UPDATE:

Combined TruGreen/ChemLawn operations are on fast track

President Don Karnes and a lean management team steers the industry leader toward support of branch operations and field specialists.

■ Elvis, by most accounts, is dead.

Elaborate displays of flowers, most of them plastic, line the walkways at Graceland. They mark yet another anniversary of his untimely departure. The whispering and, on this steamy August morning, perspiring faithful shuffle single-file by his final resting place. Two days and 16 years ago, Elvis died. We think.

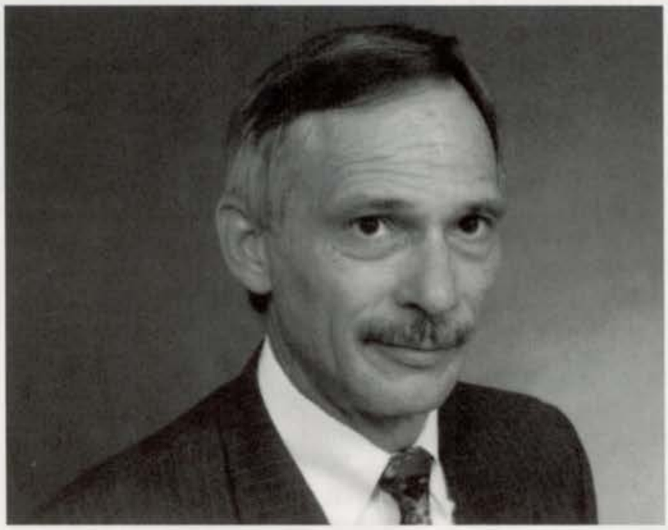
Drive 20 minutes along a freeway to east Memphis, Tenn., and enter a primly landscaped office park containing the ServiceMaster Consumer Services (SMCS) building. There are two things of note about this building that looks suspiciously like a glass-and-steel cracker box stood on end.

Number one: five SMCS businesses doing more than $1 billion in sales in 1993 operate out of this single building.

Number two: There have been no Elvis sightings, not a single one, in the vicinity of the SMCS building. Ever.

But, a few short years ago, it seemed just as unlikely that TruGreen would buy and merge with its longtime nemesis ChemLawn. Yet it did in May, 1992.

And, grins Don Karnes who has yet to make a pilgrimage to Graceland, "lawn care is fun again."



'As I recall, we haven't sprayed one lawn out of our corporate office this year.'

—Don Karnes

Nothing fancy—Karnes is president of TruGreen/ChemLawn. His office is more than *just* an office, but not a whole lot more. Comfortable. Functional. A few photographs. Nice view of a parking lot. That's fine with him, says Karnes, a slender man, medium height, his brown hair flecked with gray.

After all, the real action is taking place on the approximately 1.2 million lawns and landscapes that TruGreen/ChemLawn specialists serviced in 1993.

"Our front-line people, that's where the rubber meets the road. And that's where where we have to take care of our business," he insists.

"As I recall, we haven't sprayed one lawn out of our corporate office yet this year. Not one. I don't think we will either."

(The idea that the business of lawn care begins on each single lawn isn't something that just popped into Karnes' head. He started his own career on the business end of a spray wand. He opened TruGreen's Grand Haven, Mich., office in 1979. Every lawn he sold that summer, he also got to spray.)

Smiles spread easily over Karnes' lean, tan face these days.

Made in heaven?—The marriage of longtime business rivals TruGreen and ChemLawn—of which he had more than a passing involvement—is off to a good start. Made in heaven? Not even he will go that far. TG/CL, after all, had to resolve 121 franchise issues in the weeks and months following the acquisition. All but a few are now wrapped up, he maintains.

Considering that $90-million-in-sales TruGreen gobbled up $300-million-in-sales ChemLawn, most industry observers, even competitors, acknowledge that Karnes and his staff have a firm hand on the reins and are moving TG/CL forward. Pronto.

Indeed, the combination of TruGreen and ChemLawn looks more and more like a genuine fit. Specifically, ChemLawn offers its wealth of operational and technical expertise. TruGreen adds its considerable marketing know-how.

TG/CL sales will approach and maybe exceed $430 million in 1993, making it about nine times larger than the next largest lawn care company in the United States. More tellingly, ChemLawn, now part of a bigger whole, is making money again.

