

A CYGNUS PUBLICATION

# YARD & GARDEN

The business management Survival Guide for today's full-service outdoor power equipment dealer

## ▣ Dealer Survival Guide ▣ volume 5

A supplement to Yard & Garden magazine

▣ Marketing,  
Merchandising & Image

▣ Brought to you exclusively by

**STIHL®**

# Retail Distribution The STIHL Way

Greetings STIHL servicing dealers,

As many of you have heard, I am retiring as the CEO of Andreas STIHL. After spending nearly my entire life in the outdoor power tool industry, I could use a little time off. However, I am not going far. As chairman for the Advisory Board of STIHL Holding AG & Co., I will retain the highest decision-making authority at Andreas STIHL and expect to be actively involved in decisions affecting the strategic direction of Andreas STIHL and the STIHL Group. ANDREAS STIHL AG remains a family-owned company.

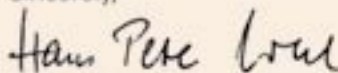
Without question the United States remains one of the largest, most competitive outdoor power equipment markets in the world. Success in this market demands innovative, reliable products and solid distribution, to name just a few of the factors. STIHL-branded products continue to enjoy remarkable success in the United States. I recognize the contributions of independent STIHL servicing dealers to that success, and I would like to take this opportunity to personally thank each of you for your support.

In recent times it has become clear where most equipment manufacturers stand with regard to servicing dealers. Brands that historically could be found only at servicing dealers are now scattered across the shelves of mass merchants and in the shopping carts of the Internet. As you know, this type of retail distribution has not been the STIHL Inc. way. STIHL Inc. long has supported the independent servicing dealer. It remains dealer focused.

I know that new products are vital in helping independent STIHL servicing dealers remain competitive, and I am excited about what the future promises. For example, STIHL's patented new 4-Mix™ product line. These units meet EPA emission regulations while maintaining an excellent power-to-weight ratio. It is this kind of product innovation that will maintain and enhance STIHL's reputation as a technology leader. There is much to look forward to.

Once again, I thank all independent STIHL servicing dealers for your ongoing support of STIHL-branded products. You have my sincere best wishes for ongoing success and prosperity.

Sincerely,



Hans Peter Stihl  
Chairman, Advisory Board  
STIHL Holding AG & Co.



**STIHL**®

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### Gregg Wartgow, editor

Wow ... *Yard & Garden Survival Guide* Vol. 5. I can't believe that it's been two years since we debuted our first-ever *Survival Guide*. Now, thanks to our exclusive sponsor, Stihl Inc., we're proud to bring you yet another edition. The focus this time is on the marketing of your dealership: everything from advertising to merchandising to building a professional image.



The concepts discussed in the front half of this issue come courtesy of two brilliant sales/marketing consultants: Jim Pancero and Jim Riley. They have a lot of experience working in this industry, and are currently members of the new Stihl Retail Readiness team (see story on page 4). Pancero and Riley travel the country, working with Stihl dealers to help them improve in the areas of sales, marketing and advertising. In this issue of *Survival Guide*, they kindly share some of their expertise with all of you.

In the second half of this issue, select dealer profiles from past issues of *Yard & Garden* are revisited. These dealers excel in the arena of marketing, professionalism and image. Hopefully, you'll learn a trick or two from them. After all, that's why we publish a magazine for you in the first place. I hope you enjoy it.

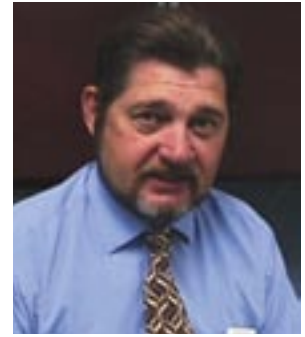


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# Are you retail ready?

*John Keeler, Stihl's national training manager, talks about the Stihl Retail Readiness program.*



By Gregg Wartgow

**S**tihl's dealer training program, Stihl Retail Readiness (SRR), is now in full swing, and dealers are already realizing the benefits of taking part in the program.

John Keeler, national training manager for Stihl, says the SRR concept originated about three years ago. "We were trying to package meaningful training for our dealers," Keeler relates. "We weren't just looking for a sales gimmick; something that would tie-in to selling product. We wanted something that would truly help our dealers. And we wanted a universal look to the whole thing."

That's where the Three Jims — Jim Pancero, Jim Riley and Jim Yount — come into play. Keeler continues, "Obviously, we offer technician training, as most manufacturers do. But what we thought was missing was training on the 'business' side of things, with information specifically related to this industry. So we formed

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*"We weren't just looking for a sales gimmick; something that would tie-in to selling product. We wanted something that would truly help our dealers."*

— John Keeler

partnerships with three people who understand the power equipment industry, and can relate the proper training to our dealers."

**Jim Yount** is a veteran of the outdoor power equipment industry, speaking many times at EXPO, for example. He focuses his training message on business

management, such as how to manage profitability and other financial data. Keeler says, "Dealers have unique challenges, such as seasonality, that they must contend with. Yount's vast experience in this industry allows him to understand what those challenges are."

**Jim Riley** of the ad agency Red Letter

Communications has worked with Stihl dealers and distributors for over 10 years. "He understands our industry, and where the dealer's sales and margins are," Keeler says. As a result, Riley is able to translate complex

advertising concepts into tools a dealer can utilize in his local advertising. Riley's workshops focus on advertising and merchandising.

**Jim Pancero** is a sales specialist who's spent some time in the past working with Stihl distributors. But now, through his affiliation with SRR, Pancero has immersed himself in the outdoor power equipment industry. "We're working with Pancero to tailor his dynamic sales message toward servicing dealers," Keeler points out. "We haven't hit the ground running with him quite yet. We're putting a video series together that talks about how to effectively communicate with customers. It is designed for those dealership employees who have contact with customers every day (counter people, sales reps, etc.). The videos are due to come out this fall."

## Bringing the training to dealers

The Pancero video series, offered through distributors, is one example of how this vital information is being brought to dealers. The Three Jims are also available to speak at dealer meetings, not to mention other industry functions. For example, Pancero recently gave a presentation at the EXPO 2002 Dealer University.

In addition to speaking engagements, Yount is also available for one-on-one training sessions — for a fee.





*The Three Jims, from left to right:  
Jim Pancero, Jim Riley and Jim Yount.*

"Yount will go visit a dealer who is having difficulties, and will work side-by-side with that dealer to help him improve," Keeler says.

A CD-ROM, to be used in conjunction with Yount's business management workshops, has also been developed. It's free to any dealer who attends one of Yount's workshops. For dealers who attend Riley's workshops, they are given a manual on advertising, merchandising and communications development. Topics include advertising basics, "power ideas" for better ad results, selling from your service department, media negotiating skills, direct mail and merchandising.

### Other training aids for dealers

In addition to SRR, Stihl is introducing other tools to help its dealers gain a competitive advantage in the marketplace. "The development of new, effective marketing and training aids is an ongoing process," Keeler says. "We're coming up with new ideas almost daily."

One of those ideas has been a tech/service video library which is now available through distributors. Keeler explains, "The video covers anything new, along with components such as ignition, carburetion and basic maintenance. It's available to dealers at a very low price. It comes in handy for bringing new technicians up to speed."

### *Dealers benefit from SRR*

John Keeler says, "We have numerous success stories where our dealers have engaged in the processes taught through our Stihl Retail Readiness program. As a result, they have increased their profitability and improved their advertising efforts, for example."


Case in point — Tracy Savage of Lumberjack Saw Co. in Warren, Arkansas. He and several other local dealers attended a Jim Yount workshop this past spring. Savage learned a lot from the seminar, especially the segment regarding shop profitability. He immediately implemented several of the concepts Yount discussed, and has seen dramatic results.

"The first thing I did was raise my shop labor rate by \$5 an hour," Savage says. "Yount told us that customers wouldn't even notice the increase, and he was right. We also installed a time clock to help track the technicians' billable hours. These two things have had a huge impact on our shop's profitability."

Savage also learned how to be more efficient in his shop. In fact, due to his heightened awareness of how to do things more efficiently, Savage is working with two fewer technicians than before he attended the workshop. Even so, he's actually seen an increase in labor income. Now, he has one dedicated person working the service/parts counter. That leaves his other two technicians to do nothing but turn wrenches. As a result, his technician efficiency has gone up nearly 30%; now hovering at a respectable 65%.

"If there is another workshop in the area this spring, I'll definitely be there," Savage proclaims.

The new Stihl Concept Store will become available in 2003. It features some new, dynamic in-store displays and merchandising help. More importantly, the displays are developed specifically for the servicing dealer, which Keeler says is very important.

"The new Concept Store helps the look of the dealer," Keeler points out. "It also helps them merchandise more effectively so they get optimum floor traffic." 

# Leveraging your position in today's marketplace

## *Three keys to differentiating yourself from the big boxes*

By Gregg Wartgow

**I**t's happened in other industries, such as the office supply industry. A major player (big-box department store) waltzes into the marketplace, and the smaller ma' and pa' stores don't know how to react. They often lack the proper strategic skills to formulate a plan. As a result, they tend to do the exact opposite of what they should do. And in the process, they accelerate their demise.

"Some dealers think they have to compete head-on with the big boxes," says Jim Pancero, sales consultant. "They try to be everything to everybody. They slash their prices. They start going nuts with newspaper advertising. But those tactics will not work. The more the dealer tries doing what the big box does best, the more the dealer will lose."

