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# GETSTHE

Will a new manufacturing agreement with John Deere lead to growth in the stand-on market and a stronger Wright brand? Page 17

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## **Be Where the Buyers Are**

I f I'm in a store and I see a product that I'm interested in, but don't know much about, I typically whip out my smartphone and Google it for more information and price comparisons. This is called showrooming, and whether or not I do it depends on what store I'm in.

If at a big box store, I would look the information up on my phone to avoid an awkward encounter with the sales individual who likely doesn't have the knowledge to help me make an educated decision. If at the local independent retailer, I would walk up to a knowledgeable employee to ask about the product in question.

Showrooming is becoming increasingly more common. According to a 2011 Insight Express study, smartphone users comparing in-store prices with those online has increased from 14% in 2009 to 59% in 2011. These numbers are hard to ignore—and suggest that dealers need to grow their presence as online retailers.

When a customer checks online for pricing, the lowest price often wins. Online retailers are selling at an advantage with lower prices thanks to tax leniency. Currently, many online retailers are not required to charge tax on purchases. Bills like "The Marketplace Equity Act" have been introduced that would level the playing ground upon approval. It would authorize states to require internet retailers to collect a sales and use tax to be paid to the state where the item is sent upon purchase. Until that bill is passed, in-store retailers are at a disadvantage because they continue to collect taxes while most online sellers do not. That could add up to an average of 5 to 10% price difference.

While not all dealers have the time and resources to offer products online, it is sometimes an option to partner with your supplier to find a solution. Rotary Corporation (story on page 14) and The Toro Company (article at greenindustrypros.com/10823159) have seen the trend in purchasing shift toward online, and have sought ways to help their dealers reach an untapped online audience.

In order to remain competitive, dealers need to grow their presence online. While you still may not be able to meet the price of the local big box, you can offer customers online the shopping experience you have worked so hard to perfect in-store. Customers choose independent dealers for their knowledge, expertise and product support. Show that customer online what you have been showing in-store customers for years. It's important to be where the buyers are. As they shift to online, so should you. **(** 



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Volume 36 Number 1





### "Why would I buy equipment from a company that doesn't support me?"

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LOCAL MEANS BUSINESS.

INDUSTRY INSIGHT

> By Gregg Wartgow

# Equipment Dealer Business Outlook

Quite a few dealers took it on the chin this year, but remain upbeat about their prospects in 2013.

oughly 42% of equipment dealers saw a decrease in equipment sales this year, but only 15% are expecting to see another decrease in 2013, according to a recent reader survey conducted by Yard & Garden magazine.

The historic 2012 drought clearly had an impact on dealer sell-through. Aftermarket business was also affected. Roughly 31% of dealers said parts business was down, while 40% said service business was down.

However, many dealers did see growth this year. Larger dealers with annual sales over \$1 million tended to have more success. Roughly half saw increases in both equipment and parts business, compared to just one-third of dealers with sales under \$1 million.

Looking ahead to next year, dealers remain optimistic. Half expect to see an uptick in equipment sales. Roughly 55% expect to sell more parts, and 64% anticipate an increase in service business. (See graphs 1a, 1b, 1c.)

### Diverse client base comes in handy

The majority of dealers expect 2013 to be a good year with respect to each of their customer segments. More than half expect an increase in business from homeowners. Roughly one-third expect landscape contractors to spend more. Roughly one in four anticipate more business from municipalities. Conversely, just 8% expect a decrease in homeowner business, 16% expect a decrease in business from landscapers, and 19% expect a decrease from municipalities. (See graph 2.)

#### Margins become an even bigger issue

Wholegood margins continue to be a major concern for most dealers. For instance, 47% of dealers said they earn less than 15% on commercial zero-turn mowers (on average). That figure remains unchanged from a year ago.

The pinch is on in the residential zero-turn market as that business has grown more competitive. Roughly 40% of dealers said they earn less than 15% on average, compared to just 29% of dealers one year ago. Similarly, 41% of dealers said they earn less than 15% on lawn-and-garden tractors, compared to just 33% of dealers one year ago.

