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PMP Pest Management PROFESSIONAL

ROCK ON

2020
STATE
OF THE
INDUSTRY

*PMPs EXPECT THE
GOOD TIMES TO ROLL*



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NEW



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IT'S TIME YOU KNEW EVERYTHING

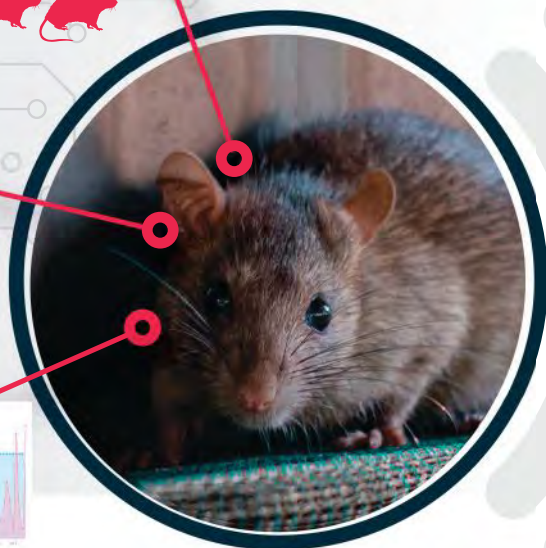
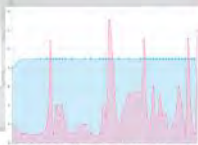
PROOF OF RODENT ACTIVITY



TIMESTAMPS

02:16 PM
10:04 AM

TRENDING ANALYSIS



A NEW DIVISION OF



MADISON, WI 53704 USA

The **future** of rodent management is here



BY STEVE LEVY
President & CEO
Bell Laboratories

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The iQ lineup currently includes Bell's Express iQ tray, T-Rex iQ trap and 24/7 iQ trap.

Bell has consistently strived to provide pest management professionals (PMPs) with the best products and tools for efficient and effective rodent control. With the introduction of our new iQ line of sensing products, we enable you to take rodent control to the next level. The incorporation of iQ products into your rodent control program will lead to enhanced efficacy and time efficiency.

Beyond the functional efficacy that a typical rodent control product must provide, is an entire frontier of information that, if known, would be like taking a

distorted, out-of-focus image and turning it into a crisp, HD-quality snapshot. In essence, that is what Bell looks to do with the introduction of its iQ product line powered by Bell Sensing Technologies (BST). iQ products integrate proprietary BST sensors into several of its most popular products, turning them into powerful rodent data-gathering machines.

Using BST, PMPs now are able to know everything about the rodent activity occurring at their accounts. When, where and how much activity will no longer be based upon educated guesses. It now will be known in extreme

detail, and will be automatically collected and archived to provide trend analysis and proof of the efficacy of a service. PMPs can provide their technicians the ability to know in real-time where hot spots are occurring, so more time can be spent addressing problem areas.

Bell's Express, T-Rex and 24/7 now are available in an iQ variant that seamlessly syncs with the BST smartphone app and portal. This powerful system requires no gateways or complicated and costly infrastructure. Highly customized Bluetooth sensors allow data to be quickly gathered onsite from each iQ device, and then uploaded to the cloud directly from a smartphone. This is a complete rodent data gathering and management system, with the ease of use and affordability that allow it to be used at any account.

We appreciate your support and look forward to sharing this exciting new technology.





Pest control is a hit with the majority of the PMPs who answered our 2020 State of the Industry survey

By **Diane Sofranec** | PMP Senior Editor

TURNING IT UP TO 11

survey respondents' top revenue-generating services, after ant management. Cockroaches, termites and other wood destroying insects (WDI), and bed bugs round out the Top 5 revenue-generating pests.

"2020 will be a banner year partly because we strive to provide top-quality services," Elsner says.

TOURING THE COUNTRY

Some pests are more prevalent in parts of the country than others, and that can have an impact on profits. Todd Barber, president of Barber's Best Termite and Pest in Tallahassee, Fla., counts mosquito control among his top profit-generating services.

"Florida has an ever-increasing population, and given our tropical climate, there is always pressure from unwanted pests. This provides PMPs with an excellent opportunity," he says. "We have seen growth in all of our treatment programs in 2019, and we look forward to what 2020 has in store."

Certainly, PMPs who make a name for themselves in their communities reap the rewards of a successful business. Jim Harmon, president of California Pest Management in San Dimas, Calif., says marketing efforts are paying off, generating more company and brand awareness.

"We are starting to see results with call-ins for new service

Pest management professionals (PMPs) will be giving it their all in 2020, as they rock on to another year of projected high revenue and strong profits.

Pest Management Professional's (PMP's) 2020 State of the Industry survey shines a spotlight on the pest control industry. Of those asked, 93 percent said their outlook for next year is optimistic.

Revenue will be up, according to 88 percent of respondents. Net profits will rise as well, said

86 percent of the PMPs asked. Even better, *none* of the PMPs who answered our survey this year expect profits to be down.

