

PestManagement

PROFESSIONAL

2015 State of the Industry



HEATING UP

PMPs expect
a milder winter
to boost revenue.

SPONSORED BY



TIME IS MONEY

Protecta® EVO **MOUSE**™

PATENT PENDING

- ▶ Holds 2 Blox of bait
- ▶ Rods for securing soft bait
- ▶ Fits everywhere mice travel
- ▶ Single-lock fast entry EVO® key



Protecta® EVO **EXPRESS**®

PATENT PENDING

- ▶ Pre-installed with custom brick
- ▶ Holds bait or T-REX
- ▶ Removable tray
- ▶ Single-lock fast entry EVO® key

FAST SERVICE FOR FAST RESULTS



**The Next EVolution
of Bait Stations**



More Than Meets The Eye

www.belllabs.com | Madison, WI 53704 USA
Available from your Bell Distributor

Time is of the essence

Bell Laboratories can help save customers' time and money with innovative products.

At Bell, we understand the challenge for pest management professionals (PMPs) to provide quality pest services at competitive prices while delivering improved profitability. That's why our goal is to incorporate time-saving features into every product we make. Whether that's a fast-acting, acute rodenticide, or a rodent bait station built for quick servicing, we make it our mission to deliver PMPs effective tools to combat a variety of infestations while saving them time, money and their reputations.

When speed of service is required, Bell offers an exclusive line of rodent bait stations designed to reduce service time and increase bait placements. Our newest product, the Protecta EVO Mouse, was built with versatility and speed in mind. With a compact shape and increased storage capacity, it allows for BLOX or soft bait placement, and can be positioned wherever rodents travel.

With our Protecta EVO family of bait stations, technicians will spend significantly less time setting up accounts and servicing bait stations. The extra time can be used to better inspect and evaluate rodent activity, implement exclusionary measures or simply to enhance account profitability.

For a fast knockdown of a severe rodent infestation, Bell's scientists developed Fastrac — a premium rodenticide that begins killing rodents in as little as 24 hours. Fastrac contains a powerful active ingredient combined with a

highly palatable formula to deliver dramatic results quickly.

To help improve baiting strategies, Bell revolutionized the way PMPs approach rodent control by developing Contrac with Lumitrac. This product allows technicians to efficiently and effectively identify, track and eliminate rodents while removing the guesswork that can cost companies time and money.

At Bell, every effort is made to produce superior products that revolutionize the rodent control market. Whether we are developing a secure, quick-entry key system for bait stations, or synthesizing active ingredients designed to combat severe infestations, we provide the solutions you can count on to face your toughest challenges, while saving both time and money. *We appreciate and thank you for your business.*



Steve Levy
PRESIDENT & CEO,
BELL LABORATORIES



IN THIS ISSUE

S4 Heating up

S6 A Positive Outlook

S11 Spotlight: Ants

S12 Spotlight: Bed Bugs

S13 Spotlight:
Cockroaches

S14 Spotlight: Rodents

S15 Spotlight: Termites

Stories by PMP staff, based on results of the PMP 2015 State of the Industry survey.

ON THE COVER: Illustrations ©istock.com/razihusin/amtitus

A MATURING INDUSTRY

How many years has your company been in business?

36%

More than 25 years

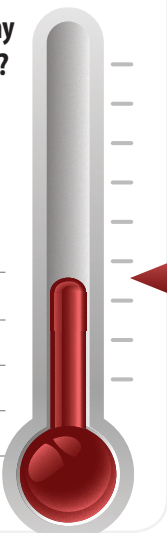
10% 21 to 25 years

11% 16 to 20 years

12% 11 to 15 years

15% 6 to 10 years

16% 1 to 5 years



Heating up

The industry's vital signs are positive, and PMPs are optimistic about the coming year.

Talk to any business owner about expectations for the future, and you'll likely get a lesson in optimism. Respondents to the *Pest Management Professional (PMP) 2015 State of the Industry* survey support that contention. Not one pest management professional (PMP) indicated he expects 2015 business profits to decrease compared to this year's numbers. Only 11 percent suggest their profits will remain flat.

Looking at expectations through the end of 2014, most PMPs expect a rise of their net profits. Almost 10 percent expect a net profit increase of more than 50 percent. The largest group (30 percent) expects a more modest 5- to 9-percent increase of net profits. Six percent will experience a decline of net profits in 2014.

