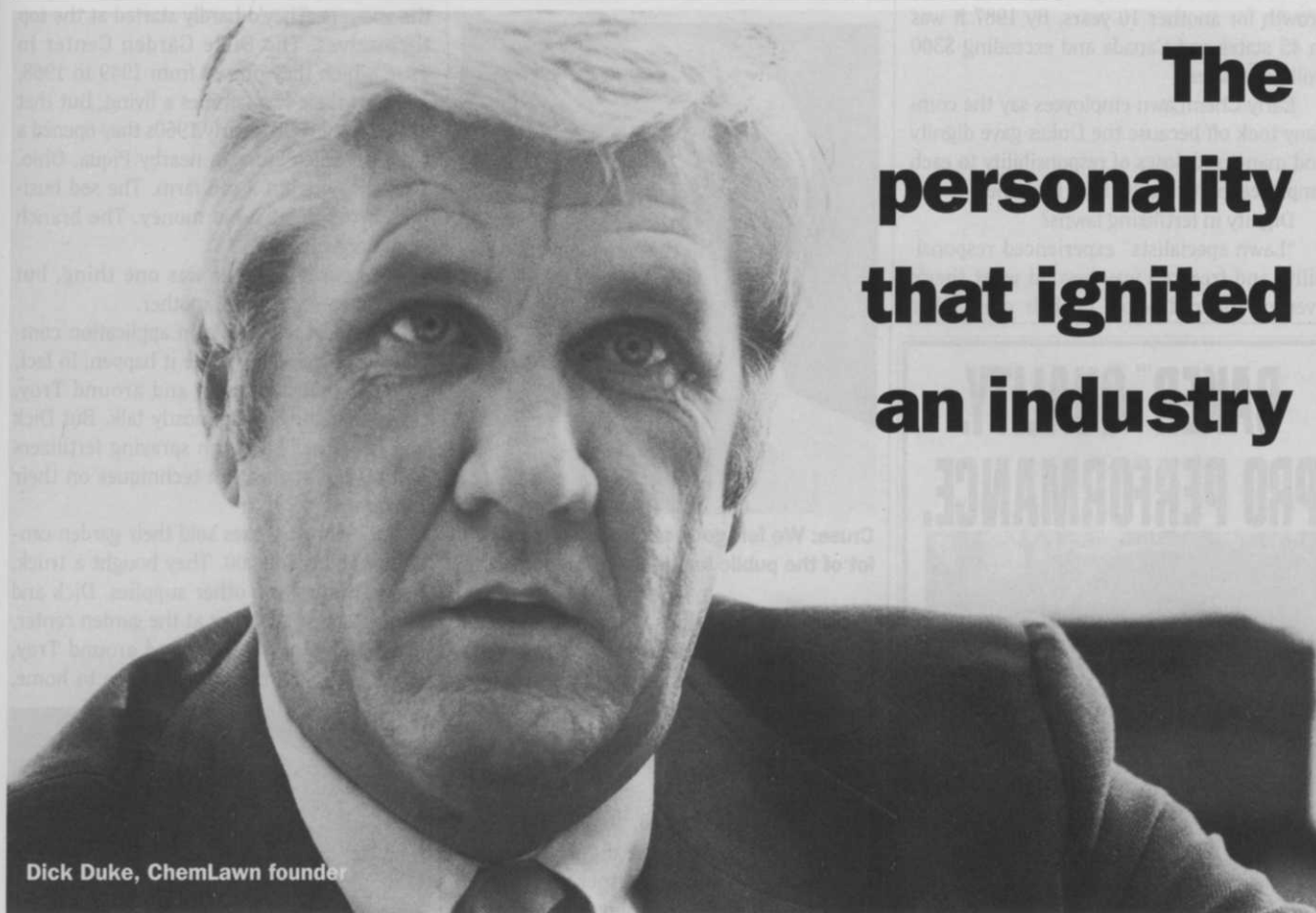


LAWN CARE INDUSTRY

The personality that ignited an industry



Dick Duke, ChemLawn founder

Photo courtesy of ChemLawn Corp.

EDITOR'S NOTE: This is the first of a three-part series examining the business life of ChemLawn, Inc.—its rise in the lawn care industry, how it shaped and dominated an industry and, finally, the events leading to its disintegration and sale during the last 12 months.

How ChemLawn's Dick Duke convinced an unlikely team to share his dreams of employee self-worth, and customer service.

■ "Does that guy fill the truck every night?" Jack Steggeman asks his partner. Steggeman, a rookie lawn specialist, and a fellow applicator climb from their truck. They're bone tired after a dawn-to-dusk day

of spreading fertilizer on Dayton-area lawns.

"You don't know him?" says the second incredulously. "That's Dick Duke. Here, let me introduce you to him."

"Help yourselves to a beer in the refrigerator. You've earned it" says Duke by way of introduction.

