acted upon by TPI.

This report updates the current status of each item.

ISSUES

CURRENT STATUS

Wetlands definition related to farm lands

H.R. 961 passed House, with definition of agriculture that includes turfgrass sod farms because of TPI's efforts. Senate action is being delayed and TPI members may be called upon to encourage their Senators to act.

Defining Sod as agriculture in the 1995 Farm Bill

Sen. Thad Cochran (R-MS), at TPI's request, has offered a committee report amendment stating, "The terms 'agriculture' and 'food and fiber' shall include perennial turfgrass sod, unless perennial turfgrass sod is expressly excluded."

Federal Crop Insurance for turfgrass sod farms

TPI continues to press for full inclusion of turfgrass sod in the new federal crop insurance program; however, its practical benefits to sod producers appears very limited because of legislative limits.

Atrazine/Simazine Review by the EPA

Due to the importance of these chemicals to warm-season producers, TPI will provide the EPA with additional details on their use, affordable cost and significance of loss.

Contact TPI for details on these or other matters of importance to you.

Housing Starts Show Reasonable Promise

"The continued strength of non residential building means that it's still-possible for 1995's total construction volume to match and possibly exceed last year's level," reports the F.W. Dodge Division of the McGraw-Hill Companies in its latest construction outlook report. On the residential front, the report noted that two consecutive monthly upward trend is likely to stay modest for the near term. however, given the still sluggish economy and the inventory of new homes waiting to be sold.

For the first six month of 1995, only the South Atlantic was able to show a gain in overall construction, while the Northeast came in unchanged from last year and the other three regions showed declines.

TPI members can obtain up-to-date housing and employment statics for their area by calling 800-405-TURF.

'96 TPI Midwinter Conference & Exposition

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Featuring: Education, Exhibits and LARRY GATLIN at this year's special banquet!

BUSINESS MANAGEMENT

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