Instead, Pancero explains, the independent servicing dealer should be striving to differentiate himself from the big-box store. He says, "If the dealer raises his service levels and sets himself apart from the mass retailers, he still has a niche in this marketplace and can survive."

So the question is: How do you, the independent servicing retailer, gain a competitive advantage? According to Pancero, you must launch a coordinated, focused offensive. In doing so, there are three things you need to focus on:

- Behind-the-scenes business management
- Promotions and merchandising
- Carving out a position in the marketplace by being a sales consultant, not just a retail clerk.

### Sell systems, not just equipment

One of the big advantages you have over the big boxes is a strong parts and accessories inventory. A second advantage is your thorough understanding of the products you sell. By combining the two, you can really set yourself apart, and grab a piece of the market that's looking for a solution, not just a piece of equipment.

"I am simply amazed that I've met dealers who carry chain saws but don't carry chaps," Pancero relates. "Similarly, they sell string trimmers but don't carry

safety glasses. What a missed opportunity that is. Don't view these accessory items as 'add-on' sales. View them as part of the overall package that you're selling. Sell a system, not just a piece of equipment."

The problem, Pancero speculates, is that some dealership's staffs lack proper sales training. In many instances, they hesitate to push the "add-on" sales of things like safety gear or parts/supplies because they're afraid they'll run the price up too high and the customer will say no. But in reality, the salesperson is not being pushy at all. The sales rep is just trying to save the customer a return trip to the store. The rep needs to casually ask the customer questions, and provide solutions to his or her needs. Make it easy for the customer and give him an incentive, and it's often money in the bank.

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***"The more the dealer tries doing what the big box does best, the more the dealer will lose."***

— Jim Pancero

Pancero gives an example of what you can do in this scenario. "If the customer comes in to buy a chain saw from you, point out the safety package you also have available — chaps, eye and ear protection, for example. Let him know that if he buys these accessories as a package he gets \$30 off. It's kind of like McDonald's and their value meals. The customer saves money by purchasing the hamburger, fries and Coke as a package. But McDonald's wins, too, because their average order size increases. It's a win-win for both parties. You can do the same thing in your dealership. The chain saw is the hamburger, and the safety gear is the fries and Coke."

Most quality-conscious consumers are very receptive to the system sale. The same can be said about one of the most attractive residential customers of them all: the hobbyist.

"There is another percentage of outdoor power



equipment customers who come into a dealership looking to spend a lot of money because yard work is their hobby," Pancero says. "In this case, the system sale is critical. The hobbyist customer is looking for the total package because he's looking to treat himself. To recognize this type of customer, the sales rep again needs to ask questions in a casual manner. 'When is the last time you bought a new mower?' 'Why are you buying a new one now?' 'What are you looking to use it for?' Just get the customer talking, show some excitement and interest, and listen. Then provide a solution to his needs."

### *Creative promotional tips*

Jim Pancero has visited with several power equipment dealers throughout the United States. Based on the things he's seen some of those dealers doing — or failing to do — he offers a list of neat promotional ideas that can make a difference in your dealership and help you make the precious system sale.

#### One-on-one contact

Running more newspaper ads will not work because that's what Home Depot does. To differentiate yourself and have more of an impact, focus on telemarketing, direct mailings and special sales promotions. They're more personalized, and are quite cost-effective.

For example, you might consider calling all major equipment buyers two weeks after purchase to ask if they have any additional operating or maintenance questions. You can then remind them of your service, and additional accessories you have available to help "round out" what they might need.

Depending on your budget, Pancero says you might find it advantageous to hire a part-time college student in the summer to help find new business. He says, "Determine the market, in terms of a mile radius from your store, that you think you can serve. Then, have that part-time student drive around looking for new home construction. He can drop off your card and/or flier, and say, 'When your beautiful home is completed, I'm sure you're going to want quality equipment to help take care of the lawn. We'd love to have you stop by our store and see what we can offer you. By the way, here's a coupon



for \$30 off your first purchase over X dollars.'"

#### Take your mailings one step further

In addition to one-on-one contact, mailings are also very effective, and are often utilized by power equipment dealers. But Pancero says mailings can be utilized even more, by employing a marketing concept referred to as "plusing."

"Take your mailings one step further than they have ever been taken before," Pancero says. "With that in mind, the next time you mail out a postcard for a winter service special, include a coupon towards the purchase of a string trimmer or hand tool. Highlight a sale you're having on snow blowers. Whatever the case may be, the objective is to remind the customer that you can offer him much more than just a mower tune-up, and to get that customer to come back to you when he has another need."

#### Become an expert, and prove it

During your peak season, consider holding safety training seminars every Saturday for your commercial and residential customers. You could also put on a "safe mower operation" clinic for your residential customers who have children that are learning to mow. It doesn't have to be a costly, drawn-out class; maybe it's just 15 minutes long, and one of your employees runs it. Your

*continued on page 8*

continued from page 7

goal is to become well-known for your expertise and the education you can provide. And your ultimate objective is to go from being just another power equipment store to a consultative expert in the power equipment industry.

***“Don’t view accessory items as ‘add-on’ sales. View them as part of the overall package that you’re selling. Sell a system, not just a piece of equipment.”***

— Jim Pancero

On that note, promote an emergency hotline for customers to call when they have a problem with their equipment. It may be the service department or just the main number for the store. But by promoting the number as an emergency hotline, you create a perception in the mind of the consumer that you’ve taken extra measures to ensure that he is taken care of. It makes the customer feel more comfortable doing business with you, and that can go a long way.

### Merchandising tricks to sell safety

To help sell safety gear, create a wall of fame. For instance, when a customer buys a pair of chaps from you, give him a coupon that says he can get 15% off his next pair — if he brings back the first pair when they’re worn out. Then, hang that first pair on a wall in your showroom where customers can see it. The worn out pairs of chaps help illustrate their function and importance, in turn, helping your sales reps sell more chaps. Constantly come up with new, creative ways like this to sell more accessories.


### Store hours

Pancero says he’s amazed at how many dealerships are not open on Sundays. He’s more amazed at why they aren’t open. He relates, “Most dealers tell me they aren’t open Sundays because they need *some* time off. They don’t trust their employees enough to let them

run the store while they’re away. It can’t work that way. You need leaders in place to run your store while you take some well-deserved time off. You must be open on weekends and evenings.”

### Product offering

To further set yourself apart from the big boxes, you may need to evaluate the lines you’re carrying. “If you carry the same brands and models that the mass retailers are carrying, it becomes harder and harder to differentiate yourself,” Pancero points out.

By being an industry expert and solution provider, you can grab a piece of the market that the big boxes cannot satisfy. You must face reality — Home Depot will out-advertise, out-promote and out-price you. But by differentiating your business from the big boxes, and by selling systems rather than just equipment, you can find your niche and survive. 

Jim Pancero is a leading authority on advanced sales and sales management techniques. His training programs and keynote speeches focus on innovative, cutting-edge selling processes and strategies for today’s marketplace. As an independent consultant and trainer, Pancero is also a member of the “Stihl Retail Readiness” team, working with Stihl dealers to help them increase their competitive advantage and selling success.





# Building your image

*Actively marketing your business, investing in professionalism, and shaping your image may be the most important aspects of modern outdoor power equipment retailing.*

By Jim Riley

**T**hat statement is based on the fact that I believe “mass merchandising” begins and ends with marketing and image, and that beginning now the mass merchants are going to focus their efforts on stealing the customers that dealers cherish most — the professional customers.

The fact of the matter is, if you don’t define and “shape your future,” the mass merchant is going to do it for you. More and more of the same brands that are

found in your store are available — maybe at a lower price — at the mass merchants. And my hometown Lowe’s has a sign at the outdoor power equipment counter that says: “We *service* what we sell.” My guess is next we’ll see special hours and services designed to attract professional customers.

Obviously you, the servicing dealer, have the advantage in the marketplace. Whether you realize it or not you have designed your entire operation around the

*continued on page 10*

## Image Action Plan

Describe one to three ways to better merchandise or market the following aspects of your business (or simply improve the appearance and image created).

<b>OUTSIDE APPEARANCE</b>	<b>SERVICE DEPARTMENT</b>	<b>STAFF/OTHER APPEARANCE</b>
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EXAMPLES TO CONSIDER:

Fix/pave lot  
Remove all old equipment  
New signage  
Lights/planter boxes

Clean & paint the area  
Open up area with counter system and/or large window  
Add dynamic graphics and better market the service function

Uniforms with logos  
New graphics on uniforms and all company vehicles  
Add new store logo to all ads

### Now - prioritize and set goals for accomplishing the improvements

By year end 2002

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During first quarter 2003

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By mid-year in 2003

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continued from page 9

needs of professional landscape contractors and most desirable homeowners. You have the products and expertise, and you have what the pro landscaper needs to stay in the field: trained service technicians, and a dynamic parts and service department. Now, you just have to fill that space in the minds of the end users — and keep it filled. You have to make sure the professional and “desirable homeowner” customers know who you are and what you offer. You have to make the marketing of your business a primary aspect of your business.

***“I believe most everything we do in business is attached to the marketing and image of the business.”***

— Jim Riley

I believe most everything we do in business is attached to the marketing and image of the business, because just about everything we do works to sell or un-sell our business. The way you dress, the condition of your parking lot, the cleanliness of the store, the way you talk to and treat customers, the look of your service department ... it all influences your business image, and thus, works to market your business.

