

STATE OF THE SMALL FLY MARKET



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Both Require an IPM Approach
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Small flies are a persistent problem, and controlling them requires a partnership between the PMP and customer.



2017 STATE OF THE **SMALL FLY** MARKET REPORT

ABOUT THIS SURVEY

The survey sample for the State of the Small Fly Market Report was randomly selected from PCT's e-mail list of PMP owners/operators, executives, partners and presidents. The survey was conducted by Readex Research, a third-party research firm, from March 14-24, with 189 total responses — an 8.2 percent response rate. Forty-eight respondents were eliminated because they

indicated they did not offer small fly control services. The margin of error for percentages based on the 189 respondents who indicated their company location offers small fly control services is plus or minus 7 percent at the 95 percent confidence level. Results may not add up to 100 percent in some charts published in this market report due to rounding.

Small flies bring out the “hard-core entomologist inspector” in Victor Palermo, who says, “I like the challenge. You really are trying to solve a problem.”

Small flies aren’t clinging to hot food being served to customers. They’re not buzzing around the dining room, landing on your arm. They feed and fester in microscopic places that get mopped over, and in cracks and crevices that even fussy owners don’t know exist.

Palermo, president of Ultra Safe Pest Management in Boston, Mass., will investigate a commercial kitchen whose manager insists it’s sparkling clean. Sure, maybe from the surface. Then, he takes a butter knife and runs it behind the counter, or pulls back an ice machine to reveal gunk. “You pull out the goop and show them the fly larvae and you see their eyes open, ‘Oh, I see,’” he relates. This could be the scene at any commercial kitchen at any restaurant of any caliber.

Lemons that fall behind the counter, garbage cans, drains — *every single drain* — are breeding sites, Palermo points out. So is broken tile, damp drywall from plumbing leaks, ice machines, under concrete slabs, inside sewer lines and that ripened banana on the counter. These are just some of the places where small flies fester. “A bottle cap of organic waste is all it takes for phorid flies to thrive,” points out Andy Linares, president, Bug Off Pest Control Center, New York, N.Y.

“Small flies tend to be the most frustrating to deal with because unless the professional is meticulous, he or she can easily overlook a breeding site, which would allow the population to rebound,” Linares adds. Small flies are a perennial problem at some sites. As sure as May flowers, the warmer weather brings in more of these small flies, and control demands a fastidious attention to detail and a commitment from customers to comply with sanitation protocols.

Small flies are persistent characters. The question is, how significant is small

fly control to a PMP’s business, and what changes are we seeing in the market? PCT magazine surveyed pest control companies to learn more about the prevalence of small flies and how PMPs are managing this business in the first State of the Small Fly Market Report.

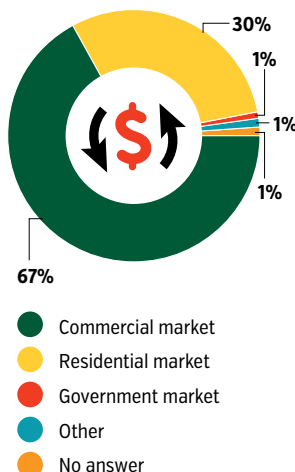
A Persistent Problem

Indeed, small flies are a problem for clients and solicit calls for service, especially in the commercial market, where 67% of pest management professionals (PMPs) say these services are focused.

Bryan Nichols’ company, Advanced Maintenance and Pest Solutions, Chicago, Ill., provides pest control services for about 200 restaurants in his area. “Small flies can be a difficult problem to manage,” he says, relating that about 30 of those sites use fly lights to capture adults. That’s about 15% of his clients that are actively participating in a small fly control protocol that can include lights, bio-enzymatic cleaners and spot treatment during regular service visits.

Markets Generating Most Revenue

What small fly control market generated the most revenue for your location in 2016?



