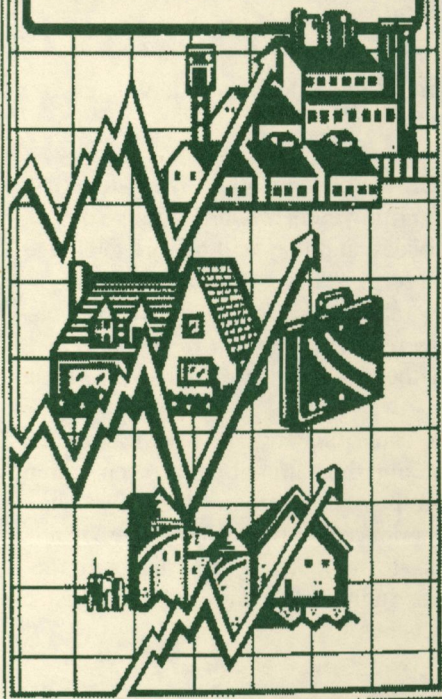


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### ISSUE HIGHLIGHTS

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**Electronic Tax Filing** Page 2  
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*Major dues structure revisions beginning 1997-98 fiscal year.*

# BUSINESS MANAGEMENT

## Turfgrass Producers International

Know Your Rights & Obligations:

### Immigration Service & Dept. of Labor Increase On-farm Enforcement

Turfgrass sod producers across the U.S. should be prepared for more on-farm audits and investigations by Immigration & Naturalization Service (INS) and Department of Labor (DOL) officers. Increased public pressure to control the number of illegal aliens in the work force and an expanding number of INS and DOL enforcement officers are driving this activity.

These forms must be kept on file for three years after the date of hire, or one year after an employee terminates employment, whichever is later. Both the INS and DOL can insist on auditing a firm's I-9 Forms, without the need for a subpoena or search warrant; however, the INS is required to give a 3-day advance notice.

#### Guidelines Available

TPI members can obtain a 13-page set of guidelines titled, "How Do You Respond When The Immigration & Naturalization Service (INS) Shows Up At Your Farm, Ranch or Business?". Although not intended to replace specific legal council, the guide addresses many important topics that will help employers better understand their rights and obligations. These guidelines, originally prepared by the National Council of Agricultural Employers (to which TPI belongs), are available, without charge by calling TPI at 1/800-405-8873, or faxing 847-705-8347.

All farms, even those who employ only U.S. citizens and documented aliens, must be aware of the laws and follow them precisely because of the increased on-farm enforcement activities that are taking place.

#### I-9 Forms Critical

Current law requires that every employer must have on file for every new hire and former employee rehired more than three years after the previous date of hire a properly completed U.S. Department of Justice's "Employment Eligibility Verification" form, commonly referred to as the "I-9 Form."

#### ITPF's First Annual Campaign

### "2-Cents Worth" Raising Research Funds

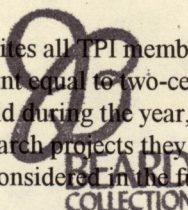
TPI members around the world are being asked to give their "2-cents worth" to help support and expand sod-specific research. As the turfgrass sod industry's only organization dedicated to sod research, the International Turf Research Foundation (ITPF) introduced this annual fund raising campaign in the November/December issue of "Turf News" magazine, followed by direct mailings to TPI members.

All of the funds raised during this campaign will be used to fund sod-related research projects and to establish an endowment that can grow through sound investments.

Ideally, ITPF will establish this campaign as an annual event, encouraging members to make a contribution at the close of each calendar year, based on the year's sales success. Because the contributions will be tax deductible for most firms, year-end tax savings could also result to the firm.

The campaign invites all TPI members to contribute an amount equal to two-cents per pallet of sod sold during the year, and to recommend research projects they believe should be considered in the future.

