

Features

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From Humble Beginnings

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Pictured: Here you can see a couple of different types of outdoor furniture available at Wallace's. It's a category that does well in late spring and early summer, though the indoor furniture and home décor sells well year-round

From the Beginning

Let's start with some background. The business dates back to the 1950s, when a man named Warren

Wallace started a small produce operation with a greenhouse, apple orchard and pick-your-own strawberry field, Kate said. Her dad, Doug Nelson, bought the business in 1981 with the original intention of growing and selling nursery stock. He found, however, growing petunias was much easier and faster, paving the way for a burgeoning garden retail business that has grown exponentially since then.

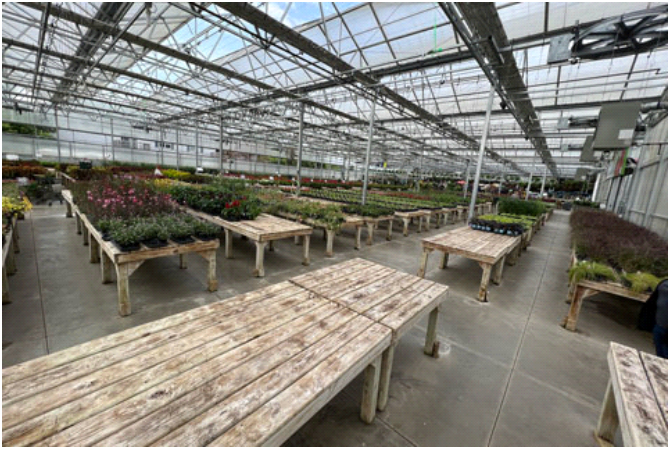
He continued to add on greenhouses and to build a gorgeous wood-accented retail building that now houses furniture, gift, gourmet, hardgoods, tools, birding and other products. Meanwhile, the greenhouses have gotten larger, and Kate joked there's a who's who of greenhouse construction companies on the property where much of the livegoods are grown. In fact, they'd just stocked the new, 5,000 sq. ft. Nexus greenhouse attached to the main

In late May 2023, I did something I'd been wanting to do for more than a decade: I visited Wallace's Garden Center in Bettendorf, Iowa.

I've known owner Kate Terrell longer than that and she even serves faithfully as one of our judges for the annual *Green Profit*/The Garden Center Group Young Retailer Award. So this year, along with my fellow editor Jen Zurko, the stars aligned and we pointed the car west from Ball HQ in West Chicago to road-trip it to Bettendorf. We were not disappointed (and I knew we wouldn't be).



greenhouse that now serves as the veggie display area, as well as overflow.



Pictured: These tables in the greenhouse are custom-built and they're used for both growing and retailing. They're designed to fit a certain amount of trays on each table with the spacing they want for healthy plants that look great at retail. The house was full in the weeks before we got there, but customer demand had begun to empty them.

While Doug was the owner, they also branched out into two other locations in Rock City, Illinois, and Davenport, Iowa, in a bid to serve more customers. They sold the Rock City location in the late 1990s and Davenport in

October 2019.

"The decision to go to one store was based on several things. As we looked at transition, I wanted to focus on having one really great location," Kate said. "We thought we could keep sales up and reduce the overhead of two other buildings, employee teams, vehicle fleets, etc.

"It also made administration of taxes, payroll, etc. easier by only operating in one state and not two."

This spring, the Bettendorf store was jam-packed with plants, the vast majority grown right on site (except for houseplants and ferns). Here are the mind-blowing stats on what they grew this year:

5-in. annuals: about 50,000

Herbs: 10,000

Vegetables: 10,000 tomatoes, 7,700 peppers, plus other veggies

Hanging baskets: 7,000

Combo planters: 650

Perennials: 18,000, plus 2,500 in a mid-summer/fall crop

Shrubs: 3,048

Fruit trees: 550

Ornamental trees: 400

For fall, they're growing 15,810 mums, and for winter, 12,000 poinsettias.



Pictured: What makes Wallace's hum along day-after-day are the people. Here's Owner Kate Terrell (center) with Nursery Manager Amy Halverson (left), and General Manager and Visual Merchandiser Monica Holst (right). Amy and Greenhouse Grower Lisa Kipp are sisters and have worked for Wallace's for more than 20 years. And Brandon Roberts is the Operations Manager.



The New Normal

Today, Kate is the owner and Doug is retired (ish). While she's been in the business her whole life (working first at Chalet Nursery in Wilmette, Illinois, before coming back to Wallace's) and earned the title of Young Retailer finalist herself, it still was a challenge to step into the owner role, particularly during a global pandemic. However, if you know Kate, then you already know she's a tough and tenacious fighter. She and her long-time staff members persevered through it, and are now working through how to balance being progressive in a changing retail landscape while not forgetting their core business practices.

Pictured: I don't know who's more of a Knock Out in this picture—Jen Zurko, Wallace's beloved dinosaur (a kid favorite) or these roses!

Some of those progressive strategies include a successful text marketing partnership with TapOnIt, and becoming more engaged with social media and digital marketing to drive traffic. She's also continuing to appear in local television spots to educate viewers on gardening.

There are still some things that keep Kate up at night, though. One, for instance, is how to convert houseplant buyers into outdoor plants people. Is it a matter of waiting until customers have a bigger space to work with?

Another is how to balance in-person activities in the garden center with available staff, trying to determine many in-person events they should do. What does community engagement look like? Is it more events or fewer than they had before COVID? The same ones, like weekly seminars, ladies night, fashion shows, cooking classes and fall festivals, or new concepts?



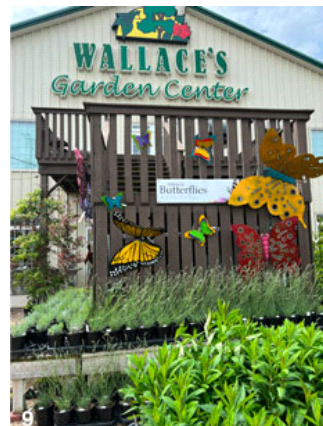
Pictured: The houseplants sub-department (it's technically counted as part of the greenhouse department) is a big seller for Wallace's and drives traffic almost independent from what else is going on at the store. Customers have big options, as well as "Itty Bitty Babies," or 2-in. pots.

Before COVID, they would host classes in a lovely upstairs loft in the retail building that holds up to 150 people. It has a sound system and screens for presentations, and even a full kitchen that does double duty as a breakroom for employees. They can hold private events, too, and have companies bring in clients for a boxed lunch and container gardening

activity. But events have to be profitable and/or contribute to the core business in some way and the conundrum comes with how to execute those in a way that's beneficial for everyone.

I have no doubt, though, that Kate and her team will figure out all these challenges, the way they've tackled everything else garden retail has thrown their way. I'm excited to see how Wallace's will continue to grow.

Pictured: They recently started carrying native plants and have created a bigger focus around pollinator plants in general in response to customer demand. • In the outside sales yard, customers can enjoy mature trees as part of a peaceful experience while they're shopping for the trees, shrubs and perennials to adorn their own yard.



Kate said it best: “I have worked with my parents for the past 20 years and I’m lucky to take over a business with an awesome location, talented staff, gorgeous building and growing facilities, and a great community reputation.

“Now all we have to do is make the right changes to keep four generations of customers happy, embrace technology to help us do more with less and not forget the roots that came before the wings we have now.” **GP**