

Syngenta, LESCO Part Ways

COMPANIES CITE PHILOSOPHICAL DIFFERENCES

By Larry Aylward, Editor in Chief

A fundamental disagreement over philosophies regarding the role of the distributor in marketing and selling products to superintendents has led to a breakup between two of the golf industry's major players — Syngenta Professional Products and LESCO Inc.

Greensboro, N.C.-based Syngenta announced last week that its products would no longer be represented by Cleveland-based LESCO in the marketplace.

"We have decided that LESCO's strategies in the marketplace are inconsistent with Syngenta's," Bill Lewis, vice president of Syngenta Professional Products, said in a news release.

In a conference call with reporters, Michael Vanausdeln, Syngenta's manager of corporate communications, said Syngenta didn't agree with what its company representatives said was LESCO's increased emphasis on a retail strategy to sell products rather than through its sales representatives.

"We're committed to the traditional distribution model, which is one of several reasons why the business strategy is divergent," Vanausdeln said. "We're maintaining a long-standing strategy that we've had ... where you want to continue to provide high-quality branded products through full-service, value-added distribution partners and their field staffs."

Joe DiPaola, golf market manager for Syngenta Professional Products, added that it was "a lot of little things" that led to Syngenta's decision.

Michael DiMino, LESCO's president and CEO, said in a conference call that he was "surprised and disappointed" by Syngenta's decision. He said Syngenta's products represent "at or under 5 percent" of LESCO's total net sales of about \$560 million.

During a meeting with Syngenta's leaders, DiMino said he and other LESCO representatives were so stunned when they were told of Syngenta's decision to end the relationship that "our mouths dropped out of our heads."

But Keelan Pulliam, group head of Syngenta Professional Products' Turf and Ornamental division, told *Golfdom* the decision shouldn't have been a surprise because it had become clear in the past 12 months to 18 months that Syngenta's and LESCO's business strategies were moving further apart.

"The relationship became more and more strained, and it was probably difficult for both parties to find some common ground," Pulliam added.

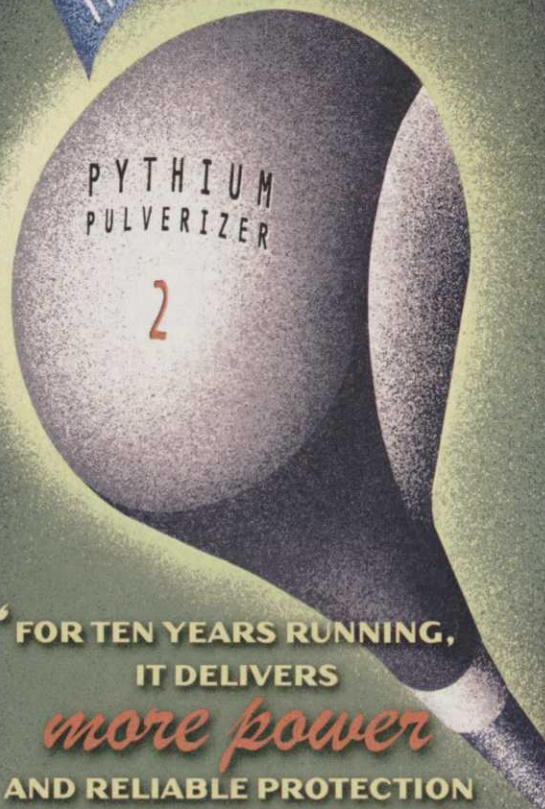
In the spring, DiMino said LESCO was "extremely

Continue on page 22



Bayer Environmental Science

all
THE CLUB YOU NEED



"FOR TEN YEARS RUNNING,
IT DELIVERS
more power
AND RELIABLE PROTECTION
FROM TEE TO GREEN."

— Tony Girardi
Rockrimmon Country Club
Stamford, Connecticut

Unlike Subdue MAXX™, Banol® has seen
no resistance issues and provides
unsurpassed preventive plus
curative control of pythium.¹
Its systemic action quickly moves
through the leaf, stem and root
tissues making it nearly rainproof.
Call 1-800-331-2867 or visit
BayerProCentral.com.

Banol®

1. Data on file. Subdue MAXX is a trademark of Syngenta.

Bayer Environmental Science, a business group of Bayer CropScience | 2 T.W. Alexander Dr., Research Triangle Park, NC 27709 | Banol and Backed by Bayer are trademarks of Bayer. Always read and follow label directions carefully.

©2005 Bayer CropScience

BACKED
by BAYER

Off The Fringe

Continue from page 19

pleased with the operating performance of our new Service Centers and view this segment as our best avenue to consistently grow earnings over time."

Pulliam said Syngenta didn't agree with that approach. "We still value salespeople who are on the ground standing in front of an end-use customer and providing value and services and agronomic skills," Pulliam said. "We think end users value that and will align themselves with channel partners or distributors who do that."

DiMino said he thinks Syngenta has a goal of owning or controlling the relationship with the end-user on the golf course. "I think that's the role of the distributor, whether it's LESCO or another distributor," he added.

Pulliam stressed that it's not the company's goal to own or control such relationships.

"At the end of the day it's all about the end user and in this case were talking about superintendents," Pulliam said. "It's about meeting their needs

"By severing the relationship, it gives us the opportunity to expand in molecules that we didn't expand on before."

BRIAN ROWAN, LESCO

and providing the best possible end-user experience we can provide. No one owns that relationship. You do that in partnership."

DiMino said all of the Syngenta

products that LESCO will soon lose are replaceable with other molecules from other brands. "So we don't think we're going to lose any sales," he added.

But superintendents will no longer be able to purchase PRIMO, a widely used plant growth regulator, from LESCO.

"On a given product we may have some shortcomings," said Brian Rowan, LESCO's senior director of merchandising. "But by severing the relationship, it gives us the opportunity to expand in molecules that we didn't

expand on before because of our relationship."

While the relationship is over, it will officially conclude after a transition period.

Princess 77 Provided Cimarrón Golf Course with the Cost Effective Solution for Their Renovation Project



Mario Aguilar, Golf Course Superintendent for Cimarrón Golf Course in Cathedral City, California kneels on a renovated fairway of Princess 77.



Why Plant Princess 77?

- Turf quality equal to the best vegetative varieties in the industry
- Requires 21% less water than Tifway (419)*
- Provides an easy, cost effective tool for renovation projects

Cimarrón Golf Course needed to renovate their fairways to a bermudagrass variety equal in quality to Tifway 419 but couldn't afford to shut down for the renovation. Princess 77 hybrid bermudagrass from seed was the answer.

"We have seen great seedling vigor in Princess 77 being over-seeded into ryegrass fairways" reports Mario. "We had full coverage in eight weeks and never shut down for the renovation. Our fairways look great and we are thrilled with the ease of handling seed as opposed to sod." Princess 77 also helped Cimarrón achieve an environmental goal of cutting their water usage for the year. Mark Goulet, Head Golf Professional for Cimarrón says "We expect to achieve a larger water savings next year by increasing the amount of Princess 77 on our course."

Available in seed and sod.




PRINCESS 77

*Response of Bermudagrasses and Zoysiagrasses to Applied Water Using a Linear Gradient Irrigation Design, Sean Reynolds, 2000, Master's Thesis



For more information
1-800-286-6100 EXT 280
www.penningtonseed.com