

A SUPPLEMENT TO

PMP

Pest Management
Professional

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2023 TERMITE
MANAGEMENT
SUPPLEMENT

A Rewarding Revenue Builder

**Termite control is critical
to customers and the
bottom line, *PMP's*
exclusive survey reveals**

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Word from our Sponsor



CSI offers termite tools you can count on

The word “termite” can send a shiver of fear down the spines of homeowners around the country. These cryptic destroyers represent the possibility of severely damaged property and jeopardized investments. While the average person does not fully understand how and why termites attack houses, it is well understood that they are a real threat. The damage termites cause in the U.S. is estimated at \$5 billion each year.

Paying to protect those investments is a decision many people are willing to make, especially because the costs for structural repair and remediation can become substantial. As Benjamin Franklin famously advised: “An ounce of prevention is worth a pound of cure.” You can help guide your customers to that decision by assisting them in understanding the quality,

protection and value provided by your termite management service. Sharing your expertise with your clients and educating them on how their homes are subject to attack by these silent invaders also will bolster their confidence in your work. For those who aren’t paying the annual costs to maintain that protection, the evidence of termites or swarming events around their homes will have them promptly picking up the phone to call you.

Termites are found throughout the U.S., with the southeast taking the brunt. Wherever you are battling termites, though, there are challenges with every job. You likely have faced and navigated your way through demanding clients, various construction types, unusual construction variables, moisture issues around homes, foam insulation, and more. Termite services rely on highly trained and educated



BY HEATHER PATTERSON

Technical Service Manager,
Control Solutions Inc. (CSI)

technicians to effectively overcome such complexities.

Thankfully, our industry is full of talented problem-solvers — and many of you have experienced the satisfaction of finding and delivering to your customers a solution for termite problems. Your knowledge, compassion and professionalism can ease your customers’ minds while calming their fears. Having a powerful product at the ready just adds to this successful approach.

The team at Control Solutions Inc. (CSI), based in Pasadena, Texas, is dedicated to providing pest management professionals (PMPs) with reliable, innovative and effective solutions. We are proud to offer a variety of termite control and prevention options, including Taurus Dry, featuring the Precision Delivery System; Bifen I/T; Taurus SC; Dominion 2L; Dominion PT; Fuse and Fuse Foam. At CSI, we are passionate about supporting this industry and providing termite control tools you can count on. It all comes back to our credo: **CSI: Innovation you can apply.**





A Rewarding Revenue Builder

Because termite management service helps prevent structural damage, many homeowners consider it to be a necessity *By Diane Sofranec | PMP Senior Editor*

Pest management professionals (PMPs) who offer termite management services reveal customers with termite damage will opt for professional termite management, regardless of the state of the economy.

"The prevalence and economic impact of termite infestations makes any current economic status irrelevant to the need for termite management services," states Greg Kelly, owner of Green Kastle Pest Management in Sesser, Ill. "An economic downturn makes people less concerned

about luxuries and more concerned about necessities. Termite control is a necessity if it's presented as such."

PMPs who answered *Pest Management Professional's (PMP's)* 2023 Termite Management Survey say customers rely on PMPs to provide treatment because they know termites

are capable of inflicting serious damage on their homes. Indeed, 89 percent of PMPs expect their number of termite jobs to rise again this year, *PMP's* survey results show. This figure has not changed much from last year's 90 percent, but is down from 2021, when it was 96 percent.

Help for homeowners

The work is out there, as homeowners in every state in the nation except Alaska may experience termite activity, per the National Wildlife Federation. Termites reportedly cost U.S. homeowners more than \$5 billion in damages annually, according to the U.S. Environmental Protection Agency. These wood-destroying insects (WDI) feed on wood and anything else containing cellulose — including paper, cardboard boxes and paneling.

"Termites are out there whether you see them or not. If you aren't offering termite services, you could be doing a disservice to your customers and business, plain and simple," says William Woodhouse, service technical specialist manager for EcoShield, Colorado

Springs, Colo. "The need is there, and the work isn't too hard to tackle for the revenue it brings."

