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Cover Story

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The Experts On…

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This year was pretty, well, not great, for most retail operations across the country. There were pockets with good weather, the right promotions and activities and buy-in from customers, but the general vibe we're feeling for 2024 so far has been: meh. Specifically? It seems the KPIs we look to for profitability are down, like average transaction count, average ticket sale and overall sales.

That means this cover story comes at a great time to take a hard look at 2025 and see where the opportunities lie, and where the hazards are waiting (like a tiger ready to pounce). I don't mean to skip over the fall, and even winter, season—there are still lots of ways to make up sales, especially since fall is for planting. But since this issue theme is Prep for Next Year, I enlisted the help of a half-dozen industry experts to give me their thoughts on areas where operations could try to move the needle. I identified these as: technology, inventory management and buying, visual merchandising, and overall keys to increasing sales. Let's begin.

Technology to Make Life Easier

Two of the major themes that came out of asking about technology you all should consider are these: get a better handle on all the capabilities of your current technology to maximize it and explore new ones strategically to make your stores more efficient. Gail Vanik had a great example of using her point-of-sale system for buying at trade shows: "Before I attended any buying shows, I would do a complete store inventory, then print a report that told me what quantities I had on hand of any particular item on January 1, what I had received in that year, what quantities I had sold throughout the year and what was left either on the shelves or in back stock. I had those reports, by department or category, in a binder that I took to the shows with me. It was tremendously helpful in keeping our buying and inventory in check because at a show it can be difficult to remember what's on the shelves back at the store."

Here's another easy tech tip from Sid Raisch: take a look at all your systems and make sure they're running their newest versions. Either installing upgrades or—if you can no longer upgrade it properly—getting a new system can give you more capabilities on something you're already somewhat familiar with. He noted, too, to be on the lookout for new technology that you didn't know existed, but that you may use every day in other capacities.

And Tim Quebedeaux added another aspect—make sure any new technology you invest in has a return, as in, it'll save labor or result in more sales. Examples of this are line-busting items like tablets or mobile phones that can be used to check out customers or conduct inventory.

Artificial Intelligence came up a number of times, with just about everyone noting that it's technology that can't be ignored and should be investigated. Dave Williams went a step further with some actionable suggestions for how it can be used in garden retail, like using it to write responses to online complaints.

"It's one of those things when you get a complaint from a customer, and if you allow it to impact you emotionally, you'll probably write some sort of post that you can regret," he said. "ChatGPT will help you come out with a professional-sounding approach."

He recommended buying the paid version of AI software like ChatGPT and, if you'd like it to create content, upload past blogs, social media posts and other written information so it can write in your "voice".

Inventory Management & Buying

Many times inventory, buying and technology go hand-in-hand (in hand?). As Gail mentioned, and Bill McCurry now adds to, using the POS to create reports can provide actionable data that allows you to act quickly to keep sales rolling.

"If you brought in a load of product from a vendor that sold through two days after it landed, you need to know that, and you need to see if that vendor can send you more of the same thing. If you wait three weeks, you may miss a season," Bill said. "So then the worst thing that happens is three weeks later, you say, 'Oh, well, we better order some more of those.' Then you have it sit. And that's what we call a markdown. That doesn't work."

Another issue is not matching up the inventory to the sales goals.

"What are the sales you envision happening and how many? What kind of goods? How many goods? What is the value of the goods you need to buy to make the sales happen?" Bill said. "If you're budgeting $1 million and you only buy $100,000 bucks worth for the inventory, you got a problem."

He also noted the data that's going into the POS has to be right for the data coming out to be right. That means not just what was bought, but also making sure it didn't walk away at some point (see Bill's whole series on shrink for more on that). And he (along with others) cautioned against loading up on product to get deals, unless you have a definite plan for how to move all that product.

On the flip side of that, Sid noted that if something has become a best seller, it's not a stretch to make it a better seller. There are ways to accomplish this, like positioning it to be the best of the options out there and making sure it's always in stock.