Scott Elsner, owner of BayPest Solutions in DePere, Wis., projects higher revenue and profits for 2020 because the company's involvement in pest management associations exposes him to new and emerging ways to control pests. Strong ties to suppliers and vendors help, too.

"The services we offer will help drive our revenue and net profits for 2020," he says. "We believe that being committed to exceeding customer expectations one job at a time builds our team, net profit and revenue."

The company, which offers general pest control to residential and commercial customers, services farms as well. In addition, Elsner publicizes his rodent control services separately on his company's website. Smart move, as rodent management ranks second in

INSIDE

S6-7 Top pest species

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S12 Service offerings

S13 Revenue and profit projections

S14 Employee and customer issues

S15 Obstacles and opportunities

requests up 45 percent this summer — and still on the rise,” he says. “This will set the stage for an additional 17 percent anticipated growth in revenue.”

Equipment and materials are essential to every pest control business. PMPs who responded to our survey said that in 2020, they intend to pony up for bait stations, insecticides and green products. They also plan to invest in sprayers, hoses, dusters, vehicles and the accessories that go with them, as well as safety gear, our survey says.

“Our fixed costs for operations actually have been lower this year, and will be lower next year too, thanks to our efforts working with our insurance providers for both vehicle and workers’ compensation coverage,” Harmon says. “This included additional worker training in a much wider array of safety topics, driver safety and professional service.”

Check out the following pages to learn more about PMPs’ expectations for 2020.

2020 OUTLOOK



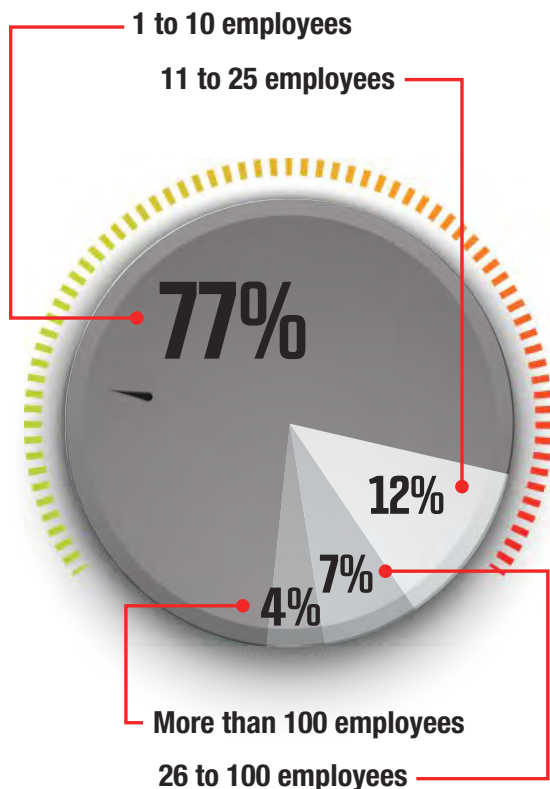
Our exclusive 2020 State of the Industry supplement, sponsored by Bell Laboratories, features benchmarking data, infographics and analyses that shine a spotlight on key pest management industry trends and projections. PMP

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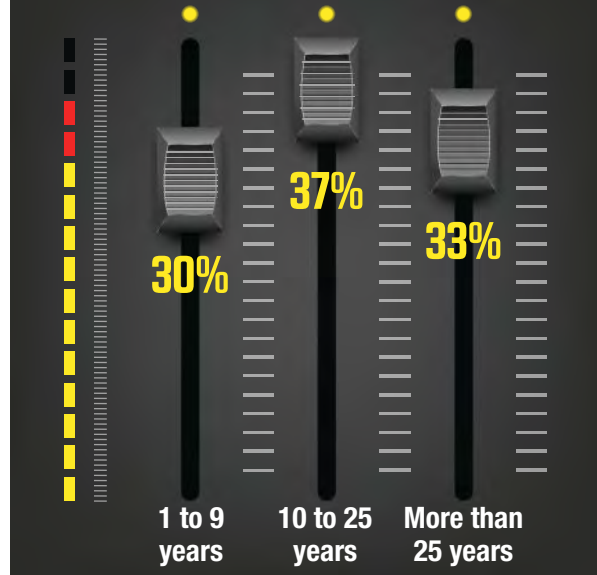
PMPs WHO TELL IT LIKE IT IS

This summer, 218 pest management professionals (PMPs) — primarily company owners and presidents — completed our 30-question State of the Industry survey. Here is some background on their companies:

