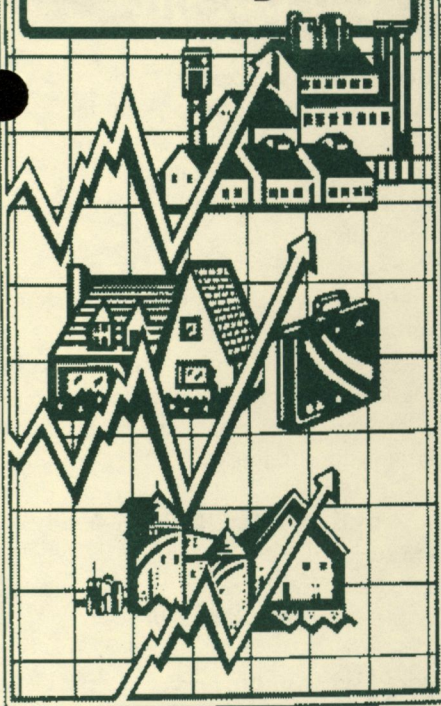


June / July 1998



# BUSINESS MANAGEMENT

## Turfgrass Producers International

### TPI 'Day On The Hill'

### Members to Focus Attention on Turf

July 14...just prior to TPI's Summer Convention and Field Day...will see approximately 50 turfgrass sod producers from across the U.S. convene on Capitol Hill in Washington, D.C. They will be there to share their concerns with federal elected and appointed officials.

TPI members interested in participating in this event should **immediately contact the TPI office** (800-405-8873) to determine if space is still available. There is no cost to participate; however, to properly manage the event, the group will be limited to 50 members.

Among the issues to be addressed during the visits will be sod farm chemical availability, as impacted by the Food Quality and Protection Act as well as the Workers' Protection Standards; labor shortages and the need for seasonal alien workers, concerns about the enforcement practices of the Immigration and Naturalization Services; wetlands on sod farms and the continuing importance of defining turfgrass sod production as agriculture in all legislation and regulations.

Specific appointments with Representatives, Senators and select appointed officials will be made for TPI member teams of 2-4 individuals.

The day-long event will begin at the Sheraton Hotel in Tysons Corner. Prior to being bused to the Hill, the entire group will be briefed on industry-specific issues, TPI's positions and be provided "leave-behind" packets. Once on the Hill, but before going on their visits, the group will be joined at lunch by elected officials who will re-enforce the importance of voters making calls on their Senators and Representatives.

This will be the first "Day On The Hill" TPI has organized for the members. In 1989, TPI's Board Trustees made Hill visits, with exceptionally positive results.

### ISSUE HIGHLIGHTS

Business Succession Page 2  
*Sibling Teams for Family Business.*

Computer News Briefs Page 3  
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Millennium Bug Special Insert  
*Immediate Attention Recommended! Background, Tips and Traps.*

Summer Tour Update Page 1  
*Quick look at July Tour Schedule and Highlights.*

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*Why Do They Buy From Me?.*

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*U.S. Government Issue Update; TPI Membership Recruitment Campaign; Summer Convention Committee Meetings; International Turf Producers Foundation.*

Saturday, July 18

### Summer Tour Day

**"Bring a Notebook & Pen!"**

You're going to be exposed to so many innovative ideas and so much useful information, you'll want to take notes throughout this event. In fact, this tour could pay for your entire trip through cost-saving methods that you can implement in your operation.

Your first stop at the training facility for the Washington Redskins football team will include a light continental breakfast. Next, you'll explore Centreville Sod Growers where items found at various auctions and sales have been alternatively modified and combined to yield low-cost alternatives to new equipment. This stop is a definite "must-see"!

Chantilly Turf Farms, your final stop, will feature test plots, tractor exhibits and a weed identification test. You'll also enjoy a terrific bar-b-que lunch before heading back to the hotel. As you can see, this isn't your average TPI Tour!

Your 1998 TPI Summer Tour Day, Saturday, July 18, is an essential part of the Summer Convention & Field Days and it is coming up fast. Call TPI for registration information: 800/405-8873.

