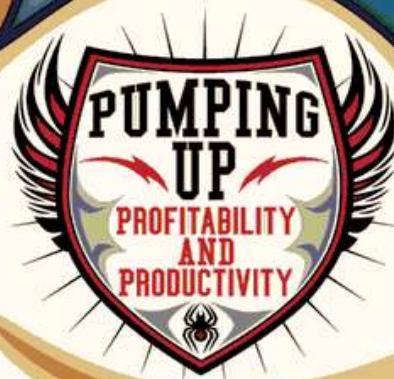


BY DONNA DeFRANCO

What do your peers say about running an EFFICIENT BUSINESS? Here are 10 TIPS to help make the most of your company's resources.



What can we say about the recession that hasn't been growled a million times before? How about the good it has done? No, really. Let's look at the glass half full for a moment: The recession inspired us all to dig deep into our creative business minds to uncover outstanding ideas for increasing our profitability and productivity. From new processes to products, scrutiny to strategies, you and your peers have turned the playbook inside out to up your game in what could have been a crippling loss. What follows are some of the best ideas we've heard from pest management executives across the nation.



**1** **LOOK AT YOUR BOOKS.** The logical starting point is to look at your numbers and determine what's making you money and what's not. Then what? Consider these ideas:

**Raise your prices.** "We evaluate our pricing every year," says Darrell Lee, CEO of Future Services, Atlanta, Ga. "If your costs are increasing, so should your pricing. Think about how much fuel (and everything else) has increased. If your costs increase by 5 percent, then so should your service price. We increased our pest and termite pricing by about 12 percent in the past year due to increases in fuel, products, maintenance, etc. Then we shifted the focus of our sales and marketing approach (including technician training) from price to quality. Our sales are up 12 percent so far this year."

**Don't raise your prices (or raise them selectively).** Donnie Blake, president of OPC Pest Control, Louisville, Ky., takes a slightly different tack: "Our customers are suffering with the gas crisis just like we are. We're trying to protect them by not passing our increases along. We do a customer-by-customer analysis to see who's located in one of our high-density areas, where we can hold our prices, and who's on the fringe, where we have to increase rates to cover the additional travel time. This strategy is helping us solidify our relationships with our most profitable customers as we saturate neighborhoods more effectively."

**Review and renegotiate your expenses.** Jamie Stocker, presi-

dent of Apex Pest Control Service, Oakwood Village, Ohio, says, "We analyze every expense on an ongoing basis and continually negotiate such items as health/dental/life insurance, general business and contents insurance, cellular and data service and worker's compensation programs. For example, we recently switched from our fleet gas card provider to a credit card provider that offers a gas discount plus bonus rewards we can use to offset future gas purchases."

**Review your buying habits and use patterns.** Don Jamison, president of Jamison Pest & Lawn, Memphis, Tenn., suggests careful review of your buying practices and use patterns. "When was the last time you took the time to look at how you buy and dispense your materials?" he asks. "Sometimes we do things the same way for so long that we forget there might be a better approach. You might find some problems lurking just below the surface."

**Stop the bleeding.** Identify drains on your profitability and do something about them. "Go to your account base and identify your bottom 10 percent in regard to profitability," Jamison advises. "Think about why they're not profitable. What are the problems this group brings to the table? Look at the bottom 2 to 5 percent. Who is creating the most serious drain on you — and why? You might find system failures, employee problems or billing and collections issues. Also keep an eye on your equipment and supplies to make sure nothing is going out the door that shouldn't be; inventory control is critical."

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**2 BUNDLE.** Everybody's doing it — because it works! Whether you're simply expanding the number of pest control services you're selling each customer or bundling pest control with lawn care or handyman services, you're getting more revenue and profit with each sale.

OPC builds profit by bundling pest control and handyman services. "A customer might start out requesting termite control; from there, we can move them to mosquito control and then maybe window replacement," says Blake. "If you're equipped to do this, you can generate many more dollars from each customer, and you build customer loyalty as they rely on you more."

Lee talks numbers about the benefit Future Services derives from providing multiple services from a single truck: "We have universal technicians doing termite and pest service out of one vehicle. While the average pest technician

services about 250 accounts a month — about \$18,750 in production — our average technician services 334 — about \$25,272. How? On every third account, we're providing two services in one visit."

**3 TIGHTEN ROUTES & BUILD DENSITY.** To combat gas prices, Blake says his No. 1 initiative is the consolidation of routes — cutting drive time from one customer to another — and focusing on saturating areas to make service as efficient as possible. "I would love to drop technicians into a subdivision and keep them there all day," he says. "The more concentrated our customers are, the more we save on gas and labor costs."

Ray Johnson, president of Johnson Pest Control, Sevierville, Tenn., adds that this strategy benefits employees as well. "We use routing software to keep our routes tight," he says. "In addition to cutting gas costs, staying in one general

area helps our employees increase their productivity and make more money. The more they earn, the better our chance of retaining them. It's a great approach all around."

**4 GET VEHICLE SAVVY.** What happens behind the wheel can make a real difference to your bottom line. Help your technicians understand that poor driving habits cost the company money, hindering the profitability that is critical to the well-being of the entire team.

"Tracking devices are key to controlling vehicle costs," says Lee. "When we decided to upgrade our tracking devices two years ago, we found that some technicians were idling their vehicles up to three hours a day. Why? To stay cool in the summer and warm in the winter. Now, our tracking system sends alerts to both the manager and the technician when he is committing a violation like

both visits. Our profitability has increased through customer satisfaction, retention and referrals."