Many PMPs maintain the advances product manufacturers have made to termite control solutions over the past 25 years make it possible for PMPs to tailor their treatments to affected structures. "I couldn't see having a pest control service company and not offering termite services," Kelly says. "It's another pest, and yet *not* just any other pest, because termites are so prevalent and economically significant."

Termites do not discriminate, notes Termite Division Manager John Freel of Ace Pest Control in North Webster, Ind. "I have been in brand-new homes where the contractors have not left the jobsites yet and found live termites. Some building materials stored onsite in certain areas seem to be more susceptible to termite pressure."

Freel says he tells homeowners that famous places are not immune to these pests and the damage they cause. "The White House, the Statue of Liberty, Graceland, the Alamo, the Jefferson Memorial, and several other famous sites have been treated for termites," he adds.

The work-from-home factor

"Recent economic changes have had an impact on businesses and industries across the board, and there is no doubt about that," Woodhouse says. "From COVID to inflation to employment rates going up and down, it has been a rollercoaster ride for businesses."

That being said, termite work has steadily increased at his company over the past year-and-a-half. The rise is due to corrective, not preventive services, however. Woodhouse points to an interesting side benefit to having more interactions with residential customers who are home during site visits.

Continued on page TM4



Greg Kelly



John Freel

Continued from page TM3

"Most of our termite work was prompted by general service technicians performing interior services in homes we rarely get to enter due to customers not being home," he explains.

"With more people still working from home, we are now able to get experienced technicians into homes to perform inspections for serious issues, like termites, that most homeowners may never even notice or know to look for. We are identifying signs of termites in homes, and able to catch issues early in most cases."



William Woodhouse

Care for customers

On the other hand, Karen Pye, owner of A-1 Inc. Exterminators in Chesapeake, Va., says customers can become complacent when it comes to pest control.

"A poor economy always causes customers to reconsider what they may think of as unnecessary services," she says. "Sometimes, termite control ends up in that group. Termites are often out of sight and out of mind, and it seems that skipping a year or two of inspections might be OK."

Because termites can cause severe structural damage to structures, waiting is unwise. To combat this, education is key. Although customers tend to understand the importance of protecting their largest investments against damage, they may not realize why a PMP is needed. Woodhouse says putting it in laymen's terms — "you wouldn't hire a bus driver to fly your plane" — helps explain why professional pest control is critical.

"Educate customers that it's not about the one pest they see, it's about the thousands they don't," he adds. "And educate your employees on the same thing. Get them on board so they can preach the same message to customers during service calls."

Green Kastle Pest Management's Kelly agrees. To attract customers, he suggests PMPs should know their niche in the market and promote it accordingly. Whether it's response time, quality of service, use of dual applications, or another unique selling point, identify why customers should call your company for termite management services. Then, train technicians and office staff to cross-sell and seek opportunities.

Once you get a new customer under a service plan with your company, treat them like gold, advises A-1 Inc. Exterminators' Pye.

"Stay in touch. Follow up on any other issues you notice at the time of their annual inspections, such as plumbing leaks or rodent activity," she continues. "Have your technicians review inspection results with their customers every time, and leave paperwork behind for customers to review later, maybe with their spouses or roommates."

Good customer service cannot be automated, Pye states. "I get that many of us have converted to paperless transactions by using tablets or mobile units and requiring the customer to just initial the invoice for the technician," she says, but while having a leave-behind report takes a little more time in the field, "it means more than you think by having something in customers' hands besides just a charge on their credit cards that they'll see next month."

Staying staffed and profitable

Ernie Garcia, owner of Mule Mountain Pest Control in Sierra Vista, Ariz., says his company prides itself on its termite reporting process and management services. "Our goals are to provide quality services at the most reasonable prices possible," he explains. "Our company is sustained by our route customers, and our termite services supplement that income. Termite services can be both a curse and satisfying all at the same time: It's a curse when we lack manpower, and very satisfying when we are fully staffed."