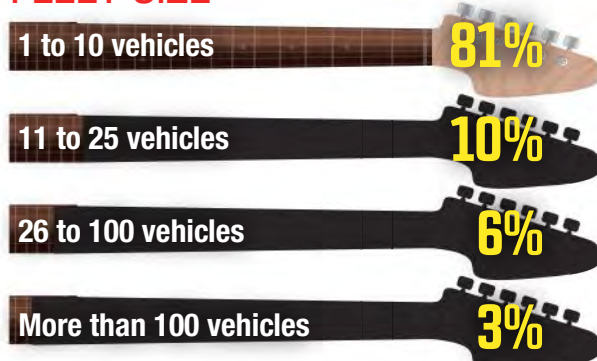
NUMBER OF EMPLOYEES



YEARS IN BUSINESS



FLEET SIZE



The established acts — house mice, carpenter ants, German cockroaches — are still hogging the limelight as top-volume pests in their respective categories

By Heather Gooch | PMP Editor

CLIMBING UP THE CHARTS

For the second year in a row, carpenter ants (*Camponotus* spp.) have beat termites, carpenter bees and other wood-destroying insects (WDIs) for the mantle of top money-making pests in the WDI category. They're also the top revenue-generating ant species, according to our 2020 State of the Industry survey respondents.

Ants in general are the top revenue pest for the majority of PMPs, with rodents, cockroaches, termites/WDI and bed bugs rounding out the Top 5. Also taking top spot as most prevalent pest, ants don't look to be falling off the top of the charts anytime soon, either.



Brook Collins

"I think ants are going to be our mainstay," says Brook Collins, second-

generation president of Oxford, Ga.-based Bizzy Bee Exterminators. "It used to be termites, but ants aren't going anywhere — and they're a continual problem that generates revenue."

Scott and Angie Mullaney's Washington, D.C.-based Unique Pest Management originally specialized in bed bug canine inspections when it was founded in 2012. In 2014, they added rat detection and abatement service, with great success. This year, based on demand, the Mullaney's have expanded to include canines specially trained to find house and field mice. They breed, raise and use Patterdale terriers exclusively.

"When we finally switched from bed bug-only to adding rat inspection dogs, people thought we were crazy," admits Scott



Scott Mullaney

Mullaney, who notes the soon-to-be three-offices company didn't make the leap before completing a business viability study and taking two years to introduce and market the service. "But we're not only rolling out mice inspections, we're looking to bump up bed bug service again as we grow organically. We have seven canine handlers for rats, two for bed bugs and two more dogs in training for mice. We'd like to have more if we could, but it comes down to finding the right people to work as handlers."

THE BED BUGS AND THE BEES

While bed bugs rank No. 5 in revenue production, they're No. 2 in profitability for survey respondents. This jibes for Amy Winters, owner of Washington Courthouse, Ohio-based Central Ohio Exterminating. After being

in business 27 years, Winters notes that while pest trends rarely surprise her, “we have had an increase in bed bug calls.”



Amy Winters

This could be because Central Ohio Exterminating has a solid team in place that has increased word-of-mouth advertising for all services.

“I also have been using social media more for advertising,” Winters says. “But honestly, a satisfied customer is my best advertisement.”

Stinging insects clock in as the 10th-largest revenue producer for survey respondents — ahead of wildlife and behind fleas

and ticks — and they rank No. 9 for profitability. But Doug Foster, president of Burts Pest Control, Columbus, Ind.,



Doug Foster

reports that calls for wasps, hornets and yellowjackets were surprisingly down this year.

“I personally haven’t seen as many at picnics or other outdoor events as in the past,” he adds, musing that weather may have played a role.

ONE-HIT WONDERS

Steve Clatterbuck, owner of Peace of Mind Pest Services, Amissville, Va., notes that spiders have been the surprise of the season.

“The amount of calls from both leads and existing customers concerning spiders have tripled from last year,” he explains. “Ants and mosquito calls also have increased, but they seem to increase every year, so they were not as surprising as the spider calls.”

Nancy Riffle, VP of Advanced Pest Control, Mount Vernon, Wash., says her firm is fielding a lot of calls for false chinch bugs (*Nysius raphanus*).

“They were really bad this year in the housing near agricultural areas,” she says.

Joe Silvestrini, owner of Pest Control Technicians, Norristown, Pa., says spotted lanternflies are another



Steve Clatterbuck



Nancy Riffle



Joe Silvestrini

landscape-cum-urban pest for which he is getting a lot of residential calls. (Editor’s Note:

Read more about what Silvestrini is doing with these mostly tree pests in our October issue, p. 154). He predicts mosquito and wildlife control are going to be huge for 2020 and beyond. PMP

You can reach GOOCH at hgooch@northcoastmedia.net or 330-321-9754.

TOP 5

REVENUE-GENERATING SPECIES

RODENTS

1. House mice (*Mus musculus*)
2. Norway rats (*Rattus norvegicus*)
3. Moles (Talpidae)
4. Deer mice (*Peromyscus maniculatus*)
5. Voles (Cricetidae)

ANTS

1. Carpenter (*Camponotus* spp.)
2. Pavement (*Tetramorium caespitum*)
3. Odorous house (*Tapinoma sessile*)
4. Argentine (*Linepithema humile*)
5. Fire (*Solenopsis* spp.)