**7 STAY UP ON THE LATEST PRODUCTS.** Every day, manufacturers are working to improve the quality of their products, offering new features, functions and benefits. New products can increase productivity and therefore save gas and allow technicians to service more accounts more quickly. Keep your eyes, ears and mind open to the possibilities of these advanced products.

**8 AUTOMATE.** Rick Steinau, president of Ace Exterminating Company, Cincinnati, Ohio, went paperless about a decade ago, and his company continues to benefit. "We bought a simple scanning and retrieval system and an inexpensive (\$1,500) scanner. We copy and store service invoices, termite con-

tracts and graphs, state licenses, insurance certificates and personnel documentation. We can call up any item in seconds. This system replaced the color-coded index files we once kept to organize our office; long gone are the days of misplaced files! We're also able to support our customers during audits by locating needed paperwork in an instant. This capability increases our productivity, reduces our labor costs and puts us in a category of highly dependable vendors that national clients seek."

Apex is an automation leader as well. Stocker says his company started employing the principles of cloud computing long before the concept hit the mainstream. "Our scheduling/accounting software and phone system are Internet-based, enabling us to access schedules, work performance, messages and more from anywhere in the world," he said. "Customers can interact with the scheduling/accounting system as well, paying bills directly, viewing statements and checking on up-

coming appointments."

In the field, Apex and other companies are equipping their technicians with handheld devices, which enable them to receive information from the home office as well as file reports from their service routes. "When calls are inputted into the system, job specifications, cost, location and other details are automatically relayed via data lines to our technicians," says Stocker. "These devices then record work activity, capture signatures, scan barcodes, etc., and transmit the data back to the office. We can see the amount of work performed by each technician and where he's located at any point in time."

Here's one more idea Apex uses to cut labor costs through automation: automated phone call reminders. "Instead of paying for labor to call each of our customers or spending money to produce and mail postcards, we contract with an outside vendor to place automated calls for us. The customer is notified with the

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idling or speeding. Based on our initial numbers, we determined we could save over \$26,000 annually by minimizing unnecessary idling alone. I'm always amazed when a new technician gets into his truck for the first time. At first we see speeding alerts, but as time passes, the alerts correct this bad behavior. Our vehicle tracking devices have helped us save about 7 percent on our total vehicle costs."

Jamison adds frequent driver training courses to the mix. In his view, repetitive training sessions keep driving safety and gas conservation top of mind for technicians: "Safe driving is without a doubt the focus, but attention to jackrabbit starts, speeding and excessive braking can definitely help you save on gasoline dollars."

**5 RE-EVALUATE EMPLOYEE COMPENSATION.** Johnson has tried it all, he says: paying em-

ployees salaries, by the hour and based on productivity. His experience has been that employees who have a stake in their productivity ultimately produce more. "The harder they work, the more money they make. This system encourages high performance," he says.

Johnson warns, however, that changing to this style of compensation entails some homework — specifically, ensuring you are in compliance with compensation legislation. "Jean Seawright of Seawright & Associates (Winter Park, Fla.) advises us in this area," he says. "She stays in tune with the new laws and regulations, and helps us stay in check."

Similarly, Hank Hirsch, BCE, president of RK Environmental Services, Cresskill, N.J., says his firm is willing to pay for quality (read: productivity, customer service skills and great instincts) to keep customers satisfied: "We value our staff and pay a higher rate for quality employees. Employee satisfaction is

day and time of service a week in advance," says Stocker.

**9 INVEST IN EMPLOYEE PRODUCTIVITY AND MORALE.**

You know it's true: Happy, engaged, committed employees are productive employees. They're also the kind of people your customers want to keep around. Jamison suggests a variety of efforts for strengthening your team:

- ▶ Create a "New Company Commitment" to customer relationships. Identify measures your employees can take to increase customer awareness, improve communication, encourage appreciation and loyalty, strengthen customer service, etc. Build these ideas into a training program that involves technicians, office staff, supervisors and managers. Set measurable goals, build in some recognition and get everyone engaged.

- ▶ Commit more effort to your a.m. and p.m. reviews, taking a more personal in-

terest in each technician's work and outcomes. "If I hand my technician a sheet and send him out the door in the morning, he'll just go about his day," Jamison says. "But if I take the time to share some specifics about customers' special needs, problems or expectations, then he will be tuned in to those and can provide better service. When he comes back in the afternoon, I follow up with questions that give him an opportunity to shine, and then praise him for his successes."

- ▶ Consider personality assessments. Jamison's team worked with Seawright & Associates on a Personality Styles Assessment Program. By identifying the strengths and weaknesses of each member of the team, Jamison was able to leverage talents to their fullest, thus increasing productivity.

**10 SPECIALIZE.** Some companies have found that dedicating themselves to niche mar-

kets gives them a competitive edge that leads to increased profitability. Stocker explains: "Apex has focused on niche markets such as food manufacturing and distribution, assisted living/retirement and health-care facilities. Developing specialized pest management programs specific to these industries has enabled us to achieve superior performance results. Third-party auditors have recognized these programs as the best in the industry."

**6 IMPROVE THE PERCEPTION — AND PROFITABILITY — OF CALLBACKS.** Technicians don't

enjoy callbacks but Lee Tubbs, president of EnviroGuard Pest Solutions, Ringgold, Ga., has found a way to make them more appealing to technicians and customers alike.

"Our callbacks were hurting productivity because no technician wanted to go back for a service they weren't getting paid for," he says. "So instead of staying with our traditional model, where ant and roach treatments were considered a single service, we developed a new system of service delivery that builds in the callback. We can charge more for 'Ant Service I and II' and 'Roach Service I and II,' which provide the customer with better value while enabling us to pay our technicians for

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