

**WT&T**  
**PROFILE**

# **DEALERS AND DISTRIBUTORS**



# DISTRIBUTORS RECOGNIZE POTENTIAL OF TURF MARKETS

Turf product distributors and dealers polled by Weeds Trees & Turf Magazine say 1978 sales will average 20 percent higher than 1977 sales, and 1979 sales are expected to increase 15 percent despite awareness of tightening credit.

Furthermore, distributors view turf markets as having greater potential for growth than agriculture.

Nearly 40 percent of 300 turf distributors mailed questionnaires cooperated in the survey. They averaged \$1.5 million in sales and service and 30 years in business. The typical mix of markets served by the distributors is 31 percent professional turf, 26 percent consumer, 30 percent agricultural, and 13 percent other markets, such as structural pest control and schools.

The distributors averaged 165 professional turf customers with golf course superintendents, landscape contractors and park superintendents topping the list. Sales to other distributors came next, followed by nurseries, industrial users, and lawn care companies. Arborists, cemetery managers, and contract applicators were mentioned as customers in less than 15 percent of the businesses.

There is no clear distinction between dealer and distributor in most cases. Many businesses (more than 25 percent) can be considered both a dealership and a distributorship. The distributor sells wholesale to retailers. Whereas, the dealer is the agent for a manufacturer and sells retail to his customers. In the chemical and equipment turf markets, there is considerable overlap.

Thirty three percent of the respondents sell to other distributors, although just 11 percent buy from other distributors.

More than a third of the distributors sell private brand chemicals and equipment. Half sell standard brands only, and about ten percent sell only private brands. Ten percent formulate or reformulate chemicals.

When asked to compare various markets, twice as many distributors said the turf market is growing faster than agriculture. The turf market is also less price sensitive than agriculture in their opinion.

Quality of product is the most critical concern of distributors when selecting brands. Profit is second on the concern list, followed by parts and product availability, price and service.

Equipment distributors with service departments strongly favor original equipment replacement parts. Nearly 90 percent use only parts from the manufacturer. Less than ten percent use parts from other sources for repair.

Products viewed as profit centers by distributors are fertilizers and chemicals, mowing equipment and small tractors. Also mentioned frequently were turf vehicles and seed.

Products with disappointing sales in recent years according to distributors are fertilizers, chemicals, and mowers, which are all in the profit center category too.

Other concerns voiced by the distributors are government regulations (especially EPA), tightening credit combined with rising interest rates, inflation, and direct sales by manufacturers. Direct sales by manufacturers is a lingering concern of distributors. Periodic instances where a manufacturer takes over a

regional branch for economic reasons or fails to pass on leads to a regional distributor are the main cause of distrust between distributors and manufacturers.

Certain products, such as trim mowers, small chain saws, fertilizer, and flexible line trimmers are being sold at lower prices by mass merchandizers. Threat of great business loss to mass merchandizers appears to have faded somewhat in the past few years. Distributors are willing to give up business on these items to an extent and manage to salvage part of it because they are full service to the customer. Convenience and service by the distributor still play influential roles in buying decisions.

When asked about recommendations for customers on how to aid in purchasing, the distributors suggested volume buying, ordering in advance of need, paying cash, leasing, and paying bills on time.

The distributors were asked what quantity earns a price break. Answers varied tremendously. However, reductions of two to 20 percent are available for large quantity buyers.