The problem with many outdoor power retailers making marketing a top priority in business is that most small business owners have little or no formal marketing training — and many may consider marketing a lot of malarkey or a pain in the rear. Another problem is getting the discussion out of the clouds and down to where it counts: specific plans for your dealership in Hometown USA.

My approach here is to offer you one specific suggestion and a couple of steps that I have seen proven right for our industry. I hope that will get you “thinking out of the box” about your business. I’ll also provide you with a few simple steps that will result in a marketing and image action plan for your store. Let’s start with the following suggestion.

### Take the Truth Test

On page 11, we have included a simplified version of what we call the Marketing and Image Truth Test. I suggest that you photocopy and enlarge the test, and then set to work on an honest appraisal of your store. Consider asking a trusted employee or business associate to also fill out one of the tests with regard to your store (maybe one of your territory reps). Remember, the rules are simple:

- Be absolutely honest.
- If you ask someone to fill out one of the tests, assure them that you won’t take anything personal.
- And in return, ask them to keep the information absolutely confidential.

Based on the info gathered in the Truth Test(s), establish some new goals and action plans to help you realize those goals. Use a blank Truth Test form to set some goals for improvement. Then use the Action Planner (on page 9) to itemize specific action plans, along with self-imposed deadlines to complete the actions. **YG**

Jim Riley of Red Letter Communications Inc. has worked with Stihl, as well as several Stihl distributors and dealers, for over 10 years. He specializes in translating national advertising campaigns into tools that distributors and dealers can utilize in their local advertising and marketing.

Riley is also a member of the “Stihl Retail Readiness” team.



# IMAGE TRUTH TEST

Rate your business from 1-10 (with 10 being the highest). To make planning easier, do the current rating in one color, the set your goals in a second color.

Image Truth Test

## OVERALL FACILITY - EXTERIOR

1. NICELY PAINTED, SIDED OR BRICKED  
The building has a good drive up appearance.

10 - - 9 - - 8 - - 7 - - 6 - - 5 - - 4 - - 3 - - 2 - - 1

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2. CONVENIENT LOCATION FOR CUSTOMERS  
Customers can find us easily.

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3. OVERALL IMPRESSION  
In general the exterior of our facility gives the impression of a modern-era outdoor power retail store.

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4. THE PARKING LOT  
Adequate size, asphalt or concrete, clean with access to the main roadway.

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## OVERALL FACILITY - INTERIOR

1. CLEAN PUBLIC REST ROOMS  
Our restrooms are clean and well stocked.

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2. SHOW ROOM CLEAN AND ORGANIZED  
The show room is clean and products are displayed in an orderly fashion. Hang tags are visible.

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3. FLOOR PLAN  
We have designed our floor plan to control/influence the movements of customers (to insure they visit important profit centers in the store.)

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## OVERALL FACILITY- PRODUCT PRESENTATION

1. CLEAN, ORGANIZED AND WELL STOCKED  
Our product display invites the customer to the equipment - it works as a silent salesman.

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2. DISPLAY MAINTENANCE  
We have a staff member responsible for attending to our displays - they are to be restocked and freshened daily.

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## PARTS & SERVICE AREAS

1. SHOP IS CLEAN & ORGANIZED  
The shop is clear of debris and clutter and conveys a professional appearance.

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2. PROFESSIONAL IMAGE  
You sense professional work in our service area as soon as you walk through the door.

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3. MARKETING SERVICE  
We actively market the service function of our business.

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4. SPECIAL SERVICES  
We offer special hours and services for professional customers.

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## MARKETING & ADVERTISING

1. PARTICIPATE IN ORGANIZED ADVERTISING  
We tie into suppliers' brand equity and national marketing.

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2. ADVERTISING PLANNING  
We plan all advertising activity - we are pro-active.

--	--	--

3. CO-OP ADVERTISING  
We take full advantage of co-op dollars and materials

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4. STORE LOGO  
We are satisfied with our store's logo and theme - and use it on vehicles and uniforms.

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5. GOLD MINING  
We actively work to convert 'sales' into long term customer relationships.

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# Making the most of your advertising dollar

By Jim Riley

**F**or most of us, advertising is a subject that is often debated and discussed to the point of frustration. Therefore, I am going to use this space that I have in this *Survival Guide* to present solutions to the five common mistakes I see time and time again — mistakes which I believe are the cause for most failure in advertising.

**Wrong budget.** Your advertising budget should absolutely be a percentage of your sales or projected sales goal. Use the formula printed at right, combined with your own sense of your market and what your business can afford to invest. Come up with a real budget and try to stick with it for several years.

*“Too often ads are bought and built around the schedule of a newspaper rep rather than being placed and designed around your marketing plan.”*

— Jim Riley

**Poor planning.** Please try to change your approach to advertising and marketing communications by setting aside two full afternoons a year and an hour each week for planning. Too often ads are bought and built around the schedule of a newspaper rep (reactionary) rather than being placed and designed around your marketing plan (proactive). The calendar on page 13 can help get you in control of your investment, and getting organized is almost guaranteed to make your efforts more effective.

**Poor use of co-op.** Again, this takes planning and organization — but you can really cut the costs of advertising by proper use of co-op, and that means money in your pocket. Identify in December all of your co-op sources, and plan ahead to get maximum use of those dollars. If you are in control and ahead of the game, you may find special or extra assistance available from key vendors. See page 14 for more.

## MEDIA BUDGETING FORMULA

### Determining Your Gross Advertising Budget and Net Advertising Expenditures

\$ \_\_\_\_\_ Total Sales Goal for the year

x 3-6% Or the percentage of your total sales goal you are willing to invest

= \$ \_\_\_\_\_ YOUR GROSS ADVERTISING BUDGET

From your gross advertising budget, deduct:

- \$ \_\_\_\_\_ Your amount of available co-op

= \$ \_\_\_\_\_ YOUR NET ADVERTISING EXPENDITURE

### Determining Your Total Gross Budget for All Media and Promotional Advertising.

\$ \_\_\_\_\_ YOUR GROSS ADVERTISING BUDGET

From your gross advertising budget, deduct:

- \$ \_\_\_\_\_ Your Yellow Page Expense

- \$ \_\_\_\_\_ Your Net Cost for Merchandising Investments

= \$ \_\_\_\_\_ Your Total GROSS BUDGET for All Media and Promotional Advertising

## Seasonal Allocation

(Total Gross Budget for All Media and Promotional Ads)

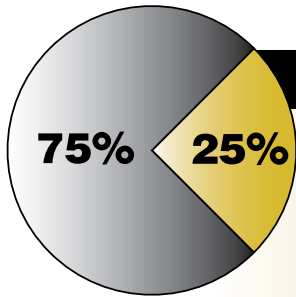
<b>SPRING</b> \$ _____	<b>FALL</b> \$ _____
<b>SPECIAL</b> \$ _____	<b>CONTINGENCY</b> \$ _____

This information is for demonstration purposes only, and in no way reflects STIHL policy, or the policy of STIHL's distributors and branches, and in no way should be taken as a recommendation to the dealer by any STIHL entity

continued on page 14

EDITOR'S NOTE: Here are a couple tools Riley uses when counseling Stihl dealers.

**Converting 'sales' into relationships is an important aspect of marketing. Riley advises that you invest part of your ad budget to accomplish that goal.**



### Your STIHL & Gold Mines

Think of your STIHL mine as attracting new customers  
Think of your Gold mine as converting sales into relationships

- Allocate 75%-80% of your budget for radio, newspaper, direct mail and other media and marketing to generate new customers

**Product Registration Cards**  
It is hard to over-emphasize the importance of completing product registration cards when you make a sale. This critical step simplifies on-going communication with - and marketing to - existing customers.

- Allocate 20%-25% of your ad budget for capturing data and using it for mailers, statement stuffers, service reminders, staff incentives AND traditional advertising to generate repeat business and build relationships.

## Quarterly/Monthly Advertising Planner

Manufacturer	Total Co-op <small>(see after Yellow Pages)</small>	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
		Professional Tools/Service	Specials	Mowers/HomeScaper	Hand-Held	Pro Service/Blowers/Saws	Blowers/Saws/Holiday Gifts						
STIHL	\$ _____	Co-op this mo. = \$ _____ Bal. for year = \$ _____	Co-op this mo. = \$ _____ Bal. for year = \$ _____	Co-op this mo. = \$ _____ Bal. for year = \$ _____	Co-op this mo. = \$ _____ Bal. for year = \$ _____	Co-op this mo. = \$ _____ Bal. for year = \$ _____	Co-op this mo. = \$ _____ Bal. for year = \$ _____	Co-op this mo. = \$ _____ Bal. for year = \$ _____	Co-op this mo. = \$ _____ Bal. for year = \$ _____	Co-op this mo. = \$ _____ Bal. for year = \$ _____	Co-op this mo. = \$ _____ Bal. for year = \$ _____	Co-op this mo. = \$ _____ Bal. for year = \$ _____	Co-op this mo. = \$ _____ Bal. for year = \$ _____
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Special Events													
Free Press													
In-House Promotions													
Results/Notes													

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**Poor targeting.** You know where your best prospects for new business are (look to your product registration cards; drive around your community and highlight a postal or newspaper route map with target areas; take the time to focus advertising efforts there). Some percentage of all advertising falls on deaf ears — but with thought and effort you can eliminate a significant amount of waste.