The key to increasing sales and profits is doing what any good business owner would do.

"Provide a service that will be thorough and affordable for our customers," explained one respondent. "We offer no hidden charges or unreasonable contracts."

Or as another PMP put it: "Quality service and on-time performance are key features of my business."

That said, PMPs still have concerns, but overall, the outlook is good. Among their concerns are the usual suspects, including

WHO RESPONDED?

57% Owner

18% President

7% General Manager

3% Branch Manager

2% Supervisor

13% Other



the economy, taxes, materials, labor, insurance and the housing market. But the two most urgent concerns on PMPs' minds are fuel and health-care costs.

Label changes remain a concern. As one respondent declared when asked about obstacles facing the industry, "Residential customer satisfaction will be more difficult to obtain with limited treatment options because of new label restrictions."

But optimism remains. While professionals might have to make changes to the products they use, it could become even more difficult for do-it-yourselfers. As one respondent said when asked what pests he expects to make a resurgence in 2015: "All pests because of label changes and liberal interference."

Another respondent suggested the industry has a huge opportunity to create public awareness and the need for environmentally sensitive



0% of respondents expect to reduce their number of employees in 2015.

professional service. That's not always an easy thing to do.

"Our challenge is keeping the public aware of the need for professional services and disregarding the many cut-rate, unprofessional, price-cutting companies," explained one respondent.

PMPs can take cues from organizations such as the National Pest Management Association's (NPMA's) Professional Pest Management Alliance (PPMA), both of which help promote the message.

Ranking Priorities

At the smaller business level, PMPs have more immediate concerns. Looking forward to 2015, respondents were asked to rate their highest business priorities. More than 18 percent ranked increasing business as their top priority. Interestingly, with the average ranking of various options, increasing business fell to the eighth spot, ahead of only cutting expenses. Adding or improving green and sustainability services narrowly edged green or sustainable internal improvements as the business priorities with the highest average score.

Finding the right employees is always a critical issue for business owners. As the economy and housing market continue to improve, many indicated they added personnel to the payroll this year. That trend should continue at an even quicker pace next year. No respondent expects to reduce his number of

employees, and 56 percent plan to add to their ranks. Almost 7 percent plan to increase employment at least 25 percent in 2015.

Hand in hand with increasing one's number of employees is increasing one's equipment budget. While a few PMPs (7 percent) decreased their equipment budgets this year, the majority (78 percent) increased them. More than 80 percent plan to boost their equipment budgets in 2015.

The home is still key for most PMPs, who indicated their revenue is coming mostly from residential customers. Almost two-thirds (65 percent) of respondents selected "single-family residential" as the property type they expect to provide the most revenue.

One thing that has made life easier for many PMPs is the technology that helps them run their businesses. Smartphones and tablet computers loaded with software allow technicians to document their work and provide more immediate information for customers. But the constant

SUPPLY AND DEMAND

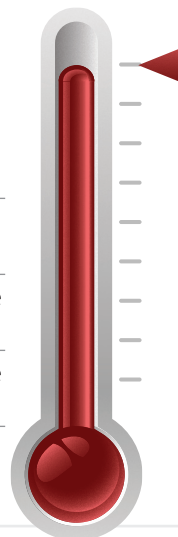
90% of PMPs purchased insecticides and bait stations in 2014

79% of PMPs purchased safety equipment in 2014

84% of PMPs plan to purchase insecticides in 2015

69% of PMPs plan to purchase bait stations in 2015

69% of PMPs plan to purchase safety equipment in 2015



evolution of technology brings its own challenges.

"Keeping our pace and progress at the same level, equal to, or faster than the movement of our world," was cited by one respondent as his business' greatest obstacle.

