Changing, Even in Good Times

Competition causes manufacturers and distributors to rethink the Green Industry's marketing chain.

by Bruce F. Shank, executive editor

After a slow start this spring, Green Industry distributors and manufacturers have rebounded making 1984 a considerable improvement over the past three years.

The number of products and product lines available to distributors continues to expand. Competition between product lines and between distributors is increasing.

The landscape manager and golf course superintendent benefit from this healthy situation. However, distributors in some areas are concerned. Credit problems leftover from the recession, increased competition, and changing distribution patterns are shaking out a few distributors and may eventually cause long-term adjustments to product distribution.

Distribution patterns

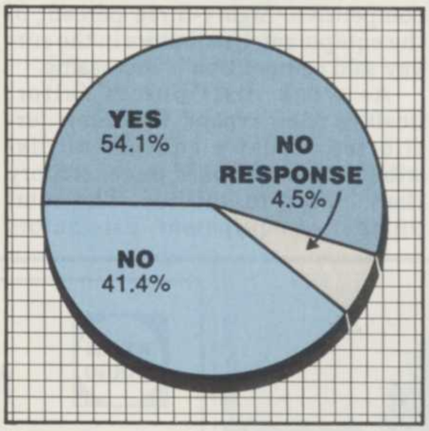
Manufacturers and distributors are taking a hard look at distribution chains. Forty-three percent of chemical and equipment distributors want more protection from other distributors in their territory. They also want to eliminate unnecessary layers (and commissions) in the distribution chain.

A variety of distribution arrangements exist. A chemical distributor often carries a number of competing brands and is not protected by a territory to the same degree as an equipment distributor. For this reason, manufacturers are less inclined to promote the distributor as well as the product.

Many equipment distributors (31 percent) carry chemicals to provide full service to their customers. Large regional distributors; such as LESCO, The Andersons, Lebanon, and United Agri-Products; are expanding their reach and are now competing with small regional chemical suppliers.

Vastly increased competition results. More than 90 percent of the distributors in the survey said excessive competition and price cutting are problems. Many small chemical suppliers complain they can't compete on bids with the large regionals due to lower volume. They say profit margins are slipping dangerously and formerly loyal customers are taking the lower price of the large regional over the service of the small local supplier. Seventy-five percent think increased competition will force out a number of small chemical suppliers.

As primary manufacturers expand their lines, are they pressuring you to replace equipment lines you carry with theirs?*



* Answers based on 133 equipment suppliers

Chemical manufacturers are enjoying the purchases by large regional suppliers, reformulators, and large buyers like ChemLawn. Chemical product managers can plan production based on a few large orders rather than speculating on the purchases of many small buyers.

In some cases, chemical manufacturers can make a safe profit by selling technical or bulk chemicals to large national reformulators such as O. M. Scott, PBI Gordon, and Mallinckrodt. A few manufacturers, like Stauffer, prefer to sell to reformulators than to sell to hundreds of distributors. In the future, large chemical companies may be inclined to leave selling the end user up to large reformulators.

Forty-two percent of the chemical distributors report increased demand by customers for bulk chemicals and custom blending. Distributors with reformulating ability have a definite advantage in these cases.

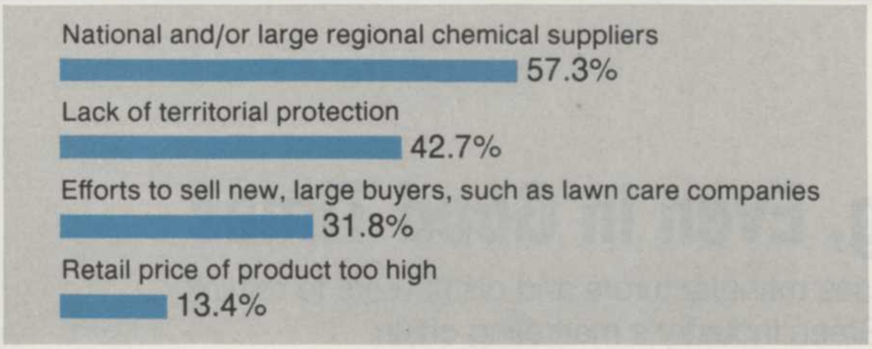
One possible scenario for future chemical distribution is the large reformulator supplying bulk products and the small local supplier supplying small quantities, much like the grocery store and the convenience store. Forty-eight percent of the suppliers said this is happening already. Forty percent indicated local distributors will stop trying to compete with larger suppliers and raise their prices to or near suggested retail.