### 50-75 Tractors Slated for Summer Display

Approximately 50-75 tractors, ranging from utility to 150-hp tillage units, produced by all of the leading manufacturers will be on display at Chantilly Turf Farms, Saturday, July 18.

Thanks to Chantilly tour host Ray Weekley, this will be the largest variety of turf tractors ever assembled in one location. Manufacturers' reps will be on-hand to answer questions and discuss their units' latest features.



# How To Make Sibling Teams Work...and Avoid Conflict

## Successful Succession

Research shows that more and more business-owning families are considering succession to a team of siblings who would own the family's business together. Single-sibling "inheritance" of the family business, it seems, is far less popular than it once was.

While sibling team ownership (and leadership) can work, it is risky. Experts at "The Family Business Advisor" suggest that about half who try break up. For a family, those are high stakes. Before concluding that sibling ownership is best, please consider the following as *pre-conditions*.

### \* **Redemption and exit plan finalized.**

A system which permits someone to leave and sell their 'share' of the business (including the pricing and terms) should be in place. Some families deliberately make exiting impossible. If so, the arrangement should be legally binding and all should pledge to uphold it for the reasons it was chosen.

### \* **An independent, outside board.**

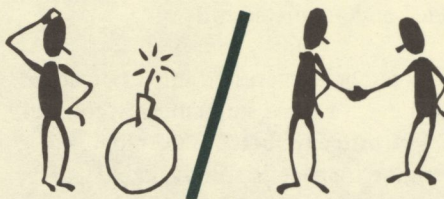
Perhaps the best forum for debate and the best possible insurance policy, independent outsiders should be a well-established part of the company's governing structure.

### \* **Siblings' code of conduct.**

The team should explicitly agree and commit to writing how it will make decisions, resolve conflict, treat each other, deal with the press, conduct business affairs and relate to each other.

### \* **Proven success at conflict resolution.**

All team members must trust that serious problems can be overcome without the intervention of parents.



### \* **Experience with open disclosure.**

Each knows and accepts past and present salary, benefits and 'perks' arrangements. All should know about any parental support and gift-giving.

### \* **Method of future compensation.**

A process should be in place to set future salaries, bonuses and dividends, and to audit perks and financial relationships with the business and each other.

### \* **Completed, known estate plans.**

These arrangements assure security for spouses and children and should be finalized and shared with each other.

### \* **Participation agreement.**

All understand who can work in the business and who can own shares or stock, including consideration for spouses, children, stepchildren, other relatives, etc.

### \* **Familiarity and comfort with outside directors and key advisors.**

All members of the sibling team should have good relationships with the directors, lawyers, accountants and other important consultants.

### \* **Consensus on future key non-family executives.**

All need to respect the others who help make the company successful.

### \* **Shared sense of purpose.**

The duties and burdens of ownership are acceptable when business continuity has significant meaning for every team member.

Too often families become excited with the prospect of siblings working together in ownership or leadership. "The Family Business Advisor" recommends that the dream of one's children working together be considered provisional until the preceding pre-conditions are met. Giving that task to the sibling team themselves is a good test of eventual feasibility. It's also a great way to strengthen the team.

## Are You Limited by a Tight Marketing Budget?

A lot of small companies don't have the funds to launch full-blown marketing and sales campaigns. Does that mean they can't sell? Absolutely not! Here are some tactics that may help you to make the most out of modest sales and marketing budgets:

\* **Squeeze every bit of marketing value out of business cards.** There's no reason why the back of your card needs to be blank. You'll have plenty of space to list your products / services or give directions to your farm or outlet.

\* **Create top-notch brochures or newsletters inexpensively.** Preprinted

paper stock is available from some office supply firms as well as mail order companies such as Paper Direct, phone: 800/272-7377. Using your software or the paper provider's template software, you write and print your brochure or newsletter copy on the preprinted stock. Result: Full-color brochures for less than 25 cents each.

\* **Take advantage of newspaper classified ads.** This is a medium overlooked by many marketers, but it's very effective for a number of reasons: 1) It's inexpensive, especially if your ad is less than 25 words; 2) It's easy to do—no fancy graphics needed; 3) It often

goes directly to people in their homes in your target areas; 4) You can place your ad under a headline specific to your business, to call attention to it; 5) You can "block buy" space, allowing you to get it at a reduced cost and still vary your ad from week to week. Which means you can test different messages for free.

