Deal continues despite shareholder reluctance

John Deere's proposed acquisition of LESCO represents the largest from a revenue standpoint in the equipment manufacturer's 170-year-old history. It also represents, perhaps, Deere's most important undertaking in its efforts to become a business partner to golf course superintendents and lawn and landscape contractors nationwide.

Because the Deere/LESCO transaction won't be finalized until later this spring, executives at both companies couldn't reveal specific plans about the future of both companies. It's clear, though, LESCO and its 332 service centers and 125 Stores-on-Wheels will be moved under the John Deere Landscapes umbrella.

JDL has 300 locations throughout the United States and executives at Deere indicate the site overlap isn't significant. JDL is a distributor of irrigation, nursery stock, outdoor lighting and landscape supplies primarily to the installation and new construction markets. In contrast, LESCO mainly serves the maintenance side of the green business as a distributor of pesticides, fertilizers, seed and other soft goods. Deere views the purchase of LESCO as an opportunity to strengthen customer relationships by maintaining the properties their customers might only install currently.

As Deere integrates LESCO into its JDL locations and fulfills its vision of becoming a better business partner with its customers, a LESCO shareholder filed an appeal against the sale citing the price per share undervalues the intrinsic value of LESCO.

The definitive merger agreement calls for the purchase of LESCO for $14.50 per common share in cash.

Hawkshaw Capital Management LLC owns more than 1.2 million shares of LESCO common stock, which is said to represent 13.6 percent of shares outstanding.

"LESCO's intrinsic value is significantly higher than what Deere & Co. is offering," says Frank Byrd, managing member of Hawkshaw in a prepared statement. "The proposed price of $14.50 at best captures the cost synergies available to Deere & Co. as a strategic acquirer, but fails to adequately compensate LESCO shareholders for a return to normal operating earnings and the value creation from continued expansion of the company's high return on capital retail service center business."

A recent 52-week period showed LESCO stock ranging from $6.70 to $18.17. It traded at $10 a share in February and listed at $14.40 the same month.

Last year, LESCO was rejuvenating its standing in the golf industry following a decision by previous management to eliminate field sales staff to reduce costs. The move backfired, costing sales in a business in which relationships play a key role.

The sale couldn't have come at a worse time – immediately following one of the worst operating years in LESCO's history, Hawkshaw says. Between lost sales, raw materials costs and restructuring, the company posted a $20-million year-end operating loss.

The issues that precipitated the stock's decline are temporary and largely fixable during the next two years, Byrd says.

Jeff Rutherford, LESCO's c.e.o., couldn't comment about the sale or the shareholder complaint, but says the company was scheduled to publish its proxy earlier this month.

As the sale continues through shareholder and regulatory approval, Deere executives will work with distributors on both sides to determine to best way to deliver products and services to its customers.

"For our customers, this represents the joining of two great brands, innovation and quality built on strong customer service," says Gregg Breningmeyer, director of sales and marketing for John Deere Golf & Turf One Source. "The positive reaction we've heard from our customers and associates affirms why this makes sense. It's more resources for our customers and an expanded portfolio of goods and services than in the past."

No decisions have been made about future branding of the combined company; however, Breningmeyer says Stores-on-Wheels remain in its plans.

One Source is a work in progress, he adds.

"We don't want to be all things to all people," he says. "We want to find out what appeals to our customers and take advantage of what they want."

While there are redundancies between LESCO's Cleveland corporate headquarters and JDL's headquarters in Alpharetta, Ga., Breningmeyer says it's too soon to say whether LESCO's office will remain open.
Following the path to success

In the competitive world of golf course superintendents, a bit of knowledge and a road map of the future can take one a long way.

The key to moving a career forward is having a sense of a golf course superintendent's changing responsibilities and the proper steps to take when obtaining a job, according to Lyne Tumlinson, director of career services and Frederick Thomas, career guidance manager for the Golf Course Superintendents Association of America and Paul Vermeulen, director of agronomy for the PGA Tour.

The three golf industry professionals hosted an interactive half-day seminar at the GCSAA's annual educational conference, Feb. 19 through 24 at the Anaheim Convention Center in California.

Superintendents face a changing industry as society presents more choices and more constant updates in technology, Tumlinson says. She quoted John Stebbins, western region v.p. of East West Partners Club Management, who told her, "People think superintendents are magicians or celebrities who have pixy dust."

To better prepare superintendents or those who wish to hold the post, the professionals helped to educate attendees on what will be expected of them.