Of course, technology is only a tool. The most important part of pest management has been, and will continue to be, the people who wield those tools. **PMP**

BUSINESS TWISTS & TURNS

How will your company's employment change?

| | 2013 to 2014 | 2014 to 2015 |
|----------------------|--------------|--------------|
| Increase 50% or more | 1% | 1% |
| Increase 25% to 49% | 3% | 5% |
| Increase 10% to 24% | 20% | 22% |
| Increase 1% to 9% | 14% | 28% |
| Flat | 61% | 44% |
| Decrease | 1% | 0% |

How will your company's total sales change?

| | 2013 to 2014 | 2014 to 2015 |
|-----------------------|--------------|--------------|
| Increase 100% or more | 4% | 2% |
| Increase 50% to 99% | 8% | 10% |
| Increase 25% to 49% | 7% | 9% |
| Increase 10% to 24% | 30% | 28% |
| Increase 5% to 9% | 24% | 31% |
| Increase 1% to 4% | 15% | 13% |
| Flat | 10% | 6% |
| Decrease 1% to 4% | 2% | 1% |
| Decrease 5% or more | 0% | 0% |



A Positive Outlook

Most PMPs see good things down the road.

Spiders. Ants. Rodents. Termites. Birds. Cockroaches. Bed bugs. Fleas. Ticks. Flies. Stinging insects. Stored product pests.

“You can’t stop them; you can only hope to contain them.” That phrase has been used most often to describe all-star athletes, but it’s also a fitting description for some pests.

Pest management professionals (PMPs) throughout the country have a never-ending supply of insects and other pests to keep them busy.

Invasive species enter the United States regularly. Mosquitoes carrying the Chikungunya virus infected their first victim earlier this year. Other pest species once relegated to small geographic areas are expanding their footprints slowly. Even species that stay put can develop resistance. PMPs must stay on top of new technologies

constantly in an ever-changing industry. That sentiment was best captured by a PMP who said, “We plan to take full advantage of the many learning opportunities available to improve our intellectual capital.”

“YOU CAN’T STOP THEM; YOU CAN ONLY HOPE TO CONTAIN THEM.”

As part of the *PMP 2015* State of the Industry survey, readers were asked about the biggest obstacles they would face in the coming year. There were various answers — from government regulation and the economy to labor issues and fuel prices, but not one suggested a lack of pests would

FULL COVERAGE

Which services does your company offer?

| | |
|---|-----|
| Ant management..... | 93% |
| Cockroach management..... | 92% |
| Spider management..... | 92% |
| Rodent management..... | 91% |
| Flea and tick management..... | 86% |
| Occasional invaders pest management..... | 82% |
| Stinging insect management..... | 79% |
| Stored product pest management..... | 79% |
| Fly management..... | 77% |
| Bed bug management..... | 71% |
| Termite and other WDI/WDO management..... | 67% |
| Invasive species pest management..... | 51% |
| Mosquito management..... | 50% |
| Bird management..... | 46% |
| Wildlife management..... | 41% |
| Turf and ornamental and tree insect management..... | 10% |

be a problem. An improving economy and housing market seem to have most PMPs looking forward to 2015. Of course, the pests don't bother with financial markets. As one PMP put it, "the bugs don't care."

And while bug work might be on the rise, PMPs aren't simply floating along with the tide. They're looking for ways to expand their operations. One of the more popular plans is the "expansion of product line to include green options," said one survey respondent. For many, the notion of a sustainable option comes from concern about the environment, but there's no question it's also from listening to the voice of the customer. As another PMP explains, his plan to provide green solutions comes from "public awareness and the need for environmentally sensitive professional service."

The easiest way to increase revenue and profit for any business is to upsell existing customers — or as one PMP put it, "increase the density of our service in our primary service area."

Slight Declines

Before they can increase business, PMPs must make sure they don't lose the business they have. During 2014, a small percentage of PMPs experienced revenue declines for a few of the pests they treat. About 1 percent of respondents experienced a decline between 10 percent

Continued on page S10

THEY'RE EVERYWHERE

Which fleas and ticks were most prevalent in your area this year?

1. Cat fleas (*Ctenocephalides felis*)
2. American dog ticks (*Dermacentor variabilis*)
3. Deer ticks (*Ixodes scapularis*)
4. Oriental rat fleas (*Xenopsylla cheopis*)
5. Brown dog ticks (*Rhipicephalus sanguineus*)
6. Rocky Mountain wood ticks (*Dermacentor andersoni*)
7. Lone Star ticks (*Amblyomma americanum*)
8. Gulf Coast ticks (*A. maculatum*)



Which flies were most prevalent in your service area in 2014?

1. House flies (*Musca domestica*)
2. Fruit flies (*Drosophila melanogaster*)
3. Drain flies (*Psychodidae*)
4. Phorid flies (*Phoridae*)
5. Fungus gnats (*Mycetophiloidea*)
6. Cluster flies (*Pollenia spp.*)
7. Bottle, or blow flies (*Calliphoridae*)
8. Stable flies (*Stomoxys calcitrans*)

Which stinging insects were most prevalent in your service area this year?