**Have you put in your "2-Cents Worth" to support turfgrass sod research?**



## Taking Care of Business "Seeking Professional Help"

By Chris Hope, Manderley Sod,  
Nepean, Ontario, Canada

### Choosing an Accountant

When it comes to choosing a bean counter for your business, it is important to first evaluate the purpose for which you will be engaging the person or firm. The basic need of a small business is typically the statutory reporting to your favorite tax collection agency. In this case, the overriding selection criteria used by most of us is the amount of the bill presented to us in the end.

However, your accounting needs may also include looking for advice on the directions and actions you will take in growing your business. In this case, one of the most important selection criteria

is trust! Not that most accountants are untrustworthy, as are some lawyers I know, but rather you must trust in the person/firm's ability to deliver to you an opinion you will respect. For this reason, you want to deal with an experienced individual who knows when to consult with other experts in his field.

Your local independent accounting firm can be a great value, especially if the partners are involved with your account over an extended period of years. Their familiarity with your business and your needs will be a great help to you in the future. The local firm's approach to handling your affairs may very well provide you with more comfort than you

would find in dealing with national outfits.

The larger accounting firms are often better providers of a broad range of services, and they will be sure to charge you for it. They will be able to offer several levels of service to you, but you may find that they will treat you as just another account (read source of revenue.)

In choosing between your local accountant and the national firms, keep in mind that the most important factors will be experience and trust. Also, there is no rule saying that you must deal with the same individual/firm for all your business decisions.

## Overcoming Sales Objections... "Price"

**Objection:** *"I think sodding my lawn will be too expensive"*

**Response:** When a prospect balks at the price, try this little-known "closing technique." Ask what the person if he thinks the sod is worth what your asking. If he says it is, but still hesitates, suggest diplomatically that he has two choices - to either invest a little more than he planned or less than he should.

If the prospect seems receptive, tell him that if he invests less than he should, he'll wind up with another product (ie. seeding/hydro-seeding) that may not do the job.

It is vital to know the benefits that turfgrass sod brings to customers, and speak honestly about both the benefits and the cost. And remember to tailor your sales presentation to your audience. For instance, offering a clean and safe play-area may work well with prospects having children, while offering a more weed-resistant (carefree) lawn may "sell" elderly prospects.

### July 1, 1997 Deadline

## Mandatory Electronic Tax Filing

Beginning July 1, 1997, every U.S. firm that deposits at least \$50,000 in payroll or corporate income taxes for the year, must do so through the new Electronic Federal Tax Payment System (EFTPS). Failure to pay electronically after July 1, will trigger penalties of up to 10% of the tax liability. Companies that deposit \$20,000 or more in taxes in 1997 must start paying electronically by January 1, 1999.

All businesses, have two options to consider when establishing their own EFTPS process, either a debit method or a credit method. Both require completion of the IRS Form 9779, the "EFTPS Business Enrollment Form." If your firm has not received a form from the IRS, one can be obtained by calling either First National Bank of Chicago at 1-800-945-8400, or Nations Bank at 1-800-555-4477.

### Debit vs. Credit

Electronic deposits must be initiated at least one business day before it is due. Firms can choose to contact an IRS authorized bank directly and via telephone authorize a transfer of funds from their account to make the deposit with the IRS. This is known as a fund-debit activity. Alternatively, the firm can contact their own bank and have the funds transferred to the IRS, via a credit transaction to the IRS.

Although the two procedures may sound similar, there is a major distinction. With the "funds-debit" method, the IRS is receiving the funds, and not taking them. Thus, if your authorized agent (say, a bank) makes a mistake under the "funds-credit" method, you (and not the agent/bank) will be held responsible by the IRS for failure to make a timely deposit. Also, under the funds-credit procedure, the IRS considers a deposit is made when it receives the funds, not when you ordered the transaction.

Financial institutions may charge a fee for acting as your firm's agent, and because of the newness of the EFTPS, many institutions are just beginning to determine how much they will charge.

