

HOT TOPICS

ChemLawn: By any other name, is it still ChemLawn?

TruGreen ponders the value of ChemLawn's name while some ChemLawn franchise holders ponder the value of their non-compete clauses.

MEMPHIS, Tenn.—ChemLawn lives—in name anyway.

Several ChemLawn franchise holders say their trucks will continue to say ChemLawn even though they're now sending royalty fees to their former biggest rival, TruGreen. TruGreen, a subsidiary of ServiceMaster Consumer Services, Inc., bought ChemLawn this past May.

"ChemLawn still has tremendous name recognition. Why would you throw that away?" asks Richard Thoma, Erie, Pa., the biggest ChemLawn franchisee in the United States.

As summer drew to a close, Thoma was one of only two (of about 10) ChemLawn franchise owners who had settled the season-long dilemma of competing against, technically, their owner. In other affected markets, franchise owners began researching, often with the aid of attorneys, the significance of the non-compete clauses in their agreements.

Several franchise holders had renewed their agreements with ChemLawn and its former owner, Ecolab, Minneapolis, just months before TruGreen's \$100-million purchase of the company in May. They say

they were unaware of ChemLawn's impending sale.

Major swap—Thoma and TruGreen resolved their conflict by trading markets. Thoma vacated Wausau and Green Bay, Wis., Elkhart and South Bend, Ind., and Kalamazoo, Mich., and received the Pittsburgh market in return. Virtually all of his lawn care operations are now contained within Pennsylvania.

"We're pretty excited," says Thoma. "This is, as far as I know, the first time a



franchise has ever broken into such a large market (Pittsburgh)."

As of late this summer, others, however, remained in limbo.

"My trucks will continue to say ChemLawn because I have a franchise agreement," says Terry Korczyk, whose franchise in the Midland, Saginaw and Bay City area of Michigan goes head-to-head against a larger TruGreen branch.

"I have a business to run. They have a

business to run. That's what's most important day-to-day.

"But," says Korczyk, "the situation has put some stress, not only on me, but also on my employees. That's real hard."

Territorial rights—Korczyk's contention that he has exclusive rights to his territory is echoed by other franchise holders like Denny Rothlisberger in Peoria, Ill., Norman and Linda Mogohon in Springfield, Ill., and Allen and Sharene Little in Terre Haute, Ind.

"I've been in this business 21 years and had hoped to be in it another 15," says Rothlisberger. "We had all intentions of being a ChemLawn franchise another 15 years."

Allen and Sharene Little say they've been "ChemLawn people" for a long time—he since 1972, she since 1976. They became a franchise holder in 1987. They

don't think it's right they've had to compete against TruGreen which services their market from a Bloomington, Ind., branch.

"We remain in competition with them and we're paying royalties to them. That's the situation," says Sharene.

A similar scenario in Springfield, Ill., has Mogohon's operation and TruGreen battling for market share in the Springfield and Decatur, Ill., area.

"We've taken a market that was a losing

ELSEWHERE

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proposition for the ChemLawn Corp. and developed it into a very nice small business," explains Norm McGohon, who started as a lawn specialist for ChemLawn in 1973 in Louisville.

"I couldn't tell you, honestly, one bit more what's going on with my relationship with TruGreen than I could on June 15," he said. On June 15, he and several other franchise holders met with TruGreen's Bob VonGrubben in Indianapolis.

We're trying—TruGreen Vice

President Norm Goldenberg admits TruGreen just hasn't been able to resolve every conflict as quickly as everybody would like.

"Some of them are moving ahead and some we just haven't gotten to yet," he says. "In those areas where we overlap, we're trying to do whatever we can to work out whatever needs to be worked out, whether it's a trade, whether it's buying or selling. We're somewhat flexible."

Meanwhile, he says, TruGreen has realigned its business into 12 geographic

regions, with staffing from both TruGreen and the former ChemLawn. There has been some consolidation of service, he says, but—more often—TruGreen and ChemLawn operations continue to operate independently.

"We're just trying to get the production done for this season," he says.

As for the ChemLawn name itself?

"ChemLawn obviously has a lot of value to its name, and we're not going to overlook that," says Goldenberg.

—Ron Hall

Living through Andrew's wake

CUTLER RIDGE, Fla.—Hulon and Victoria Moorman, owner and president of Emerald Landscape Maintenance here, saw the ravages of Hurricane Andrew firsthand.

Three weeks after the devastating wrath of Mother Nature was unleashed on south Florida and Louisiana, things still weren't back to normal—by a long shot.

"My house was destroyed, my office was destroyed, and most of my equipment was stolen by looters," Hulon tells LANDSCAPE MANAGEMENT. "Everything I did for two weeks was without the luxury of an office," he remembers. "I was walking around with my pockets full of pieces of paper with notes on them."

Andrew's 160-mile-an-hour winds swept across the Gulf States Aug. 24th, causing \$15-20 billion damage. Hardest hit was the Homestead area, where members of Florida's Landscape Maintenance Association flocked (story, page 60).

"Everybody around here was in a daze for three to four days," Hulon Moorman recalls. "And landscaping—as always—was not the top priority." (An estimated 63,000 homes were ruined.)

Trying to get Emerald's business back up to speed has not been easy, despite the understanding of most of its customers.

"Even the simplest things you take for granted became major obstacles," relates Moorman:

● "Fuel, ice—these things were almost impossible to get. I spent basically three-fourths of a day to get one chain saw working. I had to call some other members of the LMA like Mike Wilhelm and Tom Lund to help me get things, because I didn't even have ready access to a telephone.

● "And you don't have the luxury of time to make decisions. You're forced to make quick decisions without research. Some of them turn out right, some of

fallen oak trees. The first contractor he contacted said it would cost a minimum of \$3500; a second offered to do the job for \$750.

Though currently just trying to return his business to normal, Moorman believes that the south Florida area will eventually have plenty of jobs for professional landscapers like himself. More re-sodding, re-landscaping and irrigation work than ever before will need to be done. However, "at

this point, it's not professional landscape maintenance but more debris removal. And, of course, everybody and his brother is out doing that."

The Moormans were lucky: they had enough money in the bank to purchase replacement equipment. (Their old equipment had not been insured for theft.) Ads for new workers were being placed in the local newspapers. And, as this issue of LM went to press late last



Andrew so ravaged Florida and Louisiana that trees shorn off at their base like this were not an uncommon sight.

(Photo courtesy of Tom Lund)

them don't.

● "I had to let my key workers off. As a matter of fact, I've lost all but five of my people. They had bigger fish to fry."

Moorman says that a typical one-day job might take two or two-and-a-half times as long. While his company's policy is to charge extra for storm damage clean-up, "tales of profiteering" were running rampant, according to an Associated Press report.

The AP reported on one Dade County man who wanted his driveway cleared of

month, Hulon was trying to retain a sense of optimism.

"You can see progress by the day. I haven't been able to get crews back on schedule yet, but within a couple of weeks, they should be," he says.

"Most of the debris will be gone in the next few weeks.

"And, in six to eight months, I'm hoping to look back at this as a positive experience. We may even consider expansion down the road."

—Jerry Roche