Source: Readex Research
Number of respondents: 141

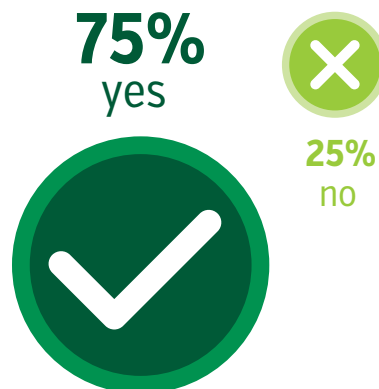
Commercial small fly control far surpasses the amount of residential consults respondents do, which was 30%, according to the PCT Small Fly Market research. Of companies surveyed, 75% offer small fly control, but that service can be more consultative for some firms, including Envirocare Pest Control in Watertown, Conn. “We don’t offer the service per se, but we go in and do a consult to identify where the flies are breeding — it’s more of a teaching session,” says President David Bisailon.

He’d rather educate customers on how to manage their small fly problems than sell the service; otherwise, he’ll get callbacks that cut into profitability. “My preference is to go out, give the explanation of why the small flies are there, what customers can use, and share what we can do, which is treat drains,” Bisailon says. “But, you can treat drains until the cows come home — if the back side of the bar is not clean and lemons are falling behind the refrigerator, forget it.”

Because commercial kitchen environments, especially, are so inviting to small flies, the demand for service is not slowing down, based on survey results.

Three-Quarters of PMPs Offer Small Fly Services

Does your company location offer small fly control services?



Source: Readex Research
Number of respondents: 189

From 2015 to 2016, 32% of respondents said small fly jobs increased. During that time, 63% said that they did the same amount of small fly work, and just 4% reported a decrease in small fly business.

In the last five years, 28% of respondents said small flies have become even more of a problem. More than half (55%) saw no change, while 10% noted that small flies were less prevalent.

Adding Up the Costs

Is small fly control profitable? That depends on how the service is offered.

For Bisailon, small flies warrant a consultation and he'll add drain cleaning to regular service. "We show clients where the flies are coming from, and we'll actually treat the drain with a bio-foam," he says. He also teaches clients to use drain gel and floor cleaning products. Palermo says that small flies are not covered by the general household pest control program he offers residential clients because these flies are so difficult to predict. "I can plug up holes to stop rodents from entering a building, but I can't say where these [small fly] sources are going to pop up, so they are tough to prevent," he says.

Small fly control is usually an additional cost for homeowners.

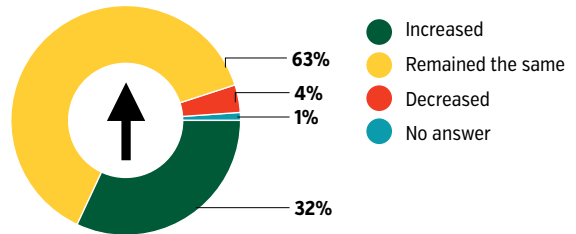
Commercial accounts can add small fly to their service at Advanced Maintenance and Pest Solutions, said President Bryan Nichols. "We make customers aware that it's a program. Control is designed to work for a short period of time, and we have to come back and re-apply. And, it's about working together to come up with a plan. Success is dependent on cooperation." Nichols might also prescribe a drain foam as part of a regular program.

How much do pest control companies charge for small fly control? Most respondents said between \$50 to \$149. Just 7% of respondents were billing at the high end, \$300. And 7% charge \$200 to \$299. More PMPs (18%) found a price-point in the \$150 to \$199 range, with the bulk of firms charging \$100 to \$149 (30%) and \$50 to \$99 (28%). Still, as many companies that charged high

Jobs On the Rise for Nearly One-Third of Companies

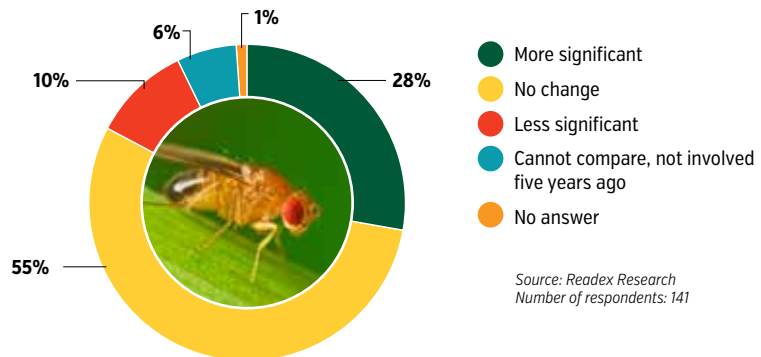
Compared with 2015, how did the number of small fly jobs in your market area change in 2016?

