



What's Ahead for Us?

During these financially difficult times, consider a new business model

Peter Barry

The future requires that we embrace change and use this as an opportunity. If we are going to make a success of it through the rest of the year and into 2021 we need to consider a few things. Managing pests must still be our core industry, as pests don't know about the recession.

Now is the time to step back and review your business model, just like you reviewed your attitude. If your service is the same as it's always been when you started the business, look to reinvent your company's services.

We all know that an excellent pest management retention tool is the technician. If you don't agree, move one of your technicians from an established run to a new run and be ready for enquiries as to where he/she is, or why have you changed the technician. Technicians become part of your customer's team.

Or...are those days changing? Does the next generation of customer really want that relationship? Do they care? Is this a good time to change up the way your pest management service is performed?

Many, many years ago, I remember when pest management service concepts were turned upside down. We arbitrarily changed service frequencies from quarterly to every six weeks. Naysayers thought that was impossible. Yet, the fear that customers would reject the increased

service and smaller monthly fee turned out to be unfounded. Now most services are done monthly. The concept reduced their bigger quarterly fee down to accommodate a more regular shorter service at a lesser cost. But now, post-COVID, with many people not returning to work, including many dual-income households, we need to think differently. That is why managing turnover is so important.

What about an offer of a residential exterior-only service on a more regular basis?

There is a misconception that you must cut your service fee dramatically if you only service outside, the idea being that you are only doing half the work. However, using IPM principles, an environmental approach to managing pests and your knowledge, it would be revolutionary all over again. Why, you ask? Because it shifts pest management from being paid to spray chemicals to being paid to apply your knowledge and IPM principles, of Exclusion, Restriction and then Destruction.

If you wish to be considered a chemical delivery service, then cut the rate; however, it is more likely that you are providing knowledge and care to solve pest problems using your expertise.

For commercial customers, again think differently. Could you change that regular monthly servicing to bimonthly, for example; from 12 services to 6?

But, you do not have to reduce the price by half, as you would still be applying your knowledge and IPM principles, and less pesticide, saving you money. The customer must still pay for your knowledge!

A pricing model could be at about 2/3rds of the annualised monthly fee: e.g. \$100 per service x 12 = \$1,200 divided by 2/3 = \$800 divided by 6 = \$133.33 (rounded to \$135.00) per service. This reduces your commercial customers' bill substantially, particularly if they are hurting, while at the same time providing you with better productivity and good profit. This might fit better with your revenue starved customers, and hopefully they should still feel connected to the company, even if they don't see their service technician as often. And, in the case of rodent management of your bigger commercial customers, apply a monitoring technology to provide security of care.

Knowledge and care about ones' business is the basis of service today. Things change fast. Anecdotal, many in the industry are performing disinfection work now and incorporating this new treatment into a permanent service option. Our industry needs to keep looking ahead and this may suit your business, but talk to your insurer and make sure you know what you are doing.

Most people hadn't heard of Zoom until this year; now nearly everyone has used it with co-workers, family, and friends. Businesses' are evaluating and reinventing themselves, their values and goals as well. Spend time to learn about your next-generation customers. Talk to them to understand their needs; adjust to their circumstance such as the best time to undertake their service. I have heard that some high-tech IT companies send their technicians in the early evening to meet the work schedule needs of local homeowners. Be flexible!

The pandemic has forced rapid changed upon us that would have taken much longer otherwise. Use the time to introspec-

tively look at your company, and evaluate and adjust what you do to meet the changing environment.

Finally, if you are not growing your business, it is harder to make a profit and pay your bills. It is also harder to employ new technicians and maintain customers. And generally, life is not much fun if you are not growing. Times are hard right now, so be flexible and understanding too.

You may recall that in your company's early years, it was easier to grow quite quickly than when you became bigger. The growth percentages were then generally smaller. The amount of growth depends on many factors, but the biggest factor is you, the owner.

Become involved in our industry. Pest Managers share much more on a national level than they do at a local level, where some may gain the customers you could lose.

Having local colleagues is great, but they may not share their successes with you. While on the other hand when you have colleagues you can talk to in other parts of the country, they will often be more willing to share exactly how they grew their businesses and what they have done to change their business model to meet our changing needs.

Remember, it is not about what you know, it's about what you do with what you know! ■

Peter Barry, is the Director of Pest Management Consultancy, New Zealand.

Email: peter@pestconsultancy.co.nz

