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Young Retailers Redefine Success

Bill McCurry



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Young Retailer finalists are inspiring, innovative and invigorating. They're eager to remind you where this industry can go, while emphasizing where our industry, country and world are presently.

"Customers expect their money will be used for causes they believe in, plus want their money to deliver top-quality products. Today's consumer rewards retailers who deliver multiple benefits with their purchasing dollars," says 2016 *Green Profit* Young Retailer of the Year Will Heeman of Heeman's in London, Ontario, Canada.

Once CSR meant "Customer Service Representative;" today it also means "Corporate Social Responsibility." At Cultivate'19, a 20-minute CSR topic session was lost between talks about lawn performance and boxwood blight. The session was held in the Knowledge Center, an open-air area with poor

acoustics.

Today, we define CSR as a self-regulating model that helps a company be socially accountable to itself, its customers, public, shareholders and employees. It means operating to enhance society and the environment, instead of contributing negatively to them.

Despite the industry's lack of focus on the importance of social responsibility, Will told us about Heeman's commitment to being a solid corporate citizen.

Minimum wage boosts are a global issue. Within three months, Ontario wages went from \$11.40 to \$14/hour. A new government cancelled the next boost to \$15/hour, but Heeman's raised experienced employees to \$15/hour, with only students and inexperienced labor at \$14/hour. All employees received commensurate increases so their relative earnings compared to other employees remained the same.

This raised Heeman's total operating costs by 12.5%, a staggering jump, so they raised their overall prices 11% to compensate. A few customers questioned the price jump. "All customers aren't as sensitive about prices as retailers," Will said. When customers did ask, Heeman's response was, "Labor costs are going up. Our employees get the benefit of price increases so they can continue to live in this beautiful part of Canada."

Most customers applauded the explanation. Heeman's sales increased 24%, more than double their price increases. Will says a few Ontario garden centers wish they had the courage to emulate Heeman's. Those who

took larger increases fared better than those who were more cautious while legally mandated to increase wages. They're in a cashflow bind, fearing marketplace reaction if they increase prices again to survive.

Heeman's has a checklist of things they practice and promote to customers:

- √ Water usage
- √ Energy consumption
- √ Biological controls
- √ Recycling or reusing containers
- √ Joining a local hub/community group promoting ecological stewardship
- √ Supporting community efforts—Any kid's projects, schools, community gardens, pollinator gardens, etc. requesting donations are given whatever products necessary, including hands-on support by Heeman's personnel
- √ Promotion of things like Monarch Waystation (www.monarchwatch.org)
- √ Options for diverse planting/native plants
- √ Supporting co-op students & internships
- √ Pots made with recycled/bio materials found at shows like Cultivate'19
- √ Avoiding single-use plastic where possible—The industry's reliance on single-use plastic is a ticking time bomb. Someday we'll be negatively spotlighted like plastic straws and single-use water bottles are now. The Garden Center Group nominated Retailer's Choice awards and identified a game changer at Cultivate'19. They're not yet ready for the marketplace, but www.CTiPlastic.com is working with www.plasticbank.com to reduce the plastic flow into oceans, while raising the standard of living in impoverished areas. Sometime in 2020, you'll be able to buy pots made from plastic recovered upstream in rivers headed toward oceans, showing your customers how their purchase of these pots saves waterways and provides food, shelter and education world-wide.
- √ Employee Engagement—Will quotes www.yourcause.com for statistical back-up of his experiences. There's a 50% reduction in employee turnover when employees are engaged in CSR programs. Further, 75% of Millennials would take a pay cut to work for a responsible company. As Will constantly says: "CSR is just good business."

What are you doing that's good for your world and good for your business? **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) 688-1169.