The audience, which included a mix of golf course superintendents and assistant superintendents, collaborated to name factors they predict will come into play in the golf industry during the next 20 years. They include:

- Longer golf courses;
- A more technology-based job;
- More efficient water use;
- A more diverse group of golfers;
- More strict environmental regulations;
- Fewer golf courses; and
- Higher expectations of turf conditions.

Those attending the workshop also said superintendents will face some of the following factors:

- A more mobile office (the ability and need for superintendents to access information while in their golf cars/utility vehicles instead of running back to the office in the maintenance building);

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TAKING ACTION
To progress in one’s career, golf course managers need to evaluate themselves first. Look for aspects of job performance that could be improved and set goals to achieve, Tumlinson says. For some, goals might include reducing the work week to 40 hours and learning to train and delegate better. For others, committing to continual learning in the industry or working to strengthen family or community relationships might be what superintendents or assistant superintendents work toward.

Vermeulen has seen countless signs of golf course mismanagement at courses he’s visited, including bunkers that haven’t been raked or facilities that aren’t kept in good working condition. These reflect poorly on a superintendent and can negatively affect any chances of advancement.

“You can’t hide your weaknesses as much as you think,” he says.

Once a superintendent believes he has marketable qualities and wants to aim for a higher position, he shouldn’t be discouraged about intimidating career-related numbers. For instance, it’s said more than 175 candidates apply for any given superintendent position.

“That’s a lot of candidates, but how many of them are qualified?” Tumlinson says. “The number of qualified candidates probably is much smaller.”

People also often speculate the number of turfgrass students entering the job field exceeds the number of open positions in the industry, Tumlinson says. But many of those students don’t end up entering the golf course industry. Still, the number of job candidates can be overwhelming, so the best way to stand a chance is to stand out.

JOB APPLICATION BASICS
When advancing a career, applying for a job is inevitable. The first step is to find a way to set yourself apart from the other candidates. That might simply mean displaying key competencies needed for the job. Tumlinson identifies them as communication skills, leadership, operations management, personal skills and resource utilization.

Exhibiting these skills to a potential employer is a plus, but getting to that point is equally as important. It starts with the first correspondence with the hiring company: the resume and cover letter.

A resume tells employers who you are and what you want (objective). It also has to be job specific and include what you have to offer (three to five bullet points) and a list of accomplishments. Employers like to see numbers to
illustrate these.

Thomas says a cover letter is a must. “The resume won’t get read without a cover letter,” he says. The letter should include short, concise sentences explaining why you’re writing, what you have to offer and how you will follow up with the potential employer. If you’re called for an interview, take advantage of the fact that the interviewers are likely amateurs with little experience with the hiring process, Vermeulen says.

“Sell to their weaknesses,” he says. “Make your moments with the selection committee count.”

Interviewees can do this by considering the committee probably lacks:
• Knowledge of what the job requires;
• Understanding of the education required;
• An idea of what they want from the golf course;
• Knowledge of the hiring process; and
• An abundance of time.

The committee probably will favor the candidate with the least resistance, Vermeulen says. A few other tips for the interview include:
• Don’t mention salary;
• Don’t chew gum or smoke;
• Don’t use profanity;
• Ask questions about the position;
• Practice good communications and presentation skills; and
• Avoid poor posture.

Above all, set yourself apart. Throughout the process, remember to make the application process about the employer. “All they want to know is what you can do for them,” Thomas says. – Heather Wood
The VC-60 VERTI-CUTTER is designed for continuous heavy duty operation for fairways and tees, in all types of turf. This unit has a patented swing hitch that allows the operator to verti-cut around objects while turning without tearing the established turf. Cutting depth is 1 1/2 inches deep.

To succeed, golf courses should set themselves apart from the competition, says marketing expert Terri Langhans. To bring more business to a golf course, golf course owners and managers should remove their marketing hats and think more like a "normal" person.

Langhans, c.o.e. (chief of everything) of Blah Blah Blah Etc., shared this message at her presentation on Maverick Marketing at the National Golf Course Owners Association’s annual conference Feb. 20-24 in Anaheim, Calif. At the conference, held in conjunction with the Golf Industry Show, Langhans told the crowd to think outside the box.

“We spend so much time trying to get away from ads,” she says. “When you put on your marketing hat, you’re joining the chorus. Don’t do what everyone else does.”

It takes a different type of thinking to get attention and draw in new and returning business, she adds. Start by connecting with the customers before convincing them to give the course their business. This is not done by spewing out as much information as possible about the facility.

“We love to inhale the aroma of the product and then we exhale ad nauseum to the target,” she says.

