

Bayonne Exterminating Company's PESP Strategy

Describe your Organization's Five-Year Goals Related to Pesticide Risk Reduction

The pest control industry is now in a state of change. As a service industry the pest control industry is subject primarily to the shifting needs and wants of our customers. Accessibility to the internet has changed not only our consumer's perceptions of pests in general but of our industry and its techniques specifically. There is also a greater level of environmental concern in the public in general, affecting not only our customers but our employees and ourselves as managers and owners.

It is our opportunity to align our business practices with our customers (and our personal) expectation of care for the environment. The old precept of "Man vs. Wild" is dying out as we hope to find a way to work with nature, instead of against it. Ultimately, sustainability should be our goal. Society is striving for a net cost of zero in regards to our affect on the earth and as such every element of society will be changing. It is in our best interest to be on the winning team, so to speak, or simply be left by the wayside.

What do you envision doing (broadly) to try to resolve your major issues?

As an organization, Bayonne Exterminating Company has 3 main areas in which we can positively affect our environmental impact. Moreover, these goals will have far reaching effects on our customers and employees in the areas of education, safety, efficacy and satisfaction.

The first and most obvious goal will be to reduce overall pesticide usage. Secondly we will work to reduce the number of "Callbacks" or unscheduled yet necessary appointments. Lastly we hope to increase the IPM and/or Green Program service mix in our market.

Goal 1 and Tactics

Reduce our per capita pesticide usage

Reducing overall pesticide usage is the goal, but this goal needs to be extrapolated to fit a growing company with a diverse service mix. As we continue to take on more customers, our usage will inevitably go up. What we must therefore strive to do is reduce pesticide usage per account (per capita).

Opportunities for this goal are self explanatory. Reduction of product usage will reduce the pesticide hazard not only for our customers, but for our staff as well. It will also focus

our attention to the source of the problem, and allow us to address the cause of the infestation, instead of just applying a short term chemical band aid when we see an insect. Proper sanitation and maintenance has killed more commensal pests than product could ever hope to. Its' about time we start utilizing our number one tool more effectively.

The challenges we face are partly of our own making (as an industry) and partly to blame upon our customers preconceptions. We face an over reliance on pesticide applications because, simply, it works. A strategic application is more time efficient and productive than customer education, which may or may not be viable and effective. Customers will be forced to ascribe to our ideal of "clean", which may not necessarily be in line with their preconceived notions. Cleaning for company and cleaning for pest control are two entirely different enterprises.

Specific tactics to implement this change are already a part of company procedure and training. An effort to reduce baseboard and barrier applications has been ongoing. Targeted and specific applications significantly reduce hazard and volume, and generally move toward a low-impact product selection. We will also supply our technicians with the most efficacious products. Trying to save money with the second best product available leads to repeated or exaggerated applications, simply put. If that's not "what makes the customer happy" we cannot give up and give in. It will be our responsibility to train our technicians in IPM strategies enough to effectively relate these strategies to customers, not to simply perform them. Ongoing company training as well as induction training will be modified with this specific end in mind.

To determine the success of these tactics easily, we must utilize statistical analysis and track a coefficient over time.

In this case:

$$R_m = S/I \text{ or } R_v = V/N$$

The coefficient of R will be known as the reduction coefficient and can be obtained one of two ways, either monetarily or volumetrically. Option one is monetarily, where S (service revenue) is divided by I (inventory cost) to obtain R_m . The volumetric equation is somewhat similar: V (overall Volume of product, in ounces) is divided by N (number of customers in the service segment) to obtain R_v .

The change of these two coefficients over time will be what we need, as well as a baseline number for 2008. For greater accuracy, we will maintain both coefficients of measurement in an effort rule out any statistical aberrations potentially present in either.

Goal 2 and Tactics

Reduce the frequency of unscheduled callbacks

Reducing pesticide usage can be aided greatly by simply reducing opportunities to apply products. “Doing it right the first time” will reduce secondary, and potentially, unnecessary applications. It will also reduce the amount of drive time for our staff with the added bonus reducing gasoline consumption and by extension our company carbon footprint.

Opportunities are easily understood: use fewer products through reduction of secondary visits and reduce fuel consumption company wide in the same token.

Challenges will be many. One is the perceived loss of value to our customer. The “We paid all this money and they only came once” mentality will be difficult to correct. Sometimes customers are not so much concerned with efficacy of the treatment or with the hazards associated with duplicate applications, they just want to “get their money’s worth”. Another challenge in reducing call backs will be a reduction in face time with our clients. How can we serve to educate them in the long run if we are around half as much?

As with many other industry concerns, these goals can be achieved through customer contact and education. Loading our information on the front end of a service will be greatly helpful instead of saving the good tips and tricks for customers who seem to need them (i.e. repeat callbacks). Integral to that is allowing our technicians as much face time as possible. Opening up our scheduling to allow more interactive time with our customers, as well as offering educational supporting materials, both in hand and online, will be highly effective. It will also help to generate the trust needed to change customer’s preconceived notions of pest control. Administration and support of our technical division will affect these changes in our day to day operations.

