

Bigger TG-CL means more of the same for LCOs



Ron Hall

RON HALL
Managing Editor

“I tell my guys not to worry about what anybody else is doing, but to go out and do what they're supposed to do,” said one longtime Ohio lawn care operator.

“I only wish I'd bought a thousand more shares of Barefoot,” responded his colleague.

What brought them together was the annual Ohio Lawn Care Association luncheon and business meeting on Dec. 11, 1996. The two friendly competitors were discussing the announcement that ServiceMaster intends to buy Barefoot, Inc.

The deal will merge America's two largest lawn care companies. TG-CL, with revenues of \$630 million in 1996, will absorb Barefoot which had sales of about \$125 million.

(For the record, nobody from either TG-CL or Barefoot was at the luncheon.)

The deal reminds us that business, after all, is numbers. And more numbers. Like the \$4.5 billion in worldwide revenues that SM reported in 1995.

Or the Barefoot stock that the one LCO at our table wishes he had bought a lot more of, considering he bought below \$10 and SM has offered Barefoot \$16 a share.

But, the deal took about everybody in lawn care by surprise. Otherwise, we would have all mortgaged our farms and cashed in.

The prospect of an even larger TG-CL and the disappearance of Barefoot didn't dominate our lunch conversation. It didn't generate the same energy and interest other deals did a decade ago. That's when this takeover fun really began.

Remember Waste Management trying to get ChemLawn, and EcoLab finally acquiring it? Or when Wayne Huizenga got a controlling interest in TruGreen just before Waste Management stepped into the picture?

EcoLab's CL and Waste Management's TG

[LAWN/LANDSCAPE]

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did horribly. More than a few people blamed it on “a mature industry”. They said: “there's not a lot of room for growth anymore” or “we sure miss the excitement of the old days”.

You can bet there's a lot of excitement at the SM's Consumer Services Division in Memphis.

SM took over TG in 1990 as part of a deal to get Terminix. Within a few years, it had TG on its feet again. Then, incredibly, it snapped up and absorbed much larger CL. That opened eyes.

TG-CL has been buying companies ever since. So when TG-CL's Bob vonGruben spoke at the 1995 PLCAA Conference on the topic of buying and selling a lawn care company it seemed like just about everybody showed up.

For independent LCOs not much should change. If they've been competing against giant TG-CL, they'll just have to keep battling. They'll have to keep doing what they do best.

Of course, the other option is that they can sell the business. **LM**