

CRITICAL PITFALLS TO AVOID WHEN MANAGING A SUCCESSFUL PEST CONTROL COMPANY

by John H H Ho

There are 2 key words in the title of this presentation I find very meaningful. These are "avoid" and "successful".

"Avoid" implies prevention. As pest control practitioners we often emphasise prevention as the best course of action. We now have the chance to practise what we preach.

As for "successful", I am sure many of you will agree with me that the first 3 years are the most crucial for any newly started pest control company. So those of us here,

whose company is 3 years old, can give ourselves a round of applause. But unfortunately, after 3 years, most pest control businesses are neither here nor there.

Herein lie the pitfalls. As you attempt to grow your business, there are so many things you can do but some of them are landmines. It is rare that a single reason has caused a company to fold up. It normally takes a combination of reasons to cause the whole thing to blow up in your face.

In this session I hope to share with you some of the pitfalls I have seen and

even experienced. I am sure some of you will smile and say, "Yes, I have been there before!" In some cases I hope to tickle your antennae so that you are forewarned to avoid these pitfalls. Like they say, a wise man learns from the mistakes of others!

I propose to look at the critical pitfalls under 3 groups:

- Foundation of the company,
- Monitoring Systems to ensure continuous good health, and
- Managing for the Slowdown.

FOUNDATION

Let me elaborate on these:

1. **Strategy** - It is difficult to be all things to all people. What is your company's positioning in terms of quality, pricing and image?
2. **Plan** - Do you have a Business Plan for your company? If you do not believe in a long-term plan, do you at least have a budget with clear targets every year? Remember the saying, "He who fails to plan, plans to fail."
3. **Funding** - Cash is the life-blood of any business. Do you monitor the cash flow weekly or at least monthly? Is your company under-capitalised? Do not count on your banker as the lender of the last resort. At the first sign of trouble, your banker is likely to pull the carpet from under you.
4. **Business Spread** - Who are your major clients? How much is the top 20% of your clients contributing to your turnover? If one single client contributes to more than 25% of your turnover, you had better take steps now to dilute that concentration by having a few more medium-sized clients.

5. **People** - When was the last time you did a stock-take of the talents and capabilities of your People? Do you have key people who can grow with your company?
6. **Expertise** - This is a fast changing world. Like they say, "The only thing that is constant is change!" How is your company coping with these changes?
7. **Orientation** - Is your company introspective? Are you concentrating your energy on internal problems and sorting out individual plans and ambitions? Or are you slugging it out there and adapting to changing market conditions? If you are inward looking, you are vulnerable to external factors.

MONITORING SYSTEMS

1. **Management Information** - Is your Management Information up to mark? Besides the usual monthly accounts, do you have a Score Card that feeds you all the vital information you need to know about the health of your company like productivity, number of complaints?

2. **Forecasting** - Armed with a Plan or Budget, and a relevant Management Information System, you should complete the process with Forecasting. This is an early warning system to enable you to recruit and start training ahead of the workload or to cancel expenditure or unwarranted expansion.
3. **Clients Feedback** - How do you monitor what your clients are saying about your service? Don't rely just on feedback from your own staff because they tend to tell you what you like to hear. Be careful of the Big Boss Syndrome- "Yes Boss, No Boss, You are a Bloody Fool, Boss." You need a more objective feedback.
4. **Competitors' Activities** - What are your competitors doing? Are they introducing new techniques that will make your techniques look like they belong to the museum? Are you networking within the industry? Do you circulate in your Pest Control Association, or do you exist a vacuum?
5. **Credit Control** - Like I said earlier, cash is the life-blood of business! How good is your Credit Control? Who is