EDITOR'S NOTE: This is the first of a three-part series examining the business life of ChemLawn, Inc.—its rise in the lawn care industry, how it shaped and dominated an industry and, finally, the events leading to its disintegration and sale during the last 12 months.

How ChemLawn's Dick Duke convinced an unlikely team to share his dreams of employee self-worth, and customer service.

- "Does that guy fill the truck every night?" Jack Steggeman asks his partner. Steggeman, a rookie lawn specialist, and a fellow applicator climb from their truck. They're bone tired after a dawn-to-dusk day of spreading fertilizer on Dayton-area lawns.

  "You don't know him?" says the second incredulously. "That's Dick Duke. Here, let me introduce you to him."

  "Help yourselves to a beer in the refrigerator. You've earned it" says Duke by way of introduction.

Now, 22 years later and still working for ChemLawn in the Troy area, Steggeman remembers this first meeting with Duke wearing overalls, a flannel shirt, a cap, and horsing 40-pound bags of fertilizer onto the truck bed.


Dick Duke—energetic, charismatic, sometimes fiery, always unpredictable. He built ChemLawn from very little cash, a whole lot of determination and an idea. In the process, he excited and gave respectability to an entire industry.

"Dick's strongest character trait was his compassion for people and his belief in the importance of the individual's human dignity and integrity," says John Wright, who joined ChemLawn almost at its inception 24 years ago. "Dick never fit into any category."

Curious words from a man who, like other earliest ChemLawn employees, received harsh criticism from Dick Duke on occasion. Duke could charm a fellow co-worker with either praise or criticism. "It was always for your own good," says one of the company's first branch managers.

Indeed, Wright, now a businessman in Columbus, Ohio, and long separated from ChemLawn, says Duke was more than a friend: he was a mentor. Wright maintains a memorial garden in his Columbus, Ohio, office park dedicated to Duke's memory.

Dick Duke didn't live long enough to see ChemLawn at its zenith. He died of a heart attack at age 48 in August 1977 at his home in Hilton Head, S.C.

Dignity—By then, ChemLawn was not
even a fifth as large as it would eventually become. Paul, Dick's father and partner in ChemLawn's founding, survived him by almost 15 years. The philosophy upon which the Dukes built ChemLawn sustained its growth for another 10 years. By 1987 it was in 45 states and Canada and exceeding $300 million in sales.

Early ChemLawn employees say the company took off because the Dukes gave dignity and man-sized doses of responsibility to each employee, particularly those first ones. Dignity in fertilizing lawns?

"Lawn specialists" experienced responsibility and freedom way beyond what they'd ever experienced before in their nine-to-five jobs. Not only did they spray lawns but they also collected payments, figured out their own routing, loaded and maintained their own trucks—all the while being required to spend whatever time they had to answer their clients' lawn questions. They also liked the warm respect they received from customers. During an era of peace marches and long hair, ChemLawn applicators were uniformed, clean shaven, and helpful.

Dick Duke realized he couldn't watch over every employee. And, he didn't want to.

So, he gave them the dignity to watch over themselves. And prosper. If a person minded their route, they could expect to go up ChemLawn's career ladder. Just do it—Maybe he didn't have a choice, but Dick Duke's style was to delegate, delegate, delegate. That didn't change either. By the mid-1970s, ChemLawn branches began sprouting more than thousand miles from their Troy, Ohio, birthplace.

"What should I do?" John Cruse, a ChemLawn employee from 1970-1977, remembers asking Dick Duke after John had agreed to go to Dallas to open a new branch. "How should I know? That's what you're going there for," Dick snapped back, recalls Cruse. "He always made you feel like what you were doing was important, even when he was chewing you out," says Cruse, who now operates Easy Lawn in Piqua, Ohio. One of Duke's oft-repeated sentiments became a company dictum: Take care of your employees. Take care of your customers. Then, the company will succeed.

"We got the people from filling stations, from factories, from farms," recalls William A. Copeland, ChemLawn's longtime former chief financial officer. "Some of the people had little education, some had degrees. It seemed we all joined together."

Common people—Maybe that was because the Dukes didn't pretend to have all the answers. They'd hardly started at the top themselves. The Duke Garden Center in Troy, which they nursed from 1949 to 1968, provided their two families a living. But that was about it. In the early 1960s they opened a branch garden store in nearby Piqua, Ohio. They also bought a sod farm. The sod business brought in some money. The branch store flopped.

