

THE INDUSTRY'S LEADING TECHNICAL JOURNAL SINCE 1933

PMP Pest Management PROFESSIONAL

TERMITE PROTECTION IS ALWAYS IN DEMAND

**The business segment is solid,
PMP's exclusive survey shows**

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TACKLE TERMITES WITH A WELL-EQUIPPED TOOL BOX

By Dr. Janis Reed, BCE

The structural damage termites cause costs Americans millions of dollars each year in treatment and repairs. So, for those who offer these services, termite management is an important part of a pest management professionals' (PMPs') revenue stream. As the saying goes, there are two types of structures: Those that have termites, and those that will.

Digging a little deeper, I've identified four factors — not even related to managing the actual pest — that have an impact on a PMP's decision to offer termite services:

- **Geographic location.** If a PMP operates in a Gulf Coast state, for example, termite control can be a main source of income — and the additional investment and training are justified. If a PMP operates in an area where termite pressure is low and customer calls are rare, it may make more financial sense to outsource the termite work.
- **Brand-building.** If a PMP can provide a full suite of services, continuity with the customer can be maintained. Other PMPs choose to specialize in a particular pest such as bed bugs, birds or rodents, and refer their termite calls to a trusted partner.
- **Liability.** PMPs getting into termite management work must do their homework regarding the extra insurance, contracts and other necessities to keep their liability low when offering termite and termite-related services.
- **Customer service.** Termite management usually means more time invested with each customer. You need to be ready for some tough conversations about the damage

that is there, the timeline, and what you can do about it. This is why many PMPs who offer termite management also offer repair or handyman services so they can bring even more value to customers.

BE PREPARED

My best advice for PMPs who are new to termite work or considering entering the field is three-fold:

- 1 Termite control services mean more responsibility for you and your team. Your work quality should reflect that.
- 2 Learn from someone who is experienced in termite control before you start your first job.
- 3 Ask a legal professional to review your contracts and paperwork.

The year 2020 brought a new set of challenges for PMPs to navigate through, and this is just one piece of a complex puzzle we work on every day. Modern PMPs have many products, techniques and limitations they work within, and these continue to evolve. Additionally, product selection, application techniques and customer expectations continue to evolve and change.

The team at CSI strives to provide PMPs with an ever-growing toolbox to employ during their daily battles in all pest situations, including termite infestations. We wanted to help PMPs get into all those hard-to-reach areas with our latest product, Taurus Dry. With an active ingredient of fipronil, this dry flowable termiticide is used in CSI's exclusive Precision Delivery System to easily reach termites in infested wood, shelter tubes and galleries. It's capable of topical or physical transfer among nestmates, meaning untreated termites can be affected by interacting with treated ones.

In addition to Taurus Dry, CSI also offers several other products for termite control, including Bifen I/T, Bifen XTS, Cyper TC, Dominion 2L, Fuse, Fuse Foam, Permethrin SFR and Taurus SC.

We at CSI are proud to be a part of, and to support, this industry. We look forward to partnering with PMPs to confront any challenge on the horizon, regardless of pest species. Our passion is support and providing these tools every day. **CSI: Innovation you can apply.**



DR. REED is Technical Services Manager, Product Development Team, for Control Solutions Inc.





TERMITE PROTECTION IS ALWAYS IN DEMAND

In a year unlike any other, business is strong for PMPs who provide termite services

By Diane Sofranec | PMP Senior Editor

Pest management professionals (PMPs) who offer termite control services say business has been better than expected during the coronavirus pandemic.

“During the first quarter of 2020, I never thought I would have said this, but it has been a banner year for termite management work,” says Tim Goeringer, president of JHTG Inc. dba Orkin Pest Control, Prescott Valley, Ariz. “And I expect 2021 to be even better.”

To learn more about PMPs’ experiences in these unprecedented times, *Pest Management Professional’s* (PMP’s) 2021 Termite Management Survey included the open-ended question: What impact has the coronavirus pandemic had on your termite management business? The majority of responses were “minimal to none,” as termite control work remained steady in 2020.