\* **Less is More!** Memory experiments have revealed that the human short-term memory can only hold about seven items at a time. Try to get your message across in seven words or less. This will allow for larger sized type and smaller, cheaper and more effective ads. You can always provide details to interested prospects!



# The Millennia Bug - Year 2000 (Y2K) Background & Traps

**What is the Year 2000 Problem? Background:** Most humans jot down dates in shorthand, such as "18-12-96" in Europe or "12/18/96" in the United States. What happens when you uncover an old document that's dated "12/18/06"? You need to do a bit of detective work to find if the paper is from 18<sup>th</sup>, 19<sup>th</sup>, or 20<sup>th</sup> century. Unfortunately, computer programmers also used this shorthand. This leaves the century to the computer or software's discretion, which often consists of simply sticking a "19" in front of it. Thus, the date January 1, 2000 will be truncated to 01/01/00. How the computer interprets this information can vary, but it does not always reach the correct answer of 2000. Is that all? Yes, the feared Year 2000 Problem consists of nothing more than a shortcoming in the storage of calendar data. However, this simple problem can affect any hardware or software that creates, stores, or uses two-digit calendar data. And in each case, the misinterpretation of the year 2000 can bring about a variety of results, from embarrassing calculations to full-fledged crashes.

**Trap 1 : We just bought a system last year so I know it's Y2K compliant.**

Don't be lulled into thinking that "new" means "compliant". Software and hardware recently purchased may not be Y2K compliant.

**Trap 2 : Our vendor says his software Y2K compliant.**

Maybe...maybe not. Let's assume that you have the most current version of a business management software. First, the back-end database must be Y2K compliant. Second, the vendor's programmer(s) must have used this capability to develop code that is Y2K compliant. Third, all software interfaces must be Y2K compliant. Fourth, all third party software that integrates with the business management software must be Y2K compliant.

If the software is several versions old or was ported from an earlier system, the vendor may not know if the software is Y2K compliant. If the vendor, or your staff, has customized the software, you need to evaluate both the code and the documentation before you can make a determination.

**Trap 3 : The software I have is not Y2K compliant but an upgrade will take care of that.**

This sounds easier than it actually is. First, a Y2K compliant upgrade must be available. Second, the upgrade must be backward compliant, ie. your data will carry forward to the upgraded software. Third, you may lose some or all of your customization in the upgrade. Fourth, you must still rigorously test the conversion to a Y2K compliant upgrade.

**Trap 4 : The screen on my computer shows a 4 digit year so my software must be Year 2000 compliant.**

How the year is displayed on the screen may be totally irrelevant to how the date is computed internally. For example, the "19" portion of the year may be hardcoded or the software could base calculations on 2 digit year dates and still automatically display a 4 digit year on the computer screen.

**Trap 5 : It's not even 1999 so I have plenty of time before I need to worry about the Year 2000.**

The average company will need 14 months to make a successful conversion to the Year 2000. Some larger firms with legacy software may need significantly more time if they choose to repair the software. Remember, if your company processes multiple year purchase agreements, offers discounts on payments within stated periods of time, or budgets more than two years out, you have even less time than you think.

**Trap 6 : This is a technical problem and my "computer person" can just figure it out.**

Hindsight will show that lack of owner/manager involvement, poor project management, and inadequate resources will be major reasons why companies will not make a successful Year 2000 transition. The Y2K problem is not just a technical problem, it is a management challenge that will have a very concrete, specific set of negative results if not effectively addressed.

There will be more "fly by night" consultants in the next two years than ever before, and they'll be hustling solutions that will increase their income by offering you a quick fix. Even a logical fix to the problem, e.g. any date less than "50" is a "20" date while any date "51" or greater is a "19" date won't work in every case. Before you discover the charade, you'll have lost time and money.



# The Millennium Bug - Year 2000 Tips

The challenges posed by the calendar year 2000 are impossible to catalog in any concise way...there are too many variations and possible combinations of computer hardware and software. What we offer here is 1) an urgent advisory to consider the implications of the Y2K on your business, and in particular, on your computer systems; and 2) a resource of information to guide you in the actions you will have to take to address your own Y2K issues.

