# industry almanac

## **Deere sees big changes for equipment dealers**

NASHVILLE, TN —Tractors, mowers and utility vehicles bumped up against cyberspace here this past Dec. 13. John Deere equipment dealers — in a Disneylike display of 3-D, computer-generated service technicians and music at the Opryland Hotel — learned that the game of selling and servicing lawn and garden equipment is changing fast.

In fact, Mark Rostvold, senior vice president of Deere's Commercial & Consumer Equipment Division, predicted that as many as half of the dealers would be gone in 10 years due to fundamental changes in how turf products are sold and serviced.

Rostvold also announced that his division intends to reach \$6 billion in sales by the year 2006. The division ended the year by meeting the \$3 billion goal it had set five years ago.

"The 6 by 6 goal is an ambitious target, but one that we calculate is certainly doable," said Rostvold. "With our existing resources, core competencies and the expanding scale of our operations, combined with a determined focus to meet our customers' needs, we believe we can reach that goal," he said.

But making those kinds of numbers is going to challenge the dwindling number of equipment dealers.

"The role of dealers is changing, a change being dri-



Computer-generated images of John Deere's vision of tomorrow's turf equipment dealership with a stronger emphasis on equipment service.

ven both by technology and the marketplace," he said.

"We're asking our dealers to refocus their emphasis on providing after-sale service. And not simply service for John Deere brands, but for all products — universal service — regardless of brand name," said Rostvold. "We believe the concept of universal service represents a major growth opportunity for John Deere and its dealer organization."

Deere is encouraging its dealers to sign up for the division's Private Label Service Center program, an effort to establish conveniently located outlets that will service all brands.

Rostvold also told reporters that the division is:

▶ expanding its Ready to Mow program, a mobile, athome service concept launched in 70 markets last year with plans to expand into 300 markets in 2000. So far, most of its focus has been toward maintaining consumer equipment, but expect Deere's equipment maintenance vans to start visiting landscapers soon, too.

▶ ramping up its manufacturing capabilities. Within the last five years, the division has

## SDS training debuts at PLCAA event

TAMPA, FL — How much is not having an effective training program costing you? Can you really compete in 2000 without skills development? If these questions apply to your operation, the new Skills Development Series (SDS) sponsored by American Cyanamid and Landscape Management, and endorsed by PLCAA, may be your solution.

Phil Fogarty of JP Horizons will explore how to think critically, develop employees' skills and establish a year-long training program at an orientation session on Saturday, Feb. 5, immediately following PLCAA's Management Conference in Tampa. SDS combines



expanded its capacity with fa-

Knoxville, TN. The Williams-

burg, VA plant for manufac-

turing Deere utility vehicles

www.deere.com - more

▶ beefing up its web site —

comprehensive and interactive.

"The internet is a vital part of

our future whether we use e-

or sell products to them," said

commerce to inform customers

will open in 2000.

Rostvold.

cilities in Raleigh, NC and

an interactive Web site, team competition and ongoing feedback and consultation to build employee skills.

"Anybody can be trained to use a trimmer in just a short time, but what about when that person comes in contact with a customer?" asks Fogarty. "Can that person adequately inform the customer about other services you offer?"

Tampa attendees can sign on at the orientation program. For information, contact PLCAA at 800/458-3466. Both sponsors are offering incentives for those joining SDS, including a copy of the Landscape Management Handbook, a subscription to TurfGrass Trends and more.

A second SDS orientation session will be held Saturday, Feb. 12 in the Cincinnati, OH area. For more information on attending this session, contact JP Horizons at 440/254-8211.

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## Merger forms largest ag-chem business in world

BASEL, SWITZERLAND – AstraZeneca PLC, the Anglo-Swedish pharmaceutical company, and Swiss drug giant Novartis AG have unveiled a merger and spinoff of their agricultural-chemical business.

The merger, which is still waiting for shareholder and regulatory approval, will be spun off and combined into a new, separately traded concern called Syngenta. Syngenta would be the biggest agrochemical business in the world, with sales of \$7.9 billion. It would have a potential stock market value of \$15 to \$20 billion.

"We chose to combine with AstraZeneca because it has the ideal complement to our product portfolio, a good global presence and good research and development platform," says Kay Carter, spokeswoman for Novartis.

Ed Ready, manager of environmental affairs for AstraZeneca, elaborated on the advantage gained in the research and development department. "It's enormously expensive to bring new pesticides to the market. If you don't have a big enough company that generates enough sales revenue, you can't play in this game," he says.

Ready also said that the merger will not only create the largest ag-chem business in the world but the only one that is free-standing. "In other companies, strategic decisions have to be made regarding different parts of the company. We will be able to make those decisions without worrying about how they will affect, say, the pharmaceuticals division."

The Novartis-AstraZeneca move is likely to trigger further consolidation within the \$30 billion-a-year agrochemical industry. Novartis itself is the product of a 1997 merger between Ciba and Sandoz. Using that particular merger as an example, Carter doesn't feel that being large means less customer service. "In 1997, we became one of the largest crop protection companies in the

world," she says. "So we're already large, and, if you look at our record, our customers rank us as number one. We've never lost that position, and I don't think that will happen with Syngenta."

-Jason Stahl





Valley Crest promoted Neville Laatsch to vice president and

branch manager of its Water Features and Theming Division.