The garden center was one thing, but Dick's dream was quite another. He talked about a lawn application company years before he made it happen. In fact, some acquaintances in and around Troy, Ohio, thought he was mostly talk. But Dick and his father had been spraying fertilizers and testing application techniques on their sod farm.

In 1968 the Dukes sold their garden center for about $40,000. They bought a truck, hoses, pumps and other supplies. Dick and Tom Grapner, a laborer at the garden center, began spraying lawns in and around Troy, while Paul sold the service home to home,
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Dick Duke is the kind of man that made America great.

his seven years with the company.)

"If that guy started having problems on a lawn, he began looking at dollars. Maybe he wouldn't do something on that lawn if it was going to cost him money.

"ChemLawn had a different attitude. The Dukes told their men that if customers' lawns aren't green, they don't need us. Whatever it takes, you do it," says Lucks.

"Curb appeal" had arrived.

Dick saw it coming.

American homeowners would pay for green lawns, particularly if the price was right. ChemLawn's was. The service didn't cost much more than if a homeowner did it himself.

And anyway, it looked mighty impressive to neighbors when the ChemLawn truck rolled up to a homeowner's property.

Starting midway through the 1968 application season, the Dukes soon became so busy they could hardly keep up. Within a year the customer base had jumped from 400 to 4,000, and the Dukes had decided to expand to Columbus, 60 miles to the east. ChemLawn hired its first employees:

- John Wright, who had owned his own small landscape company in Union City, Ind., He'd often driven the short distance to buy sod from the Dukes.
- Richard C. Lyons, who, in 1969, was fresh from a military hitch in Vietnam and was, just before joining the Dukes, working for a tiny newspaper.
- Russell "Bus" Favorite, Jr., 16 years a supervisor with the Hobart Brothers Co., manufacturer of kitchen and industrial equipment. He started to sell for ChemLawn.
- William Copeland, 19 years a salesman. He'd called on the Dukes often in the 1960s. He became ChemLawn's treasurer and, later, chief financial officer.

Moreover, the new ChemLawn employees themselves started coming up with ways to serve customers and increase production. Jerry Waker, for example, during the winter of 1969, designed the hose reel that made every applicator's task much simpler.

"I'm kind of short and wrapping that hose on the truck was a big job for me," recalls Waker, one of the company's first lawn specialists. Through 1970 and 1971, Waker and several others then went on to design the nozzles and guns that became synonymous with ChemLawn. Waker now works his farms in southwest Ohio.

"People saw what happened to their yards when they became our customers and they started feeling real good about it," says Russ Favorite, Jr., who always carried a pocketful of dimes to telephone back to the Troy office for new leads while he was canvassing Dayton neighborhoods.

Customers ready—Favorite recalls stopping his Ford Galaxy at a red light on the Troy-Dayton road. Another motorist jumped out of his car and ran over to it. Breathless, the man blurted out he'd recognized the ChemLawn logo on its passenger door.

"Do you have a brochure you can give me?" he asked a startled Favorite.

"So I handed him a handful of brochures and took off because the light had changed," says Favorite.

ChemLawn couldn't generate enough cash its first season to finance such explosive growth, so in 1970 it offered its 4,000 customers in Troy, Dayton and Columbus 30,000 shares of stock at $5 per share. Employees could also buy into the new company. Dick Duke encouraged this, many did.

The stock raised $150,000 and allowed ChemLawn in 1970 to lease offices and new trucks for branches in Cincinnati, Louisville, Indianapolis, and Toledo, Ohio.

"We put a business plan together, as crude as it was considered by today's standards," recalls Bill Copeland.

"We made projections in '70, '71 and '72 and kept revising those projections and extending them out. We met all of those projections. We said, 'we're going to do this' and 'we're going to do that' and 'we're going to open new markets.' And based upon what we've done so far, we can continue to do this in city after city across the country."

By the end of the Dick Duke era, ChemLawn had grown way beyond its Midwest roots. By 1977 it was a national company with $50 million in sales.

"Dick Duke took a business that a lot of the public looked down upon and he made it important to both us and to our customers," says John Cruse.

—Ron Hall
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ChemLawn:
By any other name, is it still ChemLawn?

