Don't Discount the Human Touch

BY LARRY AYLWARD

By now you've heard the news about LESCO. The Cleveland-based provider of turf products is going back to its old way of doing business. It must — to survive.

LESCO announced in July that it expects a $4 million net loss for 2006. The company's negative news caused its stock price (Nasdaq) to rapidly plunge 36 percent to a 52-week low. LESCO's swift-swooping stock made news locally and nationally.

Much of the bad news stems from LESCO's new way of doing business, which was implemented by the company's former CEO Michael DiMino, who resigned last fall. DiMino, who joined LESCO in December 2001, dissolved the company's direct sales force and increased its mobile Stores On Wheels units to sell turf products to superintendents in hopes of maximizing the company's operating profit percentage.

The move backfired on the company, however. LESCO said "its lower-than-anticipated net revenues for 2006 are primarily attributable to the loss of sales to customers who were previously supported by a direct sales representative." Translation: Superintendents and LESCO's other customers missed the one-on-one interaction that the company's sales representatives provided.

Hence, LESCO, under its new CEO and president Jeff Rutherford, is going back to its old business model. The company is rehiring the sales reps.

Rutherford says he talked to superintendents who told him they could always count on their LESCO sales reps "to get things done." Superintendents enjoyed talking agronomics with them, among other things. The two sides forged trusting relationships. And then, before you could say strobilurin three times fast, the sales reps were gone.

What happened to LESCO articulates loudly the importance of the person in the sales process. Chalk one up for the human touch.

In this age of electronic gadgets that turn us into reclusives and a business philosophy that darkly declares that people's jobs can be replaced by machines, it's a relief to see that humans are still indispensable in some roles — such as selling turf products to superintendents.

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It doesn't matter that the person who purged the sales reps from LESCO is gone from the company. It also doesn't matter that Rutherford didn't support that person's decision in the first place. LESCO still screwed up as a company and must deal with the consequences as a company.

But LESCO deserves credit for having the fortitude to admit a mistake and then trying to fix it. Many companies would place a different spin on such an ordeal to avoid admitting any wrongdoing.

Will other companies learn from LESCO's mistake? Hopefully. But here's betting another company will make a similar mistake in a few years. And someone — a person who doesn't know the nuances of the golf course maintenance industry very well — will be gone from the business almost as fast as he or she got in it.

And the reason for that person's departure will be the same. That person will have underestimated the human touch in an industry that thrives on it.

The greatest thing about the golf course maintenance industry is its people, from superintendents to sales people. The longer you work in this industry, the more you realize how terrific it is because of its constituents. Most people I've met are as congenial as Jimmy Carter.

And these people, especially superintendents, value relationships with others, including those who sell fungicides and fertilizer for a living. It's these alliances that set this industry apart.

That said, it's good to see that LESCO has a new business strategy — its old one.

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