Equipment distributors receive territorial protection because they need it. The investment in parts, inventory, service department, and labor is sizeable. For every three chemical distributors, there is one equipment distributor. For example, Jacobsen has roughly 50 U.S. professional turf distributors and SDS Biotech has about 150 turf chemical outlets.

Equipment distributors are loyal to one primary line, such as Toro, Jacobsen, and Ransomes; and usually carry a number of secondary lines, such as National, Cushman/Ryan, and Bunton that don't compete. Therefore, manufacturers of primary lines are willing to promote their products and the distributor.

Changes in equipment distribution are coming about for two main reasons. First, primary manufacturers have begun to make products which compete with secondary lines, such as walk-behind rotary mowers. For example, a Toro distributor who carried Bunton as a secondary line had competing products on his showroom floor this year. To make it a little more exciting, Bunton started importing a greens mower. Another example is Bobcat (Wisconsin Marine) which

What are the main reasons for price cutting?



was a common secondary line until Ransomes bought Bobcat.

The distributor is up tight because he is mainly dependent upon the primary manufacturer. The primary manufacturer is up tight because he is providing considerable support to a distributor who now carries a competitor's product.

Fifty-four percent of the distributors said primary manufacturers are pressuring them to replace secondary equipment lines with theirs.

Some distributors indicate the walk-behind rotary business is too competitive with John Deere and Exmark, as well as the primary manufacturers, entering the race. This may discourage primary manufacturers from expanding with products where short liners can undercut them.

The second major reason for changes in equipment distribution is the 20 to 25 percent distributors pay dealers. In certain areas, such as the Northwest and the Mid-Atlantic, distributors often have dealer networks. Distributors are seeking ways to save the dealer cut so they can be more competitive. Eighty-three percent of the equipment distributors in the survey said competition is increasing.

As weak distributors falter, healthy ones expand into their territories. Today's equipment distributor seems to need more territory than before to survive. The total number of equipment distributors may drop in the future as a result.

Instead of maintaining a complete inventory at many locations, the distributor of tomorrow may have a central warehouse and small sales and service outlets in branches. In this way, the distributor receives the advantages of volume buying without the overhead of separate full branches.

The service truck may replace the branch service department as well. Nearly 70 percent of the distributors responding now offer job-site service. A customer's mechanic can talk to the distributor's mechanic by phone to correct many problems and the service truck can arrive at the customer's location at the same time parts arrive.

Advanced factory parts delivery systems are enabling forty percent of the distributors to reduce their parts inventories. Computerization at the distributor and manufacturer level will increase the efficiency of parts departments.

Thirty percent of the distributors reported their service departments were a break even or losing proposition. It also takes them an average of five days to turn around a piece of equipment brought to their shops for service. Faster, more profitable options to service are being sought.

Distributors are not satisfied to act as service and parts suppliers to manufacturers when equipment is sold directly by the manufacturer to large buyers. Half the distributors said manufacturers they represent also sell direct to government or other large buyers within their territory. The assumption that the service business will make up for the loss in the sale is incorrect. A fifth of the distributors reported manufacturers also sell parts directly to equipment owners.

Advertising support

Overall, distributors of chemicals and equipment indicate a general satisfaction with support provided by manufacturers. Distributors receive a variety of sales incentives from manufacturers; including product brochures, advertising aids, show support, early order programs, and inventory financing packages. Manufacturers back up regional distributors with national advertising and marketing programs.

More than 80 percent of the 150 distributors responding said manufacturers share advertising costs. The most common assistance is direct mail and show pamphlets. Distributors use direct mail and show exhibits more than other marketing tools to support sales efforts. Half the distributors don't use these tools despite assistance from manufacturers.

One third of the distributors use newspaper and telephone directory advertising. One out of nine buys radio time and one out of 20 buys television time.

District sales managers of some manufacturers have promotional budgets and supply artwork and copy for advertising in regional newsletters and magazines. A marketing allowance, based upon sales by the distributor, is another way manufacturers help distributors pay advertising and show costs.

Nearly 90 percent of the distributors believe national advertising by manufactureres helps them sell in their area.