TruGreen ponders the value of ChemLawn's name while some ChemLawn franchiseholders ponder the value of their non-compete clauses.

MEMPHIS, Tenn.—ChemLawn lives—in name anyway.

Several ChemLawn franchise holders say their trucks will continue to say ChemLawn even though they're now sending royalty fees to their former biggest rival, TruGreen. TruGreen, a subsidiary of ServiceMaster Consumer Services, Inc., bought ChemLawn this past May.

"ChemLawn still has tremendous name recognition. Why would you throw that away?" asks Richard Thoma, Erie, Pa., the biggest ChemLawn franchisee in the United States.

As summer drew to a close, Thoma was one of only two (of about 10) ChemLawn franchise owners who had settled the season-long dilemma of competing against, technically, their owner. In other affected markets, franchise owners began researching, often with the aid of attorneys, the significance of the non-compete clauses in their agreements.

Several franchise holders had renewed their agreements with ChemLawn and its former owner, Ecolab, Minneapolis, just months before TruGreen's $100-million purchase of the company in May. They say they were unaware of ChemLawn's impending sale.

Major swap—Thoma and TruGreen resolved their conflict by trading markets. Thoma vacated Wausau and Green Bay, Wis., Elkhart and South Bend, Ind., and Kalamazoo, Mich., and received the Pittsburgh market in return. Virtually all of his lawn care operations are now contained within Pennsylvania.

"We're pretty excited," says Thoma. "This is, as far as I know, the first time a franchise has ever broken into such a large market (Pittsburgh)."

As of late this summer, others, however, remained in limbo.

"My trucks will continue to say ChemLawn because I have a franchise agreement," says Terry Korczyk, whose franchise in the Midland, Saginaw and Bay City area of Michigan goes head-to-head against a larger TruGreen branch.

"I have a business to run. They have a business to run. That's what's most important day-to-day.

"But," says Korczyk, "the situation has put some stress, not only on me, but also on my employees. That's real hard."

Territorial rights—Korczyk's contention that he has exclusive rights to his territory is echoed by other franchise holders like Denny Rothlisberger in Peoria, Ill., Norman and Linda Mogohon in Springfield, Ill., and Allen and Sharene Little in Terre Haute, Ind.

"I've been in this business 21 years and had hoped to be in it another 15," says Rothlisberger. "We had all intentions of being a ChemLawn franchise another 15 years."

Allen and Sharene Little say they've been "ChemLawn people" for a long time—he since 1972, she since 1976. They became a franchise holder in 1987. They don't think it's right they've had to compete against TruGreen which services their market from a Bloomington, Ind., branch.

"We remain in competition with them and we're paying royalties to them. That's the situation," says Sharene.

A similar scenario in Springfield, Ill., has Mogohon's operation and TruGreen battling for market share in the Springfield and Decatur, Ill., area.

"We've taken a market that was a losing

ELSEWHERE

Husband/wife landscapers fight back after Andrew, page 58

U.S. EPA issues new applicator regulations, page 60
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prophecy for the ChemLawn Corp. and developed it into a very nice small business," explains Norm McGohon, who started as a lawn specialist for ChemLawn in 1973 in Louisville.

"I couldn't tell you, honestly, one bit more what's going on with my relationship with TruGreen than I could on June 15," he said. On June 15, he and several other franchise holders met with TruGreen's Bob VonGrubben in Indianapols.

We're trying—TruGreen Vice President Norm Goldenberg admits TruGreen just hasn't been able to resolve every conflict as quickly as everybody would like.

"Some of them are moving ahead and some we just haven't gotten to yet," he says. "In those areas where we overlap, we're trying to do whatever we can to work out whatever needs to be worked out, whether it's a trade, whether it's buying or selling. We're somewhat flexible." Meanwhile, he says, TruGreen has realigned its business into 12 geographic regions, with staffing from both TruGreen and the former ChemLawn. There has been some consolidation of service, he says, but—more often—TruGreen and ChemLawn operations continue to operate independently.

"We're just trying to get the production done for this season," he says.

As for the ChemLawn name itself? "ChemLawn obviously has a lot of value to its name, and we're not going to overlook that," says Goldenberg.

—Ron Hall

Living through Andrew's wake

CUTLER RIDGE, Fla.—Hulon and Victoria Moorman, owner and president of Emerald Landscape Maintenance here, saw the ravages of Hurricane Andrew firsthand.