## Articles:

TPI has available two articles which cover the Y2K problem in more depth than is possible here. These articles are free for the asking, and available via fax or mail upon request. While no article covers every contingency, each offers good information and resources to help you achieve Y2K compliance in your computer operations. You'll also get a three page Y2K brief which includes good basic information as well.

- 1) "How to Tell If You Have a Year 2000 Problem - Step by Step"
- 2) "Y2K Checklist for Small Business"

## Where to Begin?

In order to find out if your hardware and software is Year 2000 Compliant, you'll need to do a bit of research first. Create an **inventory of hardware** which includes:

Component

Manufacturer (include contact information)

Purchase date

Bios Version and date (found in computer manufacturer's information files)

Time Horizon to Failure (some systems may begin failing before the century date changes due to forecasting, budgeting, etc. - this date should be included if known)

Create an **inventory of software** which includes:

Program

Manufacturer (include contact information)

Developer, if customized (ask about both programs and interface compliance)

Release Number

Version

Upgrade available for Compliance (yes or no)

Time Horizon to Failure (some systems may begin failing before the century date changes due to forecasting, budgeting, etc. - this date should be included if known)

Once information about a given hardware or software component is gathered, contact the manufacturer (developer) via phone or Internet to ascertain if product is Year 2000 Compliant or Year 2000 certified. Any other description (ie. Year 2000 ready) **should not** be taken to mean that you're in the clear! If anything is not Compliant or Certified, you need to determine if a "patch" or upgrade will bring you into compliance (with PC's this could mean resetting the date on your Real Time Clock (RTC). If no such fix is available to you, a conversion to a Y2K compliant hardware/software will probably be required.

## Web Sites:

- |  |   |
|--|---|
| Site with hardware & software links to manufacturers - | <a href="http://www.compinfo.co.uk/y2k/manufpos.htm">http://www.compinfo.co.uk/y2k/manufpos.htm</a> |
| Articles, discussions and frequently asked questions - | <a href="http://www.year2000.com/">www.year2000.com/</a>  |
| Search by category, product or company -               | <a href="http://www.weblaw.co.uk/index.htm">www.weblaw.co.uk/index.htm</a>                          |

If you've learned anything new on this issue, or know of additional resources, please pass them along to TPI!



## Taking Care of Business: Why Do They Buy From Me?

In recent years, most turf producers have begun to use computers for word processing and accounting tasks. But few have considered how computer technology might bring their marketing efforts to the next level.

I partially credit the use of computer databases and Internet website development for the success Sod Solutions has experienced in promoting Palmetto® St. Augustine, our warm-season turf variety developed and patented for use across the Southern United States. Through our work in promoting our own company, we have become familiar with the operations of many warm-season turf producers. We have seen firsthand how consistent marketing and promotion of turf products by some of the producers result in increased demand and sales.

Sod Solutions maintains an extensive computer database with contact information for customers, landscape professionals, cooperative extension agents, and media contacts. By maintaining similar information for their area, turf producers can easily and efficiently produce direct mailings. Sod Solutions uses direct mailings to introduce new products, to announce special promotions, and to provide updated installation and maintenance information.

Even when "how to" information does not seem to be promotional in nature, I am convinced that keeping our company and product names in front of potential users is beneficial. Also by maintaining media

## Tobey Wagner, Sod Solutions Mount Pleasant, South Carolina

contact information, Sod Solutions is able to quickly respond to "news worthy" events involving our company with press releases to local media outlets. Press coverage for any company is like free advertising. We were once told by a marketing professional that putting out press releases is like throwing spaghetti at a wall. You throw out a lot, and hope something sticks! Not all press releases are picked up by local papers, but when they do get printed the exposure is great.

At Sod Solutions, we have also stepped up our marketing efforts by going on-line with a website on the Internet. Sod Solutions' site, [www.palmetto-grass.com](http://www.palmetto-grass.com), provides the latest information about its products and producers. We have also worked to see that our site is easily accessed on the Internet search engines. As more consumers use the Internet for purchasing information, we envision an even greater importance of having a presence on the World Wide Web. Sod Solutions site is currently being developed and hosted by Versacom, developers of The Turf Zone. TPI recently designated The Turf Zone as a place to group industry sites.