1. Yellowjackets (*Vespula spp.*)
2. Common paper wasps (*Polistes dominula*)
3. Mud dauber wasps (*Sphecidae*)
4. Honeybees (*Apis spp.*)
5. Bald-faced hornets (*Dolichovespula maculate*)
6. Cicada killer wasps (*Sphecius speciosus*)
7. Bumblebees (*Bombus spp.*)
8. Africanized honeybees (*Apis mellifera scutellata*)
9. Bark scorpions (*Centruroides sculpturatus*)



Which spiders were most prevalent in your service area this year?

1. American house spiders (*Parasteatoda tepidariorum*)
2. Cellar spiders (*Pholcidae*)
3. Wolf spiders (*Lycosidae*)
4. Yellow sac spiders (*Cheiracanthium spp.*)
5. Black widow spiders (*Latrodectus mactans*)
6. Brown recluse spiders (*Loxosceles reclusa*)
7. Grass spiders (*Agelenopsis spp.*)
8. Brown widow spiders (*Latrodectus geometricus*)
9. Hobo or aggressive house spiders (*Tegenaria agrestis*)
10. Mediterranean recluse spiders (*Loxosceles rufescens*)

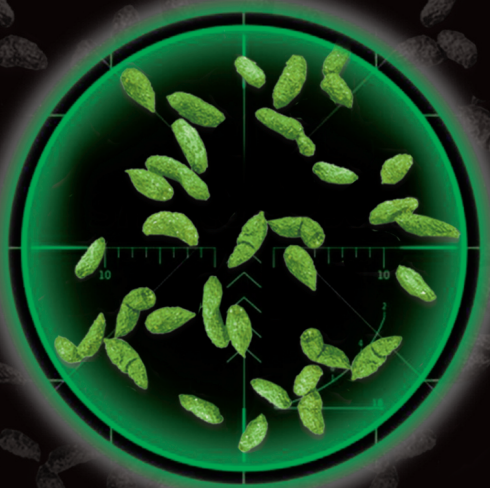


LET **LUMITRACK**[®] PATENT PENDING WORK FOR YOU

Identify & track rodent activity

**Makes the
INVISIBLE... *VISIBLE***

***NIGHT VISION
FOR RODENT CONTROL***



Lumitrack has revolutionized the way pest control professionals think about rodent control. Lumitrack is a special additive that makes rodent droppings glow bright green under UV light. Technicians will be able to identify and track rodent activity faster and more accurately than ever before while achieving the same reliable results they've come to expect from Bell.



More Than Meets The Eye

“Lumitrack is the
most **significant**
innovation in **rodent**
control in the
past **decade.**”

- Bobby Corrigan, Ph.D.
Rodent Expert

Get The **LUMITRACK® ADVANTAGE**



Available from
your Bell Distributor



LEARN MORE
ABOUT
LUMITRACK

www.belllabs.com/lumitrack



Which stored product pests were most prevalent in your service area this year?

1. Indianmeal moths (*Plodia interpunctella*)
2. Sawtoothed grain beetles (*Oryzaephilus surinamensis*)
3. Drugstore beetles (*Stegobium paniceum*)
4. Confused flour beetles (*Tribolium confusum*)
5. Cigarette beetles (*Lasioderma serricorne*)
6. Red flour beetles (*T. castaneum*)
7. Rice weevils (*Sitophilus oryzae*)
8. Spider beetles (*Ptinidae*)
9. Granary weevils (*Sitophilus granarius*)
10. Red-legged ham beetles (*Necrobia rufipes*)
11. Merchant grain beetles (*O. mercator*)
12. Dermestid beetles (*Dermestidae*)

Which nuisance birds were the most prevalent in your service area in 2014?

1. Pigeons
2. Starlings
3. House sparrows
4. Crows
5. Grackles
6. Seagulls
7. Geese
8. Turkey vultures
9. Barn swallows



Continued from page S7
and 25 percent of their ant and bed bug management revenue from 2013 to 2014. Another 1 percent to 2 percent experienced revenue declines of less than 10 percent in their invasive species, spider and stored product pest work. Almost 6 percent of respondents experienced a decline of less than 10 percent in their flea and tick, mosquito and fly treatment revenue. Finally, more than 3 percent experienced a revenue decline of less than 10 percent from their termite and wildlife management work.

