

DEVELOPING A REGIONAL MARKET FOR NURSERY CROPS

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More often than not growers rate the virtue of a soil mix based on the low price of its components. Sometimes we use compounds reminiscent of toxic waste just because they are cheap. Soon it will be time to consider our soil mix for next season. Shouldn't we choose a soil mix because it's the only one that really works, it's the life of the system, it's the carrier of minerals and nutrients and oxygen, and represents everything that will make that little plant grow to be something exceptional? If we want to develop a regional market it is imperative that we "forget about the cheap and look for the leap." The point is, we should go for what launches us ahead and begin to enjoy the benefits of a great soil mix or anything else in those situations where we go for the best.

A REGIONAL MARKET

My idea of a regional market is anyplace within the confines of a one-way 6-hour drive. Under these circumstances your trucks can deliver, unload, and return to the nursery on a daily basis. Our company does 100% of its sales and expansion on this regional basis. Why go farther?

Many established nurseries, along with their competition, manage to saturate their regional market with existing goods and services. As a result they are forced to search farther and farther away to generate new sales. Little do they suspect gold lies in their own back yard. To find it they must redevelop their regional market. Let's do a little digging.

Many new nurseries never find their market niche. They wander around without a program or a creative thought, copy they guy down the road, and settle for whatever business falls their way. Most businesses, ourselves included, fall into this trap. But I want to tell you how by adopting a different perspective we eluded this cycle, built a company worth millions, and did it without any accumulation of debts. Sound interesting?

REGIONAL MARKETING IS A CHALLENGE

Before you get too excited, stop and ask yourself the question, "Am I willing to do what it takes to develop a regional market?" It's not easy! Do you want the headaches of retraining your labor force? Do you want to pay more attention to details? Do you

want the risk of failing, the job of explaining a higher price to customers, the guilt of making a profit, the stress of having to find and deal with different types of customers? Are you willing to increase your service?

For us the answer was easy because we wanted to see our employees build a winning team. We wanted the satisfaction of having the best by paying attention to details. We were willing to risk failure because it's more fun being leaders than followers. We wanted to survive long term so we had no choice but to make a good profit, for both a good living and as insurance for hard times. We wanted that undeveloped business so badly we had no alternative but to create and nurture new product lines, sometimes introducing them to non-traditional, unusual marketplaces.

We have to tackle some big challenges to generate some big benefits. If I invest "almost," then I can't expect "everything" in return. But I truly believe that if you put forth "everything," you can get "everything, and a whole lot more" in return.

MARKETING

Marketing is like a foreign language and most of us don't speak it, read it, or write it very well. We can become master merchandisers of our products and our companies if we learn that foreign language of marketing. Let's make it our native tongue.

We spend a disproportionate amount of time growing plants and declaring war on the business at hand. Certainly we must do these things, but if we want to develop a regional market we need to dedicate more time to looking for alternative "weapons" and homing in on our targets. Whereas the doctor on the battlefield has to feel the pulse before he knows what medication to administer, as a nurseryman I must develop the ability to recognize my consumer's lifestyle before I can respond to it effectively. For example, trade magazines provide an excellent source of ammunition, but let's not limit ourselves. Read and study all kinds of periodicals whether plant related or not. Pay particular attention to articles that exhibit trends in lifestyle. This kind of information proves invaluable in building and presenting our arsenal of plants and developing our personal creativity.

TREAT CUSTOMERS AS PARTNERS

A business relationship is like a marriage and it is what we make of it. If we want to develop a regional market we must treat our customers the same way we would treat our partners in a relationship.

1) Respond to their needs. We produce over 900 products, all developed from customer requests or spinoff ideas. Sound like a

mess? It is. But what sounds louder is my customer's satisfaction and my economic well being. When a customer gets excited about a plant or a concept, that's a sure sign I had better get excited, too. Learn as much as you can about your customer's business. Ask questions. You may be amazed by the feedback. Be an active, caring partner and you will gain the resources to respond to their needs!

2) Be considerate. Respect them and don't keep them waiting. My idea of, "I'll get it done right away", is not the latter part of next month. And how about that office and telephone etiquette? We have our secretaries trained with a barrage of armour designed to shield our customers from ourselves. Let's not build a wasteland of human barriers between our customers and ourselves. Be considerate!