COCKROACHES

1. German (*Blattella germanica*)
2. American (*Periplaneta americana*)
3. Oriental (*Blatta orientalis*)
4. Brown-banded (*Supella longipalpa*)
5. Smoky brown (*P. fuliginosa*)

TERMITES & OTHER WDI/WDO

1. Carpenter ants (*Camponotus* spp.)
2. Carpenter bees (*Xylocopa* spp.)
3. Eastern subterranean termites (*Reticulitermes flavipes*)
4. True powderpost beetles (Bostrichidae)
5. Wood-decay fungi

NEW

INTRODUCING **iQ** PRODUCTS

POWERED BY  **Bell**
SENSING TECHNOLOGIES™

iQ™ products integrate proprietary BST sensors that turn some of Bell's most popular products into powerful 24/7 rodent data gathering machines. Using Bell Sensing Technology, PMP's will now be able to know **everything** about the rodent activity occurring at their accounts.

PRODUCT LINE UP



BE A **SMARTER** PMP

USING BELL SENSING TECHNOLOGY

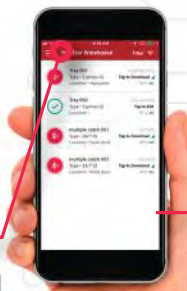
INTEGRATED SENSORS



- Records activity
- Generates time stamps
- Know when & where rodents are traveling

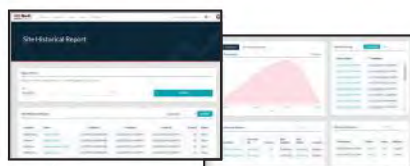
OPTIMIZED MOBILE APP

- Collects data from sensors
- Interprets results by filtering out noise
- Fast recordkeeping



CUSTOMIZED PORTAL

- Define rules
- Review data
- Monitor results
- Communicate with customer



PROOF OF RODENT ACTIVITY



Proprietary sensors detect rodent activity in all IQ™ rodent devices.

TIMESTAMPS AT ACCOUNT

02:16 PM
10:04 AM

Know exactly what time and which bait stations are most active.

TRENDING ANALYSIS



Review rodent activity, monitor your account and communicate with customers.

EFFICIENT DATA COLLECTION



Capture rodent activity and service records in one fast step.

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HOT TICKETS

PMPs plan to invest in more equipment, materials, people and property

By Heather Gooch | PMP Editor



With 81 percent of respondents saying their 2020 budget is up from 2019, it's a good time to be a pest management professional (PMP).

How they plan to spend that budget varies (see chart, p. S11), but beyond the bait stations, baits and traps, nearly 66 percent of respondents told us they plan to add employees in the coming months. Fifty percent plan to expand their fleet. Twenty-four percent plan to offer healthcare in 2020, and 12 percent plan to open at least one branch.

"Opening another branch office has been my goal for a few years," says Amy Winters, owner of Washington Courthouse, Ohio-based Central Ohio Exterminating. She says 2020 will be the year to make it happen. "The market is strong, and I have trained and knowledgeable service technicians who are behind me 100 percent."

Doug Foster, president of Burts Pest Control, Columbus, Ind., recommends always holding a portion of business funds for future purchases. Then, when the opportunity presents itself, you can strike while the iron is hot.

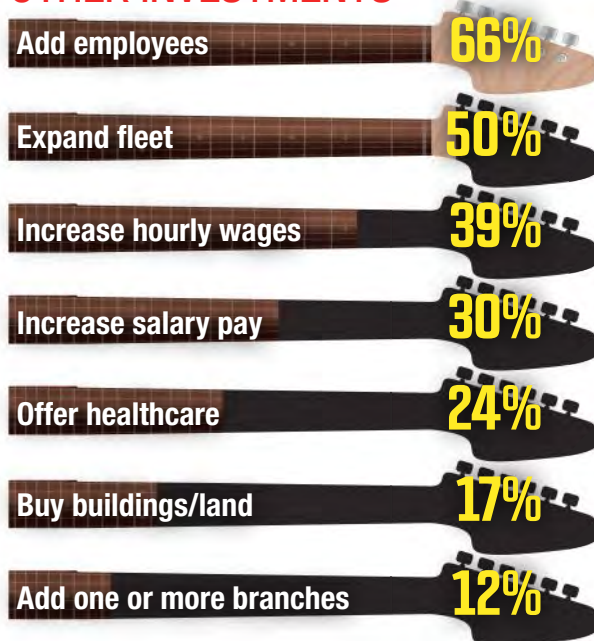
"Just like adding new service offerings, when you see the need to add staff and equipment, don't get bogged down in indecision," he adds.

PRACTICE AND COLLABORATION

Steve Clatterbuck, owner of Peace of Mind Pest Services, Amissville, Va., says ongoing training is an extremely important budget line item for PMPs.

"I'm a firm believer that, as a business owner, you're only as good as the people you have working for you," he continues. "By providing ongoing training and keeping up with the new innovations within the pest control industry, I can provide the type of service that will draw new clients. Word of mouth is powerful."

