

Strength In Numbers

More and more garden centers are realizing the benefits of being involved in a group, whether it be to buy in bulk or share information.

by Jennifer Polanz

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Editor's note: In a multi-part series starting this month, the TGC staff will take a look at the variety of options available for garden centers to join buying groups and other organizations that specialize in sharing information between operations.

Plurality. A word that translates into great numbers. It's a word more garden center owners and operators are beginning to understand as vital to their survival in the world of big box stores and independent competitors already conducting business in large groups. That's why many of them are teaming up together in a variety of capacities to further their business and understand the growing world of retail in the horticulture industry. There are many options to explore when looking to join a group, and this month we'll talk about two very different organizations and what they can offer a garden center: The Garden Center Group and ECGC Distributors, Ltd.

- **A One-Stop Shop**

The group started in 1998 as a partnership and actually is a business management group. Therefore, the garden centers are clients, not members. It was restructured in 2001 when those in charge brought in multiple people with a wide variety of experience inside and outside the garden center biz. It focuses on expanding business savvy and while the group works with vendors, it isn't a buying group. Client Coordinator Wendy Hendrickson considers the group a "one-stop shop" for business services and assistance available to smaller independents. Previously, that type of service was only offered to the large volume companies, she says. "As simple as it may sound, there is strength in numbers," says Hendrickson, who cites associations that deal with governmental issues, buying groups that help with purchasing and others. "The Garden Center Group focuses on the compiled exchange of business building information that is then passed on to everyone involved. Access to information and assistance grows exponentially the more companies that get involved."

- **Reaping The Benefits**

The group offers services to clients like: a Mystery Shopper program, media buying services, point-of-sale installation and training, business consultants, employee sales training program, monthly financial budgeting and review process, property development, an expanded retail tour and a workshop schedule, among other services. Marketing programs are available to all clients and, while they are localized to be unique to each center, the cost is shared by all

involved. The clients within the group, which total nearly 100 garden centers, share sales results of 21 product categories each week to help all the clients determine which are good sellers. The sales breakdown is of great benefit to garden centers, says Sigurd Feile, president of The Garden Center Group client Atlantic Nursery in Freeport, N.Y. "My favorite is every week we report our sales in different categories. I find it very beneficial to compare our sales with other garden centers in the same geographic region. Since after a few years you get to know the garden centers and their operations, the comparisons are very helpful."

- **Building A Trust**

Most of all, the group works on the trust expected of all clients to share information. "The group was designed around the benefits of open communication – in order for companies to learn, there has to be access to facts, not opinions," Hendrickson says. "Employees need to understand from a financial perspective what really happens in the operations of the company where they report to work each day. This same open book policy is extended to the group level in order for garden centers to have a clear understanding of what it takes to succeed." That's another aspect Feile appreciates. "At times, if someone has a success in one area, or has a very good promotion, I feel free to call them up and find out details about it – how they went about it, how they organized it, how it went, how much they paid for the product, how much they promoted it and what the profit margin was."

ECGC Distributors Ltd.

- **Buying Plus Some**

This group started with three independent garden center owners who talked extensively about their businesses with each other and found the process to be extremely helpful in building their businesses. They invited others to join and ECGC was born. Since then, the group has fluctuated from five members when executive director Ellen May was hired in 1996 to 10 members now. Those members own 35 garden centers across the country and work together in all capacities, from sharing operational information to trading sales figures and buying product. Employees at each company sign a confidentiality agreement to keep the trust sacred and allow them to be comfortable with sharing every aspect of the business.

- **Strategy By The Numbers**

"It has benefited members in many different ways, but I would say one big benefit is in buying better and buying smarter," May says. "And when I say better, it's not only with discounts, etcetera, but it's also being offered exclusive products. We go as a force so you can buy better, so it's not just about discounts." But for McDonald Garden Centers Owner Eddie Anderson, the key is the networking aspect, far more than buying. When his company joined in 1982, the draw was talking with noncompetitive centers to share problem-solving techniques and discuss issues. After joining, Anderson expanded the McDonald footprint by opening a third store, a move that he felt was aided by involvement in ECGC. "I

think I learned a lot of the strategy and ideas about how you operate in a multi-store environment by networking that way," Anderson says. "We network a lot of our staff together among the various companies so there is this constant mentoring. There is always one company that's taking a lead in some direction."

- **Additional Benefits**

The ECGC also has two attorneys available to members, one as a corporate lawyer and the other to handle trademark issues. And, above all, like The Garden Center Group, trust is critical. Whatever is learned about another member company, whether financial or vendor information, is kept privileged, May says. "We produce a financial report that is about 60 pages long. I have a database that is all purchases by vendor by company." The annual reports track shifts in buying habits and show whether vendors are treating each location equally. ECGC also offers members its own brand called "A World Apart." "We have the brand registered in 12 different classification of products," May says. "It's not a private label, it's a brand. So as you develop a line of products, you're training your customer's eye to realize that this is only available at this garden center." TGC

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