Some PMPs tell us they believe COVID-19 changed consumer behavior. For Goeringer’s customers, funds saved for vacations are being used instead on home improvement projects, as pandemic-related state and local stay-at-home mandates limit travel, he says.

Trevor Jones, general manager of Admiral Pest Control in Bellflower, Calif., agrees, saying customers working from home has been good for business.

“If the trend from 2020 continues, I expect my termite management business to continue to increase,” he says. “Due to COVID-19 travel restrictions,

we have seen a lot of people putting their saved vacation money toward home repairs, including termite treatments and repair work.”

The coronavirus pandemic also had an impact on home sales. The National Association of Realtors’ Pending Home Sales Index shows year-over-year contract signings were up 20 percent as of October. The increase can be attributed to the desire for those working from home to buy their first homes or purchase larger ones, as well as to historically low mortgage rates.

“Home buying has been strong during the pandemic; it’s definitely a seller’s market,” says EcoChoice Termite & Pest Control President Emillio Polce. Business for his Vernon, Conn.-based company has been good during the pandemic. Although last year’s first quarter started off well, the first two months of the second quarter were shaky. Then all of a sudden, he says, it started turning around.

Thanks to strong home sales, Dannielle Nieves, president of A&A Pest Control in Portland, Ore., expects a bit more termite work this year compared to last. “People are buying and selling a lot of real estate here in the Pacific Northwest in the past couple years, and I believe it will only keep going up,” she says.

Nieves is not alone. This year’s survey shows 96 percent of PMPs who responded project termite jobs will increase in 2021. In addition, more than a

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Trevor Jones



Dannielle Nieves

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third of those who answered the survey say existing residential structures account for the majority of their termite management revenue.



Robert Brant

“There are not many other pests that cause the damage termites do. Someone’s biggest investment isn’t going to be structurally compromised by ants or cockroaches,” explains Robert Brant, owner of Hawk Mosquito & Pest in Chesapeake, Va. “Protecting families from illness, and homes and businesses from damage, should be at the core of every pest control company’s duties. How would your business stay afloat if that wasn’t your mantra?”

TARGETING HOMEOWNERS

PMP’s Termite Management Survey always invites respondents to include their best tips, and working with real estate agents consistently makes the list.

Partnering with real estate agents leads to additional pest control work, according to responses from PMPs. Polce says at first, it was a tough market to enter. That changed when a real estate agent encouraged him to join a tri-county board of Realtors that held an annual meeting where he and other affiliate members could set up a booth, meet Realtors in the area, and hand out literature explaining their companies’ service offerings.

“We’ve offered discounts to every Realtor we’ve ever met, and it’s something we still do every year,” Polce adds. “We’ve really grown our presence in our market.”

He has attended morning meeting and lunch-and-learn events to explain the National Pest Management Association (NPMA)-33 Wood Destroying Insect inspection form. He leaves a refrigerator magnet and brochure in the homes he inspects for real estate agents and new homeowners. When a new homeowner closes on a home his company treated for termites, he will mail or hand-deliver a letter with his company’s information and a copy of the warranty.

“Sharpen your pencils. Real estate agents are not looking for someone who is going to be a dealbreaker,” Polce advises. “They want someone who can be flexible and work with them.”

Working together inevitably leads to additional business, he says.



Emilio Polce

BUNDLING BOOSTS BUSINESS

John Morgan, owner of Signature Pest Control in Wichita, Kan., says loyalty is one of the ways customers show their thanks for the termite protection his company provides.

“None of us much enjoys crawling around on our belly under a house, drilling injection holes through concrete slabs, or digging trenches in rock-hard soil, but we do experience a lot of satisfaction when

TERMITE WORK FOR THE TAKING

Pest management professionals (PMPs) who answered our 2021 Termite Management Survey offer advice that has helped them ramp up their termite control work, making it lucrative and satisfying.

“Before offering termite management services, make sure you have the proper state licenses, and insurance coverage on your policy to perform the work. Conduct a thorough inspection of the structure to identify the entire scope of the infestation. Explain the treatment options to the homeowner so they can make an informed decision. Keep good records and contracts for all services provided.”

— Zac Brown, Manager, Clancy Brothers Pest Control, Braintree, Mass.