OTHER INVESTMENTS



David Marshall, co-owner of Arizona Pest Squad in Tempe, Ariz., agrees, and takes it a step further: Beyond in-house training, he urges PMPs to join industry associations, and attend every facet of every event that they can.

Most PMPs report pest control media — print and digital offerings as well as their events — are their No. 1 informational resource. PMP

You can reach GOOCH at hgooch@northcoastmedia.net or 330-321-9754.

GROW YOUR FAN CLUB

David Marshall was not born into the pest control business, but rather the publicity business. Learning from his father — and, he notes, from working side-by-side with music legends like Dr. Dre and Tupac Shakur Ñ Marshall realized early on that when you do your best and help others become their best, good things will follow. On the other hand, he notes, “a closed mouth does not get fed,” and you have to put yourself out there and seize all the opportunities you can.

For example, Marshall got his “Scorpionator” nickname from the customer who took the photo at right, shortly after he removed 28 scorpions from her home and treated and pest-proofed it.

“She was so happy with the results, and we were looking at the scorpions lined up and I just



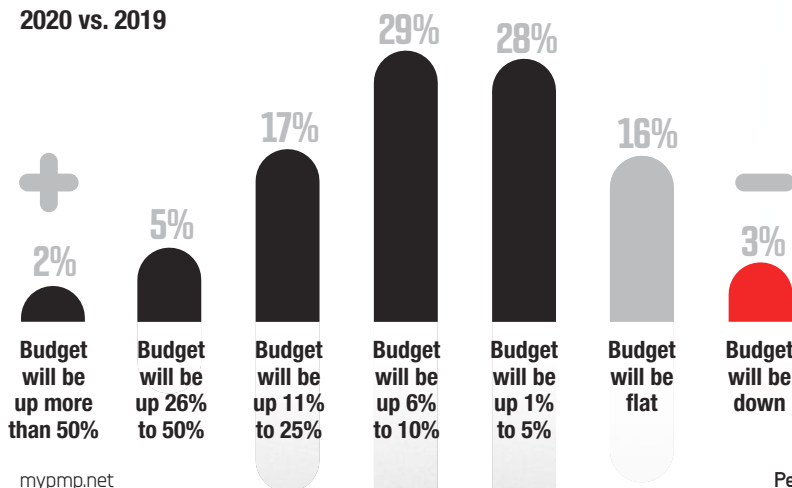
decided to go for it: ‘Hey, would you mind taking a photo of me with these?’ She was all about it,” he says. “The customer put the photo on her online review, and dubbed me the Scorpionator. My wife jokes that the beefcake pose is a little much, but it’s brought me a lot of business. It’s all because I took a chance and asked.” — H.G.

2020 PLANNED PURCHASES

Baits	79%
Insecticides	72%
Uniforms	61%
Backpack sprayers	53%
Safety equipment	52%
Bait guns & applicators	46%
Dusters	44%
Trucks	43%
Vehicle accessories	42%
Monitors	40%
Aerosol applicators	39%
Compressed air sprayers	39%
Traps	38%
Spray guns	36%
Computers	33%
Granule spreaders	32%
Spray hoses	32%
Spray nozzles	31%
Spray pumps	31%
Green products	29%
Spray rigs	26%
Termite bait installation tools	24%
Foggers	23%
Handheld devices	21%
Business software	20%
Hose reels	20%
Foam machines	20%

PROJECTED EQUIPMENT & MATERIALS BUDGET

2020 vs. 2019



CROSSOVER HITS

Thirty-seven percent of PMPs plan to expand their services in 2020

By Heather Gooch | PMP Editor

To which philosophy do you subscribe: “Find a need, fill a need,” or “If you’re a jack of all trades, you’re a master of none”? Most successful pest management professionals (PMPs) find themselves somewhere in the middle — making sure any services they offer not only are what the market demands, but are being delivered correctly.

About 63 percent of PMPs who answered our State of the Industry question, “Which of the following new services will your company begin offering in 2020,” reported they’re not adding any. But that’s because they already have so many of their bases covered (see charts at right).

The top service being added by respondents is mosquito control (14 percent), followed by bed bug (10 percent), flea and tick (9 percent), and spider and termite control (8 percent apiece).

READY TO ROCK

About 4 percent of PMPs plan to add wildlife control in 2020, and Steve Clatterbuck, owner of Peace of Mind Pest Services, Amissville, Va., is among them.

Clatterbuck says he plans to grow his wildlife segment similar to how he rolled out mosquito control service.