Oddly enough, more dealers are seeing an improvement in gross profit on residential walk mowers. Roughly 60% said they're earning at least 16%,

#### Sales This Year vs. Next Year



#### Sales This Year vs. Next Year



#### Sales This Year vs. Next Year



#### Where's the Money in 2013?



compared to just 46% of dealers one year ago.

Handheld equipment is also a bright spot for most dealers. Roughly 39% said they're earning at least 20% on trimmers, compared to just 29%



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THE WRIGHT WAY TO MOW

of dealers last year. Those figures are similar when it comes to chainsaws.

The parts department remains a strong profit center for dealers. More than half of dealers make at least 36% on OEM parts. When it comes to aftermarket parts, three in four dealers make at least 36%.

#### **Additional lines of business**

A varying number of dealers carry a range of equipment shortlines. The most popular are:

- Tillers 80%
- Generators 66%
- Chipper-shredders 59%
- Snowthrowers 57%
- Lawn vacs 56%

The equipment shortlines dealers are most interested in adding to their stores are:

- Stump removers 7% (23% already carry)
- Compact excavators 6% (10% already carry)
- Aerators, detchatchers 6% (49% already carry)
- Utility vehicles 6% (30% already carry)
- Trailers 5% (18% already carry)

#### WHAT WILL THE DEALER NETWORK LOOK LIKE IN 2017?

Yard & Garden magazine recently conducted a survey of its outdoor power equipment dealer audience. One of the questions was: Where do you see your dealership in five years? Below are some of the more enlightening responses.

- 15% think they'll be out of business
- 15% plan to open another store
- 35% plan to be under new
  ownership
- 21% plan to sell more equipment lines
- 13% plan to sell fewer equipment lines
- 60% plan to be more profitable

It doesn't end with just equipment, though. A narrow segment of the dealer network also looks to other product categories for add-on sales. The most popular products which dealers *already carry* are:

- Safety gear 37%
- Garden tools 21%Work clothing,
- boots, etc. 8%
- Fertilizer 8%
- Pesticides and/or organic lawn care products – 6% The most popular

add-on products which dealers are

- looking to carry are:
- Garden tools 21%
- Safety gear 13%
- Work clothing, boots, etc. 12%
- Fertilizer 11%
- Hardscape and/or irrigation supplies - 10%

#### Staffing

Most dealers maintained staffing levels this year. Only 14% reduced parts and service staff while 9% reduced sales and office staff. Few were adding jobs, though. Roughly 18% added service staff, 9% added parts staff, 5% added sales staff, and 6% added office staff.

Looking ahead to next year, roughly 29% plan to add service staff, 20% plan to hire in the parts department, 14% are looking to hire salespeople, and 5% plan on adding office staff. Only 2-3% of dealers expect to lay anybody off.

#### **Shop rates**

There's been a big increase in the number of dealers that are now charging \$61-70 per hour in the service department—from 23% to

#### What's Your Shop Labor Rate?



#### Will You Raise Your Shop Rate Next Year?

No 47%

37% to be exact. The number that charge more than \$70 per hour is holding steady at 24%. (See graph 3.)

When asked if they plan on raising their shop rates in 2013, roughly 53% of dealers said they did, which represents a 6% increase from one year ago. (See graph 4.)

#### **Profitability**

More dealers were unable to turn a profit this year; 9% compared to just 5% last year. On the other end of the scale, the number of dealers making at least 11% net profit held steady at 34%.

When asked about 2013, 74% of dealers said they expect to be more profitable—up 11% from one year ago. <

Check out the Landscape Contractor Business Outlook online at greenindustrypros. com/10824139



DEALER PROFILE

By Lisa Danes

# Through Economic Necessity Comes Innovation

When the economy sent customers to the internet for cheaper prices, and forced them to skip routine equipment maintenance, Mark and Patty Williams set up programs to bring them back to the dealership for purchases and equipment assistance.