Manufacturers often help distributors finance inventories. The best deal seems to be a no-interest, no-payment floorplan program offered by a major equipment manufacturer. If the distributor commits to an inventory by August 1, he will not have to start paying interest on the equipment until the following August.

Early order programs are common for both chemical and equipment distributors. Reductions of ten percent or more are offered to distributors who order equipment in the fall instead of the next spring.

Delayed billing up to five months is offered by many chemical manufacturers. For example, a distributor may extend customer billing 60 days and the manufacturer will extend the distributor 90 days.

Seventy percent of the chemical distributors polled are concerned about their liability in case of misuse of pesticides by their customers. Half provide seminars to help prevent accidents by customers. They feel pesticide certification is an adequate test of safe pesticide use, but they (80 percent) believe all applicators of restricted use pesticides should be certified. **WT&T**

LANDSCAPE MANAGEMENT

Selling Service

From humble beginnings, Michigan-based distributor Don Benham has built a $3 million company on the premise that service, not volume, is the key to staying on top of the heap in the highly competitive chemical market.

by Ron Hall, assistant editor

Don Benham stands *in the warehouse where he began his chemical business five years ago. He now uses three warehouses to supply his clients in Michigan and Ohio.*

One idea and just five short summers ago Don Benham found himself with a used metal desk and a pair of card table chairs—one for him, the other for his sole salesperson, Paula Dietz. He housed his office in a warehouse behind a neat but small office complex near the scenic community of Walled Lake, MI, just outside of Detroit.

He'd put up everything he and his wife owned to start Benham Chemical Co., a chemical distributorship. In fact, he, his desk (which had been given to him by a friend), and his entire company occupied only half the warehouse. The other half was used by another company.

His idea was bold; to sell products from every major chemical manufacturer.

What he had going for him was 18 years experience in the chemical business (he had headed L & E Chemicals of the Long Equipment Corp.) and faith he could build a business based on the idea of service.

But, he had to convince the large chemical manufacturers he could serve them too, even though he would also be handling products from their competitors.

Benham, a large man with sharp blue eyes and streaks of silver in his hair, is a good businessman. He's also persuasive.

Gaining support

Although several manufacturers balked at his idea to represent all the major companies, he eventually gained their support, both in the form of selling him their products and extending him the credit to do so. First he reached an agreement with Estech, then with Mallinckrodt, picking up the Diamond Shamrock (now SDS) line of products shortly thereafter.

Benham was in business.

This August, Benham Chemical Co. celebrated its fifth year in business, its sales and office staff has grown from two to seven people, and the young company is anticipating a dollar sales volume of $3 million during 1984.

Benham and his close-knit staff have built the company to the point that it receives annual recognition

General Manager Frank Forier *also serves as Benham Chemicals' credit manager and has been active in the Green Industry for 25 years.*

from most of the major manufacturers it represents as one of the top, if not *the* top, distributors in the entire nation; all this in a service area that covers southern Michigan, extending well into the centrol portion of the state, and all of northwestern Ohio; and all of this in a remarkably short time.

Benham credits several factors for the success of his company, not the least of which was his initial decision to sell service as well as products.

The best, not cheapest

"Everybody is out trying to sell chemicals cheaper," Benham said. "Of course, we want to be competitive, but we want to sell the proper chemical for the proper job and for a proper profit. We are not always the cheapest place. We feel that service to the customer is more important than price and we feel most of our customers realize this.

"It takes time sometimes to convince people that they need service. Golf course superintendents recognize they need the service, but many lawn care customers take awhile to realize it. We didn't build this business because we could sell it cheaper."

In line with this philosophy, Benham keeps modest stores of chemicals at small warehouses at his home office in Walled Lake and also at Grand Rapids in Western Michigan as a convenience for customers who have jobs that need immediate attention. His main warehouse is in Dearborn where his company shares shipping facilities with Terminal Sales Corp. which serves retail outlets with many of the same products.

His sales people drive vehicles, either station wagons or vans, that can haul small emergency shipments. The sales staff keeps in contact with the home office with portable "beepers." This is probably more of a convenience to his smaller customers who might need small supplies of a particular product to meet an emergency but Benham said he provides them the same service as the bigger accounts. The reason—as he discovered firsthand—is obvious.

"Five years from now the one-man, one-truck customer might be a major company," he pointed out.