Now, 22 years later and still working for ChemLawn in the Troy area, Steggeman remembers this first meeting with Duke wearing overalls, a flannel shirt, a cap, and horsing 40-pound bags of fertilizer onto the truck bed.

The complex personality of Dick Duke remains alive in the memories of those who worked with him during ChemLawn's early days: in ChemLawn's infancy, nobody worked for Dick Duke, they worked *with* him.

Dick Duke—energetic, charismatic, sometimes fiery, always unpredictable. He built ChemLawn from very little cash, a whole lot of determination and an idea. In the process, he excited and gave respectability to an entire industry.

"Dick's strongest character trait was his compassion for people and his belief in the importance of the individual's human dignity and integrity," says John Wright, who joined ChemLawn almost at its inception 24 years ago. "Dick never fit into any category."

Curious words from a man who, like other earliest ChemLawn employees, received harsh criticism from Dick Duke on occasion. Duke could charm a fellow co-worker with either praise or criticism. "It was always for your own good," says one of the company's first branch managers.

Indeed, Wright, now a businessman in Columbus, Ohio, and long separated from ChemLawn, says Duke was more than a friend: he was a mentor. Wright maintains a memorial garden in his Columbus, Ohio, office park dedicated to Duke's memory.

Dick Duke didn't live long enough to see ChemLawn at its zenith. He died of a heart attack at age 48 in August 1977 at his home in Hilton Head, S.C.

Dignity—By then, ChemLawn was not

even a fifth as large as it would eventually become. Paul, Dick's father and partner in ChemLawn's founding, survived him by almost 15 years. The philosophy upon which the Dukes built ChemLawn sustained its growth for another 10 years. By 1987 it was in 45 states and Canada and exceeding \$300 million in sales.

Early ChemLawn employees say the company took off because the Dukes gave dignity and man-sized doses of responsibility to each employee, particularly those first ones.

Dignity in fertilizing lawns?

"Lawn specialists" experienced responsibility and freedom way beyond what they'd ever experienced before in their nine-to-five

jobs. Not only did they spray lawns but they also collected payments, figured out their own routing, loaded and maintained their own trucks—all the while being required to spend whatever time they had to answer their



Cruse: We felt good about doing a job a lot of the public had looked down upon.

clients' lawn questions. They also liked the warm respect they received from customers. During an era of peace marches and long hair, ChemLawn applicators were uniformed, clean shaven, and helpful.

Dick Duke realized he couldn't watch over every employee.

And, he didn't want to.

So, he gave them the dignity to watch over themselves. And prosper. If a person minded their route, they should expect to go up ChemLawn's career ladder.

Just do it—Maybe he didn't have a choice, but Dick Duke's style was to delegate, delegate, delegate. That didn't change either. By the mid-1970s, ChemLawn branches began sprouting more than thousand miles from their Troy, Ohio, birthplace.

"What should I do?" John Cruse, a ChemLawn employee from 1970-1977, remembers asking Dick Duke after John had agreed to go to Dallas to open a new branch.

"How should I know? That's what you're going there for," Dick snapped back, recalls Cruse.

"He always made you feel like what you were doing was important, even when he was chewing you out," says Cruse, who now operates Easy Lawn in Piqua, Ohio.

One of Duke's oft-repeated sentiments became a company dictum: Take care of your employees. Take care of your customers. Then, the company will succeed.

"We got the people from filling stations, from factories, from farms," recalls William A. Copeland, ChemLawn's longtime former

chief financial officer. "Some of the people had little education, some had degrees. It seemed we all joined together."

Common people—Maybe that was because the Dukes didn't pretend to have all the answers. They'd hardly started at the top themselves. The Duke Garden Center in Troy, which they nursed from 1949 to 1968, provided their two families a living. But that was about it. In the early 1960s they opened a branch garden store in nearby Piqua, Ohio. They also bought a sod farm. The sod business brought in some money. The branch store flopped.

The garden center was one thing, but Dick's dream was quite another.

He talked about a lawn application company years before he made it happen. In fact, some acquaintances in and around Troy, Ohio, thought he was mostly talk. But Dick and his father had been spraying fertilizers and testing application techniques on their sod farm.

In 1968 the Dukes sold their garden center for about \$40,000. They bought a truck, hoses, pumps and other supplies. Dick and Tom Grapner, a laborer at the garden center, began spraying lawns in and around Troy, while Paul sold the service home to home,



Steggeman: Duke sometimes met and gave us a hand at the end of a work day.

business to business.

Not the first—ChemLawn wasn't the first outfit promising to make homeowners' lawns greens—for a price.

Typically these companies though didn't see beyond their own city limit signs.