Three weeks after the devastating wrath of Mother Nature was unleashed on south Florida and Louisiana, things still weren't back to normal—by a long shot.

"My house was destroyed, my office was destroyed, and most of my equipment was stolen by looters," Hulon tells Landscape Management. "Everything I did for two weeks was without the luxury of an office," he remembers. "I was walking around with my pockets full of pieces of paper with notes on them."

Andrew's 160-mile-an-hour winds swept across the Gulf States Aug. 24th, causing $15-20 billion damage. Hardest hit was the Homestead area, where members of Florida's Landscape Maintenance Association flocked (story, page 60).

"Everybody around here was in a haze for three to four days," Hulon Moorman recalls. "And landscaping—as always—was not the top priority." (An estimated 63,000 homes were ruined.)

Trying to get Emerald's business back up to speed has not been easy, despite the understanding of most of its customers.

"Even the simplest things you take for granted became major obstacles," relates Moorman:

- "Fuel, ice—these things were almost impossible to get. I spent basically three-fourths of a day to get one chain saw working. I had to call some other members of the LMA like Mike Wilhelm and Tom Lund to help me get things, because I didn't even have ready access to a telephone."
- "And you don't have the luxury of time to make decisions. You're forced to make quick decisions without research. Some of them turn out right, some of them don't."
- "I had to let my key workers off. As a matter of fact, I've lost all but five of my people. They had bigger fish to fry."

Moorman says that a typical one-day job might take two or two-and-a-half times as long. While his company's policy is to charge extra for storm damage clean-up, "tales of profiteering" were running rampant, according to an Associated Press report.

The AP reported on one Dade County man who wanted his driveway cleared of fallen oak trees. The first contractor he contacted said it would cost a minimum of $3500; a second offered to do the job for $750.

Though currently just trying to return his business to normal, Moorman believes that the south Florida area will eventually have plenty of jobs for professional landscapers like himself. More re-sodding, re-landscaping and irrigation work than ever before will need to be done. However, "at this point, it's not professional landscape maintenance but more debris removal. And, of course, everybody and his brother is out doing that."

The Moormans were lucky: they had enough money in the bank to purchase replacement equipment. (Their old equipment had not been insured for theft.) Ads for new workers were being placed in the local newspapers. And, as this issue of LM went to press late last month, Hulon was trying to retain a sense of optimism.

"You can see progress by the day. I haven't been able to get crews back on schedule yet, but within a couple of weeks, they should be," he says.

"Most of the debris will be gone in the next few weeks."

"And, in six to eight months, I'm hoping to look back at this as a positive experience. We may even consider expansion down the road."

—Jerry Roche
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So. Florida landscapers clean up after Andrew

LARGO, Fla.—More than 60 members of Florida’s Landscape Maintenance Association visited Homestead the weekend of Sept. 5-6-7. The clean-up detail was coordinated by LMA member Tom Lund.

“We have a lot of family down there,” Lund told LANDSCAPE MANAGEMENT. “The day after the storm hit, we took them ice, water and canned goods. I saw the problems and knew help was needed.”

LMA executive director Charles Bingaman noted that “most of our members there were wiped out.”

Lund originally tried to coordinate through the American Red Cross but received little assistance. He finally went through the Homestead town manager and was allowed to set up a campground for LMA helpers on one lady’s lawn. Before the weekend was over, they had cleaned up 69 properties in one neighborhood.

A second clean-up expedition was planned for Oct. 2-4, this to help at Fairchild Tropical Gardens in South Miami, where numerous botanical treasures were wiped out.

“Fairchild is no longer Fairchild,” says Lund. “We’re trying to get 150 to 200 volunteers there, volunteers who are basically LMA members because we need people with expertise. We want to save as much material as possible.”

—J.R.

Worker protection against pesticides announced by EPA

WASHINGTON—A new standard to protect workers who handle pesticides has been announced by the U.S. EPA.

The revised Worker Protection Standard for pesticides announced by the U.S. EPA focuses on practical approaches to reducing temperatures in communities. “Cooling Our Community: A Guidebook on Tree Planting and Light-Colored Surfacing, a 255-page reference, is available for $13. Send pre-payment to Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250. Or, to use your Visa or MasterCard, phone (202) 783-3238.

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