3) Be loving. Tell them how much you love them. I'm a letter writer so it's love notes for me. But it can be done with a telephone call, a visit, or a holiday gift, but it has got to be personal. I heard it said once, "little things don't mean a lot: little things mean everything!" Pay attention to the details and be loving.

4) Communicate. Tell them the truth, and do it now. It might bring about some short-term disappointment; but if I let my customer learn the bad news by shipping them the bad news, then I get long-term disassociation. Once the customer opens the door of the truck, the truth is told anyway, except this time it carries visual impact. More efficiently than words, the optic image is photographed and faxed into the mind. It is also filed for future reference. We had better communicate!

5) For self preservation, understand human nature. Some people are never satisfied. If you're giving honest-to-goodness value, marry those customers who appreciate it and love them to death. And those that don't appreciate it should be immediately referred to your competition. For your own piece of mind, understand human nature!

6) Keep the marriage interesting. If my style hasn't been jazzed up within the past three years, the relationship is getting boring and she is going to lose interest. Always maintain two projects in continuous motion: one of change and one of growth. This will serve to keep the marriage interesting.

WATCH PRICES

Keep a rubber tree in your office. That's what I do. It reminds me to watch my prices so I've got bounce-back ability. Three uncontrollable factors reduce your bounce-back-ability: *Inflation*, *Judgment*, and *Nature*. If our prices remain unchanged for three years at a 4% inflation factor, we're making 15% less. Three years at 7% and we're down by 25%. Let's quit kidding ourselves. We

can't control the cost of inflation by using a cheaper soil mix, reducing our service, taking fewer precautions, or by finding lower-price people. Those "solutions" only give the costs different names: "disease problems," "irate customers," "hard luck," and "poor help." I don't have a solution for inflation. I just know that it's a wave, and you either ride it or get crashed on.

We make judgments of our own accord, but the criteria we base them on are unpredictable or outdated. We make an educated guess; but interest rates, market conditions, fuel prices, weather predictions, and what the competition has up its sleeve lie beyond our clairvoyant capabilities. As we speak, much of the industry finds itself in a fix. A clandestine set of circumstances has flip-flopped the marketplace. About the time we realize a trend is hot, it is nearly too late to gear up and take advantage of it. Why do we always try to steal a piece of someone else's stale pie, when baking a new pie is so much fresher and tastier? We had best give some thought to creating our own trends. Let us be the pace setters!

And finally there's good old Mother Nature. I've yet to see a year in this business when we haven't been ambushed by at least one weather-related catastrophe. Have I got you depressed, yet?

Well, cheer up, there's hope! By realigning the way we look at our market, each and every one of us can measurably improve our chances for success. First of all, the size of our nurseries is completely within our control. Numbers are impressive. You really feel like a big shot in a big operation. But each time you double your size, you double your risk: diseases, labor problems, potential pesticide accidents, public and governmental visibility. We don't need size to make more money. We need to keep a bigger chunk of what passes through our hands. One by one, analyze each product you grow. Establish a price where it really should be. How many can you sell without discounting? Grow that number, gradually creep the inventory up until you exceed that level, then back off a mite. Now take a look at the next product: repeat the same procedure.

We cannot afford to increase risk by choice. Most of us operate with a high-risk factor and a low-cushion factor. Any business is subject to the weather. Large numbers of plants, suspect soil mixes, and limited and non-niched product lines are all indicative of high risk. Low cushion is a problem with pricing strategies: ignorance of true costs, panic in the face of a soft market, and the silly belief that large numbers will replace small incomes. If I operate with a high risk factor and a low cushion factor, then I am positioned to be squashed. I want to be here to serve my customers next year and the year after that. That's a critical responsibility. Watch those prices!

CREATING SUCCESS THROUGH THE DEVELOPMENT OF A REGIONAL MARKET

Magic formulas or secret fertilizers won't work. Our answers do not lie in having a bigger volume and a lower price than the fellow down the road. Building a regional market is a philosophy that makes our decisions for us. It's expecting the best because we give our best. It's about making a long-term commitment to reinvigorating our outlook continuously. It's trying something different. It's looking positively at the future, but only after making sure we've learned everything we possibly can from the past. It's about listening, caring, and responding. Developing a regional market is about treating people the way we like to be treated and about finding enough guts to be fair to ourselves.