“For those considering entering the termite management market, gain a basic understanding of construction practices in your area, particularly foundation construction.



Zac Brown

Perform quality inspections. Thoroughly document your findings, and don’t be afraid to charge based on your time, materials and expertise.” — Tim Goeringer, President, JHTG Inc. dba Orkin Pest Control, Prescott Valley, Ariz.

“When providing bids for termite management work, do not give an estimate when looking at a picture or video. It is very important to be at the property to assess the situation. For example, is the entire home on a concrete slab, or just half of the home? Are there inaccessible areas an inspector or homeowner would not see or know about? Is there a water source or high-water tables in the areas to be treated? With too many what-ifs, the job could go wrong if you do not evaluate the structure with your own eyes. Also, before you start providing termite treatments, assign someone as your termite management person. Send them to seminars, and have them talk to other pest control companies that provide termite control services. Most of my termite work comes from homes being bought and sold, so get to know your real estate agents, too.”

— Dannielle Nieves, President, A&A Pest Control, Portland, Ore.

“Sell the value of prevention to your customers, because an ounce of prevention is worth a pound of cure. The

we are able to help someone protect their family's home or the business they poured their heart and soul into," he explains. "When you work hard like that to help someone, they notice. You gain their trust, and when they have another pest problem, they don't hesitate to call you."

Admiral Pest Control's Jones says numerous customers have taken advantage of his company's yearly termite control service plan for decades, some since the 1950s.

"It gives us a lot of pride knowing we have been taking care of these customers' termite issues for decades, often over multiple generations as properties are passed down," he says. "These customers can be very lucrative, as we build trustworthy relationships over years of service. Not only do they provide the best referrals, but they are the easiest to sell additional services to."

Polce says bundling his services has helped grow his termite management business. By charging more for quarterly services, which include a warranty, recurring revenue increases. He promotes his company's bundled services front-and-center on the home page of the company's website, and shows the monthly price and what his services cover.



"WHEN YOU WORK HARD LIKE THAT, THEY NOTICE ... AND WHEN THEY HAVE ANOTHER PEST PROBLEM, THEY DON'T HESITATE TO CALL YOU."

John Morgan

"The more services a customer uses, the longer they stay on the books," he adds. "Because of bundling, we are looking at another year of 20 percent growth."

Brant aims to grow Hawk Mosquito & Pest's termite management services by 50 percent this year. "Our customers love our bundled plans like general pest and termite," he says. "I want to certify more technicians and have them be top-notch at what they do, including termite prevention and control."

EXPERIENCE PAYS

Termite work wouldn't be possible without highly trained technicians. Taz Tyrone, president of Acme Pest Management in West Memphis, Ark., says training is critical because of the liability his company takes on when providing termite protection services

and agreements.

Signature Pest Control's Morgan says newly hired termite technicians work with his senior technicians throughout the entire termite management process, beginning with the initial inspection and consultation.

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cost of termite damage is astronomical across the United States, so why not have that peace of mind for a small price? There is no second-guessing whether the home is protected. Termites can hide in some very difficult spots to inspect; don't wait for them to show up to do something about them, because it may be too late."

— Robert Brant, Owner, Hawk Mosquito & Pest, Chesapeake, Va.

"When performing termite management work, know your state's requirements and regulations regarding pre- and post-construction treatments, real estate clearance letters, and so on. Decide which of these termite services you wish to perform. Learn about the competition in your area — including general pricing guidelines and types of termite protection plans offered — so you know what you will be up against. Research your termite protection materials, and do not go cheap. Less-expensive products may help save you money short-term, but if they do not work well, re-treatments



Taz Tyrone

and damage repair will cost you more down the road."

— Taz Tyrone, President, Acme Pest Management, West Memphis, Ark.

"Never stop learning. Be flexible, and remember that every termite management job is unique. Educate your employees and your customers, and always take the time needed to do the job right. Even if it means your profit on a particular job is a little slimmer than you'd like, being thorough and conscientious always pays."

— John Morgan, Owner, Signature Pest Control, Wichita, Kan.