EALERSHIP DATA

#### MARK WILLIAMS

Murphysboro, IL markwilliamsoutdoor.com Founded: 1982 Owners: Mark and Patty Williams

Employees: 5 full-time, 2 part-time Sales Mix: 50% wholegoods, 30% parts, 20% service

Customer Mix: 50% consumer,

50% commercial

Shop Labor Rate: \$66 Major Lines: Billy Goat, Echo, Echo Bear-Cat, Exmark, Mantis, Shindaiwa, Simplicity, Snapper

#### ong gone are the days of equipment and service selling itself. Dealers today have to work much harder to attract customers and

get the sale. Mark and Patty Williams of Mark Williams Outdoor Power Equipment in Murphysboro, IL, decided that with a tough economy paired with an increasingly competitive and saturated marketplace, it was time they thought of new and innovative ways to operate. As their website states, "Through economic necessity comes innovation."

They have continued to implement new and innovative programs to draw and retain customers, motivate staff and grow their sales. These assorted programs have made doing business with Mark Williams Outdoor Power Equipment a no-brainer and returned them to the forefront as a retailer.

#### Getting back what they lost

As the economy took a turn, Mark and Patty saw customers and manufacturers alike looking for inexpensive alternatives. While others were looking for ways to spend less, they were challenged with the task of drawing customers back to their dealership. Mark and Patty did this with less help from their manufacturers than they could typically count on in previous years.

"A lot of our manufacturers cut back on our co-op dollars," says Patty. "When it happened, we had to figure out how we would recover that marketing budget."

That was when they created the Shop & Share Program. The referral program designed to build goodwill and their customer base. It is simple to administer, rewarding local organizations with up to 6% of sales referrals.

"Our success is dependent on the support of our local community, much in the same way local organizations are dependent on the community," says Patty.

Local not-for-profit groups are invited to participate in the Shop & Share Program. The dealership provides printed promotional materials for the organizations to distribute how

they like. The materials (wallet cards, banners, T-shirts, flyers, etc.) promote that 6% of each sale referred by the organization goes right back to them.

"They are our ambassadors, in a sense, and only get out of it what they put in," explains Patty. "It has worked out really well. We benefit a lot because we get to meet people from organizations within the community. It's kind of a grassroots effort on our part and each year it grows."

In addition to losing some co-op dollars from manufacturers, Mark and Patty also saw a dip in their parts sales to commercial customers. The commercial customers started looking to online retailers for the lowest parts price they could score, regardless of the quality in manufacturing. Mark and Patty had to find a way to compete with the low-overhead, pricecompetitive retailers.

"We noticed a decrease in common, over-the-counter maintenance parts sales," says Patty. "We knew that our landscapers were purchasing these parts, but not from us. Our solution was to develop a landscaper purchasing program that would give us the opportunity to sell more parts."

Landscapers were invited to join the new Parts Co-op Program. There is no annual membership fee. Members are simply required to purchase a maintenance kit at the discounted co-op price for their specific mower. The kit includes filters, blades, spark plugs and belts. All of the parts used in the co-op are quality OEM parts.

"We were competing with the internet and wanted to keep those sales and tax dollars in our local economy," says Patty. "Our manufacturers got aggressive that year as well, and the planets aligned just right. We were able to buy at a discounted price and passed that onto our landscapers."

Patty says the co-op program has saved their landscape customers over \$8,000 since 2010, and has brought a lot of that parts business back to the dealership. In the first year, they saw a 15% increase in parts sales. The second year, sales fell flat. Patty says she will gladly take flat parts sales over the alternative, which is handing those sales back over to internet retailers.

"We felt OK about the flat year because it could have gone backwards," explains Patty. "This year will be a hard one to measure because of the drought."

#### The homeowner's helper

With the commercial market under their belt, Mark and Patty started to focus on how to improve their relationships with the homeowner customer base. They saw customers skipping maintenance and lessening the life of their equipment in order to save on costs. While they could potentially benefit from a mower sale in the future, thanks to the

lack of regular maintenance, they didn't want the life of a product they sold to end before its time. They now offer regular classes to customers, educating them on simple equipment maintenance and troubleshooting.

"We didn't want

HOW WE DID IT

Created a Parts Co-op Program to encourage commercial users to purchase parts packages through the dealership instead of online

Make investments in employees and the facility to maintain high job satisfaction

Hosts classes that give customers the knowledge to lengthen the life of equipment

customers not doing the maintenance on their equipment because they couldn't afford it," says Patty. "We put some educational programs together so we could give our customers the tools to do it themselves. We have them and their equipment in mind. We don't want them to lessen the life of their equipment because they can't afford it."