**Failure to convert “sales” into relationships.** What does this have to do with advertising? A lot. I suggest you allocate as much as 25% of your resources into getting customers back into your store. Mailers, deliveries, special events — these are all opportunities to create life-long, profitable relationships. Remember, the cost of the first sale is maybe 100 times more than the cost of the 10th sale to the same customer.

I consider “success in advertising” to be spending the least amount of money needed to generate the amount of sales traffic needed to grow your business by 15% each year. And, if you will simply correct the mistakes listed here, your success in advertising should increase significantly. **YG**

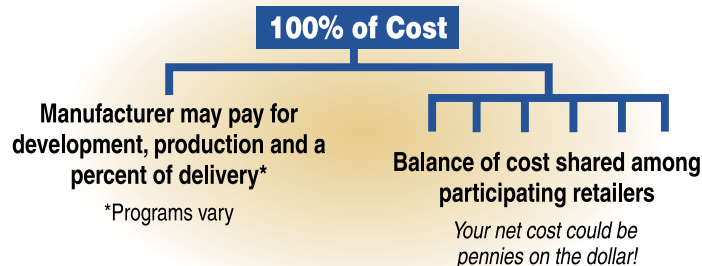


## Take Advantage of Regional Advertising Programs

One way to keep your advertising as efficient as possible is to take full advantage of regional advertising programs. In doing so, you are assured that your advertising message and timing are tied directly to the efforts of those of the national manufacturer—plus, you can drive down your net cost of advertising!

### Also worth considering...GROUP CO-OP EFFORTS

In today’s marketplace your competition is not necessarily the OPE retailer in the next town. It’s the mass merchant or big box that is trying to win both your homeowners and professional customers. You can share the costs of advertising with other STIHL retailers (through group co-op) and drive down the cost of your ads to pennies on the dollar.





# Merchandising 101

By Jim Riley

**S**tart marketing the service function of your business. I don't mean put up a sign that says "We service what we sell" — that doesn't cut it anymore. Consider an overhaul of your service area — making it so clean that you are proud to give a tour of your service department to most homeowner customers and all professional customers.

Consider "packaging" your service department and featuring that "competitive advantage" on product/price tags, in-store signs, uniform patches and service trucks (see sidebar on this page). Consider "opening-up" your service department to your customers by cutting a large hole in the wall (and putting in a set of large windows) and installing manufacturer-supplied fixtures such as the new Stihl Counter system.

Cleaning and organizing your service department — then showing it off (in other words marketing it) — will put a lot of emphasis on your service professionalism. It will instantly create an image that says, "We are outdoor power equipment service professionals." And it will go a long way in differentiating you from the mass merchant, positioning you as the solution for homeowner and professional outdoor power equipment users.


## Five golden rules of merchandising

**1. The way you present yourself to people is how they will respond to you.** If you present an image that is clearly professional, customers will treat you like a professional. If you make it clear that "We are your solution center for outdoor power equipment," people will rely on you for solutions. If you make it clear that you sell more, people will buy more.

**2. Stack it high and watch it fly.** It's an old grocery term that's almost universally applicable — when you inventory more product, you sell more product. It's a consumer behavior based on safety in numbers — most buyers want to buy what everyone else is buying. By the way, it's a good idea to have staff members assure your customers that "We sell more of these than anyone."

**3. The mere act of merchandising products will generate sales ...** but merchandising products properly can *significantly* increase sales, as demonstrated with the introduction of the Stihl Concept Store when wholegoods sales spiked, and suddenly products such as accessories and saw chain shot up 30% and more.

**4. Items and services that are not priced will sell much slower.** This fact is especially true with higher-priced items and with services. Buyers are consciously or subconsciously intimidated by items with no price ("If you have to ask, you can't afford it"). They will not risk being embarrassed. Don't be afraid of pricing your services.

**5. The devil is in the details** — without attention, any merchandising system will falter ... and probably fail. The idea is simple — you've got to pay attention to your displays (Concept Store, counter systems, even the parts countertop) to keep them properly stocked, orderly, clean and attractive. Without regular attention any display will become disorganized, unattractive and unproductive. 

### *Ask us about 'The Ralph Helm Advantage'*

Ralph Helm is a third-generation Stihl dealer in the Chicago area. He and partner Jim Brandes put service front and center in their marketing and merchandising efforts against the mass merchants.

Helm says, "We recognize that our customers can get comparable equipment in the warehouse stores — but they can only get professional service from us. So our commitment to service — that important point of differentiation — is at the center of our marketing. We package that benefit under the 'Ralph Helm Advantage' and make sure every customer that shops with us understands the program."

That's the kind of commitment it takes to make the most of the biggest advantage you have over the mass merchants. They can't match your technical expertise and experienced customer service. But you have to let customers know about that advantage, and how they can benefit from it.

Helm goes on to explain, "Here's the deal: If you buy a piece of equipment from us, we guarantee to have it fixed and returned to you inside of a week. If not, we'll give you a loaner to use for free until your equipment is ready. And we'll fix most anything — but we service those customers that have purchased from us first."

# One-stop shop

*A Miami dealer creates his own niche by diversifying his service offering.*

By Noël Brown

**T**he “one-stop equipment shop.” That is how the folks at Best Equipment & Repair Inc. in Miami, Florida, portray themselves to the customers in their community. And pretty much, no matter which way you look at it, that’s what Best Equipment is: a one-stop shop.

## Survival Tactics — In Practice

- Diversification helps eliminate seasonality
- New facility is “as comfortable as a car dealership”
- Knowledgeable staff with the “right attitude”
- Investment in advertising, and creating a strong brand identity for the business

In addition to the “normal” services offered by most power equipment dealerships, Best Equipment provides a rental outlet; construction equipment; commercial financing; companion lines like trailers, rakes and tools; it even offers ice for crews’ coolers as they stock up for the day.

“We have everything our commercial customers need, from A to Z,” says Lance Cooper, owner.

To better serve customers, Cooper built a 20,000-square-foot facility down the street from the original store. The new shop is devoted to the power equipment side of the business.

## A wing and a prayer

Just a few years ago, Cooper started his business from his garage. He started by moonlighting, doing repairs on small electrical tools.

When neighbors continually complained at 2 a.m. about the noise he generated fixing the tools, Cooper took the plunge, quitting his day job and opening a small dealership in a strip mall. That was in 1993.

A few years later, the mall was sold and he was

unsure about the relationship with his new landlord. So he moved into a one-bay section of a nearby warehouse. As the business grew, he kept expanding, taking on more sections of the warehouse facility. His business now occupies 10 bays of space, and is busting at the seams. Hence, the new power equipment facility down the road.

And by the way, the neighbor who complained about the late noise is now a manager at Best Equipment, and one of Cooper’s top employees.

## Complementing lines

One of the most important elements to Cooper’s success is the fact that the different sides to his business have eliminated the seasonality of a dealership. The cash register rings year-round, thanks to strong rental and construction divisions. And since the industries are close cousins, there is a lot of customer crossover, i.e. landscape contractors renting back-hoes or construction crews buying blowers for clean-up.

“Landscape contractors continue to expand their services in order to remain competitive,” says Cooper. “They need a dealer who has everything they need to serve their customers. We make sure we’re that dealer. So as they expand their services, we expand ours for them.”

The business actually started in the rental/industrial arena ... lawn and garden sales were only added about 14 months ago. Already, the power equipment accounts for nearly half of the business’s income. With the new location, it is expected to be well over half.



### A slick new place

Cooper's got big plans for the new location. "We're going to set a new precedent," he says. "We're going to be as comfortable as a car dealership and just as full-service. We will be the Home Depot of outdoor power equipment."

When *Yard & Garden* visited the new location in early spring 2000, it was just a few days away from being inventoried, and just a week or two from the grand opening. Here are some of the features planned for the new location:

- Parking for up to 20 commercial landscape trailers
- A dock for commercial trailer entry — get your unit fixed indoors while still on the trailer
- A special window between service and parts departments, where parts can be dispensed (and recorded) immediately
- A separate customer waiting area complete with comfortable furniture, telephones and complimentary coffee

***"I want our company to be the first thing customers think of when they have an outdoor power equipment need."***

— Lance Cooper

- Ample office space for administration functions
- Handicap-accessible bathrooms
- A large, well-lit showroom with maximum versatility
  - slat board walls throughout
  - separate sales, service and parts counters
  - as a time saver, the parts counter includes dozens of customized drawers and shelves so fast-moving parts are up front
  - separate, individual display areas for each major manufacturer
  - special drop-down spotlights to feature certain products and showroom areas
  - non-stain, virtually indestructible flooring

### *Pull through traffic ... or push in?*

One of the best business generators has been in the form of outside sales. Manager Rick Garcia takes one of the trucks out for a series of cold calls each Tuesday ... his day off. He calls on schools, municipalities, fire departments and hospitals. He started with a few prospect telephone numbers on the first page of a yellow legal pad. He now has two legal pads packed full of his notes — and his first orders for service and sales. His efforts have brought in dozens of accounts for the dealership.

His pitch is simple. He just drops in on the decision-makers of these organizations — sometimes it's a grounds manager, sometimes it's the principal of a school. "I sell our service first," says Garcia. "I sell our company and the wide scope of services we provide. Then I'll talk about product. They can get equipment lots of places, but they'll never match our service."