All of which leads me to Tim's statement that inventory is your biggest expense and ought to be respected as that. He and others advocate heavily for staying flexible during the selling season, pre-booking what you need in the beginning and bringing in inventory as needed after selling through.

"Once the season is over you can't move inventory at a level to fix inventory issues until next spring," Tim said. "So you're stuck with it. Cash flow and cash tied up in inventory are the biggest issues garden centers have."

Tim is the king of garden retail sayings that stick with you. Last year, he told Group Fall Event attendees "no birthdays!" for inventory. For this story, he went further with "leftovers".

"Customers shouldn't have to eat leftovers in the fall from spring, right?" he added. "Spring merchandise should be spring. You shouldn't have any
leftovers to sell."

These are goals to strive for, and it will never be perfect every time, but moving toward a more flexible assortment can help improve profitability. The relationship with the buyer and the vendors are key here, too. These relationships

have to stay strong to be able to ask for more product when needed, he said, and the buyer must follow through to take the product and sell it.

Visual Merchandising

These themes flow nicely into each other, as Erik Dietl-Friedli had talked about buying as it relates to merchandising (two areas he's well versed in). For example, buying dictates the visual impact a product will make.

"I will bring in, say, 50 of an item and give them a chance to rest their eye on it," he explained. "And the fact that I have a lot of it tells the customer I believe in it and it makes them think, 'Well, there's got to be a reason why they have as many as they have.' Also, people are looking for quantity of plants, so even on a specialty item, if you are very meek in your buy, you may not get the results you want. And very often I hear buyers say, 'Oh, let's try that. Let's bring in five.' Well, five isn't telling you anything about that item—if it's going to work or whatever—unless it's a very expensive item."

His other piece of advice is to watch displays to see if the products sell—if they don't, don't hesitate to move it or give it a new look. Sometimes that's all it takes to catch the customer's eye. He added displays should tell stories, and there are different stories for different spaces in the garden center, but often there's too much to look at and editing is key (as it is with this story!).

Bill noted that it's important for customers to be wowed, too, along with having displays to shop. Something that catches their eye and stops them in their tracks goes a long way to keeping their attention. He cited the booth at Cultivate a couple of years ago by Art Parkerson for PlantPOP (which inspired the monthly pop culture page we run now). One of PlantPOP's specialties is time-lapse photography of flower blooms set to music that are mesmerizing to watch.

Two more quick points on merchandising from Tim: when you come in Monday morning, look around for the displays that are completely blown up (aka shopped). Whoever did that, have them do it again with others. And—it's been said before, but it bears repeating—what's in bloom sells.

Overall Keys to Sales

Gail's recommendation is to focus on the areas that make you money (as evidenced by your POS reports, not your gut).

"We really started to get our inventory under control when we went through and pared down the product lines item by item so that we ended up only offering those that were most popular, and also—most importantly—those on which we could make our margin goals," she said. "For the most part, customers didn't notice, but our bottom line sure did!"

Bill's key was cash budgeting and buying both inventory and capital expenditures on the right cycles to keep the cash flowing, i.e., not investing in new equipment at the same time you're buying inventory and before you've sold it.

The cash flow is critical, he said. "The key is understanding what your cyclical flows are and being able to meet them without causing you undue stress."

Tim brought up customer service as a way to not only stand apart, but to increase sales. In fact, he feels that's where retailers can make the most difference, by increasing average ticket sales. Look at your average tickets for a given week, he said. There's often a couple of sales in there that are much higher than the average, to the tune of a couple thousand or more. Now think about if you had a few more of those each week.

"If you treat every customer that walked in as someone who's going to spend $1,000 or $2,000 with you, and every employee had this mentality that every person is willing to spend that right now—if I give them the right customer

service—how different would they act?”

Younger customers are a key target demographic, Sid said, and getting their attention can be tricky. One theme they’ve responded to is pollinator plants (along with the houseplants).

“Don’t be thinking we’re selling annuals, perennials and shrubs when people are buying bees, butterflies and hummingbirds they bring to their own yard,” he emphasized. “Yes, the plants are what is sold, but what they’re intending to buy is the benefits of them.”