While the EFTPS may be confusing at first, it will ultimately replace the coupon forms previously used to make a variety of tax deposits.

TPI members are encouraged to contact their bank, accountant, payroll processing firm or tax attorney for further assistance. They may also call either of the banks noted previously and request a complimentary copy of the publication titled, "Answers to the Most Commonly Asked Questions."

## Establish Trust, Then Sell Products

There may be an important lesson for turfgrass sod producers in something as simple as salt.

Morton Salt costs more than many other identical products, yet it remains the industry's sales leader. To a focus group study, the company admitted that its salt was identical to its competitors and in fact it often supplied salt to others who in turn sold it for a lower price. So, why would these customers continue to purchase more costly Morton Salt?

A solid reputation for quality was the consensus, based on individual opinion that Morton Salt would be clean, uncontaminated and properly weighed. Morton Salt officials confirmed what consumers have practiced for years, when you buy a brand, you are buying trust, not just the product.

The lessons for turfgrass sod producers would include the following:

1. Create an identification for your company and product. "When it rains, it pours" or a little girl with an umbrella and saltshaker are important company symbols, all

identified with something as simple as salt.

2. Understand that the customer is buying more than you are selling. While you may think that customers are buying just your green grass, they are in fact also "buying" telephone manners, on-time delivery, the driver's appearance and many other elements you may not have even thought were included in the sale.

3. Deliver more than the quality you promise. Consistency is a trait that creates loyalty, especially with a product like turfgrass sod. Not only should every piece of turf be of the same quality, every other aspect of your operation should remain constant as well. The quality your customers buy from you goes well beyond the pieces of turf.

4. Recognize the facts about what you are selling. You may think you are selling turfgrass sod, but in fact your customers (wholesale and retail alike) are buying something much more important to them. They are buying peace of mind.

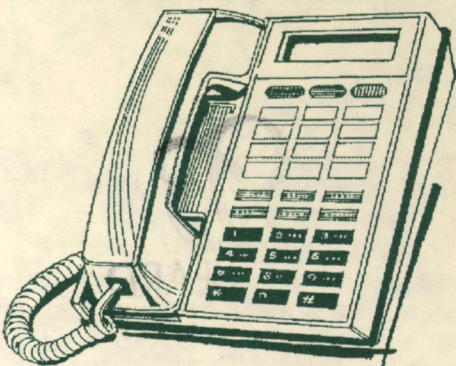
When trust is being sold, price becomes less of an issue.

## Marketing Tip

By Ron Schiedel, Greenhorizon Group  
Cambridge, Ontario, Canada

### Could I put you on hold please?

Marketing is a very complex word. Questions such as "How do I market?" and "Where do I market?" come to mind. Thus, the almighty question arises...How much do I spend on marketing? One fairly inexpensive marketing method uses



"on hold messages." These are messages that are placed in your phone system which callers can listen to while on hold.

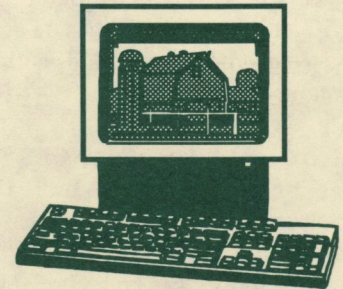
At first you might think it fairly trivial, but sit for a minute and think about the information you can put on one of these systems. Think about these: "Have you got your measurements ready for the area you want to sod?"; "Did you know that we sell fertilizer along with sod?"; "Did you know that sod has to be watered 15 minutes after being laid?"

These messages can be different for different times of the year. They can announce an upcoming sale, etc. The list is endless...all available as marketing tools which are working for you while the customer is on hold.

## Shrewder Computing

Running out of room on your computer's hard drive? Instead of purchasing additional memory for your system, consider compressing big files down to size.