However, not one PMP expects a revenue decline of more than 10 percent for any pest segment next year. PMPs expect only six pest segments to decline by any measure, including birds (6 percent), wildlife (4 percent), stored product pests and turf and ornamental insects (both 2 percent), and fleas/ticks, and flies (both 1 percent).

Similarly, it's interesting to look at which pests are projected to generate the most revenue for PMPs this year and next. At the top of the list for 2014 and 2015 are ants, although 2 percent fewer PMPs expect to generate the bulk of their revenue from ant work in 2015.

Ranking second for both years are cockroaches. Two pests — bed bugs and termites — are tied as the third-biggest revenue generators in 2014. Rodent management work is expected to grow on par with companies' average 2015 sales gains (58 percent expect to boost sales 5 to 24 percent in 2015). **PMP**



CHART TOPPERS

Which ONE of the following pest segments will generate most of your revenue?

| | 2014 | 2015 |
|--|------|------|
| Ant management | 18% | 16% |
| Bed bug management | 13% | 13% |
| Bird management | 3% | 3% |
| Cockroach management | 16% | 15% |
| Flea and tick management | 0% | 0% |
| Fly management | 0% | 0% |
| Invasive species pest management | 1% | 1% |
| Mosquito management | 0% | 0% |
| Occasional invaders pest management | 9% | 7% |
| Rodent management | 4% | 4% |
| Spider management | 5% | 5% |
| Stinging insect management | 3% | 3% |
| Stored product pest management | 2% | 2% |
| Termite (and other WDI/WDO) | 13% | 15% |
| Wildlife management | 1% | 1% |
| Turf and ornamental and tree insect management | 5% | 5% |
| Other | 7% | 10% |

Photos: ©Gene White, pminages@earthlink.net, ©istock.com/cmanphoto



MOST COMMON ANT SPECIES

1. Odorous House Ants
2. Carpenter Ants
3. Argentine Ants
4. Pavement Ants
5. Fire Ants
6. Pharaoh Ants
7. Ghost Ants
8. Big-Headed Ants
9. Tawny Crazy Ants
10. White-Footed Ants

Spotlight: Ants

The perennial pest continues to challenge PMPs.

Ant superorganisms. It sounds like the stuff of horror movies: A mad scientist or a lab accident creates mutant pests that try to take over the world. But superorganism is the term biologist Dr. Edward O. Wilson uses to describe ant colonies. That's not to say some ant species can't cause serious damage, some of which is the stuff of B horror movies. Not only do some species attack and take down animals many times their size, they sometimes eat their own dead.

There are about 14,000 species of these eusocial (the highest level of animal social behavior) creatures identified, and it's estimated there are more than 6,000 undiscovered species as yet. Of those species, about 10 comprise the majority of

calls for pest management professionals (PMPs). Still, that small percentage of species creates enormous opportunities for PMPs.

According to the *PMP 2015 State of the Industry* survey, many PMPs expect ants to make a resurgence in 2015. Only bed bugs are expected to make a larger resurgence. It's not surprising, then, that more than 93 percent of pest management companies offer ant treatments.

Almost one in five (just more than 18 percent) indicated ants will generate most of their company's revenue in 2014. Interestingly, just less than 16 percent expect the pests to hold that place in 2015. This year, 14 percent indicated ants will generate the company's highest profit margin of any pest treatment. In that category, ants rank third behind bed bugs and termites (and other wood-destroying insects). Fewer PMPs (9 percent) expect ant work to generate the most profit for their companies in 2015.

13% expect their ant control revenue to increase more than 25 percent in 2015.

RISE OF THE ANTS

What percent do you expect your ant management revenue to change this year and next?

| | 2013 to 2014 | 2014 to 2015 |
|------------------------|--------------|--------------|
| Increase more than 25% | 8% | 13% |
| Increase 10% to 25% | 29% | 24% |
| Increase less than 10% | 45% | 44% |
| Flat | 17% | 19% |
| Decrease less than 10% | 0% | 0% |
| Decrease 10% to 25% | 1% | 0% |
| Decrease more than 25% | 0% | 0% |

Despite those numbers, 81 percent of PMPs expect their ant management revenue to increase next year. Although the 20,000 or so known species of social insects comprise only 2 percent of the more than 1 million known species of insects, they represent three-fourths of the insect biomass, Wilson says. In other words, ants aren't going anywhere soon, which bodes well for business. **PMP**

1.5 million: It's estimated there are 1.5 million ants for every human being.