Ron Anderegg started with TruGreen in '79

Dave Slott heads West Division

"This year we're exceeding any expectations our parent company (ServiceMaster) had," says Karnes. "We've had double-digit growth. Last year we made a profit. And we'll certainly make a profit this year."

(It's been since 1988 that the words profit and ChemLawn, then owned by EcoLab, appeared in the same sentence.)

Specialists respond—Karnes says the most fundamental reason why TG/CL exceeded 1993 sales and profit goals has been the on-going reinvigoration of its branches and their teams of lawn specialists. Productivity jumped 25 percent after specialists were freed of sales responsibilities and offered a new incentive package, claims Karnes.

The company's direction, he says, couldn't be clearer.

If you're on TG/CL's team, you're either improving clients' properties, or you're making it easier for specialists to deliver these services.

"The sole purpose of all of our staff people is to support the field effort. I don't want anyone walking around arrogant or cocky and thinking, well, I'm here in corporate, and they're down there in the field. That's just not going to happen," says Karnes.

TG/CL emphasized this starting the 1993 season by shaving $10 million from its corporate overhead.

Working with Karnes in operations are Counsel Bob von Gruben and Government Affairs Director Norman Goldenberg and Finance V.P. Michael Cook. Working with Karnes in Operations and heading up the East and West divisions respectively, are Ron Anderegg and David Slott. They each oversee six of the company's 12 regions. TruGreen has been the only job many of TG/CL's managers have ever had including Slott who started his career with TG/CL as a sales person in Kalamazoo, MI. Anderegg, a former school teacher, started with TG in 1979, also as a sales person, and admits he has likely held every management post there is at TruGreen.

CL's former research center in Delaware, Ohio, continues to offer technical/research support for TruGreen/ChemLawn.

"From the original team we put together last May 1992, all of those regional people are still there," says Karnes. "That's been one of the keys in providing a consistent direction for the employees."

Branch managers—When TruGreen acquired ChemLawn in May 1992, the company found itself with 204 locations. By mid-August 1992 they numbered 168. Consolidation occurred in markets where both TG and CL had had competing branches, explains Karnes.

"We put the business back into the hands of our branch managers. They run their own businesses, and the average branch size is about $2.5 million," explains Karnes. "We don't have a lot of people sticking their noses into our branches' business anymore."

TG/CL's president is openly optimistic about the company's future as the lawn care industry leader.

"I believe that more and more people have less and less time to do any of their home services, and they'll always be looking for a professional company to come in and provide these services," he says.

New trucks—To improve service delivery even more, Karnes says, TG/CL has already begun replacing its tanker fleet with smaller, more fuel-efficient diesel trucks. They're quite a departure for either of the former companies. They have enclosed tanks and hoses; they look a little like, and are smaller than, beverage trucks. The company's fleet of 3,500 production vehicles should be replaced over the next 24 months.

"We had some specialists crawl all over the truck, and we asked them about what's good and what's bad with it. It's amazing what you find out when you ask the person who actually uses the equipment," says Karnes. "And these trucks certainly look a little more friendly in the neighborhood."

Also, by the start of the 1994 season, some TG/CL specialists are likely to be spooling out and using a new dual-hose system with on-command herbicides for localized treatments.

"We're going to continue to be aggressive in the marketplace," adds Karnes. "But one thing we have to do for sure is to make sure we take care of our core business, and that's lawn and tree and shrub."

—Ron Hall

Losing the focus of lawn care sales

by Ed Wandtke

■ The principal concern of many lawn care companies is reacting quickly to ever-changing customer demands. Owners of lawn care companies comment to me:

- *"Customers keep changing their minds about what they want."*
- *"Customers aren't as loyal as they used to be."*
- *"Customers request more service than ever before."*

Customers are not your enemies, but you constantly complain about them.

This adversarial attitude becomes apparent to customers when they ask a technician a few questions and receive nothing but a one-word answer. And this guarantees one thing: the company will lose.

The opportunity for dissatisfaction starts at the time the customer becomes a customer. The lawn care company does not sell the customer; instead, the customer places an order for lawn care services.

Listening to the customer—Sales training should focus on teaching a salesperson to listen and learn what a prospect