> continued



commerical customers back to the dealership for parts purchases.

DEALER PROFILE The new break room at Mark Williams Outdoor Power Equipment offers staff a place to recharge away from the phone and customers.

Each year they evaluate which classes they are offering customers to ensure they are truly providing quality, timely information. Classes are taught by Mark who operates the service department. The information he passes onto customers is often a reflection of what he has learned in manufacturer technician update courses. They also listen to customer feedback on the courses to learn how to improve what they offer and how.

"This year, customers needed to know more information on common operating problems and preventative maintenance," explains Patty. "We also shared a lot on ethanol and carbonation issues."

For those customers who still choose to have their equipment serviced at Mark Williams Outdoor Power Equipment, they offer the added convenience of an online service request form. It was implemented nearly two years ago to make it easier for customers to cross the task off their to-do list, and get that commitment for service from the customers as soon as it crosses their mind.

"Each year we see an increase in the use of this form," says Patty. "We wanted to offer a way for our customers to request service 24 hours a day and be able to go to bed with that marked off their to-do list."

Mainly homeowner customers use the form and Patty says it is just another way for the customer to contact them. They promote the online form in conversations with customers, in-store signage, and link to it in all email communications.

"We didn't anticipate a lot of people going there, but as our website develops we expect to see more people use it," says Patty. "We often refer customers to the website. In our email marketing we try to get people to think about their preseason service and they can click through the email to the online form immediately."

#### Staff programs and support

All the different programs offered by Mark Williams Outdoor Power Equipment are on

their website, markwilliamsoutdoor. com. Patty says she likes having them all in one place not only for the customer, but also employees. They can quickly and easily assist customers, with access to the programs and forms only a click away.

"Having the programs posted on the website helps with training," she explains. "If we bring a new employee in, he can go to the website and get all the information he needs. There is no need to look for a file, it's all right there. The website is not about buying things; it's more about serving information to the customer."

They have certainly given their staff the tools to better serve customers. An "allowance" program gives employees the opportunity to further their education and purchase tools and other things that will help them to improve on-the-job performance. With ever hour they work, each employee is earning toward their individual allowance.

"This allowance program can be used for tools in the shop, education, anything they feel will help them to better do their job," explains Patty. "It can be something as simple as a pair of reading glasses, work boots, gloves or tools."

Employees are also encouraged to use their allowance to take continued education courses in the offseason. The courses they choose to take do not have to relate to the industry or



their work. "It helps them to think about things outside of the box," says Patty. "We have not lost anybody to another field through offering the opportunity."

Perhaps the reason employees stick around is the job satisfaction they receive working at Mark Williams Outdoor Power Equipment. They are given the tools for the job and then some. Recently, the dealership was also outfitted with a designated break room. A Wellness Program was also implemented.

"With being so seasonal, we put in long hours a lot of the time. It's important to have a place to relax and sit down away from the phones and customers," says Patty. "We're not in a metropolitan area, so you can't walk somewhere to eat lunch or go to a park. Everybody really appreciates that space."

As part of their Wellness Program, the break room is typically stocked with fresh fruit and vegetables, and healthy snacks that employees are free to eat on a break or take home with them. Patty says it is a good way to keep employees healthy and mindful.

While some customers and manufacturers are cutting their spending, Mark and Patty continue to invest in their special programs that draw customers and take care of employees. A happy work environment often translates to better customer service, and in the end, higher sales. **(** 



### "10-15% growth during a recession? I'll take that."

Oregon Vineyard Supply has experienced record growth despite a recession. After making the decision to become employee owned, their next business move was to become an independent servicing STIHL dealer. It's one of the best choices they've ever made, both for their customers and their bottom line. But it's about more than money. "STIHL has helped open doors in the landscape business for us," says Lee Watkins, OVS sales manager. "We are increasingly seen as the 'one-stop shop' for service, parts and products, and have projected growth of 10-15% next year because of it." According to Lee, "We may have 82 employee-owners, but only one supplier that's committed to our growth: STIHL – you can take that to the bank!"