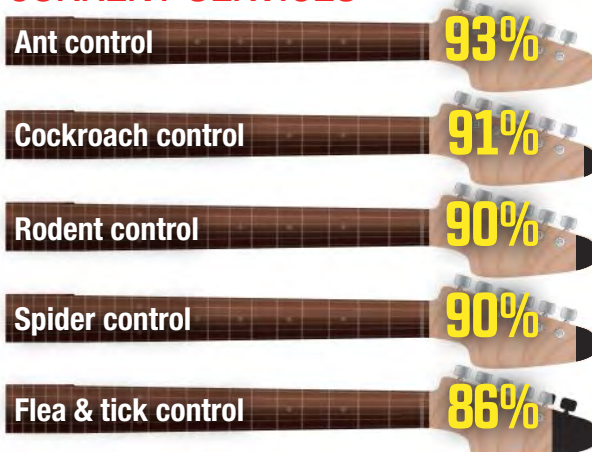
“We started with our existing pest customers,” he says. “As our mosquito base kept growing, we added it to our website and social media pages.”

Doug Foster, president of Burts Pest Control, Columbus, Ind., advises not overthinking the add-on process.

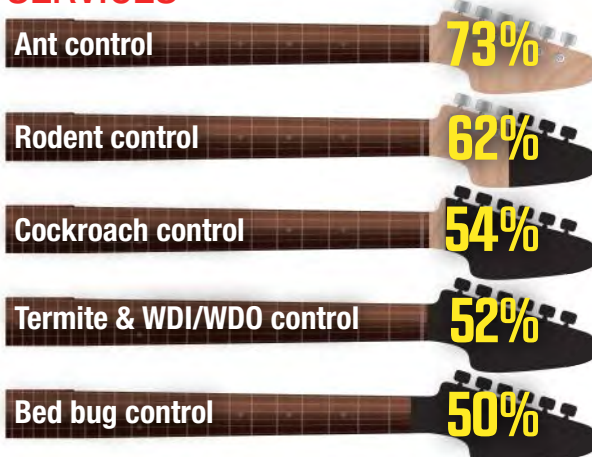
“You can always come up with an excuse not to try something,” he adds. “Instead, do your research, talk with other PMPs who are offering those services, and then go ‘all in.’” PMP

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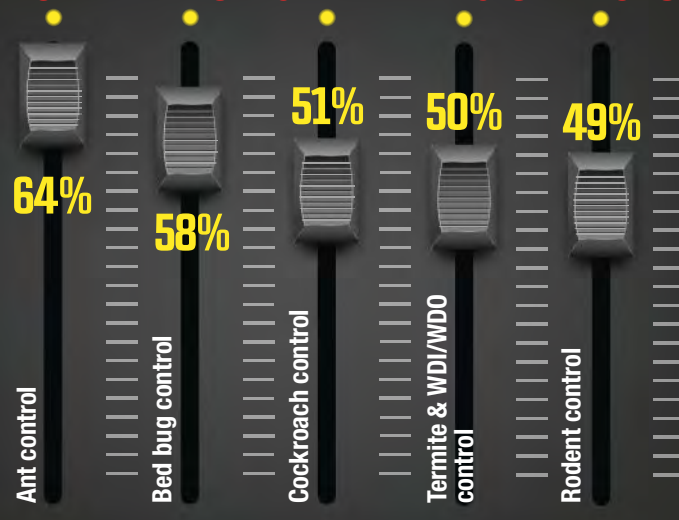
CURRENT SERVICES



TOP REVENUE-GENERATING SERVICES



TOP REVENUE-GENERATING SERVICES



A GREAT GIG

Business is brisk, say PMPs who responded to our 2020 State of the Industry survey

By Heather Gooch | PMP Editor

If they gave out gold records for industries, pest management would have gone double platinum by now. The overwhelming majority of our 2020 State of the Industry survey respondents tell us business is not just good, it's great. And many plan to invest in their future to keep it that way: Forty percent plan to increase hourly wages, and 30 percent plan to increase salary pay.

Nancy Riffle, VP of Advanced Pest Control, says business has been growing steadily for her Mount Vernon, Wash.-based firm.

"It is mostly from referrals and customers unhappy with their current service providers," she adds. "Our clients are looking for good customer service and a small, family-owned company."

To that end, she says, Advanced has been raising wages and adding benefits for employees.

"They are our best resource," Riffle says. "Our clients really like our staff, and they work hard to do their best. I want them to know they are appreciated."

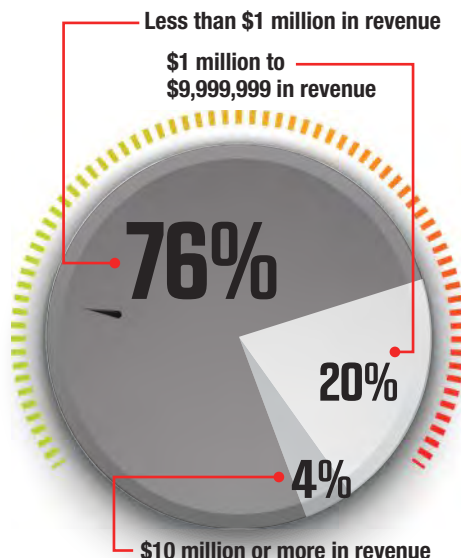
Joseph Sheehan, president of Colony Pest Management, Brooklyn, N.Y., says two years ago, "We made decisions to retain better, stronger staff by offering more money, better benefits and listening to our team's needs. It is paying off."

