

A Pair of Aces

Two neighbors realize benefits of private over company-owned distributorships.

By Bruce Shank
Executive Editor

Dick Danielson and Dennis Schmid felt fortunate in 1978 when The Toro Company decided to sell its three final company-owned distributorships. They bought one and in five years made Toro Pacific double in size.

This June they were dealt a second ace when Cushman/OMC Lincoln sold its company-owned store, Cushman Motor Sales, to Danielson and Schmid. A pair of aces.

"Our success had been based greatly on manufacturers realizing privately-owned distributorships outperform company-owned ones," says Schmid. "Customers want full service and manufacturers want return on investment. The private distributor is able to provide both."

Today, Toro Pacific has its headquarters in City of Industry, and three branch offices in Cerritos, San Diego, and Palm Desert. "We intend to expand vertically, not geographically," Danielson says. "The addition of the Cushman line fits our goals well."

The day we visited Toro Pacific, Danielson was tying up loose ends in the Cushman deal and, at the same time, celebrating the arrival of his first grandchild. Schmid was

taking a well-deserved vacation with his family. The Toro Pacific staff was pleasant, and while casually dressed, gave the appearance of a big family.

Perhaps neighbors is a better term than family. Schmid and Danielson are neighbors. In fact, it was a neighborly chat that developed the idea of buying the Toro distributorship in the first place.

"Customers want full service and manufacturers want return on investment." Schmid.

Danielson worked for The Toro Company for 19 years, 14 in the irrigation division in Riverside. He joined The Toro Company after graduating from the University of Minnesota with a communications degree. In 1978, he was national sales manager of Toro Irrigation.

Schmid worked for Dearborn Chemical, a division of W.R. Grace. His education includes advanced degrees in both science and business. For 13 years he worked in Dearborn's sales and marketing department.

Both men are knowledgeable in sales and apply their expertise to

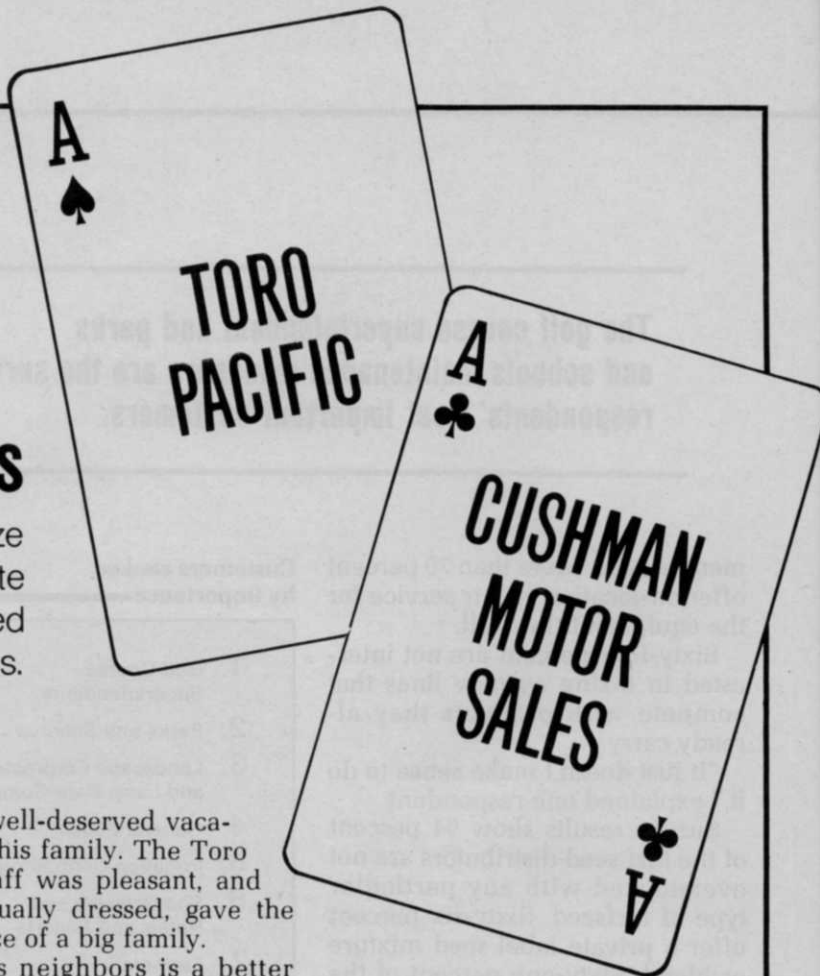
each of the three divisions of Toro Pacific. All 23 sales people receive individual sales training including a paid consultant. Six two-hour workshops are provided.

Outdoor power equipment sales is divided into consumer and commercial. A dealer network of 175 people sells consumer turf products. Toro Pacific provides support with parts, service, technical information and advertising. Commercial equipment is sold directly to users by Toro Pacific's own sales force in four locations.

Irrigation is the third division. "We have roughly 70 percent of the golf irrigation business in Southern California," says Danielson. "We are very careful not to compete with irrigation designers."

"Most irrigation is put in per specifications," says Schmid. "We provide designers specifying irrigation systems with details on Toro Irrigation products and help them any way we can. We do not compete with them in designing systems."

According to Schmid, the Irriga-



tion Division is a sales hybrid. "We sell direct to installers, golf courses and municipalities, but the lion's share is sold through 40 irrigation wholesale supply houses in the area."

Toro Pacific does not plan expansion into the chemical business. "We couldn't do justice to chemicals, seed or nursery plants," says Danielson.

"We doubled our sales in the first five years and we intend to double them again in the next five." Schmid.

In addition to Toro and Cushman products, Toro Pacific sells allied products from other manufacturers. These include golf accessories from Standard and Par Aide, spreaders from Lely and Vicon, aerators from Dedoes, Ryan, and Multicore, tractors from Mitsubishi, and Dihautsu and Sand Dancer turf vehicles.

Toro Pacific backs up its products with a service department of 8 mechanics and four radio-dispatched service technicians. The City of Industry office has 8,000 square feet of service area and more than 100,000 square feet of inventory and storage space.

The distributor's territory is from San Louis Obispo to the Mexico border in California, nearly 250 miles wide and 400 miles long. In that region are many dynamic buyers. Two are Environmental Care and Cal Golf and Tennis, both multi-million dollar buyers of turf equipment which are expanding outside California.

The future is bright for Toro Pacific. "We doubled our sales in the first five years and we intend to double them again in the next five," claims Schmid. "With the economy on the mend, an assortment of new products from Toro, and the addition of complementary product lines like Cushman, we will accomplish our sales goals."

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