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ONLINE

# Parts Supplier Turned Internet Retail Partner

Following the online shopping trend, Rotary is offering their dealers a way to connect customers with their products via the internet.



(800) 627-7276 Texas, Oklahoma, Arkansas, Louisiana, Mississippi

**Bob Murphy** (412) 584-6922 Pennsylvania, Delaware, Maryland

Ian Gilworth (641) 872-2544 Illinois (South of Highway 40) ongtime supplier of aftermarket outdoor power equipment parts, Rotary has recently joined the online retailer market. With the help of Shopatron's eCommerce solution, online shoppers in the U.S. and Canada can now buy any Rotary replacement part and small engine component directly from the company's online store. Products ordered through the website are delivered to the customer from an authorized Rotary dealer.

#### **Meeting buyer needs**

The new online shopping capability was introduced after many customer inquiries for the added-convenience service. A visible trend in the market showing a shift toward online purchasing further influenced Rotary.

"During the past several years Rotary received numerous inquiries from homeowners and commercial landscapers wanting to purchase our parts, tools and accessories online," says Chris Roessler, advertising and marketing manager for Rotary. "Sales from business-to-consumer online shopping have exploded in the past decade so we felt the establishment of an online store was something Rotary should seriously consider, provided it would have a positive impact on our servicing dealers."

Rotary decided that online sales would benefit everyone, including their servicing dealer network and their customers. Through Shopatron, Rotary maintains a web store that

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Wyoming, Utah

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Founded in 1957, Rotary is a family-owned business that takes exceptional pride in supplying guaranteed guality parts backed with superior customer service. Altogether, Rotary offers over 8,500 parts, tools and accessories for outdoor power equipment including hundreds of new items for 2013.

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Rotary blades are made in the USA from premium grade highcarbon steel, then heat treated and tested to meet rigid standards for quality, durability and performance. Rotary's blade division was one of the world's first to be certified for ISO 9000 Quality.

**Rotary Corporation** manufactured its 195 millionth blade in 2012.

Approximately 80% of the company's outdoor power equipment parts are made in the USA including

a variety of foam air filters manufactured by Rotary.

#### More parts, more value

The industry's most complete line of outdoor power equipment parts, tools and accessories is featured in Rotary's 2013 sales catalog including nearly 200 new items.

It contains over 1,450 pages with comprehensive listings by sizes, order numbers, product illustrations and original equipment numbers for replacements.

New for 2013 are choke control cables, Pro Gear transmissions, drive shafts, spindle assemblies for Toro, John Deere and Cub Cadet plus electric PTO clutches for Cub Cadet and Dixie Chopper.

Other featured items include various deck belts for Exmark, Grasshopper and Husgvarna models and idler pulleys



2013 Sales Catalog is available for qualified servicing dealers and distributors.

for John Deere and Cub Cadet.

> Rotary has also introduced new mulching blades for Dixie Chopper, Husqvarna, MTD and John Deere, as well as PTO switches for Cub Cadet and MTD.



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\*Source: Statistical data for UPS ground packages shipped within the continental U.S. as of Nov. 2010. Subject to change. Delivery time may vary in certain geographic areas.



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meets the needs of consumers with the convenience of shopping online. Participating Rotary dealers can fulfill online orders from their own inventory.

"Shopatron was an ideal solution for Rotary because it allows us to sell online and, at the same time, promote our servicing dealers," explains Roessler.

Dealers will enjoy the benefits of added sales through the online store, while also connecting with new customers. The online store serves as a springboard for the dealers' new relationships with online customers.

"By forwarding online orders directly to our dealers, Rotary is providing them with an additional source of revenue plus access to new customers whose equipment may need repair or servicing," says Roessler. "We are confident this partnership will result in

a higher inventory turnover for dealers and increased sales for everyone."

#### Implementation and pricing

As far as product pricing is concerned, online customers are charged a suggested list price and a shipping fee that generally covers freight and handling charges. Sales tax is applied by Shopatron based on the state where the order is shipped.

Dealers have to participate in a short online class and pass a brief exam to qualify as an authorized Rotary/Shopatron fulfillment partner. Rotary has tried to maintain a smooth transition for their dealers into the new role of an online retailer.