If there are lessons to be learned from our company's experience, they are perhaps best described in this way: Don't limit your use of computer technology to the basics of accounting or word processing. Consider your computer and the Internet as marketing tools to explore with an eye toward expanding your markets and increasing your sales.

## Business Briefs

### Ask the Customer: What's fair?

When a customer has a complaint, avoid making it worse by quoting 'policy' as a reason for doing nothing. Instead of an absolute "I can't" statement, soften your comments. Don't say: "We can't refund your money if you didn't water your sod."

Instead, say: "Our policy is not to issue a refund if the sod doesn't receive proper care after installation, but we don't want unsatisfied customers. What would you consider fair?"

### Getting Your Name Out There...

Swap a stack of business cards with the owner of a tree nursery. You can each benefit from the referrals.

Sponsor a youth athletic team. Your company name may then appear on team uniforms, league schedules, newspaper box-scores, etc.

Even small charitable donations may get your firm listed in program literature.

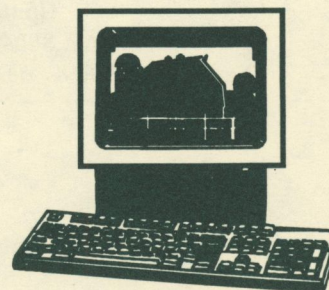
Do some research first, find the best fit and make the most of these and other cost-effective selling strategies.

## Shrewder Computing

### \* Year 2000 Tips and Traps.

A special insert in this issue of Business Management covers the so called Millennium Bug as it pertains to computer hardware and software applications. *Good News:* There's still time to verify how your company will weather the turn of the century. *Bad News?:* More than your computer system may be at risk.

Here are just a few areas of your business which you should check for possible Year 2000 problems: Credit card processing, banking, vendors' order/billing systems, data-processing or payroll services and utility providers. As you can imagine, your firm can be gravely affected by how well prepared others are for the Year 2000!



### \* Is the Sky Falling?

Experts disagree as to the extent of the Year 2000 (Y2K) problem and its impact on you. About the only thing they agree on is their reluctance to be in an airplane at midnight on December 31, 1999. As is the case with many things in your daily life, it is best to prepare for the worst.

Examples: Keep 1999 fourth-quarter account balance statements from banks and vendors; keep important computer files backed-up on disc/tape and investigate your vulnerability to problems NOW, before it's too late.

Remember: 2000 is a leap year too! Make sure February 29, 2000 is a "valid date" in your system!



# TPI Action

Don't forget the International Turf Producers Foundation when renewing your 1998-99 TPI membership. Many members find it very convenient to contribute to sod-specific research funding by adding an amount to their dues payment. A separate line on the renewal notice is provided for this purpose.

Summer Committee Meetings are 'Open Forums,' meaning that all members can attend to share their ideas and concerns or simply learn more about special issues and what other members are doing. For a complete list of scheduled committee meetings contact the TPI office.

Members' letters on FQPA and WPS are having an effect by raising congressional awareness of chemical availability concerns of turfgrass sod producers. More letters are needed to keep pressure on the EPA to fairly implement this new set of regulations. If you have not already written your Senators or Representative, please do so immediately. Call or fax TPI for background information and a sample letter.

\$1,000 will go one TPI member this July if the "Grand Member" goal of 1,000 members is reached. While still short of the objective, there is time for everyone to recruit non-member farms to become active in TPI, become better educated competitors and expand TPI's strength on governmental and regulatory issues.

To Receive Additional Information On Any of These Items

Contact the TPI Office

Phone: 800/405-8873 or 847/705-9898

Fax: 847/705-8347 or E-mail to [Turf-Grass@MSN.COM](mailto:Turf-Grass@MSN.COM)

## BUSINESS MANAGEMENT

**Turfgrass Producers International**  
1855-A Hicks Road, Rolling Meadows, IL 60008

## Jest For The Fun Of It

### *Famous Last Words...*

Nice doggie.

Stop sign, what stop sign?

Now watch this.

Let it down, slowly.

Over my dead body!



"If you're going to agree with me so fast, we have time for another argument"

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