**WTT**

## What minimum orders qualify customers for price breaks?

PRODUCT	QUANTITY	REDUCTION	PRODUCT	QUANTITY	REDUCTION
Fertilizer	1 ton	from 5% to 25% 5% is common	Chemicals 8 responses	100 cases	5%
	Truckload	8%		Case lots	5% is common
	Car Load	10%		100 lbs.	10%
	5 Tons	8%	\$3,000	10%	
	100 bags	2¢ a pound	Small Package Insecticides	100 gallons	15%
	200 bags	39%		Granular Herbicides	1 ton
4¢/lb.	½ ton load	5%	Elanco	Pallet	15%
	14 tons	5%	Dow	Pallet	15%
Seed	500 lbs.	?	Lawn Mowers	3 or more	1%
	½ Ton	?		\$3,000	3-4%
	5,000 lbs.	10%	8	2%	
	50 lbs.	2% to 20%			
	10 Bags	2%			
	1 ton	2% to 10%			

# LAWN AND TURF, INC. MEETING ALL CUSTOMER NEEDS



**Grady Hassell**, president of Lawn and Turf, Inc.

Lawn and Turf, Inc., is a full service distributor in Conyers, Georgia, 30 miles east of Atlanta. Equipment repair, leasing, educational seminars, irrigation component sales, and a small chemical business make up Lawn and Turf and keep its customers from looking elsewhere for supplies.

Each year, 1,000 companies spend more than \$3 million at Grady Hassell's 15-year-old distributorship. Customers include the city of Atlanta, 260 golf courses, 50 parks and municipalities, 35 lawn care companies, and 15 landscape contractors.

Grady has been in the turf equipment business for 21 years and says he enjoys every day. Established with the help of Jacobsen in 1964, Hassell now employs 28 persons and the walls of his 24,000 sq. ft. building are starting to bulge.

Lawn and Turf now carries Cushman, RainBird, Gravely, Excel, Heckendorn, Broyhill, Royer, Olathe, Par Aide, and Standard equipment.

The chemical business, maintained mainly as a service to equipment customers, grosses \$50,000 each year. Lines carried are Elanco, Du Pont, PBI-Gordon, Mallinckrodt and Toco.

"We don't really put much effort into chemicals and fertilizer because we do it as a service. However, for the effort put in the profit is good," says Hassell. "Equipment and service are the backbone of our business."

"We also carry the Jacobsen homeowner line as a retailer, not distributor. The \$25,000 brought in from this line still comes mainly from our commercial customers."

Lawn and Turf maintains an





inventory valued at \$650,000 at all times. Half is equipment for display and stock, and the other is chemicals and repair parts. Each year Lawn and Turf does about \$200,000 business in service and parts to equipment customers.

"Half our customers are equipped to do their own repair work," Hassell states. "The remainder depend upon us. Our biggest suggestion for equipment customers is that they bring their equipment in for winter repair and not wait until spring. In the winter, repairs can be made more carefully and getting parts from the manufacturer is less of a problem."

Other suggestions from Hassell are to maintain a stock of commonly replaced parts such as rotary blades, points and condensers, etc. "This year we've had more difficulty getting parts from manufacturers fast," Hassell says. "Manufacturers could not keep pace with the demand."

Lawn and Turf has a full-time staff of six in service. Usual turnaround is a week. Some items such as greensmowers receive priority.

"We like to think that all equipment is good and it's the local distributor or dealer that makes the difference," Hassell remarks. It depends upon the people and the service they provide whether a particular brand is strong in one area and weak in another."

Another service extra provided by Lawn and Turf is leasing. "We do ten to 15 percent of our equipment business this way through a company called Equico. The customer puts down about ten percent and then makes monthly payments. At the end of the lease he can buy the equipment if desired."

More than 600 people a year attend educational and product seminars at Lawn and Turf. Budget counseling is also offered to help supervisors justify equipment expenses to superiors. "The good supervisor knows how to do his job well, but often needs help in projecting his budget to present to his superiors. We help them justify purchases by showing efficiency improvements and helping them prepare necessary documents," says Grady.

"We have noticed in the past couple of years that budgets aren't getting completed and approved until July and August. Whereas budgets and purchases used to be approved early in the year, now it seems many more are buying after July. We now do probably half our volume in the second half of the year. Another factor is that companies try to get along without a piece of equipment first. Then, they place an order the day after they need it."

"Our major suppliers require stocking orders in September for about 60 percent of our annual purchase. We receive that stock usually by December. Beyond that, we have sales meetings to project customer needs on a weekly basis and make appropriate orders."