"Throughout the process of establishing a web store, our first and foremost goal was to take good care of our servicing dealers by providing the

resources and technical support that will enable them to tap in to a new and growing market," says Roessler. "We feel the future potential is unlimited, both in terms of sales and the ability of dealers to forge new relationships with customers who purchase online."

While the online store offers dealers a new audience, it is too soon to say how it has impacted their sales. They have been given the tools and opportunity by Rotary, and now it is left up to time to tell.

"At the current time, we have not established a sales forecast with Shopatron although our long-term expectations remain very high," shares Roessler. "We view online consumer sales as a slow, but progressing segment of the outdoor power equipment market that cannot be overlooked." <



> Visit yardngarden.com/einquiry and enter 08

> By Lisa Danes

### Deere Gets the Wright Stuff Wright will soon manufacture stand-on mowers to be sold under the John Deere

Wright will soon manufacture stand-on mowers to be sold under the John Deere brand. While some might think the partnership will take away the Wright dealers' claim to having the best stand-on mower, it could also have its upsides.

ith a sharp eye on trends in the mower market, John Deere has decided it is time to give the stand-on mower product

category another go. Deere dealers will soon offer customers a stand-on mower option and further strengthen John Deere's presence in the commercial mower marketplace. It will all be achieved through the help of Wright Manufacturing and their proven design and technology.

"The stand-on product category is growing, so we see this as an opportunity to expand our presence with professional landscape contractors," explains Chase Tew, John Deere product line marketing manager. "Stand-on mowers have gone from a secondary product for most landscapers to a core product because of the value that stand-on mowers bring to their fleets."

#### **Standing with Wright**

When looking for a partner in their newest venture into stand-on mowers, John Deere turned to Wright Manufacturing. The manufacturer has recently entered into an arrangement with Deere & Company to design and manufacture stand-on mowers that use Wright's patented technology and carry the John Deere logo and branding.

Wright has proven very successful in the stand-on market. They believe that partnering with John Deere will only make them stronger and more successful.

"There are many mutual benefits with this agreement," says Bill Wright of Wright Manufacturing. "We're



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combining the best of both worlds with Wright's innovation and speedto-market, and combining it with the enhanced quality and manufacturing processes from John Deere. These things together will make us a stronger company over time."

Wright trusts that their dealers will also have something to gain. They claim Wright dealers will see improvements to manufacturing and increased popularity in the stand-on market.

"Wright dealers will benefit from our increased investment in production capability, combined with John Deere's support for enhanced quality and manufacturing processes," says Wright. "I believe most Wright dealers will generate even more sales as the agreement facilitates increased use of our top-of-class technology."

#### How will dealers deal?

Both manufacturers have high hopes for the partnership. As they communicate the partnership details to their supplier channel and dealers, they have been met with both optimism and skepticism.

"John Deere dealers are excited to sell an industry-leading design that's enhanced by our quality and production standards," says Tew.

John Deere continues to receive positive feedback from their dealers as they spread news of the new product. It is up to the qualifying dealer if they want to offer the QuikTrak stand-on units.

"John Deere is poised to have the widest portfolio of commercial mowing equipment in the industry," says Tew. "Our new QuikTrak stand-on mowers will only enhance the value proposition for our dealers and demonstrate our commitment to the landscape industry."

Wright communicated the partnership with their dealers through a press release, and met with their U.S.-based regional distributors to inform them on the facts of the agreement. Distributors were then equipped to communicate those shared facts with dealers.

"All of our distributors wanted to convey these facts themselves to their respective independent Wright dealers," explains Wright. "We've since had conversations with a number of those dealers. The feedback has ranged from concerns over occasional dealer proximity to hearty congratulations to us and optimism for Wright's and their (the dealers') future."

Dealers have varied opinions on the partnership. Many are skeptical of the



security of a partnership with Deere, and fear the near-identical mowers will saturate their territories. On the other hand, some dealers feel it's just business and nothing personal.

"I have seen it before and I don't like it. But I am also a business person that understands they are going to do whatever they think makes them a better company," one dealer empathizes.

While dealers are cautious about the partnership, they all stand by the Wright stand-on mower as being a quality product they are proud to carry and will continue to support.