Source: Ask.com

Spotlight: Bed Bugs

These parasites aren't going anywhere.

Splashy bed bug stories on nightly national news are more rare. But while some of the national media have moved on to other issues, that doesn't mean these parasitic pests have gone away.

Bed bugs continue to make headlines, but usually locally: the New York subway system, a school in Tennessee, an apartment building in Illinois, a theater in California. Part of it is likely weariness about the topic, and part is the public has become smarter about the pest. Sure, there's plenty of misinformation propagating on the Internet, but many of those who need to know seem to be learning.

That's good news for pest management professionals (PMPs) who offer bed bug treatments. According to our

PMP 2015 State of the Industry survey, 71 percent of PMPs offer bed bug service. Thirteen percent said bed bug treatments have generated the majority of their company's revenue this year. That number isn't expected to change in 2015, respondents indicated.

That might be because hotel owners, homeowners and apartment complex managers are becoming smarter about inspections. While the number of infestations continues to increase, the individual infestations often aren't as widespread. Hotels are educating their housekeeping staffs about what to look for when they're cleaning rooms. Many building managers are more proactive and better trained about how to deal with infestations.

During the past few years, rules and regulations about who's responsible for dealing with bed bug infestations have increased. By necessity, even nonprofessionals are finding the pests before they become a bigger problem, and are calling in the troops (PMPs) earlier. Schools, hospitals, retirement homes, bus systems — wherever people congregate — are potential distribution sources for bed bugs.

These bloodsuckers continue to produce healthy profit margins for PMPs. One in five survey respondents believe bed bugs will generate their largest profit margin this year. A similar number (22 percent) expect the pests to do the same in 2015. **PMP**



Photos ©iStock.com/Rouzes/animatedfunk

CHANGE FOR THE BETTER

How do you expect your bed bug management revenue to change this year and next?

| | 2013 to 2014 | 2014 to 2015 |
|------------------------|--------------|--------------|
| Increase more than 25% | 24% | 14% |
| Increase 10% to 25% | 21% | 30% |
| Increase less than 10% | 26% | 31% |
| Flat | 27% | 25% |
| Decrease less than 10% | 0% | 0% |
| Decrease more than 10% | 2% | 0% |

COST OF BUSINESS

What will your company pay, on average, its bed bug control technicians in 2015?

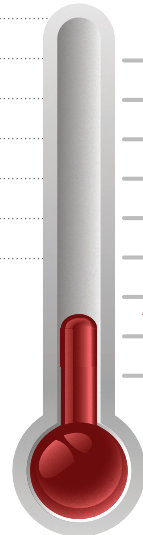
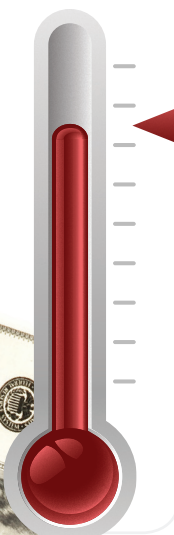
| | |
|-------------------------|-----|
| Less than \$10/hour | 4% |
| \$10 to \$12.49/hour | 9% |
| \$12.50 to \$14.99/hour | 15% |
| \$15 to \$17.49/hour | 20% |
| \$17.50 to \$19.99/hour | 26% |
| \$20 to \$22.49/hour | 15% |
| \$22.50 to \$24.99/hour | 9% |
| \$25 or more/hour | 2% |

26%
of companies pay bed bug control technicians **\$20 or more per hour.**

ON THE RISE

75%

of PMPs expect their bed bug revenue to increase from 2014 to 2015.



Spotlight: Cockroaches

PMPs continue to revel in related revenue.

A recent travel article highlighted a cockroach farmer and his plan to sell his livestock to restaurants around China as a so-called high-protein meal. Put the words “cockroach” and “restaurant” in the same sentence in an article about an American restaurant, and the story likely will involve a temporary shutdown.