Hassell believes the greatest potential in the turf equipment business today is rotary mowers in the 25 to 72 in. range. These mowers range in price from \$3,000 to \$5,000 and were designed for use other than golf courses.

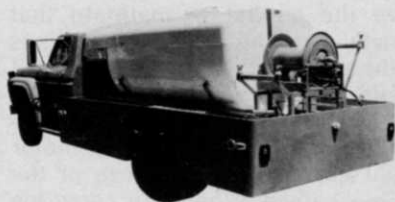
"The golf course market is tremendous, but since 1974 the golf market has not shown growth. It is mainly a replacement market," Grady states.

Most of Lawn and Turf's promotion is through direct mail and regional trade shows. "We send an attractive piece with a cover letter that hopefully doesn't end up in the trash like many direct mail promotions," Hassell says.

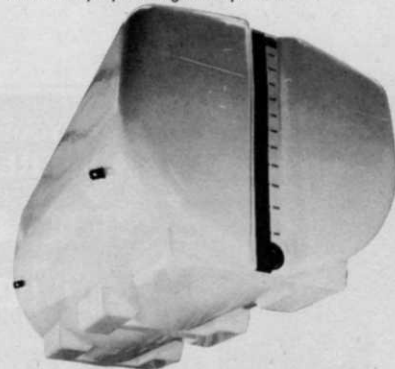
Lawn and Turf's formula of full service and a complete product line is working. In 1978 its sales increased 12 percent. Another reason is Hassell's attention to detail. He knows every percentage of productivity and sales without checking. Together, they make up a strong force in Georgia turf equipment sales and service. **WTT**



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# OLSEN DISTRIBUTING CO. CAREFUL, STEADY GROWTH

Olsen Distributing Company in Barrington, Illinois, is an equipment distributor and a chemical dealer. More than half of Bob Olsen's business is to retail turf supply outlets. Forty percent is direct to turf users in the landscape, nursery and golf course business.

"We've grown carefully but still quickly in our seven years of operation," Olsen says. "I think a problem with a lot of companies is that they grow too fast and then don't have the capital to maintain that growth. I've had to turn down lines in the past year that two years ago I would have given anything to get."

"Manufacturers don't put restrictions on what lines a distributor might carry, but the nature of the business does. When you carry too many lines, or competitive lines, you don't do justice to any of them," Olsen says. "I think when you go out

to sell and only have one line on your mind, you're going to zero in and do a better job selling that concept."

Olsen's theory of business is maintaining a variety of lines to fit the needs of individual customers. "You can put a higher priced item into an area where people are not really price conscious, but you have to put economical products into areas where they are demanded."

Olsen has his own private label on fertilizer formulated by Knox Fertilizer Company in Indiana. He also carries Swift's Par-Ex fertilizer's, Lebanon Country Club, USS Steel, and W.R. Grace.

Equipment lines are normally determined at the National Hardware Show. "You can get a good idea of what is on the market in one or two days," Olsen says. "Plus you can see and handle the actual product."

Olsen Distributing Company is represented at shows all over the country, such as The Garden Industry of America show in Kansas City last year and in Cincinnati this year. Olsen has been involved with the Mid-America Trade show for twenty years. He is a member of the Golf Course Superintendents Association of America and will be in the Bobcat booth at their show in Atlanta this year.

Olsen discovered Bobcat from a quarter page ad in a trade journal. He picked up the phone, dialed the factory, and "its been a mutually tremendous relationship", he says.

He also distributes Power Trim, Hoffco, F.D. Kees, Columbia Products, and Hudson. Olsen does not feel that there is a financial advantage in handling his own private brands. "Today, with the major manufacturers and the dollars they have to put into advertising, one is not really more profitable than the other. However, maybe we have a town where there are two different retailers. We can put, say, W.R. Grace's Wonder-Grow line into one and then we can put our private label into the other. It gives you selectivity and flexibility."