Source: Readex Research
Number of respondents: 141



Growing Market Segment

In the past five years, have small fly control services become a more or less significant portion of your location's business?



Source: Readex Research
Number of respondents: 141

were charging low, at less than \$50 (8%).

The variation in pricing could be due to the fluctuating levels of control that PMPs use for dealing with small flies. While some consult and point out the problem for customers to remediate (i.e., fixing infrastructure, adopting sanitation measures); others do this plus add control to a regular pest control service. Or, small fly control could consist of simply selling a bio-enzyme cleaner to a client. The variation and degree of control measures likely explains the wide price range. And, of course, there is the size and scope of the property being treated.

As for overall revenue generated from small fly control, most respondents reported that the market is a slice of the overall pie. More than half of respondents (51%) generate 1% to 2% of their revenue from small fly services. Just 1% said small fly is 20% more of overall revenue.

While small fly control is challenging, as most respondents indicated, the business "only gets better," one PMP re-

ported. Thirty-four percent expect small fly revenue to increase in the next year, and 63% expect steady business.

Education is Key

Micro-sanitation. That's the term Linares uses when he advises PMPs on how they should talk to clients about cleaning practices to prevent and stop small fly problems. It's one thing to mop and wipe off counters, to polish kitchen equipment and sweep up debris. Cleaning to stop small flies takes a next-level approach that includes bio-enzymatic cleaners to break down organic matter that small flies love.

"A mistake that some PMPs make is relying too much on killing the adults by spraying or trapping," Linares says. "The visible adults only represent maybe 10% of the population, at the most. The immense majority are pre-adult, so unless you are attacking the eggs, larvae, pupae, the breeding site, the customer is going to get frustrated. Your client will be happy for a week, and that second

week you'll get the callback."

Persistent small flies call for constant control. Linares says ideally the PMP visits the property regularly — that could mean bi-weekly or even weekly — to manage the adult population and treat drains and other breeding sites to interrupt the breeding cycle. Insect Growth Regulators (IGR) can prevent the development of viable adults. "PMPs can add that to their arsenal," Linares says. "Control is a matter of due diligence."

Nichols focuses on educating clients — again, going back to the educational approach, pointing out breeding sites, making sanitization and control recommendations. "Some structures are just hard to clean because a building may be so far in disrepair that pest control isn't even a Band-Aid anymore," he says, relating that if infrastructure issues are promoting small fly breeding, until those are fixed the control measure won't work.

For example, one property needed to rip out and replace the floor to stop creating small fly breeding sites. Nichols suggested an epoxy surface — no tile grout and cracks. The owner balked at the potential cost. "Those are the choices you have to make to stay open," he says.