Both Cooper and Garcia are firm believers that you don't wait for business to come to you. "I'm just amazed that no one else is doing this," says Cooper of his local competition. "This business isn't about standing behind a counter. It's about extending our services way beyond what everyone else is doing. We think about our customers' every need."

### *Don't stop at power equipment*

Another area Best Equipment has found a niche in is servicing other equipment and tools used by many of their outside sales customers. Floor waxing machines, generators and power washers make appearances in the service shop awaiting repairs and maintenance.

Not only is this another area to tap into for service work, it also shows the customers, once again, that they need not look any further for different vendors for their repair work.

Cooper has mapped out a floor plan for the inventory to force floor traffic in ways that will maximize potential sales.

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### Makin' a name

A big part of Lance Cooper's success is the fact that, right away, he made a strong identity for his company and set high standards to live by. He set out to be the "best" right away. Today his whole team still lives by those business principles Cooper set seven years ago. They are a dedicated, knowledgeable, professional team.

When Cooper finds the right attitude and personality in a person, he doesn't worry as much about qualifications — he figures they can be trained in the business. A great example is one of the managers, Ahmed Andrade. This employee was first discovered at the bank ... he was Cooper's bank teller. Cooper liked Andrade's attitude, so he hired him.

Best Equipment's identity is apparent throughout. Everything carries the Best Equipment logo ... uniforms, delivery trucks, all the rental equipment ... anything related to the business or the services. "I want this logo to become a fixture, something everyone recognizes," says Cooper. "I want our company to be the first thing customers think of when they have an outdoor power equipment need."

Cooper invests a good deal into advertising, including huge 1/3- or 1/2-page ads in the Yellow Pages. Best Equipment also provides customers with a web site featuring the different facets of the business. The address is [www.equipmenttools.com](http://www.equipmenttools.com).

In the community, Best Equipment sponsors local sports teams, schools and other charities. In the showroom near the cash registers are many pictures and trophies of happy teams donning "Best Equipment" logos.

"You can't be afraid to spend money in order to make money," says Cooper. "We invest in our community, and we are very happy with the returns." **YG**

*Originally printed in Yard & Garden April/May 2000 issue.*



*Best Equipment's identity is apparent throughout. Everything carries the Best Equipment logo ... uniforms, delivery trucks, all the rental equipment ... anything related to the business or the services.*

# A fresh look drives sales

*When it comes to displays, a North Carolina dealer believes 'variety is the spice of life' for customers.*

By Noël Brown

**W**hen it comes to showroom techniques, there seem to be two varieties of dealers: the ones that keep the showroom in one layout until it's time for a make-over, and the ones that change it around all the time. Hal Pate of Quality Mower & Saw Equipment in Durham, North Carolina, is of the second variety.

"You never want to leave a piece of equipment laying in the same spot for a long time," says Pate. "It shows shelf-wear. Customers who visit frequently see that and think it's not good equipment because it never seems to move."

Pate, in fact, rearranges his showroom at least every season. Each new layout gives the dealership a fresh look and keeps customers interested. "We change the appearance all the time," says Pate. Quality Mower moved into a new facility a year ago, boasting a large, uninterrupted showroom, which makes rearranging easier.

Hal Pate (right)



## Survival Tactics — In Practice

- Fresh displays keep consumer interest at a peak
- Give higher-margin equipment more display space

### Display techniques learned over time

Outdoor displays create interest from drive-by traffic. "We put mowers and watercraft out in the summer, debris equipment in the fall and tillers out in the spring," says Pate. The Quality team takes advantage of holidays, too, creating, for instance, a special display around a Christmas tree.

"Most of what I learned was from the school of hard knocks," says Pate. He's come away from experience with a few tips. For instance, always put at least two pieces of equipment (like tractors) out together. "It's psychological," says Pate. "Numbers mean everything to the public. If you put just one out, you'll never sell it."

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In fact, with some product categories, Pate doesn't just put "two" of anything out. "With accessories, we go all out. I'll put several hundred pounds of trimmer line out. Same thing with blades," says Pate. "I've learned. When it comes to accessories, the more you display, the more you will sell."

Another tip: Keep in mind the special needs of customer groups. Pate uses the example of the older customer. "We make sure there is plenty of room between equipment that the older customer tends to purchase, because they need that. On the other hand, we'll put Polaris products a bit closer together, since younger folks don't seem to need as much space when considering product."

***"You never want to leave a piece of equipment laying in the same spot for a long time. It shows shelf-wear."***

— Hal Pate

Pate also keeps in mind the relationship between profit margins and space. "I dedicate floor space accordingly. I give the product with the best margins the most space. If certain products bring with them a high cost of doing business or a low margin, they don't get as much of the floor." By justifying the space in this manner, Pate says he makes a lot more money than when he didn't know to do that.

The primary rule he uses when changing around the showroom, however, is simple. "We set it out in whatever way it looks most attractive," says Pate.

### Designing the best facility

Building a new facility is the dream of many a dealer — and Pate was able to make that come true. But like every new venture, it comes with its challenges.

"There are a lot of things I would do over," says Pate. "For one thing, I would have the parts counter in the back of the store instead of the front." Putting the counter in the back would force customers to see more of

### *The right supplier mix*

Common with other dealers, Pate is constantly evaluating his product and supplier mix.

Just as important as what lines he offers, Pate wants to ensure he has the breadth of equipment customers need.

"We try to have every equipment size represented in the higher to medium price brackets, so customers have a choice," says Pate.

For instance, Quality Mower began offering Kubota to fill a hole in his offerings. "We wasted a lot of years not having a high-end mower. We needed a major player." Pate says it was a good investment, and sees a good future in the new partnership.

Still, like many dealers, he wonders if he might be carrying too many lines. The support he receives from each supplier — in addition to the profit margins and cost of doing business — will count (or detract) from his decision of who to keep, and when it will be time to move on. "It's a tough decision," says Pate. "But we have to stay with the suppliers who will grow our business."

the store before stopping to do their business.

He also says that building a new place was a huge investment, one that he still feels (and will feel for a while) when determining his bottom line in the budget. But he is quick to say it was just that — an investment, in a better location, a bigger facility and the future of his business. "This place is 20% bigger. It's cleaner, more open, more attractive. We notice especially that our women customers are less intimidated."

Another investment Quality Mower will make soon is a new computer system. Pate hopes to become more efficient with a more comprehensive system. "We've been handling warranty by hand. Now it will be done on computer."

### Good employees make good business

"Right now, I've got the best employees I've ever

*Originally printed in Yard & Garden June 1999 issue.*



had in my life," says Pate. "I'm very thankful for them." He knows how hard it is to find quality people to work in his dealership. "It's tough, because of the low image and low pay this industry is known for."

He tries to combat the industry's reputation and foster loyalty by offering as much to his employees as possible. It starts with attitude. "I try to make them feel more like part of the business. They are like family," says Pate.

In addition, he offers benefits such as paid vacation and holidays, paid sick days and bonuses at Christmas. He has hopes to start a 401k program in the future. Though he carries ATVs and a few other winter season products, Pate admits the slower sales make payroll a challenge. But that, too, is an investment, since he doesn't want to lose his best employees. He plans winter projects to keep them motivated and busy until sales — and the season — warm up again. "We use the winter to catch our breath," says Pate. "We build counters, do a deep clean, and check our inventory. We get the place into shape for the next season."

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***"With accessories, we go all out. I'll put several hundred pounds of trimmer line out. When it comes to accessories, the more you display, the more you will sell."***

— Hal Pate

### Customer treatment

That "treat them like family" ambience Pate creates with his employees translates well to the customer, too. "We don't put on airs here. We're not aggressive," says Pate. "We are ourselves and tell customers like it is. They appreciate that."

He's convinced that their firm belief in their products and service come through to the customer. "We know our product and we believe in it. Our knowledge



helps customers trust us and the equipment."


Pate offers all the value-added services customers have grown to expect from good dealers. Extensive parts and quality service are part of the Quality Mower package. Pate also keeps his eyes open for niche areas to expand his offerings.

"We sell a great deal of safety apparel and safety glasses," says Pate. "We move a lot of oil and lubricants. Customers know they can find it here. Every little bit helps."

The Polaris watercraft and ATV lines have also done a good job of generating customer traffic. Pate carries accessories for those items as well, everything from hunter's gun racks to helmets. This time of year, most of the product in for repair is of the ATV variety.

### Always learning

Beyond being a regular student in that "school of hard knocks," as he puts it, Pate continues to look for resources to learn and improve his business. He clips articles out of the trade publications and seeks advice from friends and fellow businessmen in the area.

As for the future, Pate has a prediction. "Ten years from now, customers will rebel against the mass merchants. They will come back to quality." With his attitude of constant improvement, Pate and his Quality team will be ready. 

*Originally printed in Yard & Garden February 1999 issue.*



# You get what you pay for

*Mark Underwood sells at retail, offering superior customer service in exchange for those higher prices.*

By Gregg Wartgow

**M**ark Underwood didn't go to college. He didn't learn how to grow his business by reading a textbook. And he didn't discover the importance of superb customer service in a classroom.

He developed these skills while attending the "school of going out and doing it." A lot of it has been trial and error. All of it has been keeping an open mind: listening to employees and customers in order to stay on the right track.

## Survival Tactics — In Practice

- Selling service as opposed to price enhances image and credibility
- Going the extra mile for the customer
- Web site adds to professional image
- Diversified product offering fills off-season void

"Customer service and attitude on life in general has built the business," Underwood says. "Growth has been between 10% and 30% each of the 18 years we've been in business. We've made some good decisions on the products we sell and the services we offer."