Staffing issues are just one of the obstacles pest control companies face these days, regardless of whether they offer termite management services. Competing companies offering impossibly low prices is another challenge; however, reputable PMPs can use exemplary service to overcome this obstacle.

"Termite management can be lucrative, but there are competitors out there selling termite treatment for prices so low, it's beyond belief," Pye says. "Product labels are very forgiving for post-construction treatment procedures, but that doesn't mean we should get away with less than what the customer is expecting. That's a fight we will always have to deal with."

A-1 Inc. Exterminators' technicians follow specific termite management procedures, and explaining them to customers helps eliminate any confusion they



Karen Pye



Ernie Garcia



may have when comparing prices. Usually, it helps gain their trust and land the work, Pye adds.

Expect the unexpected

Sometimes, customers are surprised to learn they have termites. When this happens, it helps if technicians explain how prolific these pests are in the area and why it's important to stick with a service schedule.

"Keeping up with an annual inspection program is critical," Pye says. "Also, whenever possible, we explain why their homes may have been attacked by pointing out conducive conditions, so any structural or mechanical changes can be made."

Southeastern Arizona experiences a fairly large problem with drywood termites and an average problem with subterranean termites, Garcia reports. "Mule Mountain Pest Control technicians take the time to provide detailed termite inspection reports — with pictures and videos — to help customers see their problems up close," he explains. "A picture is worth a thousand words."

Knowing that decisions tend to be emotional, it's important to be empathetic and knowledgeable with customers who are shocked to discover they have termites.

"To help alleviate their fears, we explain termites are inevitable in many areas of the country, and the speed at which termites work," Kelly says. "Doing so can help customers make rational decisions with professionals to assist them."

Woodhouse says he believes an integrated pest management (IPM) approach offers a solution to every pest issue, and it's a point worth making when customers cannot believe they have pests in their homes. That's especially true when that pest is capable of damaging what may be their largest investments.

"The worst thing you can do is exaggerate the severity of the issue, but you don't want to downplay any active termite situation, either," he says. "It is best to be straightforward with customers: Stress the solution, not the issue. Stressing and reiterating the solution seems to put customers at ease."

Helping homeowners protect against termites is worthwhile, Kelly concludes. "To be able to make such a significant impact that not only saves customers money long-term, as well as headaches and worry over the long haul, is what makes this industry so vital, necessary and well, special." **PMP**

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Tips for taking on termites

Pest Management Professional's (PMP's) 2023 State of the Industry Report counts termite and other wood-destroying insect/organism services among the Top 4 revenue- and profit-generating services for pest management professionals (PMPs). (*Editor's Note: See p. S13 of PMP's November 2022 issue.*) The National Pest Management Association says 2,000 termite species are known to exist; the most prevalent in the United States include:

Eastern subterranean termites (*Reticulitermes flavipes*) are the most destructive species in the U.S. and live in colonies of up to two million members underground or in moist, secluded areas aboveground.

Formosan termites (*Coptotermes formosanus*) are a voracious species that is difficult to control once they infest a structure, thanks to their aggressive nature.

Dampwood termites (Termopsidae) infest wood with a high moisture content and are typically larger than other termite species.

Drywood termites (Kalotermitidae) infest dry wood and often nest in roof materials and wall supports.

Conehead termites (*Nasutitermes corniger*) are an invasive species that can remain undetected for years because they refrain from building nests until their colony is strong and healthy. — *Source: PestWorld.org*

These five commonly encountered termite species are no match for well-trained PMPs, however. Here are a few pro tips for taking them on:

► "We're all trying to close the sale; regardless of pricing, promote professional courtesy and bolster our industry by not calling out specific companies by name." — *Jim Calkins, Branch Manager, Mantis Pest Solutions, Lees Summit, Mo.*

► "When the calls come in, don't delay. Inspect immediately! The first company onsite usually gets the job." — *Ashley Emerick, Owner, Viper Pest Solutions, Ozark, Mo.*