Experienced staff

Another factor in the successful Benham equation is the experience and quality of his sales staff which includes just about everybody on the payroll. Everybody sells, even the boss.

Frank Forier is the company's general manager. Prior to joining Benham's team he headed Terminal Sales Corp. and served as president of both the National Lawn and Garden Distributors Association and the Michigan Turfgrass Foundation (MTF). Paula Dietz is a former state turf extension agent, while Vic Bennett, who handles Toledo and northern Ohio, and Marvin Dominick, who operates in the Flint-Saginaw area, were both golf course superintendents and former customers of Benham. David Phillips, Benham's western Michigan representative, operated the lawn care division of McDonald Nursery in Saginaw. Rounding out the staff is Office Manager LuAnne Susick who, although not technically a sales person, probably takes as many orders over the telephone as anyone, Benham laughed. And the boss, Benham, is a board member of the MTF and, on this particular afternoon, was knee-deep in the planning of a regional Professional Lawn Care Association of America meeting.

All of the staff is active in various industry associations, something Benham insists is essential to the health of his business and the industry in general.

"The companies (manufacturers) are getting smarter," Benham said. "They want to see the background of the people selling their products."

What's ahead

Several major changes have occurred in the chemical business in the past five years and one of the most notable has been the rapid growth of the still relatively young lawn care industry. "Our biggest increases in sales came from the lawn care market," Benham said. "I didn't expect it to be that strong." Initially 95 percent of Benham's business was generated from golf courses, and although that continues to be a big part of his business (about 50 percent), the lawn care industry has literally taken off. What is remarkable, he feels, is that it occurred during the worst economic period in the Detroit/Toledo area area since the Depression.

"We grew during those periods when the industry went kaput," Benham said. The company met its first-year $550,000 sales goal and has made "significant increases" each year since. "We passed my five-year projection in the second year," he added. In more recent years he's been more accurate in predicting sales. "Last year we were within $14 thousand of what we predicted. We spend a lot of time working on our figures," Benham said.

There are no immediate plans for territorial expansion for Benham Chemical. "We've had to turn down business from other areas because we can't service them like we would like to," Benham explained.

But, he continues to seek controlled expansion within his business area. "We have a lot more expansion and a lot more things to do in our own area, but we're actually having to watch a little that we don't grow too much and grow out of our location."

The growing sales of bulk chemicals to lawn care businesses seems to fit Benham's service philsophy perfectly and he is openly enthusiastic about it. His company entered into a unique agreement with Bulkkem Inc., Normal, IL, last fall to be that company's exclusive representative in his area. "We stopped being competitors and started being the same company," Benham explained.

Although bulk chemical sales account for only about 10 percent of his company's business now, he predicts that by 1986 they will account for 40 percent. "It's changed this business entirely," Benham said. He predicted a growing market for bulk liquid fertilizer and revealed his company is contemplating putting up its own bulk fertilizer plant as well, perhaps as soon as next year.

"The manufacturers are getting smarter. They want to see the background of the people selling their products."

There are several reasons, economical and ecological, why Benham believes the bulk chemical and fertilizer markets will grow. Price is the most obvious, particularly to companies that would use the contents of a 220 or 550-gallon tank of chemicals in a season. Purchasing by bulk also eliminates the problem of storage and disposal of empty, potentially harmful drums and containers. Some of the company's customers now have permanent tanks for each individual chemical.

The Benham Chemical Co. has come a long way since occupying half of the warehouse behind his present office although he still uses the same metal desk that was given to him by a friend. And he still follows the same business philosophy based first and foremost on service.

Benham is entitled to flash a wide smile when he relates how new acquaintances not familiar with the Green Industry react when hearing about his business.

"The guy might look at me and say, 'Can you make a living doing that? What do you do in the winter?'." **WT&T**

Jenkins Machinery Co.

One of two original Ransomes distributors, partners Howard Jenkins and Ben Fuller switched from big equipment to turf.

by Bruce F. Shank, executive editor

Ten years ago Howard Jenkins was enjoying a successful career with a Caterpillar Co. dealer as divisional vice president, general manager. He knew backwards and forwards construction equipment distribution, sales, and service. But, he had just a homeowner's knowledge of turf.

Within two years he owned a Massey Ferguson dealership east of Oakland, CA, and soon was one-half of Ransomes' distributor network in the U.S.

