

beginning to mix manmade (synthetic) and animal and/or plant wastes or by-products (natural) into hybrid fertilizer products.

He says most lawn care operators don't use all natural products because the nitrogen levels are low, typically around four percent. That would mean hauling and

applying 10 times more product than they'd need compared to using urea...or five times more product if their normal fertilizer is 20 percent nitrogen.

"Those of us who have worked with these products recognize that we can overcome some of these disadvantages by putting synthetic organics back in with

the natural organic fertilizer," says Darrah.

And what's wrong with synthetic fertilizers?, someone at the Ohio Turfgrass Conference asked Darrah after his talk about fertilizers.

Nothing, says Darrah. It's just that some of the public perceives natural fertilizers are safer or better.

Pre-payments give cash jump-start on your next application season

Money is the name of the game. Some of this executive's ideas might help you get and keep more of it.

■ Many lawn care business people offer pre-payment incentives to their customers, but is it a good idea?

Generally, yes, says Edward Coia, vice president of Lawnmark, Hudson, Ohio.

Offering incentives to get customers to pay for their programs before service begins—sometimes months before it begins:

- **helps** companies through cash-lean winter months;

- **reduces** the amount of money a company has to borrow over the winter; and

- **allows** a company to keep valuable service personnel rather than lay them off in November.

"The name of the game today is cash," says Coia, a speaker at the recent Professional Lawn Care Association of America Conference. "You've got to have cash."

Coia's company, Lawnmark (\$12 million in sales in 1991, 10 branches) gives its customers three opportunities to pre-pay.

Coia says Lawnmark receives about 35 percent of its sales in pre-payments.

"You can have all the sales in the world, but it's not a sale until you put that stamp pad on the back of that check and it's in your checking account," says Coia.

If Lawnmark customers pay before Dec. 31, 1991 they receive a six percent discount plus another \$5 off. If they pay by March 1st six percent off, and if they pay within 10 days of their first application, a five percent discount. (Actually, these discounts may vary year to year as interest rates vary. When interest rates are high, some companies seek pre-payments more aggressively. Interest rates are extremely low now.)

But, getting money upfront has perils of its own, Coia believes. If a company spends pre-payment money unwisely or too soon, it may find itself strapped for cash during May and June when lawn application costs are highest.

That's one reason Coia views pre payments, at least in a recordkeeping sense, as a liability.

"We owe that money to the customer because we haven't done any work for them yet," he says. "We don't book it as a sale. As we make each application we'll write a portion off to reduce that liability. We treat that like it's borrowed money, because that's what it is."



Edward Coia:
Go for the jugular.

Some other observations by Coia during his presentation at

the PLCAA Conference:

- Allowing customers to pay for lawn care with credit cards is a good idea for many lawn care companies. Sure, there's a charge (rates vary, so it's a good idea to shop) but payment by a card eliminates some of the frustration of collection. "Few people realize the cost there is in collecting an invoice," says Coia.

- Find several good suppliers and stick with them. Then you can usually arrange more favorable financing terms. "Get as much extended term from your suppliers as possible. Use their money," says Coia.

- Buy only as much material as you're going to use each application season. Let's assume you made \$50,000 profit for the season, but you were left with \$30,000 worth of materials. In essence, that means you only have \$20,000 cash available. And you're paying storage costs for the excess inventory too.

- If you're in a cold-weather market and your company's idle for the winter, why insure your service vehicles? Check with your insurance agent about taking coverage off the vehicles in the winter. Make sure you have the vehicle keys though.

'92 PLCAA officers

■ The 1992 officers of the Professional Lawn Care Association of America: President Robert E. Andrews, The Greenskeeper, Carmel, Ind.; President-Elect Edward J. Coia, Lawnmark, Hudson, Ohio; Vice President John Robinson,

Green Drop Lawns, Ltd., Calgary, Canada; and Secretary/Treasurer Patrick J. Norton, Barefoot Grass Lawn Service, Worthington, Ohio.

New PLCAA directors, three-year terms: Thomas F. Murrill, ChemLawn

Services Corporation, Columbus; Norman Goldenberg, ServiceMaster Consumer Services, Miami; and Louis J. Wierichs, Jr., ServiceMaster Lawn Care/Fox Cities, Appleton, Wisc. Associate Director Peter Machin, The Andersons, Maumee, Ohio, will serve a two-year term as a PLCAA director.