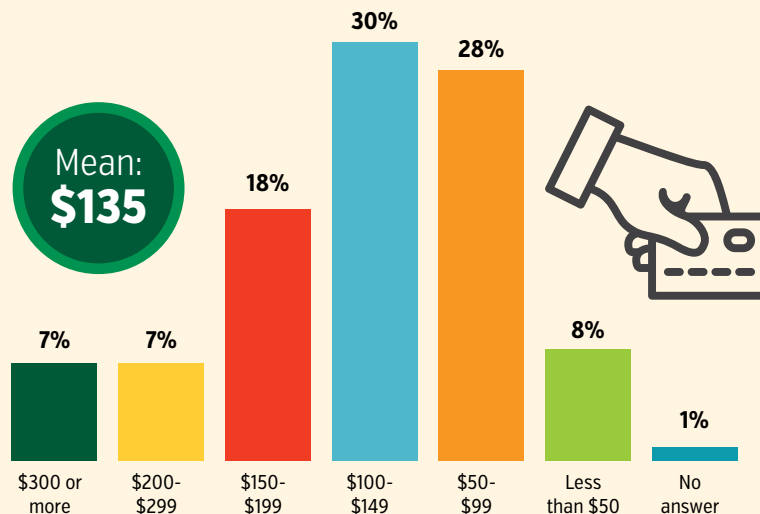
As for creating a partnership with clients, the more tools the better for enforcing sanitary practices — really digging deep into the crevices where flies like to breed. Envirocare creates a cleaning checklist for clients. "We teach customers how to use products like drain gel and we help [restaurants] set up a cleaning responsibility chart," Bisailon says. His team identifies every breeding site, then creates a chart that serves as a cleaning checklist. "We have employees sign off that they cleaned each area at night, so that way the owner knows that it was done," he says.

Bisailon adds, "It's within the customer's range to get rid of the flies if they are willing to do what they have to do."

That said, PMPs provide that support and control services to aid in the process. Linares says, "You have to create an ally with your clients so you are partners in the same venture." 🍷

Charges for a Typical Treatment

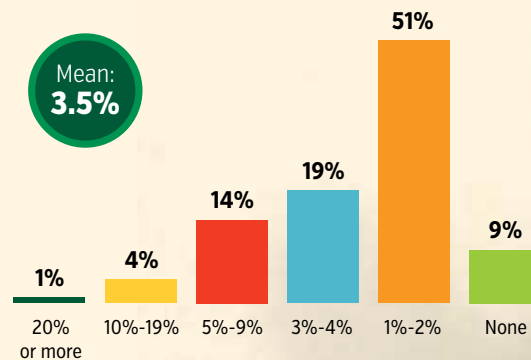
What does your location charge for a typical small fly treatment?



Source: Readex Research; Number of respondents: 141

Proportion of Overall Service Revenue

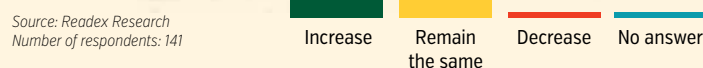
What percentage of your location's overall 2016 revenue was generated by small fly control services?



Source: Readex Research; Number of respondents: 141

One-Third of PMPs Anticipate Continued Growth

How do you expect your location's revenue generated from its small fly control services to change in the next year?



Source: Readex Research
Number of respondents: 141



Adult moth (or drain) fly.





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How well does it work?

Just ask Darrell Bush with Bush Pest Control, who was called in when the commercial kitchen of a 364-bed facility was facing shutdown by the health department because of an overwhelming small fly problem. Darrell explained the protocol to the health inspector who allowed the facility to remain open pending treatment. The treatment was done that evening and the problem was solved. The health inspection conducted the following week found zero flies.

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Use on visits 2 & 3. Creates residual bait & reduces	Water	ProFoam	Nibar-D (5%)	Bac-Azap

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Second Visit

1. Inspect drains for build-up and clean if necessary using brush dipped in DSV solution.
2. Foam drains with Nibar-D, Bac-Azap® & ProFoam.

Third Visit

1. Foam Drains with Nibar-D, Bac-Azap & ProFoam.

Fourth Visit

1. Inspect drains for build-up and clean if necessary using brush dipped in DSV solution.
2. Foam Drains with Nibar-D, DSV & ProFoam.



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Adult drain fly, also referred to as a moth fly.

The Usual **Small Fly** Suspects

Identify common small fly species and hunt down their favorite breeding spots.

Fruit flies hover around fruits and veggies at the first signs of fermentation. Phorid flies go for organic material, too, but you'll find them lower, underneath tiles and crowding drains. "Your fruit fly is hanging out at the bar, on the walls, in your face — the phorid fly might be in the bathroom," says Bryan Nichols, president, Advanced Maintenance and

Pest Solutions, Chicago, Ill.

