

## IGCRETAIL

with Robert Hendrickson

RULES OF  
THE ROAD*Robert is Managing Director of  
The Garden Center Group*IGC  
KEYNOTE

SEE ROBERT AT IGC EAST &amp; IGC CHICAGO

ONE OF THREE KEYNOTES AT EACH SHOW!  
'SO WHAT'S YOUR STORY?'

## don't just 'think different,' 'do different'

I've discovered there are three distinct types of garden center owners:

1. Those who believe their current condition is as good as things are going to get. They're convinced they have no need for an "outsider" to suggest ways that could actually improve on what they have in place.

**Retail Rules of the Road: "Missed opportunities negatively impact companies far greater than competition."**

2. Those who tell themselves and others they want their company to improve but never make the effort to do things that would change the way they do business.

**Retail Rules of the Road: "Excuses are much easier to swallow than the pill of change."**

3. Those who are driven to succeed welcome ideas and suggestions from others and act on what needs to be done to move their company toward higher business and personal goals.

**Retail Rules of the Road: "The only difference between a really nice garden center and those that aren't so nice is an owner with clear goals and the willingness to act."**

Over the last 25 years of consulting, I've attempted to help hundreds of garden center owners improve their businesses. Some have experienced tremendous growth in sales and profits. Some have improved enough to at least begin making a profit. Others ended up doing little to change how they do business, then wonder why things don't improve. It's simple - as long as business owners keep doing what they've always done, they'll keep getting what they always achieve. The award-winning Apple slogan, "Think Different," is a great start but requires "Do Different" to produce a positive outcome.

I thought it would be helpful to share a consulting visit report created for a garden center hoping to improve its financial performance and position in the community. Based on the physical size of the garden center and opportunities in the market, the company had been underperforming for years. Its problems were

not that different from other garden centers and were typical of what occurs at stores trying to succeed but wondering why it's taking so long to get there.

The report was based on the garden center's financials, past marketing efforts, interviews with staff, visits to its competition and glimpses of the shopping experience through the customer's eyes. Suggestions on what this garden center needed to address can be adapted to other stores willing to do the work. The name of the company is fictitious. Feel free to insert your name in its place and use whatever may help you toward your goals.

## Straight Talk

Dear Green-Side Up Garden Center,

The following is a summary of my visit to your garden center. Please review, then give me a call to discuss. There's a lot that can be done to change the outcome you've been experiencing. But keep in mind this Leonardo da Vinci quote: "Knowing is not enough, we must apply. Being willing is not enough, we must do." Hopefully this report will encourage you toward making sure the "doing" part actually gets done.

First, it's impossible to run a year-round garden center with your six-week business model. We can't do anything about your location as it relates to difficult weather conditions, but we can do something about how to better manage a business that insists on being open 12 months a year.

If you're going to be open year-round, you need people shopping year-round. Not inviting them to shop means we only get sales when people decide on their own when to visit. That will never be enough to pay the overhead required to run this company. If we're open, we need to be advertising.

Even improved marketing won't immediately make up for the years of problems behind us. The public forms an opinion about any retailer based on the experience the company provides. It takes time to create

that perception. It can take even longer when a garden center wants to change what the public has come to expect.

**Retail Rules of the Road: "The public always decides how much a company deserves to make. If you want more, you have to deserve more."**

The public has decided this garden center deserves around \$700,000 a year in sales. If the goal and financial necessity means reaching \$1 million, there have to be reasons why the public should provide the increase.

Here's a tip - "More events!" is not a sales growth model. We don't need more people coming to have "fun." We need more people coming to buy inventory.

Sales growth for garden centers follows a simple blueprint:

- Things with roots matter most.
- Things that accompany things with roots matter a lot.
- Everything else only matters a little.

The requirements for growing garden center sales are:

- Always perfect plants, every plant, every day - Mother's Day-gift-perfect;
- Every plant well-labeled using a proper sign template;
- Every endcap and display equipped with an impulse sign;
- An easy-to-shop, wide aisle layout that allows people to reach the entire inventory using shopping carts;
- Extended seasons' inventory of fresh plant material; and
- A team focused on selling inventory, not just moving it around.

It will take time to overcome the long-term negative impact of:

- Inadequate signage;
- Cool-season annuals not used for early spring sales;
- Nursery stock areas without paved aisles;
- Endcaps not in place on greenhouse and perennial benches;
- Insufficient inventory of key products;

- Old inventory allowed to stick around for years; and
- Being in business for so long on a major road with high visibility, plenty of retail space and parking yet achieving less than \$1 million in sales.

This garden center was designed to generate several million dollars in sales each year. But we first have to overcome a long history of mistakes in order for the public to give the company another chance. In time, we'll create a new environment that will excite the staff, which will then ignite the public. Sales growth will follow.

Suggestions provided in this report have proven to work at many centers and need to be put in place here. If done properly,

good things will happen. If not, there's little chance of this company seeing improvement in customer count, average sales, gross sales or profit.

Here are a few absolutes:

- Leaders from key retail areas, such as annuals, perennials, nursery and hardgoods, as well as the manager and person responsible for marketing, have to meet every Monday morning to discuss sales, operations and marketing.
- Department managers need to set monthly sales goals for their areas of responsibility.
- Conversations regarding sales and sales goals need to take precedence over other issues.
- Every tree, shrub, perennial, herb and spe-

cialty annual requires a plant ID sign.

- Inventory decisions need to happen quickly based on turns and margins.
- Extending each selling season needs special attention.
- Roadside landscape beds planted with annuals and perennials are a must.

This sets the stage for the remaining portion of the report dealing with marketing, staff accountability and the shopping experience. But these will have to wait until next time.

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