► "Talk about termites with all of your customers. Post photos of termite treatments, and termite infestations and damage you've found to your company Facebook page." — *Patrick Harris, President, Affordable Termite & Pest Control LLC, Killeen, Texas*

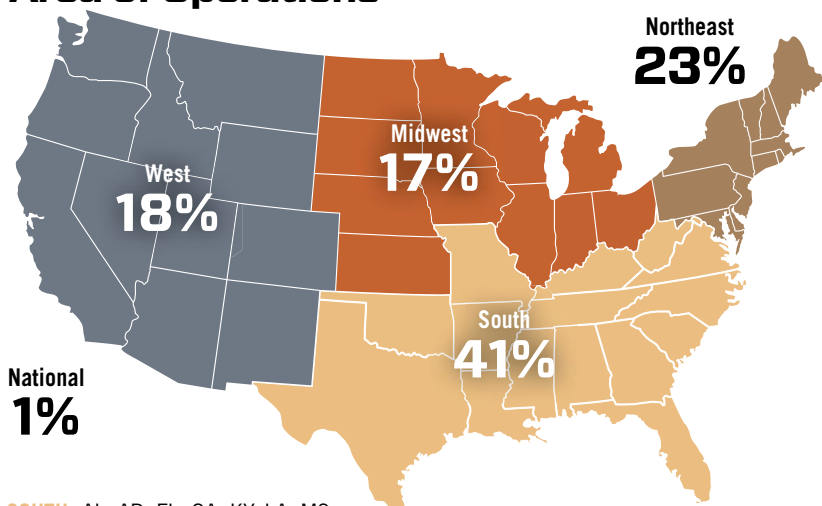
► "We try to add on termite protection to our barrier service program at every property. Because we already are onsite treating for general pests, we sell it as an add-on service. Also, always make a proper pest identification before doing any treatment. Customers have called us about ants when they actually had termites, and vice versa." — *Robert Szczech, General Manager, Central Exterminating Co., Cleveland, Ohio*

► "Never assume customers are ignorant of treatment methods; they *will* check the internet." — *John Wechter, Owner, Safeway Pest Control, Linfield, Pa.*

2023 Termite Management Survey

SOURCE: PMP ONLINE SURVEY CONDUCTED OCTOBER - NOVEMBER 2022

Area of Operations



National
1%

SOUTH: AL, AR, FL, GA, KY, LA, MS, NC, OK, SC, TN, TX, VA, WV

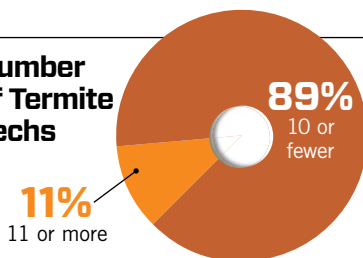
WEST: AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

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

Number of Termite Techs



Projected 2023 Average Initial Termite Inspection & Treatment Price

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

39% expect to charge an average of \$500 to \$999 for initial termite inspection and treatment services.

44% expect to charge an average of \$1,000 or more for initial termite inspection and treatment services.

Termite Management Revenue from Existing Residential Structures

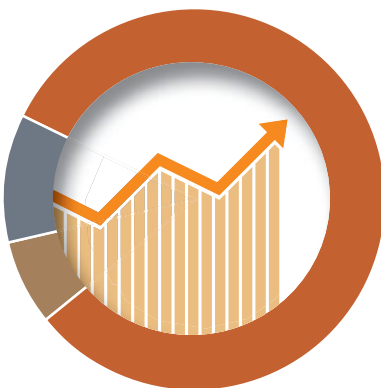
60% generate more than half of their termite management revenue by servicing existing residential structures.

18% generate one-quarter to one-half of their termite management revenue by servicing existing residential structures.

22% generate less than one-quarter of their termite management revenue by servicing existing residential structures.



Projected 2023 Termite Job Growth Rates



11% expect growth for termite management jobs to remain flat.

