

Achieving New Heights: A New Plant Introductions Program[®]

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OVERVIEW OF A PROFESSIONAL NEW PRODUCT INTRODUCTION PROGRAM

I would like to present the new products introduction processes used by other industries that can be implemented effectively within the nursery industry. Within the nursery industry, most new product introduction programs have been developed over time without following a professional process and lacking clear goals. The processes presently used are not as effective as possible. The economic and business environment that our industry is experiencing requires nurseries to change from hobby/lifestyle nurseries towards professional businesses with processes used in other industries. Most woody plants patented in the United States presently are not on the market (Foley, 2006). One of reasons is due to lack of implementing a professional new products program. Too many nurseries operate their programs in an ad hoc manner. The programs are filled with plants that will never be sold. These nurseries are more aligned to botanic gardens and arboreta; their new product programs a collection of plants. A professional program that introduces plants for people to enjoy in their home and commercial landscapes and is profitable for all involved in the supply chain is a paramount goal.

NEW PRODUCT INTRODUCTION PROCESS

Gather Market Information and Intelligence. Gather and document information from customers, consumers, trends, and market data. This input is conducted by all of the people within your organization. Input from customers is especially helpful to understand how they perceive your company. I have seen success using customer councils to gather information from key customers. The information should be brought into the new products team for review and input. Some of the information from external sources needs to be dissected to better understand what was meant, and how to implement within the company. As an example, customers may say they want more junipers. Ask your customers why they want junipers, how will they use them, who purchases these from them, when are they sold, and in what sizes. These types of open-ended questions (who, what, where, when, why, how) will help you better understand the meaning behind the information from market sources.

Strategic Planning. This is the most important topic and process. A team should be formed to manage the information and to develop actions agreed upon in the team. It is best to have a team that can work together in a collaborative process. There are no new product “stars” or “gurus” in the new products world. Highly successful new products programs are managed by teams of people, each with supporting roles. Working in a collaborative, respectful way insures that all members skills are equal and valuable.

Questions that this team should address:

- What do you want to accomplish for your company and your customers?
- Why do you want to accomplish these goals?
- What are your company and new products organizations strengths and weaknesses?
- What types of products do your customers look for you to grow and sell?
- What are specific characteristics of plants (foliage color, shrub, tree, flowering, evergreen, etc.)
- What are the dollar amounts you want to achieve? What are your profit margin expectations?

The strategic planning team should work together to develop a list of target plants based on characteristics (type of plant, habit, genera). This team should develop the plan with specific profit goals to achieve in a given period of time (a pro forma). Developing a business plan for new product introductions will greatly enhance the results.

Product Acquisition. Once you have a documented process to manage new products within your organization, set measurable goals and have specific product criteria you can begin to source new products. All of the work conducted prior to this step will greatly help you target your sourcing activities. Having criteria will enhance your ability to pass on plants that do not fit your intended goals. The best new products programs have the ability to pre-screen plants before the plants physically enter the nursery.

Product acquisition can be fun. But searching for new plants is difficult work and few people have all of the talents and knowledge needed to be successful. Managing the detailed transactions of finding the plant, cultivating the relationships, and gathering the details is critical. Too many people think this step is taking a vacation, traveling to foreign lands, and grabbing every plant they see. Product acquisition is not an adventure, but rather a professional process, with thoughtful consideration, open to new ideas, intent listening, and gathering all of the details needed for propagation, production, understanding the abilities of your nursery company, and being a great negotiator. Having these skills, plus knowing all of the plants sold in your market and a deep horticultural knowledge is a skill set few people possess. The most successful programs employ several people to conduct the product acquisition. Working in teams, they can better manage the entire process.

This process, used for commercial nurseries, is different than the process used for botanical gardens, arboreta, or private plant collectors. These institutions and individuals have different expectations and goals to accomplish. Intermingling the process of commercialization of a new product with private collecting expeditions can cause great confusion as it relates to the plants mission and the tasks to accomplish in commercialization of a new plant.