Drain flies (or moth flies) love moist places — drains, of course, and underneath slabs or behind walls, says Andy Linares, president, Bug Off Pest Control Center, New York, N.Y. "They are not attracted to your hot dog or potato salad. They're happy to be around damp areas, living off of that gelatinous material that builds up in pipes, drains and such."

What these flies have in common is, "They are frustrating to deal with, Linares says. And, proper identification is key to controlling the small fly problem. "If you go into an account that says, 'I have gnats,' or, 'I have little bitty flies,' you are in trouble, because unless you know exactly what you're dealing with, you'll end up getting callbacks."

Common Small Flies

Of the pest management professionals (PMPs) we surveyed for the State of the Small Fly Market, 98% indicated at least one small fly was problematic. Drain/

moth flies topped the list for 72% of respondents, while fruit flies ranked second at 70%. Fewer PMPs struggled with fungus gnats (38%) and phorid flies (29%).

Properly identifying the small fly species is critical for developing an effective control and prevention plan. So, how do you tell these buggers apart? The first place to look on the fly is the wings, Linares says. "The fruit fly has a notch and cross-vein in its wings, and can have red or brown eyes," he says. "That wing is the dead giveaway."

Phorid flies are much smaller and have no cross-vein in their wings. Their enlarged, flat femur and hind legs differentiate it from the fruit fly. This can make the fly look like it has a humped back.

Drain flies have V-shaped wings that resemble those of a moth (thus the nickname, drain moth). "There's no way to confuse those because they are physically distinctive," Linares says. Their wings are fuzzy with veins that run parallel.

Next, watch how the small flies move, Linares suggests.

"Fruit flies tend to hover, they don't dart," he says. "They fly in a helicopter pattern, where they rise from the surface before they take off."

Phorid flies skip before they take off. "If you disrupt their pattern, they start hopping around the surface," Linares says. Drain/moth flies are poor fliers. "They hang on the wall, and if you walk up and poke them, they fall back."

As for those fungus gnats, their slender body, dark hind legs and longer wings differentiate them from the rest of the lot. "They are associated with overly moist soil and feed off of the fungus that develops in the root systems of plants," Linares says. "They can also breed in overly moist wood, dry wall or roofing materials. So, if there are no visible plants around, you have to see if there might be a leak somewhere behind a wall."

Linares ran into this situation in his office. "I saw the fungus gnats and I said, 'Uh, oh. There has to be a leak some-

where.’ There was a leak in the waste line and the wood members behind the wall became wet. That is where they started breeding.

Training technicians to properly identify small flies is key. “Some technicians are really good at finding them, and others have a tough time finding the source,” says Victor Palermo, president, Ultra Safe Pest Management, Boston, Mass.

Training involves hands-on experience in the field plus classroom education, Palermo says. His company also taps into training offered by manufacturers and industry conferences. “Whatever we can take back, we share with our techs,” he says.

Targeting Hot Spots

Just as important as knowing what to look for is knowing where to look, and that’s where PMPs like Palermo get to wear the detective hat. It’s all about finding the breeding sites you don’t see. That means drains that are underneath appliances or in the back of storage spaces. It includes examining walls.

“We’re always looking for issues while we are on site doing general pest control,” Palermo says, adding that small fly control is a separate service. (Half of survey respondents do include small fly with general pest control — half do not.)

When looking for the source of a small fly problem, it’s always helpful to have plumbing schematics, Palermo says. (Those are lucky cases.) Usually, his team must piece together how plumbing runs behind the walls by using tools like wall void cameras. “We check at the wall base to see if we can find any material, and we might see flies and larvae and waste right there,” he says. “Other times, we have to get plumbers involved so they can check for pipe leaks.”

