**SUPPLIER BUSINESS**

**DiMino: Lesco must improve sales and distribution**

By ANDREW OVERBECK

CLEVELAND — Four months after joining the company as chief operating officer, Michael DiMino has taken over the top spot as CEO of Lesco (GCN May 2002). In that short time, DiMino has grasped the major challenges facing the beleaguered fertilizer manufacturer, supplier and distributor and has implemented a multi-step plan to bring the $500 million company back into the black. At press time, Lesco's stock had risen 25.7 percent from $8.75 to $11.00. DiMino's strategy is simple: leverage the huge amount of capital that Lesco has invested in manufacturing facilities by improving the company's selling and distribution capabilities.

"The bottom line is almost anyone can get a lot of our molecules from almost anyone," DiMino said. "So it really comes down to technical expertise and delivery." With that in mind, DiMino and his team are revamping the company's distribution, sales force and point of sale system.

**BASF APPOINTS YORK**

RESEARCH TRIANGLE PARK, N.C. — BASF has appointed Bob York as sales specialist for the turf and ornamental group to strengthen customer satisfaction efforts with FMC's agricultural products and unify the company's branding.

Under the reorganization, Laurie Tieckelmann will oversee combined customer service functions for the two business units as customer service manager. In addition, Maureen Thompson has been appointed global sales manager. The company, which used to be a division of Ortho-Kinetik, is now a completely separate entity. While they still share manufacturing space and purchase components from Ortho-Kinetik, Fairway Golf Cars has its own board of directors and its own investors. "They developed the product and we can still draw on their talent and experience," said Braun.

**FMC reorganizes specialty business**

PHILADELPHIA — FMC Corp. has reorganized its specialty products business in order to prepare for growth over the next two years. The specialty products business, maker of Tabstar, has joined efforts with FMC's agricultural products group to strengthen customer satisfaction and unify the company's branding.

Under the reorganization, Laurie Tieckelmann will oversee combined customer service functions for the two business units as customer service manager. In addition, Maureen Thompson has been named turf and ornamental sales manager and Kim Watson has been appointed global development manager.

"The changes we have made in our staffing structure will enable us to unlock the synergies among various FMC businesses," said Don Claus, director of FMC's specialty products business.
YGC readies certified pre-owned program

PEACHTREE CITY, Ga. — In a move to reach a lower price point with its golf cars, Yamaha Golf Car (YGC) has opened a reconditioning facility near its headquarters in Newman to handle its new certified pre-owned vehicle program.

"If price is selling golf cars, we are telling our customers that we save them money in the price of maintenance and upkeep," said Jon Bammann, division manager of new business development and off-fairway vehicles. "Our car has the price of maintenance and transportation costs dramatically. This is already seeing the benefits of the changes that have been implemented to date. While they have raised prices one to two percent to increase margins, the new CEO reported modest sales growth and lower than expected second-quarter losses.

"We have seen a recovery towards profitability because of our efforts to concentrate on productivity and efficiency," said DiMino.

However, Lesco still faces several challenges, the most pressing of which is saving its underperforming Novex specialty fertilizer brand.

"It is a great product, but it is expensive to make," admitted DiMino. "On a return on invested capital basis, it is not in the sweet spot at all. Novex by itself will probably not be a $20 to $25 million product line."

Lesco will be mixing it with its PolyPlus fertilizer to create 10- to 60-percent blends, giving its regular fertilizer the slow-release qualities of Novex. The move is expected to offset production costs while also improving PolyPlus profits.

Lesco is also watching external issues such as golf sales, which have remained flat because resort courses are still facing low levels of play. Sales from national accounts also dropped nearly five percent during the first quarter as large accounts like American Golf are in financial trouble.

"We are going to be a little more careful about the customers we are choosing," said DiMino. "We are not going to chase unprofitable business."

$31 million Yamaha facility to improve productivity

The concept is simple, according Horlak. "We aim to decrease costs, improve quality and reliability and add manufacturing flexibility," he said.

"Number one was cost and flow improvements," Horlak continued. "We really focused on productivity improvements because we need a low-overhead, low-cost facility."

Workers from the old factory competed with other applicants for the 100 spots in the new factory. Horlak said the low number of employees was made possible by automation, training and product simplification. "We will reduce the number of man hours per vehicle by 50 percent as a result," he said.

Quality and reliability were two other target areas.

"We have installed new welding stations with a new tooling scheme that reduces the number of transfers and increases the amount of robotic welding on the frame," said Horlak.

In addition to the 17 robotic welding stations, Yamaha also invested $5 million in a multi-step frame coating system that includes immersion cleaning, immersion corrosion protection and powder coating.

"The cars have gotten even better," said Horlak. "The frame has more corrosion protection and better integrity through robotic welding. If we can deliver a better car, in a better manner at the same or better cost, we are going to start beating them [the competition]."

In addition to these investments and product improvements, Horlak said the factory will have greater flexibility to handle custom batches and options and produce vehicles on a just-in-time schedule for dealers.

Exploring other markets

The new factory, however, was not just built to handle products for the golf market. YGC has created a new off-fairway vehicles division to handle the development of new products for the company.

"We want to maintain existing customers, build our business and expand into the utility vehicle market," said Bammann. "That's why we have expanded into off-fairway vehicles and looked at it as a separate business. We are looking at where we can grow the business from a commercial, recreational and industrial standpoint."

Bayer

in lost sales.

"It was to be expected that insecticides [would be divested] as Bayer already has a strong position in this segment," said Forneck. "Bayer maintains two neonicotinoids — imidacloprid and thiacloprid. He added that Bayer’s primary motivation in purchasing Aventis CropScience, especially in the U.S. market, was gaining access to its strong herbicide product line and biotechnology research.

Once the deal goes through, Bayer will be the second-largest agrochemical manufacturer behind Syngenta AG. However, the company’s first-quarter operating profit dropped 46 percent to 293 million euros ($442 million), and Bayer officials warned that 2002 was going to be a tough year.

Bayer

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