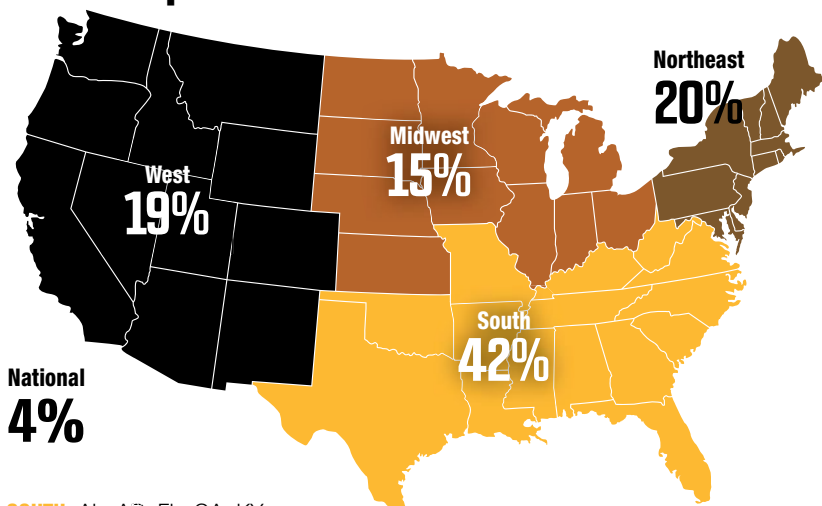
"Termite business varies greatly by region. Our termite services include everything from full-structure fumigation to localized treatments, wood repair, and annual control services. Learn from other PMPs in your area who currently are offering termite control services by getting in the field and doing the work hands-on. There is a lot to learn — from conducting a proper inspection, to performing the proper treatment, to carpentry skills for wood damage repairs — and the best way is to get hands-on experience. Even though we are a 74-year-old business with a lot of experience, we are still constantly learning and improving."

— Trevor Jones, General Manager, Admiral Pest Control, Bellflower, Calif.

2021 TERMITE MANAGEMENT SURVEY

SOURCE: PMP ONLINE SURVEY CONDUCTED OCTOBER – NOVEMBER 2020

Area of Operations



SOUTH: AL, AR, FL, GA, KY, LA, MS, NC, OK, SC, TN, TX, VA, WV
WEST: AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY
MIDWEST: OH, IN, IL, MI, WI, MN, MO, IA, ND, SD, NE, KS
NORTHEAST: CT, DE, ME, MD, MA, NJ, NH, NY, PA, RI, VT, D.C.
NATIONAL

Projected 2021 Average Initial Termite Inspection & Treatment Price

17% expect to charge an average of \$499 or less for initial termite inspection and treatment services.

43% expect to charge an average of \$500 to \$999 for initial termite inspection and treatment services.

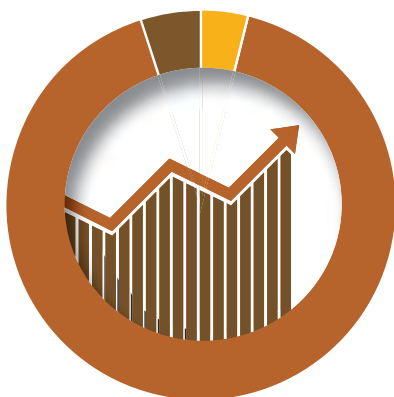
40% expect to charge an average of \$1,000 or more for initial termite inspection and treatment services.

Number of Termite Techs

17%
11 or more

83%
10 or fewer

Projected 2021 Termite Job Growth Rates



91% expect termite management services to grow at a rate of 1% to 20%.

5% expect termite management services to grow at a rate of 21% or more.

4% expect growth for termite management services to remain flat.

Termite Management Revenue from Existing Residential Structures

56% generate more than half of their termite management revenue by servicing existing residential structures.

16% generate one-quarter to one-half of their termite management revenue by servicing existing residential structures.

28% generate less than one-quarter of their termite management revenue by servicing existing residential structures.



Projected 2021 Average Annual Termite Renewal Inspection & Treatment Price

10% expect to charge an average of \$99 or less for renewal termite inspection and treatment services.