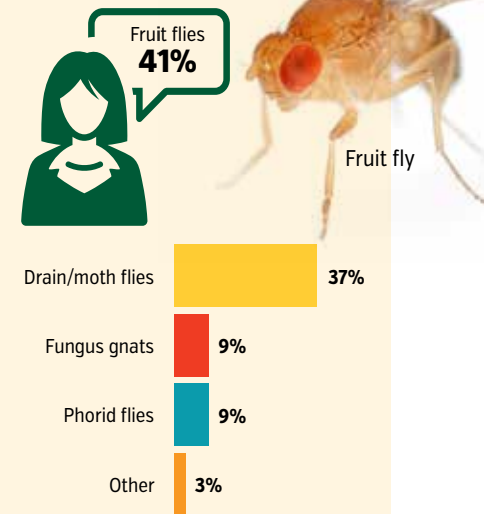
David Bisailon, president, Envirocare Pest Control, Watertown, Conn., works closely with clients to give them a tour of the breeding sites found during an inspection. “We show them the out-of-the-way places, like ice trays or a siphon that goes into the drain that is either too long or not draining properly, so water is getting into the cracks and crevices around broken tile,” he relates.

Nichols says when he’s called out for small flies, the ice machine tells the story. “When I go to the ice machine and push it back, I don’t get even 3 inches in and I can pull out something that looks like snot,” he says. “The restaurant manager looks at the chef, and you know they’re going to have a talk about that later. That usually sells me the job right there.”

Ultimately, when it comes to small fly

Fruit Flies Generate Largest Percentage of Service Calls

What small fly represented the largest percentage of your location’s service calls in the past year?

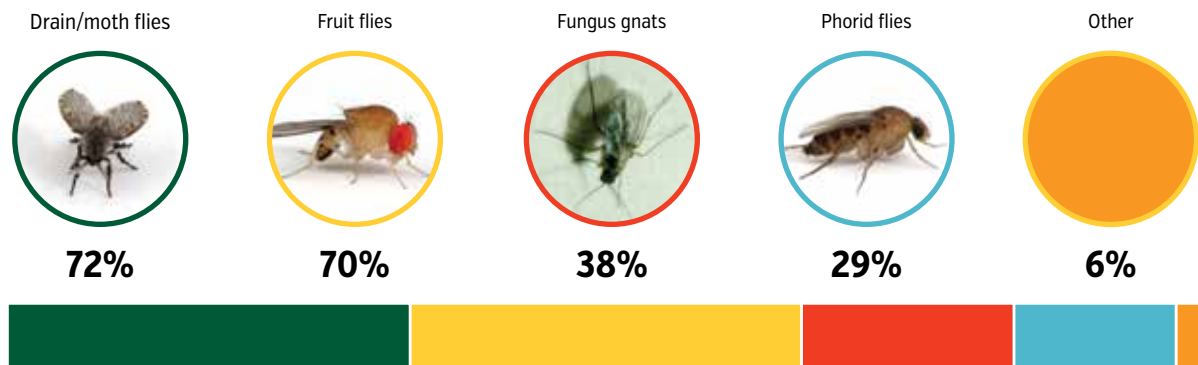


Source: Readex Research; Number of respondents: 141

control, the PMP is often an investigator, consultant and teacher. Nichols says, “It’s a challenge of cooperation with the client, and those who do find that the service will work out great.” 🌱

Most Problematic Small Flies

What small flies tend to be problematic in your market area?



Source: Readex Research; Number of respondents: 141



SMALL FLY CONTROL: **Commercial vs. Residential Markets**

In residential settings, an infestation of fruit flies, at least, can be an anomaly that is traced back to a specific accident — like allowing fruit to over-ripen or not realizing that food is trapped behind a counter or appliance, or inside the drain.

David Bisaillon notes how he went on a fruit fly call for a residential client that was not the norm because he does not offer small fly control, per se. But, the client offered to pay for the time. “I pulled back the stove and there was a rotten banana that had fallen behind it,” says Bisaillon, owner of Envirocare Pest Control, Watertown, Conn.

Wine bottles tossed into recycling

bins is another residential culprit for fruit flies, Bisaillon adds. Meanwhile, fungus gnats can invade houseplants that have been overwatered. “With phorid flies, it could be a sewer break,” he says. “Sometimes, a repair is what’s necessary and pest control service is secondary.”

