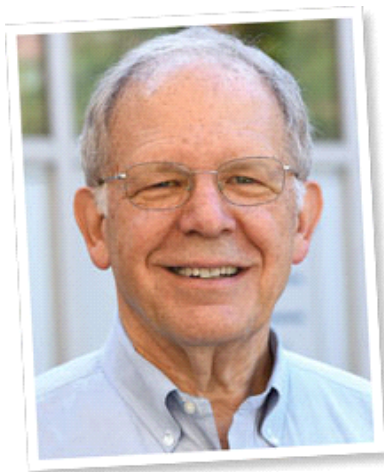


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Failure to Learn

Bill McCurry



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“Those who fail to learn from history are doomed to repeat it.”

—Winston Churchill, 1948

“This time is different” or is it? A review of this column from August 2008 may surprise you. Please quickly read it [HERE](#) and compare it to today. Are there historical lessons to be learned?

Of course there are or we wouldn’t have brought up a 14-year-old column. The biggest lesson is, with all the handwringing and worry about the “Global Financial Crises of 2008,” most of our industry adjusted and came through it smarter and wiser.

One lesson learned is cash flow cures all evils. Those who keep their focus on generating and retaining cash always sleep better at night. A serious

danger in 2022 is not charging enough to generate the necessary cash to rebuy the same quantity of product.

On the Young Retailer Finalists webinar everyone said their costs are up significantly. If a product you paid \$10 for in January 2022 goes to \$12.50 by 2023, where will the extra 25% come from for replacement inventory? Your vendor may not charge you 25% more, but if your labor, shipping, insurance, etc. are all increasing you’ll need more cash just to buy the same number of units. Charging the “new” price now will generate the essential cash to pay for next season’s new merchandise.

Using a modification of their existing website, Ashleigh Munro (Kiwi Nurseries Ltd., Acheson, Alberta, Canada) sells products in advance of the season via nonprofit organizations. Boosters buy a wide variety of products with the charity getting 20% to 30% of the sale. This generates pre-season, pre-paid sales, which dramatically boost cash flow in a slow time of the year. Also, when the customer arrives to pick up their pre-paid purchase, they’re more likely to buy additional plants and supplies before they leave, as they feel they have money to spend that day.

We hear that “farmers and retailers are hoarders.” Is that statistically valid? It appears to be. We know retailers who’ve already ordered pots and other inventory for 2024. This is a natural reaction after living through the scarcity and price fluctuations of 2020 through 2023. However, before you place those orders, put pencil to paper (or computer spreadsheet) and determine where you’ll generate the cash to invest in inventory that will sit for months—or maybe even years? You can be cash-poor and inventory-rich. Your employees won’t accept a pallet of pots instead of a paycheck.

Are you watching so much news that you're getting pessimistic about your future? Many mental health experts are recommending you not watch the news at all or limit yourself to a short period of news—like eight minutes a day. More important, don't pay attention to the world's financial news. Focus on your local customers. What are your customers saying and doing? Do you care if Target or Costco had a good or bad quarter? Is there a direct correlation between them and your store? Probably not.

Your challenge is to keep your store top-of-mind to your customers. Most garden centers cater to the higher-income customers who are less impacted by bad economic news. Don't talk about negative news with your customers or employees. During the first recession I experienced as a business owner, a mentor told me, "For small businesses, recessions are optional. You can choose to participate or not. It's all in how you relate to your customers and suppliers."

Don't be stupid. Be strategic. Ramp up the events and include co-sponsors, like other local businesses or non-profit organizations. Give people a memory of your place that makes them want to come back.

Don't overlook your own team. Be aware of their needs and fears. Share with them your plans for the continued success of your organization. Let them know the vital role they play in positioning your company to survive and thrive. **GP**

Join Bill and talk about your economic future at the Tessman Company's Hort. Academy August 15-16 at Mystic Lake Casino in Minneapolis. Visit tessmanseed.com/events. Reach Bill at (609) 731-8389.