M&R Repair in Pasco, Washington, sells itself as much as it sells its products. Underwood doesn't give heavy discounts. If he did, he couldn't provide the level of service he does.

Underwood explains, "We sell on enthusiasm of the product, along with the features and benefits of the product. We might not get every customer because of our prices. That's OK. I'd rather give them \$100 of service than discount the product to them. There are a few people who still drive to save a dollar. But things are starting to come around where good service has a lot of value. So that's what I sell. And that's what really makes customers happy and keeps them coming back."

## Beyond the call of duty

Customers of M&R Repair are often left speechless by some of the things Underwood offers to do for them. One homeowner was in the dealership looking at a tractor, and decided he wanted to buy it. Because of the tractor's high dollar value and sophisticated operation, Underwood wanted to spend time with the customer and explain the product inside and out.

"I emphasized that we like to service what we sell, and we like to deliver it as well," Underwood recalls. "The man said, 'Sir, you don't know where I live. I drove 280 miles to get here.' But I didn't care. If he drove 280 miles to get to us, we can drive 280 miles to deliver his tractor and show him how to use it on his property."

M&R Repair delivers 97% of all riding mowers directly to the customers' homes. Typically, they don't deliver to homes outside of the Tri Cities business area (Pasco, Kennewick and Richland). But they are willing to go the extra mile — or 280 of them — for the customer.

Underwood instituted this program in 1987 after a customer got a string trimmer home and couldn't get it to work. "We never gave him thorough instructions on how to wrap the line on the head," Underwood remembers. "The importance of really taking the time to make sure the customer understands the product you're selling to him became obvious to me at this point."

Underwood does his best to educate his customers.

*Mark Underwood*



### *Cooking up winter profits*

Mark Underwood always knew he needed a product he could sell during the slow, winter months. However, he didn't want to take on a product that would add business in the already busy summer months. He looked at a snowmobile dealership. The main problem was that most snowmobile manufacturers also offer watercraft — a summer product.

In 1996 Underwood finally found a product he thought might work: fireplace/wood, gas, pellet stoves. A fireplace/stove supplier actually approached him to see if he would consider selling their products.

"I did a lot of research before I committed," Underwood recalls. "I called reputable dealers that took on a fireplace/stove line. Some of them said the fireplace/stove business became a more important facet of their dealership than the power equipment."

After three full seasons of selling them, fireplaces/stoves have become an integral part of M&R Repair's business as well. At the end on 1997, they accounted for 25% of M&R's total sales.

### *Making something out of nothing*

When Underwood took on the fireplace/stove business, he began searching for a subcontractor to do the installations. He found one who'd been selling to construction contractors, making about \$65 to \$70 a unit. The construction contractors then sold them to the homeowners they were doing work for.

"Our subcontractor wasn't making any money selling to construction contractors," Underwood says. "Finally, I just took it all off his hands when he ran into some financial trouble. He had a bunch of fireplaces partially installed when he ran out of money. I asked



him to show me the invoices of where he was buying them from, and the invoices of where he was selling them to."

Underwood called a couple of the contractors and asked them if they'd continue doing business with him if he began selling the fireplaces/stoves as opposed to the subcontractor. He also told them he couldn't sell the fireplaces/stoves at as low a price as the subcontractor had been. The contractors didn't mind.

"I told them, 'If there's a problem with any of your homeowners, all they have to do is call us and it's off your back,'" he says. "We've been doing business with those contractors ever since. We've also picked up some of the homeowner market as well."

Still, due to the mechanical nature of the products he sells, he expects some things to go wrong every now and then. Sometimes it's a mechanical failure. Other times, it's human error where a customer might not understand the product. For example, a customer may put contaminated fuel in a piece of equipment.

During certain circumstances such as that, Underwood has one of his commercial accounts drop by the customer's home and mow his lawn. M&R Repair

picks up the bill. He estimates that this happens approximately four to six times a year.

"We partner with some of our better commercial customers to do this," Underwood explains. "We check their schedules to see what's workable. Also, we look at the cities they service and try to pick someone who already has accounts in that city."

Recently, a customer bought a riding mower from M&R Repair. Underwood had to order a component for

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the mower from the factory and didn't get it for three weeks. In the meantime, he had that customer's lawn mowed twice without the customer even requesting it.

### You're only as good as your employees

In order to provide superior customer service, Underwood needs employees who possess superior customer service skills. He relies on referrals from customers to find prospective employees. He welcomes college and high school students, along with retired people, as long as they have the right attitude.

To determine if they have the right attitude, Underwood conducts a rather unique interview. "We let them ask a lot of questions about us instead of us just

***"We might not get every customer because of our prices. That's OK. I'd rather give them \$100 of service than discount the product to them."***

— Mark Underwood

asking them questions," he explains. "We look at the chemistry makeup of the person — their character and compatibility with co-workers. Those traits are just as important as knowledge of the business. We can teach them the business if they have the right attitude."

During the interview process, Underwood explains that he keeps things clean and professional, and that he and his employees never stop learning.

There's an M&R employee at every single class offered by its suppliers. Internal sales meetings are held periodically so employees can share information and address areas of concern. Also to gain employee feedback, one of Underwood's managers arrives to work extra early once every few weeks. As employees start coming through the doors, he pulls them aside to ask them how things are going.

### *Web page adds professionalism*

A lot of customers were asking Mark Underwood, "Are you on the 'Net?" As of August 1998, his answer has been "yes, at [www.mrrepair.com](http://www.mrrepair.com)."

"It's an added tool for communicating with customers," Underwood says. "We've sold several pieces of equipment to people who were doing research on the Internet. They didn't specifically look up M&R Repair. Rather, they were looking for a product. They came across a manufacturer of that product, and M&R Repair is on that manufacturer's list of dealers."

### *Putting it together*

The creation of the web site was an involved process, taking three to four months to complete. Underwood and his bookkeeper put it together, using ideas from other web pages that got their attention. Initial start-up cost was about \$1,500.

The local Internet provider gave Underwood some guidance. But the majority of it was internal research. "Nobody does as thorough a job of research as yourself," Underwood says.

"We always incorporate employee comments," Underwood says. "As a business grows, it's easy to resist change. But we've had some great input from managers and employees that has been beneficial to our organizational policies and procedures. One thing I've learned is that to be profitable, you must be organized. There's no one who can tell me how to do things better than those who are doing it: my employees."

Keeping an open mind has been Underwood's biggest asset. Listening to his customers and employees helps him make the right decisions for his business. By the looks of it, he's been making all the right decisions.



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# Making an impact

*Stoller Lawn & Garden focuses on presentation to attract customers, and ultimately, build customer loyalty.*

By Gregg Wartgow

**S**ome people know from a very young age what they want to be “when they grow up.” That can be said about Ken Stoller, owner of Stoller Lawn and Garden in Orrville, Ohio.

Stoller’s interest in small engines began in the seventh grade. He says, “My friends and I would take engines back and forth to school to tinker with them on the bus. It started with go-karts and mini-bikes. We either had to fix them ourselves or take them to a shop. At our age, we couldn’t afford to have someone else repair them. So we had no choice but to learn to do it ourselves. Once we figured out that we could do it ourselves, we took an even bigger interest.”

During high school, Stoller enrolled in some small engine repair classes at the Wayne Co. Joint Vocational School. Shortly after completing high school, he took his first full-time job as a technician at a local dealership. Soon, that dealership went out of business, and Stoller took a job at another dealership. He stayed there for 16 years, first working in the shop for a few years before becoming the store manager.

“I enjoyed it there,” Stoller says. “Managing a dealership was what I always wanted to do. Then, as my children started getting older, I thought that if I started my

own dealership, it would give them something to do.”

In April 1997, that’s exactly what he did — he started his own dealership. Stoller and his family lived out in the country on a busy highway in Orrville. They had a fair amount of land, and Stoller figured it would be the perfect location for a dealership. So they had a building erected, and Stoller Lawn and Garden was founded.

## Survival Tactics — In Practice

- A unique brand offering attracts customers
- Annual Open House jump-starts business
- Local parades present a cost-effective advertising vehicle
- Actively marketing used equipment draws new customers

## Getting off the ground

“Based on my experience managing that other dealership for so many years, I knew what to expect,” Stoller says. “I never really thought I’d have a problem. I knew a lot of people, and I knew the market for lawn care equipment was strong in our area. The commercial

*continued on page 26*





### Taking it to the streets

Things like the Open House and the front-yard equipment presentation have helped draw people's attention to Stoller Lawn and Garden. In many cases, they've even helped gain new customers. A few years ago, Ken Stoller caught on to another effective, inexpensive marketing tactic — participating in local parades.

"We've done as many as five parades in a summer in various communities around the area," Stoller says. "Typically, though, we do two or three."

Doing the parades in surrounding communities has played a big part in Stoller Lawn and Garden gaining recognition. Stoller relates, "We've gotten a lot of customers who stop in and say, 'We saw you in the Wadsworth parade and it was really neat. We wanted to find you to see what you're all about.'"

Like the other marketing tactics Stoller employs, it's all about making an impact when it comes to the parades. He likes to have one of every product he carries in the parade — one of each commercial mower, a go-kart and a lawn tractor, for example. The adults drive



those, which usually amount to eight or 10 units.