Today, Jenkins and his partner Ben Fuller own one of 33 Ransomes distributorships in the United States. Jenkins Machinery Company is putting finishing touches on an office addition to its Concord facilities, located strategically among San Francisco, Sacramento, Stockton, and San Jose. Jenkins also has a branch in Long Beach, CA, and sales rep in Oahu, HI.

As the oldest, continuously operating Ransomes distributor, Jenkins has witnessed the development of the Ransomes distributor organization as the British manufacturer of reel mowers and tractors fought to take its place next to Jacobsen and Toro.

Earthmovers to mowers

Maybe it was the simplicity of a small Massey Ferguson dealership in Concord, then a sleepy rural community 35 miles east of San Francisco, that attracted Jenkins away from his Caterpillar job.

"This was a little country agriculture store in 1976," Jenkins reflects, "in transition from small agricultural to industrial as Oakland's and San Francisco's population spread eastward. Construction was beginning to pick up. The two-lane rural highway in front of our store became a major highway."

Then came the turf connection. A company called Pengro in South San Francisco needed tractors for its new line of reel gang mowers from Great Britain. The mowers were made by Ransomes and it told its three North American distributors at the time; Pengro, Turfco in Florida, and Duke in Canada; its reels were best adapted to Massey Ferguson and Ford tractors. Jenkins sold the Massey Ferguson tractors to Pengro for its territory, the western half of the U.S.

Ransomes was no youngster to the mower business, having manufactured the first reel mower in 1832. But the company had confined its marketing to reel products and to British-connected countries, such as Australia, Scotland, South Africa and Canada, until the 1970's.

Jenkins observed the potential of the Ransomes line and purchased Pengro. He also took on a former associate at Caterpillar as partner, Ben Fuller, to help him manage the company as it expanded.

A support network was created to enable the company to service customers in states as far away as Texas. It is based upon a complete parts inventory, an 800 telephone number for service, travelling service seminars, and mechanic-to-mechanic phone support.

"If we have to fly a mechanic to a customer in another state we will," Jenkins states. "Of course, we do all we can over the phone to make sure the trip is necessary. But, we believe perceived problems are as important

Jenkins and Ransomes/Massey Ferguson combo *that put him in the turf business orginally and now represents his growth market.*

Partners Fuller and Jenkins *(left to right) both came from Caterpillar dealers.*

Stanley Vidmar parts chests *hold 400 pounds of small parts in each drawer, save space, and do away with the loose bins.*

as real problems when a customer has a critical piece of equipment down."

As sales grew, Jenkins and Ransomes saw the need for a line of rotary mowers. In 1978, Dane Scag, chairman of Wisconsin Marine, and Ransomes signed an agreement for Ransomes to market the Bobcat line outside the U.S. One year later, Ransomes signed a four-year agreement to purchase Wisconsin Marine and began to combine its reel line with the Bobcat rotary line in the U.S.

This created a problem for Toro and Jacobsen distributors who carried Bobcat, since the Ransomes' reel lines competed against them. Bobcat's distributor organization had to be rebuilt to include the Ransomes reel products.

It was also a mixed blessing to Jenkins who now had a line of rotary mowers but he stood to lose a large part of his territory to new distributors. Jenkins weathered the storm and now concentrates efforts on California, Nevada, and Hawaii even though he has strong ties with old customers in Oregon, Arizona, Texas and Washington.

Eye on California

"California is definetely a unique market," Jenkins claims. "There are 24 million people in California, 17 million in the Los Angeles area and four million in the San Francisco area. The state has 700 golf courses, thousands of landscape contractors, but comparatively little maintained turf. With an average of only 17- to 21-inches of concentrated rainfall per year, irrigation is essential for turf."

Nevertheless, turf is Jenkins' growth market. He plans to add more "short-lines" to expand his turf business. Also, Jenkins claims, "Ransomes is dedicated to be a full-line turf manufacturer."

The industrial line, tied closely to residential construction, is improving. In addition to Massey Ferguson, Jenkins carries Fiat-Allis, J.I. Case, and other complementary products.

California was a good location to begin a distribution base for Ransomes. California buyers offer very little resistance to foriegn products.