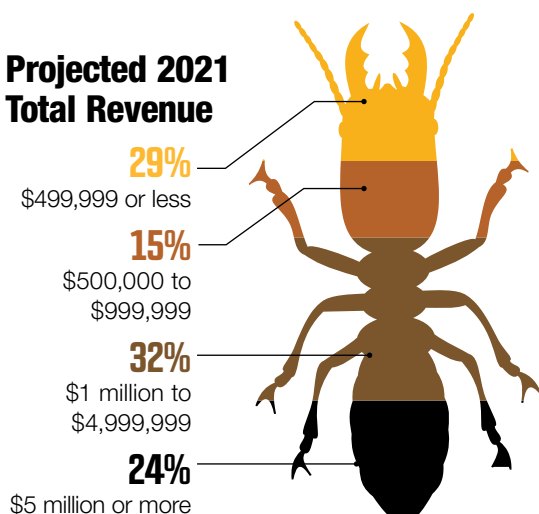
81% expect to charge an average of \$100 to \$499 for renewal termite inspection and treatment services.

9% expect to charge an average of more than \$500 for renewal termite inspection and treatment services.

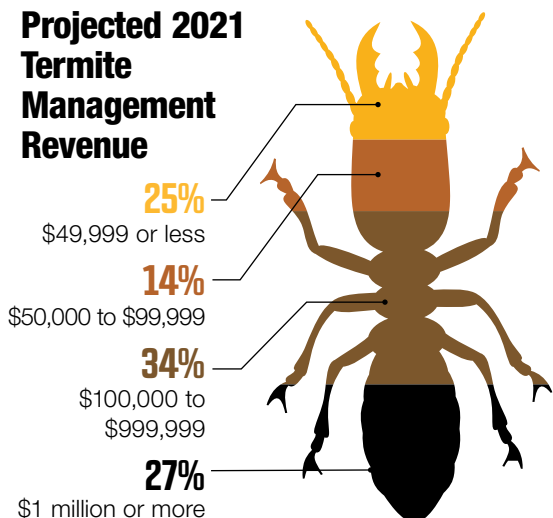
More than 25 percent of new termite jobs in 2020 were triggered by swarms, say 22 percent of survey respondents.



Projected 2021 Total Revenue



Projected 2021 Termite Management Revenue



Projected 2021 Termite Management Revenue from Liquid Treatments

49% expect to generate more than half of their termite management revenue from liquid treatments.

16% expect to generate one-quarter to one-half of their termite management revenue from liquid treatments.

35% expect to generate less than one-quarter of their termite management revenue from liquid treatments.

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“Books and online resources can be helpful, but there is no substitute for on-the-job training,” he says. “Experience is the best teacher.”

With that experience comes value. PMPs responding to our 2021 Termite Management Survey recommend charging customers accordingly.

“Termite management is a higher-ticket item; you can charge more for it,” Polce says. “Even in the real estate market where you are giving a discount, you are still making a decent profit.”

Customers may not understand the value of your termite management services, however. JHTG Inc.’s Goeringer says he will not budge on price, and explains to customers why a quality termite treatment is worth paying for — to protect their largest investment — and why the quality of the company offering the warranty matters.

“We will walk away from a job if a potential client insists on a lowball price,” he says. “As professionals, we’re entitled to make a fair profit, and if we have to sacrifice quality to meet a price point, no one comes out a winner. In the end, a good client values our service and is willing to pay for that service.”

The new year seems promising, as many PMPs who responded to our survey expect additional termite management work in 2021.

“The economic recovery from the pandemic should improve the demand for termite management services, because more people will be able to afford these services,” says Zac Brown, manager of Clancy Brothers Pest Control in Braintree, Mass.

As Signature Pest Control’s Morgan points out, termites are not going anywhere, not even during a pandemic.

“One of the things that 2020 reminded us of is that life is unpredictable. But through it all, termites continued to swarm, and to show up in garages and basements and windows and walls,” he concludes. “We’ll continue to watch weather patterns and keep our eyes peeled for termites all year long. When they show up, we’ll be ready for them.” PMP

You can reach SOFRANEC at dsofranec@northcoastmedia.net or 215-706-3793.



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