"We won't give them up just yet. We love Wright," said one dealer. "They make the finest stand-on mower on the market and hold the patents for everything that is good about it."

#### **Parts and support**

With the additional production demands, Wright will be making investments in capabilities to ensure uninterrupted distribution of the Wright and Deere brands. That may put some dealers at ease. One we spoke with had fears specifically about supply problems, saying: "This year we have had problems getting some Wright products and parts. This alliance surely won't make things better." Wright claims their actions will prevent any issues.

"We will continue to use our existing supply base, and expand our in-house capabilities for captive parts," explains Wright. "Everyone involved should expect to be delighted with the delivery and availability of service parts since both companies consider parts supply a top priority." Since the agreement only covers the design and manufacturing of the mowers, it is expected that each company will handle the distribution of their respective brands.

The year 2013 will prove to be an especially interesting one for Deere, Wright and dealers alike. Time will tell how the new arrangement will pan out. Dealers will certainly be waiting to see how the partnership is handled and where the manufacturers' loyalties lie.

"It's disturbing how manufacturers and distributors want the dealer to be loyal even though it is perfectly OK for them to do as they please," says one dealer. "This year it is John Deere manufactured by Wright. Next year will it be Wright manufactured by John Deere? I will keep this in mind when the booking program comes." **〈** 



BOB'S BUSINESS TIPS

# Take the Peak Out of Your Peak Season

Five steps to effectively promote service early in the year and ease the pain of spring surges.

The end of the year is a great time to begin thinking about how to preserve cash flow during the slow season and how to reduce the pressure of next spring's peak. It doesn't make sense to work hard all year long only to lose your profits during the next few months.

As important as cash flow is, so is getting done in January and February the work that would likely come to you in March, April and May. By having as much work as possible done in advance, you flatten the peak of your service season and free up more time to better serve potential new service customers. It also eliminates the need for that extra technician you might pick up during the busiest part of your year.

### Special service offers and incentives

The most effective way to generate preseason work is to make contact with your existing customers through direct mail, phone, or a combination of both, with an offer to service their equipment before the spring season starts. You will want your offer to end about 30 days prior to when your normal spring season begins in order to give you a chance to finish the work and prepare for your normal busy season.

Your offer should be simple for the customer to understand and attractive enough to get them to take action on. You may offer 5% off of the parts, service, pickup and delivery, or simply free pickup and delivery with the normal rate for service. Once you have decided what you are going to offer and for how long, make the offer. Compile a list of all your customers and sort them by consumer, commercial and municipal. For the most part, you want to target your consumer customer base. There is an opportunity to do preseason service with your commercial and municipal customers, but you may want to make them a different offer which includes special pricing on blades, belts and filters for use over the course of the coming season.

As you think about and prepare your postcard/mailer, remember the following five tips:

1. Keep it friendly. When your postcard arrives in the mail you don't want your customers to think of it as another piece of junk mail, but rather as a message from a friend.

2. Drop the sales pitch. These are your customers who have done business with you and know you. If this is the first time you have done a mailing, you want to generate enough interest from your customers so that they will call you. If you call them, they shouldn't feel like you are hammering them for their service business.

Briefly state the benefits of getting the equipment serviced prior to the beginning of the season. Use the remainder of your postcard to motivate them to get more information by calling you or going to your website.

3. Timing is everything when it comes to direct mail. Send your postcards so that they arrive on either a Tuesday or Wednesday. The amount of mail delivered on those days in both the United States and Canada is usually light, giving your mailing less competition.

**4. Follow up with a phone call.** This is one of the most important elements to your preseason service campaign. Following up can easily double the amount of preseason work your shop sees.

**5. Be consistent and persistent.** Don't just mail once in November, cross your fingers, and hope for the best. Do it again in December and a third time in January. According to direct-mail marketing studies, your persistence will ultimately pay off.

Give your slow season a boost that will improve your cash flow and take the peak out of the 2013 season. **〈** 

Bob Clements is the president of Bob Clements International, a consulting firm that specializes in the development of high-performance dealerships. His organization works hands on with dealerships throughout North America, helping them attain the personal freedom and financial wealth all entrepreneurs strive to achieve. For more information, visit bobclements.com.

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