Incubation/Re-Establishment. This is the process of receiving plants from the source to re-establish. This is a difficult step. Plants shipped from over-seas are cleaned of all media from the roots. The plants then need to go through the inspection process by U.S.D.A. or other government agency outside of the U.S.A. Once plants arrive at your nursery, often days or weeks after the initial root washing process, they need to be delicately planted and re-established. This process is just

as much an art as it is a science. It can take weeks or months to re-establish a woody plant and to have it actively growing may take more than a year. The people managing this process need to be highly skilled. Have these people and facilities in place prior to plant collecting.

Product Testing. Product testing requires two distinct processes — production and garden testing. These processes have different goals. The plants' expectations should be understood by the entire group helping to evaluate a plant. After watching the evaluation process in commercial nurseries, I believe that you can under-evaluate a plant or over-evaluate a plant. A careful balance between gathering enough information on the product to make a careful choice to introduce and over-evaluating a plant to find reasons not to grow needs to be managed. Looking at successful nursery programs, getting the plant onto the market in managed quantities and continuing to gather garden performance information is beneficial for the consumer and for leading-edge retail garden centers. Having several people grow the plant in your market area can provide helpful feedback.

Production testing requires documentation and experimentation in propagation and production processes. This is one of the steps where a professional propagation manager is critically important. Often, with new plants, new ideas and processes for propagation need to be developed and implemented. This can be challenging for a large nursery with complicated processes and facilities developed for larger volume crops. Gathering information on how to commercially propagate a new plant is important as this information will be needed as volume is increased. Implementing these processes to commercially produce the plant is a sign of a great propagation manager.

Garden/landscape testing should occur simultaneously along with the production testing. How long the garden testing should occur is difficult to determine. Each plant has different needs to be evaluated (hardiness, disease resistance, foliage color retention, etc.). Your company needs to determine the appropriate length of time needed to gather data needed.

Decision Point. At this point in the evaluation, you will need to determine to introduce or remove from the program. With a clear strategy developed, gathering information and having all of the key stakeholders involved through the process, the decision point should be easy to make. The decision will occur over time and become self-evident.

Sales, Production, and Market Planning. A sales forecast for introduction needs to be developed. This planning process includes levels of inventory needed to sustain or increase availability over the initial introduction timeline (3 years, 5 years, or more). The sales forecasting needs to be balanced against the nursery capacity, crop timing, and inventory levels needed. When asking the sales force for input, you need to establish list pricing, customer channels, and the nursery capacity. You need to balance the requests of sales against the ability to make a profit and sell all of the stock on time at a margin that is equal to or higher than like products presently offered.

Sales Training. A documented process to educate sales team about the key product attributes (what the product does) should be done prior to presentation to the entire sales force. Having selected sales people participate in the initial planning

and evaluations is helpful as they have valuable insights into the market and positioning the product on the market. This process is ongoing, with different sales training tools used such as web meetings, PowerPoint presentations, samples for sales gardens, flyers, business magazine adds, and consumer adds. The costs of marketing need to be built in to the costs associated with the product.

The most common reason why most new product programs are ineffective is that they try to evaluate and introduce too many plants (Yinger, Pers. Commun.).

THE BEST EVALUATION PROGRAMS PRODUCE MARKET LEADERSHIP

1) The Pre-Screening/Pre-Selection Process (Strategic Planning).

- a) This is the most important step because it determines the size and overall quality of the program.
- b) It takes as much effort to evaluate a poor plant as a good one.
- c) Products entering the program should be uniquely different than the present products on the market. The plants need a compelling impact on the market.
- d) Raising the overall quality of plants at the program's in-flow is the easiest way to make the program more effective.
- e) This is the most difficult stage to manage in a consensus/team-driven environment. Being a commitment-based team is an effective way to support leadership and new products.
- f) A written mission statement requirement for each plant helps control plant in-flow, depersonalizes the decision, and prevents casual production.
- g) Never uncritically accept groups of plants from breeders for evaluation (beware the "these-are-all-my-babies" syndrome).
- h) Design a separate process for managing large hard-to-control groups of plants such as *Hydrangea*, *Camellia*, *Hemerocallis*, *Ilex*, azaleas, *Hosta*, *Magnolia*, *Hibiscus*, and *Iris*. Develop subgroups within the evaluation team. The subgroup should have professional expertise in the product with detailed knowledge of the genera. This work is done prior to sourcing/acquisition.
- i) A good program manager sometimes has to be a friendly cop.
- j) Use "20-foot" evaluation. Are there differences in the plants 20 ft away? If not do not bring the plant into the program. This rule is also known as the 55 mile per hour rule.
- k) Bottom line: Less is more. (Once you understand this, you will move towards leadership position.)