On the float they pull through the parade, a blower is positioned toward the back that blows a beach ball up in the air. "The ball actually just floats up there," Stoller says. "It really catches people's attention, and they remember that — and us."

Finally, one of Stoller's younger sons joins the Stoller Lawn and Garden caravan in a little truck. A few years ago, Stoller had a customer who was looking to buy a go-kart. The customer also had this small truck he was looking to trade. So Stoller made the trade, put his name on the side of the truck, and uses the truck in the parades as yet another attention-getter.

*continued from page 25*

market was growing. And there were a lot of high-end residential customers looking for quality equipment to take care of their large properties." In fact, a good percentage of Stoller's customer base is residential customers looking to buy commercial equipment.

The trick to getting started was setting his dealership apart from the other dealers in the area. Stoller explains, "I made a map of all the dealers around us, and wrote down all the brands they carried. I wanted something nobody else had — but also wanted a premium brand. Ariens/Gravely seemed to fit the best. I talked to a sales rep, he set us up, and it took off from there."

### A grand opening every spring

Like many new businesses in the retail sector, Stoller Lawn and Garden made its introduction to the market via a "Grand Opening" event. They advertised heavily in the local newspaper, and it was a huge success. Stoller saw a lot of familiar faces in customers he knew from his days at the other dealership, along with some new faces.

That first grand opening was such a success, Stoller decided to do it again the next April. This time, he billed it as an "Open House." It was even more successful the second time. Now, it's an annual event at Stoller Lawn and Garden. An estimated 250 to 300 people attend

every year. Stoller still advertises the event in the local paper. Personal invitations are sent to commercial customers. But for the most part, Stoller says, the event has gotten so popular that most people know when it's coming, and are looking forward to it.

"It's the same date every year — the first weekend of April," Stoller says. "It's the 'kick off the spring' event that really jump-starts our business. We hand out a lot of prizes throughout the day, including a grand-prize drawing. My wife and her mother get all the food ready — hot dogs, relishes, donuts, beverages. It's a lot of work, but it's well worth it."

The Open House, held 9 a.m. to 9 p.m. on Friday and 9 a.m. to 6 p.m. on Saturday, is by far Stoller Lawn and Garden's biggest selling day of the year. Stoller knocks 5% off new equipment and 20% off all used equipment. That provides a real incentive to buy that weekend, because for the rest of the year, Stoller keeps prices at suggested retail.

### Front-yard presentation

The April Open House has a real impact on customers, and helps set the tone for the rest of the season. Stoller says it is most definitely a critical component in the success of his business.

So is the way he displays his large stable of commer-

cial equipment in the expansive grass area in front of his store. Back Orrville Road gets a lot of traffic every day, and Stoller wants his store to make as big an impression as possible on passersby. So every morning, his sons push all of the mowers from the back storage building to the front lawn. At night, they push them back in storage.

It's a lot of work, but it's something his sons look forward to every day. Even if they couldn't do it, Stoller says, it would be worth paying someone else to.

He says, "I'm sure it wouldn't cost any more than running ads in a newspaper. It's already proven to be a very effective, so I could justify the cost. I don't know how many times someone has driven by, who's not even from the area, and they stop simply because the display gets their attention, or they saw something they've been looking for."

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***I don't know how many times someone has driven by, and stops simply because the (outside) display gets their attention."***

— Ken Stoller

To keep things fresh, Stoller has the equipment arranged in a different pattern each day. One day it's arranged in rows, one day it's arranged in a V-shape, the next day it may be in a circular configuration. The point is to constantly mix things up to keep the presentation interesting.

#### You get what you want out of it

As impressive as the front-yard equipment display is, Stoller's property still has a lot of open room. He fills up another portion of it with his huge collection of used equipment, which is a solid part of his business.

A series of tents covers an estimated 100 to 150 pieces of used equipment, which Stoller has accumulated on trade-ins over the course of his four years in business. He estimates that used equipment sales make up roughly 10% of his overall sales. That's pretty good, he

says. What's even better, he continues, is that he can get what he wants out of used equipment.

He explains, "There's no set retail price, so you can just about make as much as you want on a unit. Another thing I like is that a customer can't say, 'I can get one just like it for \$50 less down the road.' There isn't one just like it down the road. So I can pretty much set the price I want to sell it for."

All used equipment is reconditioned before it's sold. Stoller says used consumer walk-behind mowers are priced anywhere from \$75 to \$400. Prices on riding mower start at around \$500.

When it comes to deciding the price he's willing to pay for the used unit on a trade-in, Stoller employs a couple of techniques.

"As a rule of thumb, I normally guarantee them the tax on the new unit," Stoller explains. "That way, I know I'm still making my margin on the new unit." For trade-ins that are in real good condition and Stoller thinks are worth more than that, he offers blue book value.

By being so willing to accept trade-ins, and making the transaction so simple, Stoller says customers are encouraged to come to him. The used equipment tent also draws a lot of customers who may have never stopped in at Stoller Lawn and Garden.

Sometimes, they aren't ready to purchase a brand-new mower, and just want a used one. Other times, they are just looking for a used mower to have as a spare. At any rate, when those customers are ready to purchase a new mower, they often return to Stoller Lawn and Garden. **YG**

*Originally printed in Yard & Garden April/May 2001 issue.*

# Admitting ignorance is key to business savvy — and success

*Buckeye Power Sales uses consultants to showcase the showroom and ensure profit accompanies growth.*

By Noël Brown

**I**t's quite an achievement for any business to make it to its golden anniversary. To actually grow, prosper, anticipate market shifts and diversify successfully is even more of a coup. It takes keen observation, business savvy and a certain amount of luck.

"We saw an opportunity," says Don Bohls, president of Buckeye Power Sales in Columbus, Ohio. "Mass merchants get so much business just by default. The natural selling point of dealers is their service, yet many view it as

## Survival Tactics — In Practice

- Outside sales is key to growing commercial business
- Entertaining top commercial accounts encourages repeat business
- Seeking the advice of outside consultants to design the most attractive store possible

a necessary evil instead of trying to make it profitable."

For years as a servicing distributor, Bohls and his employees called on dealers, listening to their challenges and concerns and watching their market shifting. But even as mass merchants gobbled up a larger share of the outdoor power equipment market, Bohls saw a bright future for aggressive dealers.

The servicing distributor role was also changing. The generator business was good, but with many engine manufacturers switching to two-step distribution, Bohls knew he had to look to other areas of growth.

### Cutting into the commercial market

So Buckeye began offering outdoor power equipment, and turned its servicing distributor salesmen into commercial equipment salesmen. The business took off from there.

Beyond offering premium equipment and unparal-

leled service, the folks at Buckeye courted their commercial customers, fostering loyalty and growing sales.

One tactic that works at Buckeye is sending the salesmen to the customer. Two salespeople spend their time calling on municipalities, property management companies, school systems and large landscapers. They bring demo equipment and make sales literally in their customers' backyards.

### Celebrating customers

Buckeye also has a calendar of events especially for commercial customers.

"We appreciate our customers, so we take them out a few times a year to show them," says Don Barney, a sales manager for commercial sales at Buckeye.

Barney says they invite their VIP customers out for a night at the local racetrack. The event includes a catered dinner and tickets to the race. "It's a family-oriented event," says Barney. "They spend enough time away from their families."

In February, Buckeye hosts a service clinic for landscapers that do some of their own repairs. Manufacturer's reps present repair techniques, and the customers have a chance to troubleshoot through a question and answer session.

Taking the "Power Sales" in the company name to heart, Buckeye also holds what Barney refers to as a "power picnic" every fall.

Held at a local park on a Friday afternoon, it is set up much like a mini power equipment show. The factory reps of all brands sold at Buckeye set up booths, and a model of every piece of equipment is ready to demo by prospective customers.

In four hours, about 250 prospects and customers show up to eat and try equipment. "You always have to cater the event; those guys love to eat," Barney tells.

A firm believer in being a one-stop shop for commercial customers, Buckeye management offers just about every product a commercial customer would ever need to do a day's work — right down to Gatorade and the coolers to hold it. A complete line of OSHA-



approved safety apparel and work attire is also part of Buckeye's offerings.

"For landscapers, professionalism is exhibited in their appearance, which includes everything from the vehicles they drive to what they wear to the equipment they use," says Barney. "We want to help them be more professional."

### Growing pains

Success in the outdoor power equipment side of the business caused growing pains for Buckeye. Bohls explained how he eventually had two smaller buildings facing each other across a street. It was becoming difficult to do business efficiently, or to grow future business. He didn't want space constraints to squelch future growth. So he called in an architect.

The architect analyzed the business as it was in 1995: a thriving dealership, servicing and selling generators and commercial power equipment. But he also looked at the business potential; growth in existing business and tapping the residential outdoor power equipment market could prove fruitful if Buckeye had the room to merchandise properly.

The architect drafted a design for what some would call "a dream dealership." One large building that would join the generator and outdoor power equipment side of business under one roof. A large, well-designed service area could serve both sides of the business with wide ramps and extra large garage doors. Huge storage potential in the same building. And a big showroom to merchandise the diverse product line.

In April 1996, the blueprints became reality when Buckeye Power Sales opened the doors of its new 40,000-square-foot facility.

The building was a beautiful site, and allowed Buckeye

to spread out, broaden their services and their product lines.

### Renovations in a brand new building?

But there were problems in the showroom. Could it be too big? Though it was clean, organized and well-stocked, the 30-foot ceilings gave it a warehouse club atmosphere. Customers felt almost overwhelmed by space and selection.