First, think of one or two attributes or attraction factors. What is the need or want that is satisfied by those attraction factors? Keep in mind that green fees usually aren’t a wise factor to market she says.

Instead, marketers should think about the strategy from their own perspectives and what they would want to hear. “This will keep you from being poisoned by the exhaust fumes,” Langhans says.

A successful marketing campaign is one that illustrates how a golf course sets itself apart from others. Langhans suggests that golf course managers and owners make a list of its services and note how it is different from other area clubs’ services. These include signage, voice mail, the people who answer the phone, letterhead, the Web site and parking.

Consider:
- What is the club doing that is the same, expected, ordinary or usual?
- Switch it up a bit – what can be done differently?
- How can each golfer’s experience be made memorable? (An example Langhans has heard is playing music at the first tee box to ease golfers’ nerves)
- What services would be offered if this wasn’t a golf course? (Example: a hospital started offering valet service)

By doing something different, golf courses can do something remarkable—that is, something that is worthy or a remark. Langhans says. This is the best way to win customers, she adds, because the best marketing is word-of-mouth mention.

Langhans says this is the way to gain publicity rather than “doing” marketing, which is how many people often think of the process. “Branding isn’t something you do,” she says. “You become a brand; you achieve it.”

People often make decisions based on emotion rather than fact, so Langhans suggests marketers play to this tendency. Show potential customers the course has a personality. “Describe the business as if it were a walking, talking person,” she says. Is it a man or a woman? What usually is a golfer’s first impression of the course or facility? Is the course a wallflower or a mingler? “The best marketing in the world sounds like a letter from an old friend,” she adds.

Langhans pushes the idea of a recommended daily activity-something managers or owners can do on a daily business to spread the word about the course. RDAs including attending networking meetings, calling wedding planners to get the word out about the facility and making one person’s day a little better are activities that can add to the daily promotion of the course.

Ultimately, she says, every employee is a member of the course’s marketing department. Each employee’s action has the potential to leave an impact on the customer and could determine whether the customer returns.

“Think of yourself as being in the people business rather than the golf business,” she says.

For more information, visit www.blahblahblah.us. – HW
What can be done when golf course greens are struggling to grow in, resulting in less than desirable playing conditions? How about creating a second set of greens? That's how management of Willow Springs Golf Course approached the problem. The family-owned course outside of Fort Worth, Texas, experienced difficulties with a Tifgreen Bermudagrass grow-in, so the grounds management crew started fresh with a new set of Bermudagrass greens.

One set of greens is used in the summer and the other in the winter. Although the approach had its costs up front, the long-term effects have made it worthwhile, says golf course superintendent Troy Golden. "The course lies out a little differently (every six months), so members enjoy the change," he says. "Some are laid out side-by-side, and others are separated by a sand trap. A hole might be par 4 in the summer, but have a different setup and be a par 3 in the winter."

Additionally, maintenance is easier and less disruptive when there are two sets of greens. "We can do cultural practices such as aerification to the greens we're not using," he says. "We never have downtime because of major agronomic practices."

The summer greens maintenance routine usually starts in March, when the crew aerifies and verticuts them. After the greens heal, they're included in the regular routine with the winter greens. "We ride-mow all our greens, so it's not that big of an extra effort," he says. "As soon as the summer greens are in good condition (usually in May) and I have ability to water and fertilize them more, we open them for summer."

Another advantage is that if one course's greens aren't at an acceptable quality, the crew can switch to the other set so golfers almost always find favorable course conditions. This ability has given Willow Springs an advantage when nearby courses have had trouble keeping greens in top form.

For example, Golden says that when nearby courses are losing
Association heads cite teamwork as main factor of show’s success

The official numbers weren’t out at press time, but the heads of the three partnering organizations that hosted the Golf Industry Show say early results point to success, especially with educational conferences.

"The feedback has been 100-percent positive," says Steve Mona, c.e.o. of the Golf Course Superintendents Association of America.

The GCSAA, the Golf Course Owners Association of America and, for the first time, the Club Managers Association of America hosted the trade show and individual education conferences Feb. 19 through 27 in Anaheim, Calif., and promoted the need for teamwork.

Show-related numbers, provided before the show ended, indicated the attendance reached 23,000 – the highest of the three GIS events that have been held. The number of exhibitors, which has reached about 700 in previous years, was on track to reach 1,000 this year, according to the GCSAA. Mona cites the addition (continued on page 119)

money because of transition problems, rounds at Willow Springs increase. But despite the increase, the course doesn’t suffer from the problems usually associated with heavy play.