"In some of these businesses, the guy who owned the company also ran the truck," recalls Hartle Lucks, who, at age 65, started a second career in 1970, this time with ChemLawn. (Lucks helped streamline and centralize ChemLawn's purchasing during

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Lucks: 'Dick Duke is the kind of man that made America great.'

his seven years with the company.)

"If that guy started having problems on a lawn, he began looking at dollars. Maybe he wouldn't do something on that lawn if it was going to cost him money.

"ChemLawn had a different attitude. The Dukes told their men that if customers' lawns aren't green, they don't need us. Whatever it takes, you do it," says Lucks.

"Curb appeal" had arrived.

Dick saw it coming.

American homeowners *would* pay for green lawns, particularly if the price was right. ChemLawn's was. The service didn't cost much more than if a homeowner did it his or herself.

And anyway, it looked mighty impressive to neighbors when the ChemLawn truck rolled up to a homeowner's property.

Starting midway through the 1968 application season, the Dukes soon became so busy they could hardly keep up. Within a year the customer base had jumped from 400 to 4,000, and the Dukes had decided to

expand to Columbus, 60 miles to the east. ChemLawn hired its first employees:

●John Wright, who had owned his own small landscape company in Union City, Ind.. He'd often driven the short distance to buy sod from the Dukes.

●Richard C. Lyons, who, in 1969, was fresh from a military hitch in Vietnam and was, just before joining the Dukes, working for a tiny newspaper.

●Russell "Bus" Favorite, Jr., 16 years a supervisor with the Hobart Brothers Co., manufacturer of kitchen and industrial equipment. He started to sell for ChemLawn.

●William Copeland, 19 years a salesman. He'd called on the Dukes often in the 1960s. He became ChemLawn's treasurer and, later, chief financial officer.

●Larry J. Van Fossen, a young member of the law firm of Porter, Stanley, Treffinger and Platt. In 1975 he became ChemLawn's president.

Moreover, the new ChemLawn employees themselves started coming up with ways to serve customers and increase production.

Jerry Waker, for example, during the winter of 1969, designed the hose reel that made every applicator's task much simpler.

"I'm kind of short and wrapping that hose on the truck was a big job for me," recalls Waker, one of the company's first lawn specialists. Through 1970 and 1971, Waker and several others then went on to design the nozzles and guns that became synonymous with ChemLawn. Waker now works his farms in southwest Ohio.

"People saw what happened to their yards when they became our customers and they started feeling real good about it," says Russ Favorite, Jr., who always carried a pocketful of dimes to telephone back to the Troy office for new leads while he was canvassing Dayton neighborhoods.

Customers ready—Favorite recalls stopping his Ford Galaxy at a red light on the Troy-Dayton road. Another motorist jumped from his car and ran over to it. Breathless, the man blurted out he'd recognized the ChemLawn logo on its passenger door.

"Do you have a brochure you can give me?" he asked a startled Favorite.

"So I handed him a handful of brochures and took off because the light had changed," says Favorite.

ChemLawn couldn't generate enough



Waker: CL applicators devised a lot of the equipment now taken for granted.

cash its first season to finance such explosive growth, so in 1970 it offered its 4,000 customers in Troy, Dayton and Columbus 30,000 shares of stock at \$5 per share. Employees could also buy into the new company. Dick Duke encouraged this. Many did.

The stock raised \$150,000 and allowed ChemLawn in 1970 to lease offices and new trucks for branches in Cincinnati, Louisville, Indianapolis, and Toledo, Ohio.

"We put a business plan together, as crude as it was considered by today's standards," recalls Bill Copeland.

"We made projections in '70, '71 and '72 and kept revising those projections and extending them on out. We met all of those projections. We said, 'we're going to do this' and 'we're going to do that' and 'we're going to open new markets.' And based upon what we've done so far, we can continue to do this in city after city across the country."

By the end of the Dick Duke era, ChemLawn had grown way beyond its Midwest roots. By 1977 it was a national company with \$50 million in sales.

"Dick Duke took a business that a lot of the public looked down upon and he made it important to both us and to our customers," says John Cruse.

—Ron Hall

ChemLawn sales 1969-1977

Fiscal Yr Ending	Net Revenues (in thousands)	% Chg	Net Income (in thousands)	% Chg
12/31/69	\$226		\$34	
12/31/70	\$981	134.1	\$9	(73.5)
12/31/71	\$2,288	133.2	\$69	666.7
12/31/72	\$4,892	113.8	\$282	308.6
12/31/73	\$9,760	99.1	\$512	81.6
12/31/74	\$15,216	56.2	\$1,196	133.5
12/31/75	\$22,848	50.2	\$689	(42.4)
10/31/76	\$36,270	N.A.	\$2,497	N.A.
10/31/77	\$48,913	34.9	\$2,271	(9.1)
10/31/78	\$63,653	30.1	\$3,239	42.5
10/31/79	\$86,905	36.5	\$4,800	48.2