

Features

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Quality Means Success

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Once in a while, someone is lucky enough to have a hobby that becomes a business. That was the case for Jo Ann Dewar. When she started tinkering with plant propagation in a backyard hoophouse in the 1970s, she had no idea she was creating a family business that would become her family's livelihood for three generations.

The Raleigh, North Carolina, business started with Jo Ann giving her plants away to neighbors and friends. Word about Jo Ann's green thumb spread fast and soon people were stopping by asking to purchase her plants.

Jo Ann's grandson, Brad Rollins, who's now the store's vice president and general manager, says his grandmother quickly realized there was demand for plants in local grocery and drug stores, too. To fill the need, his grandfather oversaw the construction of more than two acres of greenhouses and Fairview Greenhouses opened as a wholesale operation in 1974.

"As the area grew around us, more potential customers stopped in looking to purchase plants on a retail level," Brad explains.

Pictured: Susan Rollins (Jo Ann's daughter), Brad Rollins (Susan's son) and Jo Ann Dewar.

After building a new retail structure near the nursery, Fairview Garden Center officially opened in 1988.

In 2004, a renovated, more customer-friendly store opened to keep up with growing consumer demand. Today, other than selling poinsettias and Easter lilies for area churches and fundraisers, the business is retail focused, growing only their own annuals, as well as some herbs and vegetables.

Fairview grows several sizes of pots, as well as hanging baskets and 1- and 3-gallon containers. The garden center's ability to grow its own annuals is what sets it apart from the competition, Brad notes.

“By growing our own annuals, we can keep an eye on cost, but more importantly, we have control over the quality of the final product, which allows us to be aggressive when it comes to pricing,” he says. “It is also nice knowing that we plan what we grow on an annual basis and aren’t stuck with what a vendor would supply us with.”

Managing Margins

The Fairview staff is always re-evaluating sales categories to ensure successful profit margins and isn’t afraid to make adjustments when necessary. Selling at the right price is key to the business’s success. Brad says each of the store’s 21 categories is marked with an attained margin goal, which is used to determine pricing baselines. Quality of product plays a big part in determining prices.

“When it comes to pricing, we also think about the perceived value of our inventory and push pricing hard from that standpoint,” Brad says. “With the plants that we grow, we control the quality, and our inventory looks much better than the competition’s, so we set the bar high with our prices.”

Managing inventory is also critical, and Brad says he and his team keep a close watch on the amount of product on hand to make sure it’s in line with seasonal changes.

“In a nutshell, we closely monitor attained margins and average inventory levels so that we can accurately track inventory turns and GMROI [gross margin return on inventory investment] for each sales category,” he says.

All of this information is shared with the management team so everyone can offer input on ways to improve.

And speaking of the Fairview team, Brad says another reason for the business’s success is its focus on treating employees as family.

“We all care about one another and I believe that family feeling is conveyed to the customer through our staff,” he says. “We care about how our customers feel when they arrive and when they leave, and I think it leaves a lasting mark.” **GP**

About This Series

In 2021, we will feature a different garden retailer each month from The Garden Center Group’s Best Practices or Best of the Best groups. These retailers achieved 10% or more profit in the previous year. The Garden Center Group offers Weekly Department Reviews, as well as an Annual P&L Study for those clients who wish to participate. Both are actionable reports that retailers can use to benchmark off of and grow sales in specific categories. Find out more at www.thegardencentergroup.com.