82% expect termite management jobs to grow 1% to 20% in 2023.

7% expect termite management jobs to grow 21% or more this year.

Projected 2023 Average Annual Termite Renewal Inspection & Treatment Price

13% expect to charge an average of \$99 or less for renewal termite inspection and treatment services.

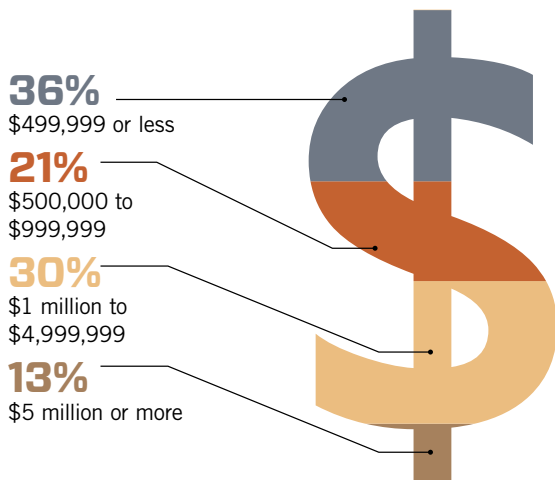
77% expect to charge an average of \$100 to \$499 for renewal termite inspection and treatment services.

10% expect to charge an average of \$500 or more for renewal termite inspection and treatment services.

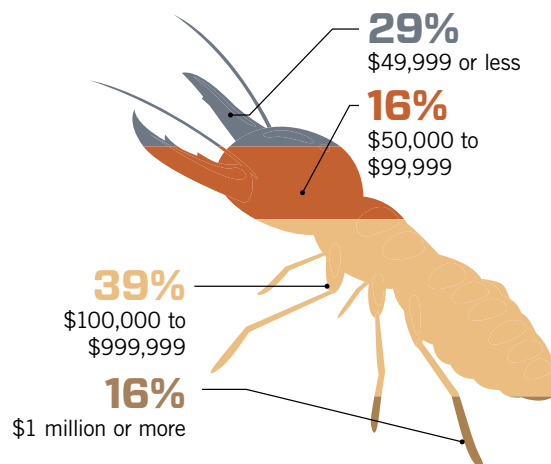




Projected 2023 Total Revenue



Projected 2023 Termite Management Revenue



Top Opportunities for Maintaining and Growing Termite Revenue

- 1 Effective, affordable termite control solutions
- 2 Fewer callbacks
- 3 Improved customer retention
- 4 Rebounding economy
- 5 Improved job pricing

Projected 2023 Termite Management Revenue from Liquid Treatments

59% expect to generate more than half of their termite management revenue from liquid treatments.

17% expect to generate one-quarter to one-half of their termite management revenue from liquid treatments.

24% expect to generate less than one-quarter of their termite management revenue from liquid treatments.

Top Obstacles for Maintaining and Growing Termite Revenue

- 1 Sluggish economy
- 2 Lack of swarms
- 3 Hiring and retaining termite technicians
- 4 Fierce pricing competition
- 5 Sluggish home sales



Termites can enter homes through cracks or gaps in the foundation as small as $\frac{1}{32}$ inch.

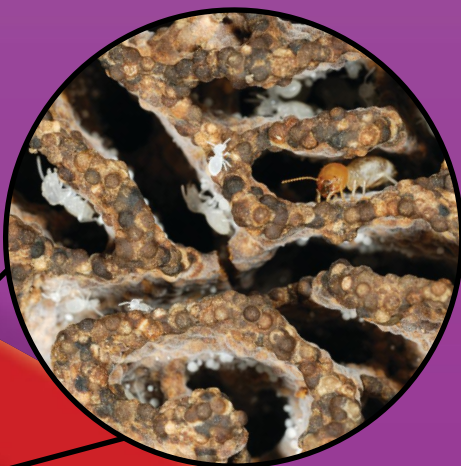
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