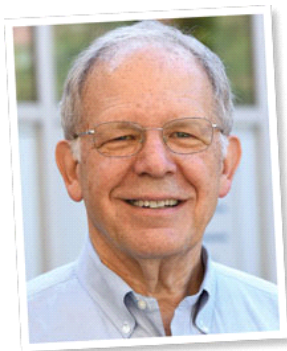


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Thinking Like a Landlord

Bill McCurry



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Successful real estate landlords often aren't respected by their tenants, however, garden center managers can learn from those landlords, but with one significant difference. Consider every square foot of your garden center to be like an apartment building. Is every square foot occupied by a market rent-paying tenant?

An effective landlord looks at every square foot to maximize its return. If a space is empty or a tenant isn't paying market rent, landlords make changes so every inch is profitable. Garden centers should emulate this profitability trait with one major difference. You should treasure and nurture each customer relationship, while achieving a profitable return from your property.

This means the astute manager will make sure every square foot they control generates maximum margin. This is true of the parking lot and outside growing range, as well as the traditional retail space.

You can do this with simple ideas. For instance, rotate the highest visibility areas frequently with the hot product of the week. Most managers have heard customers say, "I'm so glad you started selling XYZ." Don't embarrass your customer by admitting, "We've sold that forever. We just moved it. You just saw it for the first time today."

Sometimes you dedicate your key focus areas to high-margin products and sometimes to needed add-ons for the customer's garden. Other times it might be a loss leader or low-margin product that builds your price credibility. You should ask yourself, "Why is that product in that space?" Stop placing products where they've always been or in the only empty space you have.

I'm not suggesting "re-merchandising" your entire store daily. Instead, determine with intensity what you'll promote and where during peak season. You may only change out a few key areas. At slower times, your team should re-merchandise to coordinate with seasonal shifts and your overall master plan.

What's in your "junk corner"? Most of us have an area where junk collects. Maybe it's broken hardgoods, old product that hasn't sold, stuff nobody wants. Quit procrastinating and make a specific plan. Set a deadline to toss, recycle or donate old products. Use the space more productively. Junk clearance raises your team's awareness of store cleanliness and appearance.

Today's customers don't consider dirty stores "quaint." They want inspiration. They want to get in, be inspired, find what they need and leave. To be successful, every area of your inspirational store should show them potential. Convert that "junk space" to keep customers inspired while planning their gardens.

A critical part of maximizing return per square foot is tossing slow (non-selling) inventory. It's bad news if your inventory has more seniority than your average employee. Another clue is if you've carried the same sidewalk sale merchandise from one event to another. Using colored price tags to indicate when products arrived is a quick and easy way to identify non-producing "stuff" that's consuming your cash and space. We've seen retailers swap "my pile o' junk" with another retailer rather than toss it. This gives each retailer "new junk" for their sidewalk sale, enlivening the event while generating a few bucks for what otherwise would be donated—or worse, go to the landfill.

Look at your "outside" area to ensure you have the maximum parking space consistent with easy access and egress for your customers. People whose cars are dinged in your parking lot don't return. The same is true if your customers are wading through puddles in sandals. Every square foot of your property makes either an inspiring, bad or indifferent impression on your customers.

Take team members on a walk through a retailer you admire. Likely you won't find their junk area, as there isn't one. Do the signs, displays and ambiance invite you in and make you comfortable? Which ideas should you emulate? Which should you avoid? Your goal is to maximize the impact of every square foot in your garden center. Start planning today! **GP**

Bill would love to hear from you with questions, comments or ideas for future columns. Please contact him at wmccurry@mccurryassoc.com or (609) 731-8389.