Effectiveness of these steps can be tracked in a statistical manner similar to above:

$$C=U/N$$

The coefficient of C (the callback coefficient) shall be determined by U (the number of unscheduled service calls) divided by N (number of customers in the service segment). Establishing a 2008 baseline and tracking the changes in C over the next 5 years will determine the success or failure of this tactic.

Goal 3 and Tactics

Increase the service mix of IPM and “Green” programs in our market share

Since the launch of our Green Program in late 2006 we have seen little growth in our market for these types of services. The Green Program as offered by this company entails use of IPM methodology and environment manipulation to achieve pest control. If pesticides must be used, they are either low-impact products as defined by NJDEP or botanically derived products generally considered “exempt” by EPA. This program has been piloted and tested in schools and health care facilities in our client rolls but has yet to be grabbed on to by our “mainstream” customers.

By altering this service mix we have the opportunity to reduce pesticide hazard by not only reducing product usage, but by using products that are less hazardous to our clients and technicians based upon its formulation, derivation and chemistry. We also have a great opportunity to increase customer education and awareness simply because of the interactive process that IPM demands. We have the opportunity to enfranchise our customers in our pest control efforts, and thusly, make them more involved in the process as a whole. Moreover, by enfranchising our customers and demonstrating effectiveness of this new program, we open the door for new product and program introduction in the future. As new technologies become available that reduce hazard, it will be up to us to implement them. Lastly, there is an opportunity to move into an expanding market and change our service paradigm. We can go from pest control to pest prevention, providing insurance from pests instead of their removal.

There are a few challenges in this last goal. The first is immediately apparent to any field technician: sometimes our customers need a multi faceted approach to chemical pest control. Sometimes environmental fixes may be beyond the feasible economic reach of a customer. Other time, customers may be exposed to an immediate pest pressure that is beyond anyone’s control, unfortunately these situations may not be addressable through IPM or Green Programs. IPM-based programs, even those with green product selections are severely limited by customer uncooperativeness. Lastly, there is a perceived inefficacy of IPM style programs because they work almost invisibly. There is no body count or smell or re-entry time. There is only an increased emphasis on maintenance and a gradual reduction in pests. If done properly, these changes will become almost imperceptible, an imperceptibility that will be difficult to rationalize to our clients.

Specifically, we as a company must promote our Green Program with our advertising and sales. Green Program options must be a standard addition to every sales estimate, as well as a serious effort to convert existing traditional customer into Green Program clients. We must also change our marketing style and message to resonate more with the part of the market that would be receptive to these services. We could help bridge the gap between traditional customers and Green Program potentials by showing the efficacy of IPM in regular service and hoping to convert based on a “risk reduction” logic. We can also offer IPM inspections, with supporting documentation, to both existing and potential customers in an effort to sell or convert to the Green Program.

Tracking the success of this initiative will be somewhat simpler than the first two goals. All we need to do is obtain a baseline percentage of service mix. For accuracy, this percentage must be based on the ratio relationship between Green Program Pest Control versus Traditional Pest Control. Therefore:

$$M=Nt/Ng$$

The coefficient of M (Service Mix of Green Program) will be determined by dividing Nt (the number of traditional Pest control accounts) by Ng (the number of Green Program accounts). Once a baseline for 2008 is ascertained, tracking the changes in this coefficient over the next five years will determine the success or failure of this tactic.

Assistance from EPA (and by extension NJDEP) need not be any direct assistance programs to individual companies, per se. Both government agencies work from a position of authority and trustworthiness in their respective arenas and as such can effect end user expectations significantly. Perhaps an information campaign undergone by either or both organizations will help to educate our consumers industry wide. The majority of our issues in this industry tend to be preconceptions, either negative or outdated, that some of our customers possess. To change these ideas and attitudes, educational programs must be presented for consumers from a non-biased government authority.

A bit of direct interaction may help the industry as far as what we would consider “large scale end users” best defined as School Boards, Boards of Health, Healthcare Administrative Boards etc. These user groups cover not only their respective responsibilities or organizations but are also comprised of local leaders and influential persons to whom education and outreach might be most effective. These groups generally tend to require higher levels of service due to legislation or setting. As such we have the opportunity to parlay this “next generation of pest control” into the homes and businesses of these communities by first contacting these community leaders.

Outside of the consumer outreach realm, EPA can assist us greatly in the registration and introduction of new products by fostering research and development of biorationals and other low impact products, such as botanically derived products and baiting technology. Potentially offering research grants for these types of products might lead us into a new realm of chemistry (or to further explore existing products/formulations) that will give greater efficacy than emerging products currently on the market.

Lastly, pesticide training is mandatory for professional applicators nation wide. Generally these programs are paid for with industry registration and licensing fees. Maybe an IPM educational program offered at a reduced rate (or free) would increase industry wide knowledge of these practices and aid in their implementation.