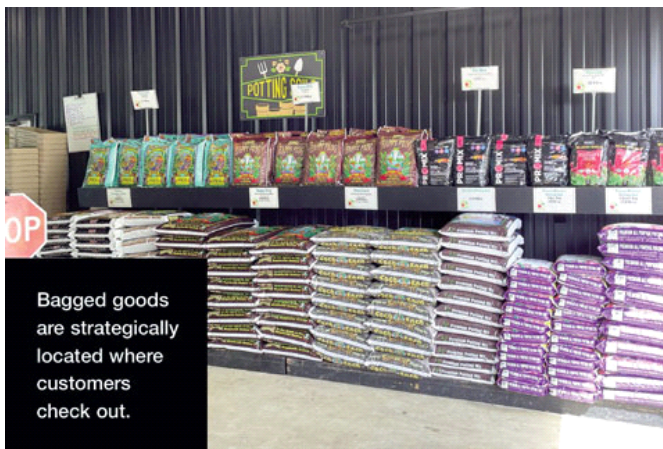


Features

8/1/2021

Profit Pioneers

Ann-Marie Vazzano



There's no one-size-fits-all approach to garden center management. While the latest technology can provide benefits for many garden centers, sometimes a simple approach can be the key to profitability for others.

That's the case for Victor Flaherty, owner of Plants For All Seasons Nursery in Houston. When the store's cash registers needed updating, he invested in a POS system. While the new system is helpful in terms of speed and accuracy at checkout, Victor has opted not to use it for inventory tracking, reports or even product scanning.

Instead, employees write up tickets in the store's breezeway. Customers hand those tickets to the cashier, who then quickly rings them up. To simplify the process, pricing is the same among all the annuals, and if something isn't the standard price, it's clearly marked with a tag. This makes the checkout process more efficient, Victor says, because it eliminates long lines.

"Now, the way it is, if they want to talk and discuss their products, it's away from the cash register," he explains. "There's not a lot of just hanging out at the cash register slowing up the whole checkout process."

The breezeway also houses hardgoods, which is actually the store's biggest category, thanks, in part, to the strategic placement. As employees are writing up customers' tickets, the bagged goods are right there, and shoppers can easily ask questions about which products they might need for plant health or insect control, for example. The resulting add-on sales are a big boon to profits. And it's convenient for the customers because employees then load the bagged goods right into cars before they load the plants.

"It just flows," Victor says, adding that at Home Depot, which is located directly next door to Plants For All Seasons, it can be next to impossible to find an employee to load several bags of mulch or soil. "Here you can pull in, immediately pay for it and then in a minute or two, you're loaded up—and we put plastic in your car—and you're gone and people really love that."

Keeping Tabs

But just because Victor doesn't use all the bells and whistles on his POS system doesn't mean he's winging it. In

fact, the opposite is true. He uses a detailed spreadsheet to keep track of data, including accounts payable and gross profit by month for each category, as well as average inventory per category by month.

He's also working on a future sales projector by month, which is based on numbers from past years. This will allow him to calculate the best and worst he could expect, as well as an average.

"It keeps me from being too optimistic and over-spending," he says.

Having the right products at the right time is a big focus for the company and Victor credits his employees (five of whom are family members) with keeping inventory in check. His eldest daughter is the green goods buyer and is out among the inventory daily, so she's mindful of proper turns. Another daughter does the hardgoods buying.

"They all work five or six days a week, so we know what we need when we need it," Victor says. "We don't have to look at a computer monitor to tell us." **GP**

About This Series

In 2021, we will feature a different garden retailer each month from The Garden Center Group's Best Practices and Best of the Best groups. These retailers achieved 10% or more profit in the previous year. Find out more at www.thegardencentergroup.com.

Three Tips For Better Profits

When it comes to maintaining and improving profitability, Plants For All Seasons owner Victor Flaherty says the following are the most important things to consider:

Gross margin dollars: "Gross margin dollars are more important than gross margin percent," he says. "You can't put a percent in the bank. It's imperative that those dollars are greater than your expenses, no matter what margin percent you achieve."

Proper pricing: "Do not be fearful to raise prices to keep up with rising costs of merchandise and labor," he says.

Inventory management: "Proper inventory acquisition (right products at the right time) and control (merchandising and maintenance) are critical to any retail business," he says. "So much money can be lost here."