Serving the California market may also be unique. "You need a fresh paper approach to business out here," Fuller states. Fuller, who is also a councilman in Benicia, CA, concentrates on government bid work and leasing. "When you go to a bid opening often there are six distributors there just to sell one mower. You have to know the rules of the game. Fill out the form wrong and you are disqualified.

"You have to work with the municipality or golf course," Fuller points out. "Roughly 20 percent of private golf clubs prefer to lease to conserve cash. Leasing brings cash flow more in line with depreciation and is very common in the big equipment business. It makes no difference to us if a customer leases or not, since we simply sell the equipment to a leasing company instead of to the customer."

"You have to be competitive in both price and service," Fuller continues. "You can't accuse a customer's mechanic of doing a bad job of maintenance, you have to educate him in a helpful way."

"Service is a service, not a moneymaking item for us," claims Jenkins. "We try to stock every part for every mower model we have sold, even frames. We make our own hoses and have tool and die shops make parts for discontinued models."

Small parts are stored in space-saving cabinets made by Stanley Vidmar, Allentown, PA. The parts inventory is kept on computer with weekly printouts. A new IBM 36 computer system will replace the present system when the new offices are completed.

One victim of the competitive California market is two-step distribution, where a distributor has a group of dealers under him. "Two-step distribution is a thing of the past in large grass machinery," says Jenkins. "You just can't give away 20 to 25 percent to a dealer," Fuller exclaims.

Proof is the people

One thing Jenkins is clearly proud of is the employees commitment to Jenkins Machinery . Four out of the original six employees are still with the company. Retired general sales manager Jim Dean, still comes in part time to handle promotional mailings and market surveys. Jenkins staff today numbers 27 and maintains an informal family-type atmosphere.

Jenkins still leans toward the reel mowers he took on six years ago. "With the population density here customers feel safer with reels." "Besides, rotaries have become a commodity item," Fuller points out.

"Turf is clearly our growth market today," Jenkins concludes. **WT&T**

B. Hayman Co., Inc.

Frontiersmen in turf

by **Bruce F. Shank**, executive editor

McMicken at headquarters *in Santa Fe Springs, CA.*

Pioneers have been running the B. Hayman Company since 1876. More than once the company's management has left comfortable businesses for more promising ones.

A true rags-to-riches Americana story unfolds as current chairman Ray McMicken describes the background of this major West Coast Jacobsen distributorship.

Sailing to a new frontier

Fourteen-year-old Benjamin Hayman, a blacksmith apprentice in Plymouth, England, left the Old World for the New Frontier in 1862.

Stories about the California Gold Rush and the cities it created encouraged him to sign on as shipsmith on a windjammer sailing to San Francisco. After establishing himself as a smithy in San Francisco, he moved 400 miles south to the growing Los Angeles area and became a wagon maker. Wagons and buggies became the stock and trade of the B. Hayman Carriage Repository in Los Angeles, CA, in 1888.

McMicken's energy *is evidenced as he voices his opinions on mechanics training for more complex turf machinery.*

Part of the farm revolution

As the Los Angeles area began to develop into the nation's largest agricultural supplier (in dollar volume), Hayman began concentrating on agricultural implements. His son Will and partner Thomas Osborn continued to expand the farm equipment business after Benjamin's death in 1923.

After World War II, Signal Corps officer and instructor Ray McMicken found it difficult to find a radio engineer's job in Los Angeles. McMicken had married Eleanor Osborn six months before Pearl Harbor. Her father Thomas Osborn and partner Will Hayman recognized McMicken's drive. They invited him to work in the parts department until he could find a radio engineer's job.

McMicken quickly gave up thoughts of becoming a radio engineer and started learning the equipment distribution business, working his way into sales and then management.

Early recognition of turf

As a member of the Los Angeles agricultural committee in the early 50's, McMicken saw the value of land in Los Angeles County rise from $100/acre to more than $20,000/acre. He watched with interest the first golf courses springing up in the county and the swelling population which required more schools, parks and cemeteries. Although the agricultural potential of LA County had not peaked, McMicken told his in-laws it was time to change the business again.

"We have been in turf since its major inception in Southern California," McMicken boasts. B. Hayman was also quick to establish a branch in the Hawaiian Islands in 1960, as they started to boom.

The conversion was modest at first as B. Hayman took on the Worthington and Jacobsen mower lines. In 1968, B. Hayman left agriculture altogether, expanding with National, Olathe, Turfco, Sodmaster, Smithco, Par-Aide, Standard and Heckendorn. B. Hayman tied its future to turf.