Recognizing their limits in merchandising expertise, Bohls took advantage of his membership in the local dealer association and asked for help.

There he was introduced to Dean Sisson from The Design Group at the Ohio Hardware Association (OHA). Sisson's group worked in conjunction with the Ohio/Michigan Equipment Dealers Association (OMEDA), assisting outdoor power equipment dealers to realize their full merchandising potential.

Bohls hired Sisson to help create a more intimate selling atmosphere within the big showroom. The investment was a success (see "Displays that sell," page 30).

### Defining the customer

Another issue Buckeye faced was mastering the homeowner market. Despite a respectable \$300,000 sales in their first full year in the residential market, there is still much to learn.

"We're trying to get a feel for who our customer is," says Don Guyton, manager for residential sales. "We want to know as much about our customers as possible so we can market to them, develop floor traffic and ultimately sales."

"The consumer business is a bit baffling," says Bohls. "It's not the one-on-one, day-to-day kind of business like the commercial market. We're experimenting a bit here."

Admitting his limited knowledge on the subject, Bohls says, "We are new at this end of the business, so we want to get some help from the experts." He hired Dean Skylar from Skylar and Associates, a marketing firm that works with power equipment dealers. "Dean will help guide us to target the right customers," says Bohls.

Skylar will perform a marketing audit for Buckeye Power Sales, then recommend a) who the target audience is and b) by what means their advertising dollars will be best spent to attract the target audience. Skylar's expertise will help Buckeye pinpoint the best use of the marketing budget.

*continued on page 30*



## Service = profit

Though Bohls has many years experience in the business, he is quick to realize what he doesn't know, then call in someone who does.

For instance, wanting to increase profits in his service department, Bohls called in Bohmer and Associates.

"Bill Bohmer emphasizes that 'labor is inventory,'" says Greg Bohls, service manager at Buckeye. "To help us account for — then be able to bill — all our time, each service technician clocks in and out for each job on the timeclock. That way, if they get called away to help with another job, they clock out. When they return, they clock back in. It makes for precise billing."

"I think most dealers don't realize the true costs associated with being a dealer," says Don Bohls. "We keep learning as we go. For instance, we are changing our financial statements to reflect several profit centers.

Then we can track how each area is doing and make changes when necessary."

Where does Buckeye go from here? Bohls explains what he'd like to make happen. "As we make more of an impact and prove ourselves, I'd like to get a couple of the well-recognized brands we haven't been able to get thus far. I'd like to see Cub Cadet and John Deere in here.

"I want to become both successful and profitable in all areas of our business. Then I'd like to look into opening other locations in the Columbus area. This is an excellent, growing city for business."

If Bohls stays on his path to profitability, Buckeye's 50th anniversary won't be the only thing they celebrate.



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## Displays that sell

Buckeye Power Sales has a huge showroom with virtually unlimited selling potential. But what is the best way to tap into that potential? Bohls hired someone to answer that question for him.

"We came into Buckeye and asked a few key questions," says Dean Sisson of The Design Group from OHA. "What are your goals? Who is your customer? What do you want to attract? Don Bohls answered our questions, then we went to work."

By analyzing the product mix, the customer mix and the space being used, Sisson set out to balance the showroom and create a more intimate buying atmosphere. His main goal? "We need to enhance product interaction. These are high-ticket items. It's important that customers be able to interact with their purchases."

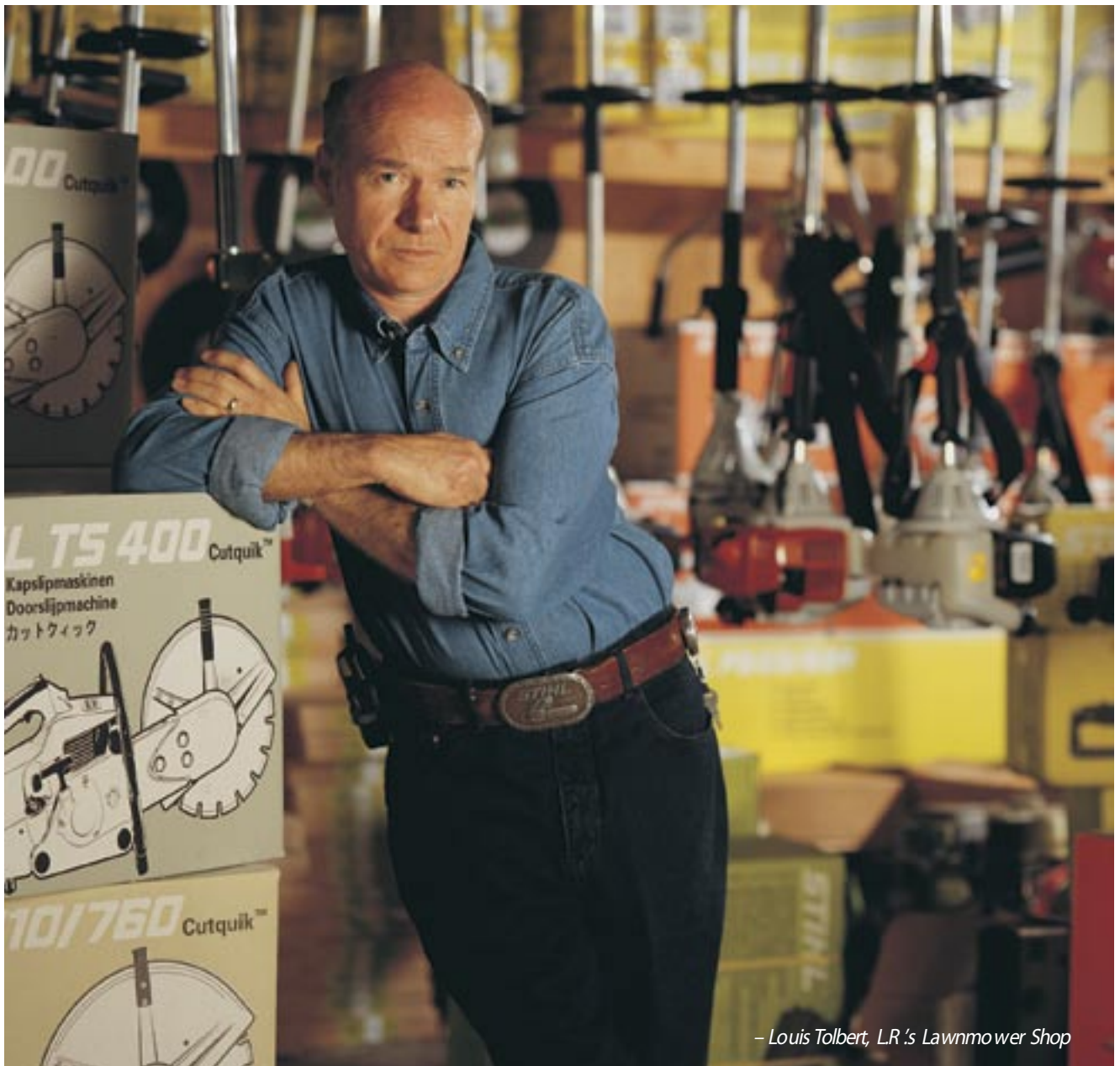
The Design Group drew up several schemes that would meet these goals. Sisson presented them to Bohls and they discussed the different elements, including signage, lighting, color and traffic flow. A final plan was drawn. Here were a few of the recommendations:

- Compensate for ceiling height. The high, warehouse-like ceiling dwarfed the equipment and intimidated the customer. Sisson recommended grid panels suspended from the ceiling, brought down normal height and equipped with track lighting, which keeps the customers eyes down on the product. "They also keep expenses down, saving Don from having to buy a whole new ceiling," says Sisson.

- Reorganize product into smaller groups. Arrange the tractors into groups of four, in square configurations consistent with the overhead grid panels. "This way, customers focus on one tractor at a time," says Sisson. "Dealers typically line them up in a tight row, and the customer only sees the front and back without pulling it out of the row. This way, the product tells its own story." Green tape on the floor outlines each square, defining the merchandise space. The consumer doesn't have to work at looking at too much at once.
- Each product has its own signage. "We wanted to communicate a non-pressure atmosphere, so for each product we posted a list of features and pricing," says Sisson. This way, the customers can understand in one glance what the product is about.

*EDITOR'S NOTE: Dean Sisson is now vice president of Midwest Retail Services in Plain City, Ohio. The company specializes in showroom design, product merchandising, suppliers of major fixture brands and merchandising accessories, parts and storage shelving, fixture installations and signing design.*

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– Louis Tolbert, LR's Lawnmower Shop

## **“The last thing I want is to help home centers sell my brand.”**

“I’ve seen it before. First an OPE company decides to sell out of discount stores. Then they tell their dealers to stick around because their business is going to improve. Whose business? Give me a break. All the dealer ends up doing is validating the brand

as a tool of the professional while his customers go to the discount stores, that undersell the dealer, to get those ‘professional-grade’ tools. With Stihl, I’m a genuine authorized dealer, not a promoter for my competition down the street.”

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*-Randy Longnecker, J&I Power Equipment, Olympia, WA,  
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warehouses and ‘big-box’ stores. And selling one brand streamlines my entire business, especially on the showroom floor when I can match my customer to the right Stihl tool, in less time than if I wasn’t an exclusive Stihl Dealer.”

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