#### David Heegard has joined Pursell Technolo-



**gies** as director of professional sales. The company

named **Tim Lacy** as director of customer and facility development.

John Bresnahan has joined AgriBioTech as technical sales representative for its ABT/Woburn, MA facility.

For the third straight year, CMX Group has been ranked among the top engineering firms of the Southwest by Southwest Contractor Magazine.

**Roger Rew** has been named as **LasTec's** new plant manager.

Roots Inc. promoted Ed Long to vice president of sales for Independent Distributors, USA. Jim Hughes has been named as West Coast territory manager.

#### Aquascape Designs,

which launched a national mail order business selling professional pond kits to contractors and retailers, has been named one of the fastest-growing companies in the country by Inc. magazine.

#### **The Pavestone Company**

recently opened two new manufacturing facilities in Chattanooga, TN, and San Marcos, TX. The company now has 10 manufacturing facilities and over 700 employees serving 33 states. Jo Layman has joined GreenScapes of Columbus, OH as production specialist in customer service and maintenance. Angie Mounts also joined the company as customer service representative. Promotions at the company include Adam Shirkey to landscape foreman, David Haberman to maintenance foreman, Jerry Klusty to assistant production manager and Teri Pace to assistant nursery manager.

Toro/Irritrol Systems promoted Mike Ochoa to senior marketing manager of Irritrol Systems. Brad White was promoted to national specification sales manager, Steve Snow to director of sales and marketing, golf, Rex Dixon to director of sales and marketing, Irritrol Systems, and Dirk Lenie to director of sales and marketing, Toro res/com.

# industry almanac

## Turfco's direct purchase plan starts smoothly

MINNEAPOLIS, MN - Commercial maintenance professionals can buy equipment from Turfco Mfg. without going through dealers, thanks to a new direct purchase program started this past November.

The program was born out of the loss of dealers to consolidation and the need to get new products out to end users rapidly.

"Turfco has introduced 12 new products to the market just in the past seven years. Yet, the 'mainline' dealer operations focus most of their efforts on their primary product lines, so 'short line' and specialty products tend to get lost in the shuffle," savs President George Kincaid.

Now, customers can get products, repair parts and answers much faster via telephone or computer (www.turfco.com).

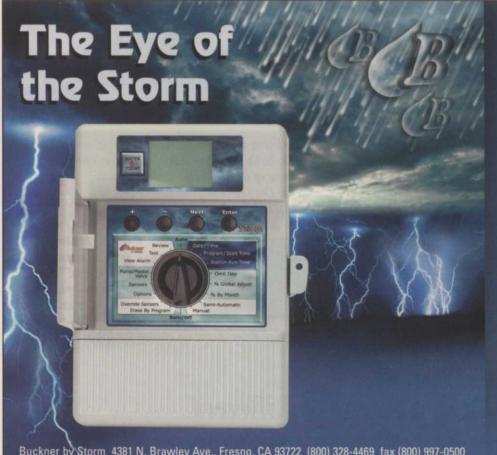
Mergers, especially among equipment manufacturers, forced Turfco to find an alternative to servicing customers.

So far, the direct purchase program has been running smoothly, says Kincaid. "Things are going as planned and our expectations are being exceeded. We've already started selling products this winter when normally those sales didn't come around until spring. That shows that people are ready to buy and that the market is ready for this type of program."

- Jason Stahl



THREE LEADING GUIDES .... produced by the Professional Grounds Management Society can be purchased singly or together in a three-ring vinyl binder. Included in the package is the "Grounds Estimating Guide," "Grounds Maintenance Management Guidelines" and the "Grounds Management Forms and Job Descriptions Guide." Contact the PGMS at 410/584-9754 or log on to www.PGMS.org.



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## Ferris acquired by Simplicity

**PORT WASHINGTON, WI** — In a move designed to take advantage of each company's unique market niche, Simplicity Manufacturing Inc. purchased Ferris Industries, Munnsville, NY, in early December. Simplicity's operations in the consumer mowing sector can now expand into the commercial side with Ferris' products.

According to David Ferris, chairman of Ferris, the company's new riding mowers with independent suspension have spurred demand and requirements for stepped-up production capacity that were problematic for the 120-employee firm. "These opportunities led to



our decision to partner with a firm such as Simplicity that could provide the capital and management necessary to accelerate the product development and manufacturing modernization programs planned for the near future," he said.

Jim Wier, Simplicity's president, noted the acquisition will expand the product offering for Simplicity's network of dealers throughout the United States. He said Simplicity will continue to market commercial mowers under the Ferris name. For more information, visit <u>www.simplicitymfg.com</u>.

#### **Requesting quiet**

BETHESDA, MD — Directors of the Portable Power Equipment Manufacturers Association passed a resolution asking all leaf blower manufacturers to label blowers with their sound levels. The resolution says that noise will be measured by the revised ANSI B 175.2 standard which, it's hoped, removes some of the variables that hampered previous labeling initiatives.

#### Zeneca outsources research

WILMINGTON, DE — Cambridge Discovery Chemistry, formerly a wholly owned subsidiary of Oxford Molecular Group and Zeneca Agrochemicals, will take over responsibility for Zeneca's chemistry research facility at its R&D Center in Richmond, CA.

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