All of the equipment handled through Olsen Distributing is sold through servicing dealers. Olsen feels the equipment he handles can only be as good as the dealer backing it up. "In finding new dealers, we normally go by recommendation. I had a recommendation and made a contact at the Regional Lawn Mower Association show and it resulted in a new dealer.

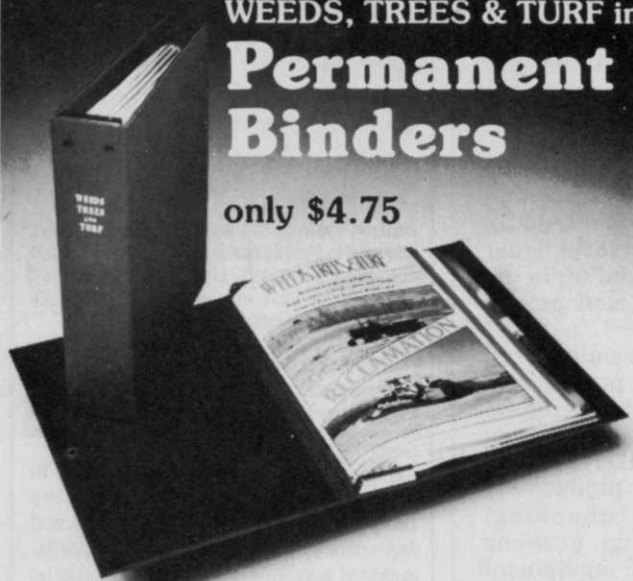
"I personally go and visit a potential dealer, and look at the man's service shop to see if he is adequately set up to service the type of equipment we have. I want all our equipment backed up."

To that end, Olsen Distributing Company also backs up its products. Olsen maintains a large inventory, stocking everything that they sell. Olsen feels that his customers have a definite service advantage. He also stocks parts for his dealers.

Prices are established according to the product and the policies of the manufacturers. Many items have suggested retail prices. Others, such as grass seed, are priced FOB from the factory. "In that case, we have to

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**1978 Bob-Cat Distributor of the Year** award is presented to Bob Olsen and his wife Betty (right) by Wisconsin Marine's Dick Lehman.

establish a retail and wholesale price," says Olsen.

Olsen holds equipment demonstrations for his dealers. As soon as a new building is completed, Olsen plans to arrange seminars for customers with university turf experts.

Olsen orders most of its stock in October. It arrives in November and December.

"Right now is the best time to order equipment," says Olsen. "We have an early order program which delays billing until June when customers are beginning to receive revenue from their customers. We start delivering in January. Early orders are up 20 percent over last winter," Olsen boasts.

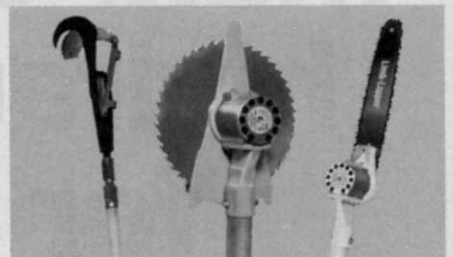
Olsen says the distributor reduces debt problems for manufacturers. "At our end we investigate customers if we need to. I knew many of my customers before starting the company and I depended upon them when I first got started."

For the future, Olsen is excited about distributing for LR Nelson, an irrigation supply manufacturer in Peoria. He has also added Disston rakes and tools. He fully expects 1979 to be another good year. **WTT**

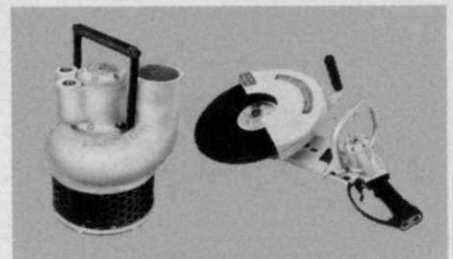
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