

# IN-THE-MIDDLE

by Bruce F. Shank, executive editor

## Lebanon stands behind golf distributors

In the April issue of *WT&T*, we reported on Lebanon Chemical Corp.'s creation of a new division to sell to lawn care companies. The reason for the new sales emphasis was prompted by the price sensitivity and highly competitive nature of the lawn care market.

In the same article, we mentioned Randy Rogers, who is in charge of program development for the Country Club and Greenskeeper lines sold by Lebanon. Some golf superintendents took this to mean they could buy direct from Lebanon and the company's distributors were quite upset.

This is not the case. The Lebanon distributor provides an important service and inventory function to the golf superintendent. If superintendents started buying direct from the manufacturer, an important service to the golf industry would be harmed.

## Chemical distributors extend too much credit to customers

A recent study of pesticide formulators and distributors by Velsicol Chemical Co. credit manager Karen Miller has raised some concern about current credit policies in the industry.

Miller told the members of the United Pesticide Formulators and Distributors Association during a recent meeting in Phoenix their margins are too thin and, in some cases, their debt too high. "I see small distributors disappearing because they are undercapitalized," Miller said.

Miller showed the group what accounting ratios should be and what a survey of the UPF&DA revealed they really are. Gross margins, which should be 40-50%, are actually 18-24%. Current assets to current debt ratio, which should be 3 to 1, is actually 1.7 to 1 for distributors under \$10 million gross and 1.3 to 1 for those over \$10 million. Net profit, which should be 10-15% of tangible net worth, in this survey is actually an 8% loss for distributors under \$10 million and 9% return for those over \$10 million.

Miller said that in some cases manufacturers have been overselling distributors, putting the distributors in the highly-leveraged positions they are in today. She also strongly urged distributors to institute tougher collection policies saying collection periods are stretching to 75 days from the 30 days they should be.

## Lofts also supplies Host chain

In the April column we reported that Adikes stood to benefit from its relationship with Flowertime, recently purchased by General Host. Host is reportedly planning to establish a national chain of garden centers.

Jon Loft, chairman and president of Lofts Seed Inc., pointed out Adikes is not the only company supplying seed to Host. His company has also been supplying seed to Flowertime and Frank's Nursery, another Host garden center chain, for 17 years.

## PEOPLE

### Names in the news

**James Taylor**, head of Taylor Tree Surgery, Walden, NY, takes the reins as president of the New York State Pesticide Users Council (NYSPUC). He was elected during the first annual meeting of the NYSPUC in Albany. About 65 industry people attended.

Others elected at the meeting of the year-old group include: Vice President **Dr. James Dewey**, Secretary **Robert J. Mungari**, and Treasurer **Fredrick Boyd**.

The National Landscape Association (NLA) recently tabbed **Robert Siebenthaler**, Dayton, OH, as president. **Denny R. Church**, Lombard, IL, is the new vice president; **William K. Doerler**, Lawrenceville, NY, secretary-treasurer.

This spring also saw **George Koziarz** returning to the post of president of the Illinois Landscape Contractors Association—his second term. He will be aided by Executive Vice President **John Hendricksen**, Vice President **Ken Gallt**, Treasurer **Jim Bussey**, Secretary **Bill Davids**, and Sargeant-at-Arms **Pete Grathoff**.

**Gary D. Myers**, president of The Fertilizer Institute, announces the appointment of **Pamela W. Lucas** as assistant vice president. Lucas joined the Institute in November 1982.

Longtime landscape industry spokesman **Karl Korstad** was surprised with an honorary membership for life in the Associated Landscape Contractors of America (ALCA) this past winter. Korstad, ALCA publication chairman, and his wife, Frances, have been in the landscape business for 35 years.

**Paul E. Niewoehner** is the national



**Paul Niewoehner**



**Bob Hefta**

sales manager for Union Carbide Specialty Products, a newly formed marketing group of Union Carbide Agricultural Products Company, Inc. Niewoehner is a 15-year veteran of the Carbide sales force. Replacing Niewoehner as regional sales rep in the Midwest is **Bob Hefta**. Also affected by the realignment is **Tony Gambino**, who will serve Union Carbide

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