Cockroaches have been a staple of PMPs since the start of the professional pest management industry.

More than 90 percent of respondents to the *PMP* 2015 State of the Industry survey indicated they offer cockroach control services. Cockroach management generates more revenue than any other pest segment for 16 percent of PMPs.

Additionally, 65 percent of respondents expect their revenue from cockroach work to increase this year. The numbers

30 According to the National Pest Management Association (NPMA), **cockroaches spread more than 30 kinds of bacteria, including *E. coli* and *Salmonella*.**

look even better for 2015, with more than three-quarters of PMPs expecting their revenue from cockroach inspections and treatments to increase.

There are an estimated 4,600 species of cockroaches, of which only about 30 interact with humans. PMPs use various technologies and techniques to control these pests.

An integrated pest management (IPM) approach calls for, among other things: a reduction of food and water sources; the elimination of hiding places; the use of traps to monitor populations; and, when necessary, the use of baits and pesticides.

The American, German, and Oriental cockroach species are among the most-common invaders of customers’ homes and businesses.

THE TOP 8

Which cockroaches are most prevalent in your service area?

(From most prevalent to least prevalent)

1. German cockroaches (*Blattella germanica*)
2. American cockroaches (*Periplaneta americana*)
3. Oriental cockroaches (*Blatta orientalis*)
4. Smoky brown cockroaches (*P. fuliginosa*)
5. Brown-Banded cockroaches (*Supella longipalpa*)
6. Turkestan cockroaches (*Blatta lateralis*)
7. Asian cockroaches (*Blattella asahinai*)
8. Florida woods cockroaches (*Eurycotis floridana*)

It seems every year another invasive cockroach species makes the news by coming to America, The Land of Opportunity.

Other species can be a bit of a novelty. For instance, the Madagascar hissing cockroach, which can be longer than 3 in., has become something of a star at natural history museums’ insect shows. The public generally doesn’t mind visiting these insects at museums. But when cockroaches invade these same people’s homes and businesses, it’s an entirely different story. **PMP**

12% of PMPs expect cockroach management to provide the highest profit margin of any pest segment in 2015.

Spotlight: Rodents

The rat race continues to help PMPs turn profits.

To save money, a do-it-yourself rodent-proofing effort left almost 1,000 acres of Orange County, Calif., severely burned. The homeowner, tired of rats feasting on his vegetable garden, decided to install metal sheeting around it to keep the pests out. The hot Southern California sun's rays reflected off the metal onto dry wood support beams. Eventually the wood caught fire, and quickly spread through the area.

9 out of 10 PMPs provide rodent control. Compared to 2014, about 25 percent more PMPs expect rodent management to be their most-profitable segment served in 2015.

The blaze required more than 1,000 firefighters and five helicopters. Fortunately, there were no injuries. Because the fire was accidental, the homeowner won't be charged. But accidental or not, it could have been avoided had the homeowner

hired a pest management professional (PMP).

Rodents are among the top five pests PMPs expect to make the biggest resurgence in the coming year (bed bugs, ants, termites, and fleas and ticks are the other four), according to the results of our *PMP* 2015 State of the Industry survey.

Rodents have had a bit of a love/hate relationship with humans. While some people keep rodents as pets, scientists still use them for experiments, which have led to numerous medical breakthroughs. Humans also unintentionally provide rodents with food, water and harborage.

Rodents are pervasive public health pests. Collectively, they directly and indirectly transmit dozens of diseases. Direct hits include, among others: Hantavirus Pulmonary Syndrome, Hemorrhagic Fever with Renal Syndrome, Lassa Fever, Leptospirosis, Lymphocytic Chorio-Meningitis, Omsk

CLIMBING HIGH

82%

say their rodent control revenue rose in 2014, and a similar percentage expect more gains in 2015.



Hemorrhagic Fever, Plague, Rat-Bite Fever, Salmonellosis, South American Arena viruses (Argentine hemorrhagic fever, Bolivian hemorrhagic fever, Sabia-associated hemorrhagic fever, Venezuelan hemorrhagic fever), and Tularemia.

Rodents are universal pests, which explains why 91 percent of PMPs offer rodent management services. Compared to 2014, about 25 percent more PMPs expect rodent management to be their most-profitable segment served in 2015. **PMP**



#1

RODENTS ON THE RUN

Which rodents were most prevalent in your service area in 2014?