An integrated pest management (IPM) approach is critical in the commercial market — adopting sanitary procedures, in particular. Small flies tend to fester more readily in conditions like commercial conditions. In the PCT survey, 17% of respondents said that flies are a persistent problem in 10% to 19% of commercial kitchens they service. Twenty-four percent said flies

were a continuous issue in 5% to 9% of commercial kitchens. Just 3% of respondents said that 75% or more of the commercial kitchens they service have regular small fly problems.

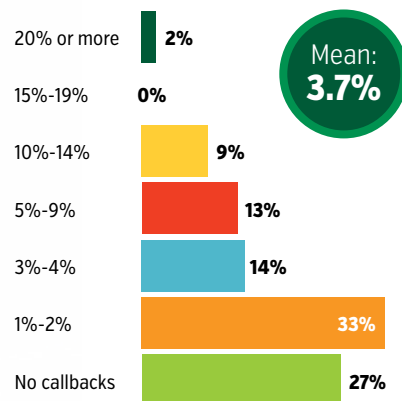
So, is small fly control treated differently in residential and commercial settings? Yes — and no.

Infestations tend to be more on a “one and done” basis in homes. “Residential small fly control is much more simple,” says Bryan Nichols, president, Advanced Maintenance and Pest Solutions, Chicago. “I can usually manage it in one quick shot, and I get customers to cooperate. They realize what they are overlooking is becoming a feast for flies.” ❁



Three-Quarters of PMPs Experience Callbacks

What is your location's typical callback rate for small fly control jobs?



Source: Readex Research; Number of respondents: 141

CUT OUT CALLBACKS

Small flies can be a callback nightmare unless you spell out clear steps for controlling them — and that means involving the client in executing the plan. Because a PMP can knock down adult flies and offer drain treatments to begin eating away at breeding sites the real upkeep of a small fly control program falls on the hands of the property owner.

“How can someone clean the drains if the drain is jammed full of straws or bottle caps?” says Bryan Nichols, president, Advanced Maintenance and Pest Solutions, Chicago, Ill.

Nichols actually found close to 1,000 bottle caps in one restaurant drain.

“Every one of those can be a potential micro-environment where these guys can breed,” he says. “It doesn’t take much. A teaspoon of moisture is all you need for an infestation.”

Then, the life cycle continues and callbacks flood in. What to do? Here’s how some PMPs prevent callbacks.

Set Expectations

First, identify the source that’s feeding the small fly problem. “We write that up, and let the customer know if they do not take care of that we are not going to warranty the service,” says Victor Palermo, president, Ultra Safe Pest Management, Boston, Mass. For example, if floor repairs are needed to stop moisture from seeping into cracks and creating a breeding zone under the slab — the floor has to be fixed before a pest control program will work. “If we have a positive I.D. on the source and species, as long as the customer takes care of [repairs], we’ll warranty it.”

Require a Program

How do you prevent callbacks? Put customers on a program, Nichols says. “We make clients aware that they have to be on a program,” he says. “And, it’s not about me re-applying chemicals. It’s about making sure they are cleaning those target breeding areas.”

Give Them Tools

Micro-sanitizing with bio-enzymatic cleaners breaks down the organic material that creates a breeding habitat for small flies. (Remind clients not to follow up with bleach after using these cleaners, because the bleach will neutralize the enzymes.) Many PMPs sell the cleaning products to clients and teach them how to properly use those. David Bisailon, president, Enviocare Pest Control, Watertown, Conn., gives customers a checklist of areas to clean so employees working at the site can take responsibility.

Document Every Visit

Take copious notes as you treat and maintain these sites, Linares says. Write down the suggestions made to clients. Take pictures of areas that need to be corrected to stop small fly infestations. That way, if “We have the technology now to create a trail so you can cover yourself,” says Andy Linares, president, Bug Off Pest Control Center, New York, N.Y. ✨

CREATE AN EFFECTIVE

SMALL FLY PROGRAM

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