"When we started selling turf equipment, a greens mower sold for $385 and a turf tractor for under $10,000," McMicken recalls. "Today a greens mower is more than $2,000 and turf tractors go for $25,000 to $50,000. But, the machines are much more complex. Unfortunately, very few in the industry have prepared them-

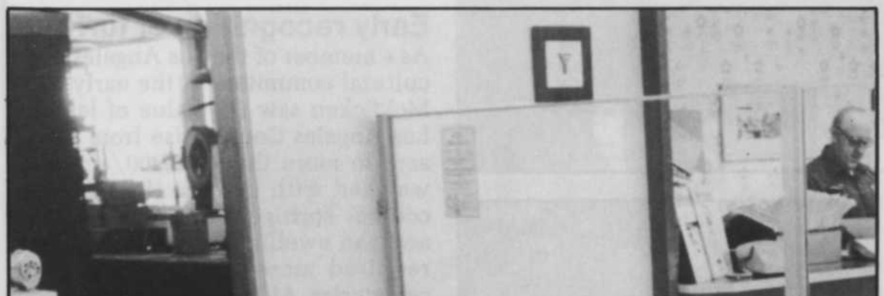
"I often ask greens committee chairmen if they would let their golf course mechanic work on their $35,000 Mercedes," McMicken jokes. "When they say 'Of course not", I explain the equipment the golf course mechanic maintains is often as expensive and as complex as their Mercedes." It's B. Hayman policy to always ask the superintendent if it's okay to talk to the greens chairman.

"Universities aren't set up to train our mechanics, neither are community colleges," says McMicken. B. Hayman is a major contributor and scholarship giver to Cal Poly, Pomona, and the Unversity of California. "We think a good answer is a series of late afternoon classes, three times a week for a month. We will put on four of these clinics for our customers mechanics this year."

The company was one of the first to place its parts inventory on computer. The computer keeps track and automatically reorders more than 16,000 items valued at $500,000. The system balances inventory with demand and speeds up shipping.The parts manager can check supplies while on the phone with a customer. Parts ordered by 2 p.m. will be delivered to the customer by noon the next day. Jacobsen recently instituted a factory computerized parts system linking distributors directly to its parts shipping and manufacturing operations.

"The greatest asset any equipment manufacturer has is a strong, dedicated distributor organization."
—McMicken

B. Hayman depends heavily on mobile service trucks and training mechanics to do their own repairs. "With an area as huge as Los Angeles, it's not sensible to bring in a piece of equipment to the distributor," McMicken advises.



Parts orders are processed instantly *by the customer service representative into the computer system which tracks more than $500,000 in parts.*

Listening to customers

Golf courses are B. Hayman's primary customers, followed by municipalities, schools, and landscape maintenance contractors. The maintenance contractors in his area would like a manufacturer to make a professional grade reel mower with 30- to 40-inch swath. "You have to realize it's almost impossible for a large national manufacturer to make products for a limited region," McMicken defends. "The big three started as manufacturers of golf course equipment, but they who are beginning to recognize other potential markets for equipment."

The golf course superintendents in his area would like to see a workable certification program to protect the reputation of skilled superintendents and to recognize the growing complexity and training needed to be a superintendent today. "USGA, PGA, and NGF should get behind GCSAA's certification program to make it a job requirement," McMicken urges.

The next frontier

McMicken admits it hasn't always been easy. "Every Jacobsen distributor has gone through at least one hellish period in the last 15 years. Let's just say we were relieved in 1978 when Textron purchased Jacobsen and allowed Jacobsen management to rethink distributor relations. Today, the greatest asset any equipment manufacturer has is a strong, dedicated distributor organization."

"To understand Jacobsen," McMicken explains, "you really have to understand Royal Little, the founder of Textron." His successes with Homelite, E-Z-Go, Bell Helicopters, and Jacobsen are based upon giving division managers authority to run their own show, compete against other division managers, and be well compensated by performance bonuses." *Fortune* magazine has published an in-depth profile of Little.

McMicken, after being president for 19 years, passed the title in June to Robert Henshaw, vice president and former Jacobsen manager. McMicken will serve as board chairman.

Henshaw sees the next frontier for B. Hayman to be landscape and people mover equipment. **WT&T**