Eric Ufer, president of Pest Solutions, Beaverton, Ore., says tightening routes and inventory controls in recent months already has improved his bottom line, but there's always room for improvement.

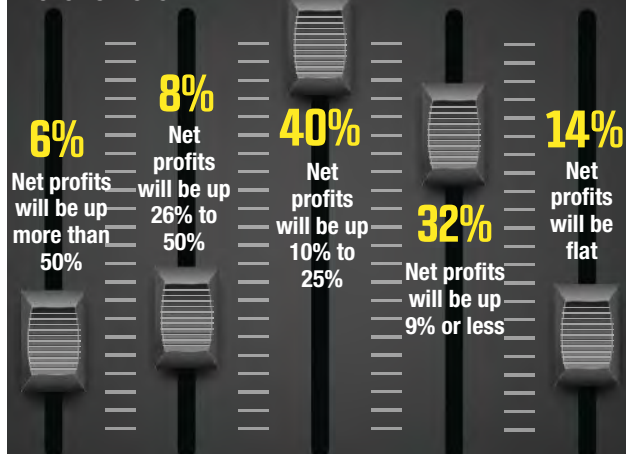
"For revenue growth, gaining additional commercial customers and going deeper with our current customer base is important," Ufer says. "We are looking at ways to improve the great relationships we already have, and let clients know the wonderful opportunities we have to provide solutions to them." PMP

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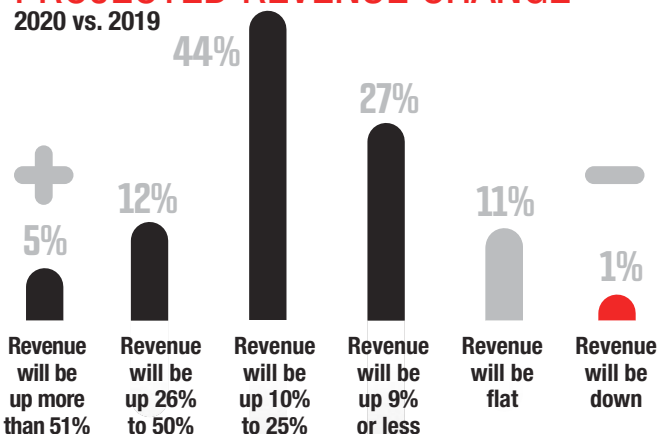
PROJECTED 2020 REVENUE



PROJECTED NET PROFITS CHANGE 2020 vs. 2019



PROJECTED REVENUE CHANGE 2020 vs. 2019



RETAINING ROCKSTAR EMPLOYEES, CUSTOMERS

Satisfied customers and happy employees put PMPs on a tour for success

By Diane Sofranec | PMP Senior Editor

Pest management professionals (PMPs) hit all the right notes when it comes to pleasing their customers. A stellar 93 percent of those who responded to our 2020 State of the Industry survey said they retain more than 70 percent of their customers.

What keeps customers coming back? One PMP suggested developing a relationship with customers first and solving their problems second. Another advised if you treat customers with respect, they will remain loyal and become great referral sources.

KEEPING THE BEAT

Employee retention isn't an issue for most PMPs, either. Of those asked, 92 percent said they retain 70 percent or more of their employees.

Attracting new technicians can be a challenge, however. Eric Ufer, president of Pest Solutions in Beaverton, Ore., found a viable way to encourage students to consider a career in pest control.

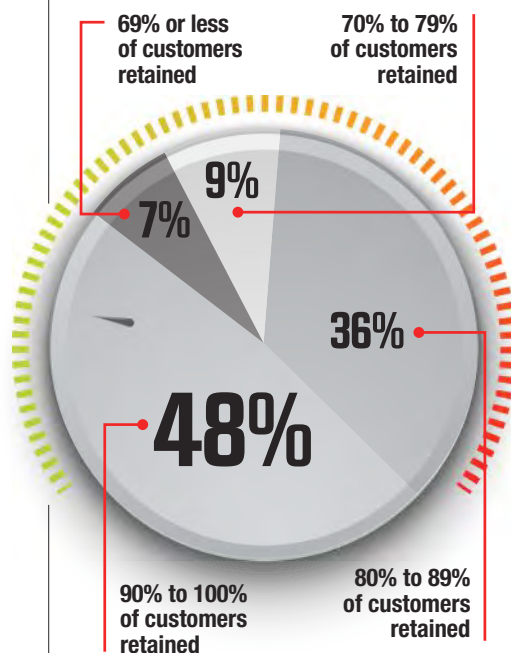
He visits schools, Madagascar hissing cockroaches and stuffed skunks in tow, and explains that pest management is the best industry because it protects people's health.

