

TIE YOUR PROPAGATION TO SALES

SIDNEY MEADOWS

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Simply put, if you can sell it at a profit, root it. If not, then forget it. Put another way, just be sure your marketing program is equal to your production.

THE PAST

The nursery industry has experienced remarkable growth during the past 20 years, particularly in the last 10 years. During this period great progress has been made in the expertise of nursery stock propagation and production. There have also been big increases in the number of plants produced for the market each year.

Fortunately for all nurseries there has been enough growth in the nursery stock market to accommodate all this added production. There have been no problems of serious consequence.

During the fall of 1983 the word "glut" was becoming commonplace and the big price skid was on. All of this came to a halt on December 25, 1983 when the biggest freeze of all time wiped out all traces of surplus nursery stock.

Generally speaking, the years following were good ones for both retail and wholesale nurseries. There were enough plants around to get the job done, yet there were not enough to muddy up the water on prices.

THE PRESENT

Now, five years after the big freeze of '83, it will be well for everyone to pause for a moment to see if their production program and their position in the marketplace are in focus.

Marketing nursery stock is an individual matter. Your market will be the product of your actions. If there are no actions there is no market. The challenge of the future will definitely be in marketing.

Evaluate Your Market

Actually, marketing begins the day planting begins. It is not enough to plant and hope a buyer shows up when the plants are ready for sale. The market must be identified; contacts have to be made and pursued so sales can be made when the plants are ready to go.

It is also well to bear in mind that it is much easier to sell a plant someone is looking for than it is to be looking for someone to buy the plant because you have it.

There will always be some hot items and some cool ones. Just do your best not to get overloaded with those out of the limelight.

On the production side, first you evaluate your market. Second, you stick the cuttings, cultivar and number to fit the market. Third, you plant out the liners. If you still think you can sell the finished product, plant it. If not, sell the liner, or throw it away. You do not have to plant a liner just because you have it. If a plant has to go to the dump there is no better time than when it is a liner.

Determining Production Levels

We can call this a guessing game if we wish. If it has to be—then certainly we can minimize the guessing.

Currently we are right in the middle of the computer era. We can have instant itemized information on sales for the past two or three years, plus year-to-date figures, plus good inventory information. From these figures we will:

1. Know what our market has been
2. Be able to spot trends
3. Know what is on hand

This information puts one in a good position to make a judgment on future production. Each item can be examined from the standpoint of increase, decrease, or left the same. In cases of increases be sure there is solid reason behind the move. It should not be the subject of a whim.

Certainly all of this is not refined to a science, but it does reduce the margin of error to manageable levels. We will always have the unknowns of weather hazards, preferences of people, and other variables to deal with. If we will properly handle the known factors, we will be able to handle the unknown.

After the decision has been made on what to grow and in what numbers, four things need to be done:

1. Produce a quality product. The nation is clearly on a quality kick. The days of a profit with a second quality product are gone.

2. You must have a competitive price. You do not need to have the cheapest price in town, it just needs to be comparable, fair, and economic for all parties.

3. You must have a service to go with your product. Service has become a way of life in the United States and the nursery business is no exception.

4. You must develop a relationship with your customers. It has been said that people do not generally buy plants from strangers. Never were truer words spoken. The nursery business is a game requiring confidence and confidence feeds on relationships.

Everything in the business world revolves around two things, resources and relationships. Both take time and an effort. Give them your best shot. You must establish yourself as a dependable supplier. It is much easier to hold old customers than to get new ones.

THE FUTURE

Predicting the economics of the future is at best hazardous. Even so, it has to be done. Not only do we have to look at the total picture nationwide, we have to assess the situation in our individual trade area. If things will be booming we will need to play it that way. If things are not booming, the game needs to be played that way.

This past year we had some boom towns and also some of the other kind. That boils down to individual situations. Play yours the way you see it.

At this point the signals are varied for 1989. Part of this is geographic, and part is the natural confusion from the jungle of information and individual interpretations.

There is enough evidence around to indicate that new construction has slowed in many areas. Indications are that it will continue to slow down so it is only reasonable to expect the sale of landscape materials to do the same.

It will be good strategy to focus more on the home gardener and on the maintenance and upgrading of existing landscapes. If we promote the idea of improving our surroundings, we must carry the ball by providing materials suitable for homes as well as commercial establishments. This involves flower and leaf color, special shapes, and distinctive appearances. There is increasing interest in blooming plants. Just have them ready to go when they are in bud and have them gone by the time they bloom. Timing has always figured prominently in the nursery business and it gets more important every year.

There was a time when the nurseries were prone to grow plants and expect customers to buy them. This can still happen but don't make the mistake of depending on it. Today it takes equal focus on production and sales. This takes a comprehensive program from the beginning to the end. After all, a plant must be grown, sold, delivered, and the money collected for there to be a successful operation.

All of the above relates specifically to established nurseries. New nurseries without a track record can use this same information with one additional comment, "Be careful."

In addition to our individual marketing strategy there is a great need for a national promotion program. Right now the best bet we have is the Garden Council. It is in place and functioning. The concept is a sound and proven one. It will only fail if we fail in our support and direction.

We have a universal product. Everyone sees it. There has been increasing interest in plants and the last 10 years have been good. Now that selling promises to be harder, don't give up and quit. Sharpen up your procedures and compete.