That tags along somewhat with Erik’s key, which is doubling down on color.

“Annuals and perennials had an incredible—at least in my market—had an incredible 2024,” he said, talking about the south Florida market and adding salivas and butterfly bush in particular sold well. “And I think that’s going to carry into 2025. I think we need to be really bold and adventurous and grab it because I think that trend is going to continue.”

Dave’s key goes back to buying and merchandising to create excitement for customers.

“Sometimes you contact your growers and you can buy better a specific thing and you can create a lot of excitement for the customers getting a good value, but you’re still getting full margin,” he said. “So it’s a win when you create excitement with having more of a specific product at a better price than you had at the following or a previous year.”

Meet Our Experts

Who are these people and why should you listen to them? Here’s our group of experts:

• Erik Dietl-Friedli has more than 35 years of experience in garden retail, managing award-winning garden centers Martin Viette Nurseries and Flamingo Road Nursery. He’s now teaming up with Dave Williams (see below) to form Garden Center Consultants LLC.

• Bill McCurry has been helping the garden center and photography retail industries for decades as a consultant with McCurry Associates (and you, of course, know him from his monthly column, aptly titled Profit, in this magazine).

• Tim Quebedeaux is the owner of Retail KPI Consulting and the financial management and analysis provider for The Garden Center Group (aka the numbers guy). Tim worked in garden centers for more than 20 years and then worked with Steve Bailey at Retail KPI before Steve turned over the reins to him when he retired.

• Sid Raisch, owner of Horticultural Advantage and a service provider for The Garden Center Group, has been helping retailers achieve and maintain profitability for decades. Prior to that he worked on the nursery, landscape and marketing sides of the industry, rounding out his knowledge base.

• Gail Vanik and her husband Vic launched Seasoned Gardeners Consulting last year and are service providers within The Garden Center Group. When they sold their business, Four Seasons Greenhouse & Nursery in Colorado, they were consistently one of the most profitable members of The Group.

• Dave Williams is the former president of Garden Centers of America and spent four decades in leadership at Williams Nursery in New Jersey, transforming it into a hub for plant lovers. As you saw, he’s teaming up with Erik to create Garden Center Consultants LLC.

Who’s Out There Killing It?

I asked our experts for retailers that stand out to them as opportunities to learn from and they didn’t have to be in our industry. Here are their thoughts:

Dave: Buc-ee's—"It just amazing that they've upgraded a rest stop to a destination place." He cited their clean, inviting spaces (including their whole focus on clean bathrooms) and their Buc-ee's branded products, as well as their employment engagement and retention.

Bill: Deb's Greenhouse in Morinville, Alberta, Canada—Along with initiatives like pre-ordering online and events, he also talked about the social media presence and pulling in younger generations to make videos. "You got to have your people and you got to have your company out there giving actionable, enjoyable information and/or entertainment."

Erik: The Barn Nursery in Chattanooga, Tennessee—"I follow him on social media and the passion that he has—not just for the industry, but for his community—I would want to shop at his store. If I lived anywhere near him, I would." He added they do charitable work, social events AND they move a ton of product through the store.

Gail: Watters Garden Center in Prescott, Arizona—"Ken Lain at Watters in Prescott has always been innovative and ahead of the curve." She mentioned his exploration into AI, where a ChatBot can answer common questions.

Sid: Groovy Plants Ranch, Marengo, Ohio—"Very few are truly focused on the younger customers. Groovy Plants Ranch was built from the ground up to do this and they've been killing it since they began." He talked about their focus on appealing to Gen Z and Millennials (but also having a wide audience that includes Gen X and Baby Boomers) through a connection with music, an exciting collection of plants, events and an active social media presence.

Tim: Sunny Meadows Garden Center in Boonsboro, Maryland— "They're one, especially in the tree and shrub department, that really orders well and turns product well." He added they have a fair amount of nonperishable product that they're profitable with and they have a cohesive family unit that runs the operation.