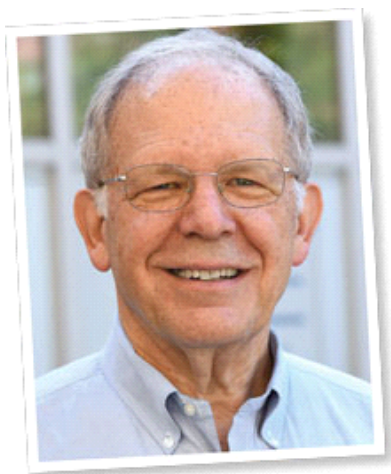


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“You Can’t Handle the Truth!”

Bill McCurry



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This quote from Colonel Nathan Jessep (Jack Nicholson) in the 1992 movie “A Few Good Men” will live on forever. It verbalizes a universal truth: Many people can’t handle the truth about daily aspects of their lives.

Many of our problems spring from our insistence on avoidance or denial of the more difficult realities. We ignore doctors who tell us to quit smoking, drinking, eating the wrong foods or being physically inactive. We know they’re right, but we still avoid “the truth.”

How does this avoidance mindset impact our business?

Our financial statements—hidden in plain sight—are factors we know we should address, but we ignore digging into our own data to find areas of improvement. Comparing our results to prior periods or to others with similar businesses will highlight areas needing investigation for better efficiencies.

Will the truth require us to make unpleasant changes in operations? Do we avoid potential improvements until things degrade to the point the company is financially failing and we’re forced to take action?

Pricing for 2022: Look at your truths. Have your costs increased since 2019? Are you paying more for energy? Personnel? Taxes? Health Insurance? Raw materials? Transportation? Resale merchandise? Does it ring true that price boosts you have today dictate the amount you must increase prices for 2022? When will these inflationary trends cease?

It’s logical to assume the truth they’ll continue every month throughout next year, if not the years beyond. Logistics industry insiders think transportation won’t be “back to normal” within nine months, so why should costs then be what they are today?

The truth: Costs will continue to climb, regardless of government or politics. The question is, by how much will they climb and if/when they might temper or stop? Normally inflation doesn’t halt abruptly. The retailers I hear from are underestimating inflation’s impact because they haven’t looked at the truth in each independent expense category. What costs haven’t you anticipated? Will your suppliers be forced to raise prices beyond what they’ve already indicated? Are there hidden surprises like a shift in pot size requiring more material or reduced delivery options from a formerly reliable supplier? What’s your inflation truth?

People I highly respect believe our industry is “recession proof.” We’ve celebrated the new “pandemic gardeners”

who've joined us. Do we know their post-pandemic purchasing habits? Will they buy a dozen plants, regardless of cost, or will they commit to spending a fixed dollar amount despite how many plants they might need to fill their new flowerbeds?

We don't yet know the customer response in 2022. If we assume the same unit sales at higher prices, while the customer only spends what they did in 2021, we'll have fewer unit sales. It's true most new gardeners don't know what every plant should sell for, but they may know how many discretionary dollars they can spend for their garden, regardless of garden centers' inflationary pressures.

The hardest truth is our team: Are they focused on the same things you think they are? Management believes, "Customer service is No. 1." Do you have the courage to try this quick test? Meet with your team. Give each person a 3x5 card. Their name goes on one side and on the other they explain, in 25 words or less, what they do for the company. Explain nothing more than that. Tabulate the cards. How many employees used the word "customer" when referring to what their job entails? You think your team is focused on customer service, but if most cards neglect to mention customers, listing only tasks related to operations, is it a truth that you haven't taught the goal of exemplary customer service? Likely the most important truth, it's also the hardest to recognize and correct.

What truths are you avoiding? How much will your life and business improve if you investigate and solve these truths now? **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.