“We average 44,000 to 56,000 rounds per year, but on two greens, just divide that in half because golfers are only on greens for half a year,” Golden says. “You don’t have to battle the constant wear problem that most courses do.”

Golden doesn’t have the expenses associated with employing a huge grounds maintenance crew; he employs about four in the winter and six in the summer.

“It’s more work a couple months out of the year, but for the most part, it’s just normal maintenance,” he says.

Golden doesn’t know of any other courses that have dual greens and guesses some might be deterred by the initial cost associated with installing a second set. But, he adds, if a major architect tried it on a course, the concept probably would catch on quickly and spread to other courses.

Another consideration that should convince superintendents about the concept is that there’s always a plan B.

“I sleep better at night because I have job security,” he says. “If something goes wrong, if there’s a catastrophe on the greens, I have a backup.” – HW

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"There's a demand for my guys, but during the past few years, it's been more difficult," he says. "The guys in our loop - I think it's down to four levels now - have strengths. I get criticized for having my guys get the good positions at various clubs, but they've proved themselves. At one point, superintendents at six of the top 10 golf courses in the country were former employees of mine. I helped develop their work ethic. I don't accept 'no' for an answer. Too many times we run into a problem and say it can't get done. That's when I say pull out all the stops."

Latshaw says he doesn't advertise the guys who worked for him. He receives calls from clubs looking to hire, and he puts in a good word for his former employees.

"They're like sons to me," he says. Latshaw attributes his success partly to luck.

"I was in the right place at the right time and my career blossomed," he says. "Back in the 1970s, the PGA had a difficult time finding a course to host the Championship. I got a lot of press. I even made the front page of The Wall Street Journal. Once you get in the limelight, people seek you out. I never wanted to be in the limelight, but it just happened."

The key to a superintendent's success is to surround himself with good people, Latshaw says. "I constantly recruited to find good people," he says. "Then when I got them to work for me, I pushed them to see if they really wanted to be in the business. I worked them, and they excelled. I always had people calling me."

A certain level of success can determine whether a superintendent is great or just average. To be great, Latshaw says one needs to have a goal and pursue it, be a good communicator, a stickler for detail. He says every job he's ever been involved with, whether it was on the Navy for four years and use its philosophy. When you're on a destroyer, you're forced to round myself with good people. Those people did the training because they knew what I wanted. Training was set by example. I was in the Navy for four years and use its philosophy. When you're on a destroyer, you're forced to learn quickly."

Latshaw also has seen many changes throughout his career. For starters, he says superintendents have many more tools to work with today than they did in the '60s. Education is another considerable change.

“When I entered the industry, I was in the beginning group of guys who had a college education," he says. "Nowadays, almost every superintendent has a degree of some sort."

Superintendents also are working with better irrigation systems.

"During my career, I put in five new irrigation systems and each one was better," he says. "We're able to manage water better. I think that was the key to my success because I was stingy with water."

Latshaw definitely has left his mark on the golf course industry, and he hopes people think highly of him as a good person who has helped advance the profession. Throughout his career, he has gained the respect of superintendents and club members alike.

"I helped raise the income bracket for superintendents," he says. "I did it by example, not by preaching to the choir. In the 1960s, there wasn't much respect for the golf course superintendent. At that time, my wife (Phyllis, who passed away in 2004 at age 63) was a school teacher and was making more money than I did as a superintendent. My paycheck is my report card. Because my salary increased, others increased. I wasn't afraid to move or do better. I was fortunate that people paid me what I demanded. We've come a long way in this industry." GCI

Paul R. Latshaw can be reached at latshawgolf@comcast.net.

(NEWS ANALYSIS continued from page 21)

of the CMAA as a reason for the increase.

The addition of the CMAA brought together many golf course managers, owners and superintendents at the show for the first time.

"One golf course manager said to me, 'We joined the NGCOA when we found out you guys were working together,'” says Jim Singerling, c.e.o. of the CMAA, adding he's heard other positive comments about golf course managers becoming closer with their owners and superintendents throughout the show.

"Teamwork is a financial imperative - it's not a luxury at all," Mona says. "There's no room for inefficiency at the facility level."

The GCSAA exceeded its expectations in the education conference, Mona says. Several of the sessions were filled to capacity.

"It's an ultimate indication of the health of the show," he says.

The three associations will regroup later this month to review what worked and what didn't and begin planning next year's show, which will be held in Orlando, Fla. Mona says he's excited for the event because the Orlando events traditionally have better turnouts than West Coast shows. - HW

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