2) Sourcing New Products.

- a) Sourcing new products in a professional manner is important to move the entire industry from "hobby/vacation" to "professional."
- b) Knowing customs of different cultures and being respectful is paramount.
- c) Sourcing new products, though fun, is also hard work. To conduct this process successfully takes significant time in preparation and follow up. Few people have invested the time in the preparation and follow up needed to be successful.

- d) Gathering details of the plant takes time and patience.
 - e) Pre-determining plant characteristics will focus your sourcing.
- 3) Some Features of an Effective Evaluation Program.**
- a) Prior to working with any new plant or group of plants, answer the question “why.” This will lead towards a plan of action (Strategic Plan) for the overall program.
 - b) Everyone understands exactly why every plant is in the program.
 - c) Team members are selected based on how they can help move a plant forward into a program. Each team member understands the goals of the program and how he or she can help introduce a new plant.
 - d) The features of each plant are documented throughout the process.
 - e) All members of the group continue to learn important things about each plant as the process continues. Each team member brings information about the plant.
 - f) Membership on the team is based on leadership. Each member brings to the team their specific expertise (propagation, production, consumer trends, etc.). Each person supports and recognizes the other members' expertise.
 - g) While keeping in mind the general point of view of our customers, each plant is evaluated primarily from the point of view of establishing/maintaining LEADERSHIP in the market.
 - h) Plants do not face a firing squad; their future is determined by educated consensus (commitment-based principles).
 - i) Evaluation is based on two knowledge sets — leadership in the market place and production integration.
 - j) Take risks within the market place.
 - k) Cleanliness is next to Godliness — a well organized, clean facility is a sign of a professional program — an introduction program is not a botanical garden/collection.
- 4) Production Integration.**
- a) This process is often overlooked; it is “where the rubber meets the road.”
 - b) Production members are a part of the evaluation process. Their commitment to the product introduction is unwavering.
 - c) Salesmen often have “eyes-larger-than-their-stomach” syndrome. Volumes to sell are based on pre-determined market knowledge, pricing strategies, competitive market pricing, and a written sales/marketing plan.
 - d) Production build-up is based on a predetermined target introduction date and quantities. Production and sales are coordinated, using the rate of production as the first step to determine the introduction timeline.
 - e) A propagation and production integration team focus on problem solving with the intent on meeting the target dates. The team leader is part of the evaluation and strategic planning team.

- 5) **“Hard” Versus “Fuzzy” Programs.** Most evaluation programs are run by people with a background in science who favor a “hard” approach, where focus is on assembling data, extensively using focus groups, taking votes on plants, and deciding action on the basis of the results of votes.
- a) Strengths of “hard” programs:
 - i) Bodies of “hard” data are comforting to certain personality types.
 - ii) Program has a “scientific” feel.
 - iii) Appears to be efficient (but more effort is spent in collecting data than bringing plants to market).
 - b) Weaknesses of “hard” programs:
 - i) Appears to be highly responsive to customers.
 - ii) Never gets a person outside their comfort zone.
 - iii) Does not produce market leadership.

“Fuzzy” programs assemble less hard data, avoid up and down votes, seek consensus, focus on less quantifiable qualities of plants, and define the market in general and emotional terms.

- a) Strengths of “fuzzy” programs:
 - i) Process more closely mimics real-world process of making a buying decision.
 - ii) Encourages members to explore outside their comfort zone; can produce real market leadership.
 - iii) Can produce the biggest “wins” in the market for the grower and their customers.
- b) Weaknesses of “fuzzy” programs:
 - i) Are perceived to be flabby and unscientific by some personality types.
 - ii) When “fuzzy” programs pick losers, the bloopers can be awesome.

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