You can now compress (shrink) your computer files - allowing more information to fit on your hard drive with new, easy-to-use file-compression programs. Titles like *Zip-It*, *Micro-Help Zip* and *WinZip* work through Windows, simplifying a compression process that used to require knowledge of complex DOS commands. Space savings vary with the type of file - from almost no compression, to 90%! *Cost: About \$30.*



Did you know that census information is available free to any company with an Internet connection through the Bureau of the Census website? Get the exact information you require; quickly search for relevant data; and save the cost of paying for printed documents. *Web address:*

<http://www.census.gov>

Most telephone systems have the capability to do this with the purchase of a digital tape player. Your advertising firm could do these tapes for you, thus presenting a professional touch. Otherwise, you can "do it yourself."

The total cost for a system and four tapes per year can run about \$ 1,000. Not bad when you consider what you spend on some other marketing ideas. For further information about how this idea can be used, see the Marketing Tip in the August/September issue of TPI's Business Management newsletter.

# TPI Action

**TPI OBJECTS TO USDA'S WETLANDS RULES** that might limit the definition of "agriculture" to annual crops when it filed formal comments seeking total inclusion of turfgrass sod within the proposed regulations. In addition, TPI strongly recommended that the USDA address potential conflicts between its administration of wetlands issues and those of the US Corps of Engineers. A consistent message TPI presents to all lawmakers and regulators is that while turf is not a "food or fiber," its production falls well within the standards established for "agriculture" and as such it should be provided all of the benefits and services available to other forms of agriculture.

**FEDERAL CROP INSURANCE ADVANCES** another step as Federal Crop Insurance Corporation (FCIC) officials conduct informal fact-gathering interviews with nearly 20 TPI members in preparation to drafting a turfgrass sod concept policy. FCIC's representative will inform TPI's Legal & Taxation Committee of their findings and progress during TPI's Midwinter Conference in Savannah, GA. While TPI's leadership recognizes that crop insurance is desirable to all members, they have determined that failure to maintain a diverse interest in the subject could result in a program that is unsuitable to everyone in the industry. The FCIC has identified TPI as the lead group within the industry and has agreed to review its progress and plans with the organization. TPI members interested in crop insurance should attend the 3 - 6:30 pm, Tuesday, February 4 committee meeting.

**LANDSCAPE ORDINANCES SUPPORTING THE USE OF TURFGRASS SOD** are being sought-out by TPI's Marketing Committee so that it can consider developing a universal model that can be introduced in other markets. All members are encouraged to advise the TPI office of any such landscape ordinances they are aware of so they can be reviewed by the committee members. In addition, the committee is seeking member-wide input on potential brochures on soil preparation, watering recommendations and erosion control specifications. Sample materials on any of these subjects can be mailed to TPI or brought to the Marketing Committee meeting breakfast from 7 - 9 am, Friday, February 7 in Savannah.

**YOU CAN STILL RECOMMEND TPI BOARD CANDIDATES** (including yourself), by contacting Nominating Committee Chairman Doug Barberry at 410/879-8277. The committee will meet in Savannah to develop a slate of candidates.

## Beginning in 1997-98:

### Dues Structure Changes

Effective with renewals for the 1997-98 membership year, TPI dues structure has been modified by the Board of Trustees. As all members were informed in a letter from TPI President Wayne Thorson, the Board has taken the following actions:

1. the organization's public relations program will become a permanent part of the group's activities;
2. the mandatory assessment paid by U.S. members will be discontinued;
3. dues rates, which had not been altered since 1990, will be increased; and,
4. separate categories will be reinstated for U.S. Canadian and International producer members.

For most members, this will result in a reduction in total membership costs compared to the current year. Some classes will see an increase in their dues.

1997-98 renewal notices will be sent to all current members in late April.

### "Midnight In The Garden Of Good and Evil"

A best seller for two years, this John Berendt book provides an intriguing look at Savannah, site of TPI's February 5-7 Midwinter Conference. A bit racy in places, but an excellent pre-conference read. Recommended.

## BUSINESS MANAGEMENT

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