(From most to least prevalent)

1. House mice (*Mus musculus*)
2. Norway rats (*Rattus norvegicus*)
3. Roof rats (*Rattus rattus*)
4. Deer mice (*Peromyscus spp.*)
5. Meadow mice (*Microtus pennsylvanicus*)
6. Moles (*Talpidae*)

Top 6 U.S. Cities with Rat Problems

1. New York
2. Boston
3. Baltimore
4. Chicago
5. New Orleans
6. Atlanta

Source: AnimalPlanet.com

Spotlight: Termites

Controlling wood-destroying insects, organisms

Many pest management professionals (PMPs) make a comfortable living protecting customers' homes and businesses from termites and other wood-destroying insects and organisms (WDI/WDO). Infested homes and businesses can leave owners with financial hardships big enough to delay vacations and retirement. Sometimes, long-ignored infestations require structures to be demolished and rebuilt.

Termites recently destroyed one woman's retirement funds directly. The woman, who lives in Fujian Province, China, discovered much of her life savings was eaten by termites that invaded her home. Her distrust of banks led the 70-year-old woman to store her paper money in a cupboard. Although most clients tend to be more trusting of banks, PMPs still need to help them protect their assets.



18% of PMPs say their **most-profitable segment** is termites and other WDI/WDO.

Termites are set to surge in 2015, according to respondents to our *PMP* 2015 State of the Industry (SOI) survey. When asked which pest will make a comeback next year, PMPs ranked termites third, behind bed bugs and ants.

Two-thirds of PMPs offer termite and other WDI/WDO inspections and treatments. Fifteen percent of PMPs expect termites and other WDI/WDO to account for most of their 2015 revenue.

Termite management requires special training, which is one reason termite control technicians are among the highest paid hourly employees in the industry. More than 25 percent of termite technicians will earn \$20 or more an hour in 2015.

In addition to understanding evolving control technologies and techniques, termite technicians also need the right tools. For example, according to *PMP*'s SOI survey, one-third of PMPs purchased termite bait station

WOOD'S WORST ENEMIES

Which termites and other wood-destroying insects and organisms were most prevalent in your service area in 2014?

(From most to least prevalent)

1. Eastern subterranean termites
2. Carpenter ants
3. Western subterranean termites
4. Carpenter bees
5. Wood decay fungi
6. True powderpost beetles
7. Drywood termites
8. Formosan termites
9. Old house borers

A SWARM OF PROFITS

By what percent do you expect your termite management revenue to change?

| | 2013 to 2014 | 2014 to 2015 |
|------------------------|--------------|--------------|
| Increase more than 25% | 3% | 2% |
| Increase 10% to 25% | 15% | 23% |
| Increase less than 10% | 41% | 45% |
| Flat | 38% | 30% |
| Decrease | 3% | 0% |

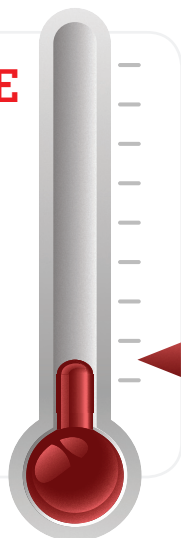
solutions in 2014, and more than 90 percent purchased termiticides/insecticides.

Even with a higher pay grade for termite control technicians, many companies turn a significant profit on their termite inspection and management work. Almost one in five PMPs selected termite (and other WDI/WDO) management as the service that will provide them their highest profit margin this year. 2015 is expected to bring more of the same termite-driven dollars to PMPs' bottom lines. **PMP**

TERMITE KINGS

15%

of PMPs expect termites and other WDI/WDO to account for **most of their revenue in 2015.**



Rodent Control in Disguise

Protecta® EVO LANDSCAPE®

PATENTED

- ▶ Blends into environment
- ▶ Holds bait or T-Rex
- ▶ Sandstone or Granite
- ▶ Single-lock fast entry EVO® key

Protecta® EVO CIRCUIT®

PATENT PENDING

- ▶ Looks like an electrical box
- ▶ Use vertically or horizontally
- ▶ Removable tray
- ▶ Single-lock fast entry EVO® key



**The Next EVolution
of Bait Stations**



More Than Meets The Eye

www.belllabs.com | Madison, WI 53704 USA
Available from your Bell Distributor