"After every single presentation, I will have two to four students come up to me and say, 'I want to be a pest control tech,'" Ufer relates. "That's extremely rewarding."

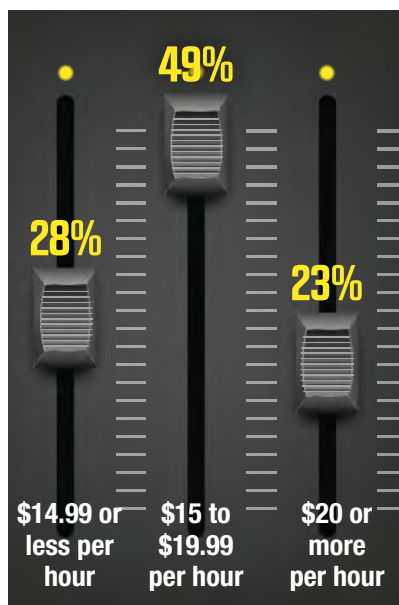
Encouraging children to consider a career path may give them hope for a bright future, he says. PMP

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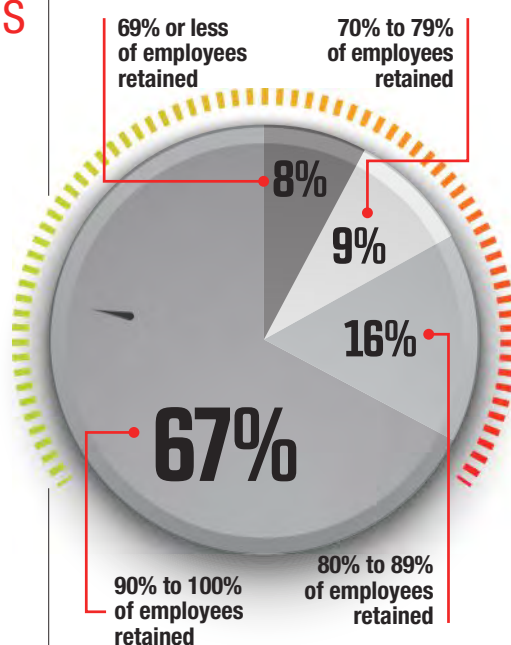
PROJECTED 2020 CUSTOMER RETENTION



PROJECTED 2020 COMPENSATION FOR RESIDENTIAL TECHS



PROJECTED 2020 EMPLOYEE RETENTION



GETTING THEIR GROOVE ON

Referrals and repeat business top 2020 opportunities **By Heather Gooch** | PMP Editor

According to pest management professionals (PMPs) who took our 2020 State of the Industry survey, the Top 5 industry opportunities have not wavered from their order in last year's survey — with increasing referrals in the top spot. Interestingly, though, the Top 5 industry obstacles have changed in ranking slightly. While lowballing competitors still “top the charts” as thorns in PMPs' sides, weather woes have climbed from No. 5 last year to No. 2 this year.

Desiree Straubinger, BCE, market technical director of Rentokil Steritech, says it's a precarious position for PMPs to be in after a weather incident like a hurricane.

“After last year's Hurricane Michael, a few colleagues were directly impacted and lost everything,” she laments. “Yet in the midst of that, we still have to help their clients. Weather is unpredictable, and we're dealing with that on multiple

levels, from a safety viewpoint as well as pest control.”

The National Oceanic and Atmospheric Administration reports that wet conditions from July 2018 through June 2019 resulted in a new 12-month precipitation record in the U.S., with an average of 37.86 inches, which is 7.90 inches above average.

SOUND CHECKS

Fuel costs clock in at No. 5, bumping health insurance off the Top 5 Obstacles charts. The September oil field fire in Saudi Arabia, which resulted in decreased supply and higher prices at the pump, is still fresh in PMPs' minds. However, several PMPs

report routing technology resulted in fuel savings, thanks to optimized driving distances. The “safe driver” features that are a hallmark of many GPS systems available for PMPs also have ensured

fuel savings, despite gasoline's higher costs.

The majority of PMPs polled have a positive feeling going

into 2020, preferring to focus on opportunities and face obstacles head-on. While the labor market continues to be tight, many say, embracing technologies can help attract the next generation.

David Marshall, who co-owns Arizona Pest Squad with his wife, Amy Bobbitt, notes that it's worth viewing your software systems providers as business partners.

“Run those reports, and understand them,”

he advises. “It's an investment of which you should make the most. Their reports can tell you what you've got going on and what you don't.” PMP



David Marshall

You can reach GOOCH at hgooch@northcoastmedia.net or 330-321-9754.



Desiree Straubinger

PROJECTED TOP 2020 OBSTACLES

1. Lowballing competitors
2. Weather
3. Do-it-yourself competition
4. Hiring and training
5. Fuel costs

PROJECTED TOP 2020 OPPORTUNITIES

1. Increase referrals
2. Increase repeat business
3. Improve customer retention
4. Upsell services
5. Increase prices

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