

MEETING THE CHALLENGES OF A CHANGING NURSERY BUSINESS

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The nursery business has been around for a long time, but we can say it has matured into an industry in the last thirty years.

A changing way of life in the nursery business. Anytime we break away from the familiar path of proven practices and procedures and embark upon the unknown trail of new systems, a certain amount of initiative, ingenuity and risk are involved. The comfortable thing for the short run would be to remain status quo. In the long run nothing could be more disastrous. The changing world we live in has dictated that we make changes, and from all appearances this will continue.

Thirty years ago the starting wage for a southern nursery worker was \$3.00 for a nine hour day; there was no social security payment, unemployment compensation, or minimum wage.

Today in Alabama we have, for all practical purposes, a \$3.00 per hour starting wage, a 6.13% social security tax on annual income up to \$22,900.00, and an unemployment tax of 2.7% on \$6,600.00 of a worker's annual wage. To calculate all of this takes time and money.

Needless to say, this is enough to bring on some changes, but when we add problems such as energy crisis, OSHA, EPA and social legislation we can readily see the reasons for a revolution. The change that has taken place in the nursery business in the last thirty years could very well be called a revolution.

The nursery business thirty years ago. In 1948 the average southern nursery was rooting cuttings in sand benches in glass houses. When they were rooted, the cuttings were uprooted and potted in clay pots or planted in beds. A year later these bed-grown and potted liners were planted in beds or rows in the field for growing on. Of course, in this process the bed-grown liner had been uprooted twice.

When harvest time arrived these plants were dug up and sold bareroot, or with a root ball held together by a fibrous root system, in the case of azaleas and the like, or with rootball wrapped in burlap.

For all practical purposes all the wholesale nursery business was done during the fall, winter and spring months, when temperatures were cool and plants were dormant. When selling

time came, customers usually visited wholesale nurseries, inspected the plants, and returned home with them in a pickup or bobtail truck.

Retail nurseries of that day for the most part limited their operations to plant sales and landscaping. Business was done in the fall, winter and spring; many closed for the summer.

The nursery business today. Since that day a long list of new nursery work horses have appeared on the scene, such as plastic film, plastic pots, peat pots, intermittent mist systems, improved irrigation systems, digging machines, pine bark and trailer truck transportation. All of these have had their impact on changing nursery practices and systems.

In the retail sector we now have year round total service garden centers catering to the needs and desires of the consuming public.

Changes brought on by escalating costs. Our greatest challenge through all of these changes has been to increase our involvement in the daily lives of the public at a price they can accept and we can afford.

The big key to this project is **ECONOMICAL QUALITY PRODUCTION**, which results only from the right combination of equipment, procedures and people. All costs have increased, but the front runner has been nursery worker wages. These have tripled in the last ten years — the starting wage has gone from \$1.00 to \$3.00 per hour. The mandate is very clear today; We must streamline our system and assemble a staff that can operate it to give us the quantity and quality production necessary to survive in the market place.

Personnel management — a must in cost control. Since people are always the most important element in production, and the most expensive, it is well to start with them. The first requirement is to do the very best recruiting job possible in getting help. The second step is to train these people to operate the production system.

There are some basic facts of life we can bear in mind on the subject of workers. They will continue to cost us more, so we must explore every avenue to increase their effectiveness. It is well to remind personnel that there are three levels of cooperation by workers: (1) A worker can anticipate direction, (2) he can respond to direction, (3) he can ignore direction. Obviously it is to everyone's benefit if he anticipates.

It is well to have the crew aware of the three basic qualities of a career worker. The worker must be (1) productive, (2) congenial, (3) cooperative. We want to encourage help to cultivate the art of eliminating the following phrases from their vocabul-

ary: (1) "I assumed," (2) "I took for granted," (3) "I never realized."

In dealing with people we should never be guilty of thinking just because something is so, there is a guarantee of immediate acceptance. People need to be told. In many cases they need to be told again; then they may even need some proof.

All of this comes under the heading of *communication*, and it can vary greatly among individuals. As a matter of fact, the whole art of selling revolves around this very principle. If we are right, we can prevail if we are tactfully persistent. If we are wrong, of course, we will not prevail over the long run, which is all that really counts.

People need a reason for performing. This can be accomplished by giving the three R's — recognition, responsibility, and reward — for production. All three are important, but reward through extra pay for extra production deserves top consideration. This can be done by establishing quota expectations in advance or by paying a piece work rate. This requires counting for quantity and inspection for quality of work, but the trouble is well worthwhile.

Modern practices help control cost. Once personnel are coordinated into a well-organized team, production can proceed. It is wonderful that we can take a cutting, stick it in a peat or plastic pot in a flat, set it under intermittent mist in a plastic or shade cloth house and have it rooted and ready to transplant in 3 to 6 months. At that time it can be transplanted to a gallon can and be ready for sale within 12 months from the day the cutting was made. Should we want a 2 gallon size, we can produce it in 18 to 24 months.

Programs are essential. In the past there was more room for a hit and miss approach than there is now. There will be still less in the future. There should be a program set up for all stages or facets of production and sales, including the following: (1) propagation, (2) container or field production, (3) fertility, (4) weed control, (5) sales, (6) shipping, (7) collection. All of these are to be set up on a factual basis. We must plan on what we grow, how we grow it, how we sell it when it is grown, and how we collect for it once it is sold. This has always been the case, but now it is more important.

Market survey very helpful. No longer do we grow and hope to find a market. It is much better to find a market, then grow the material for that market.

It is well for a new nursery starting out, or an experienced established nursery, to bear in mind one basic characteristic of a wholesale nursery customer. He is slow to come and he is slow to desert if treated right. It is a big risk to enter the market with

only hope there will be an instant customer. We must first find the people with whom we have even limited rapport and convince them of the virtues of our plants, our services, and our nursery. This usually cannot be done overnight.

There is always a market for new plants. There are always markets for established cultivars in particular sizes and shapes. The opportunities can be determined and an orderly production can be arranged to get there at the proper time with material to match the market potential.

Current market — active. The current market is wide open. All available plants can be sold. This situation is the result of severe freeze damage during the winter of 1977 plus a booming new construction business. Currently there is a big production expansion in process to cover this need. This is expected, but at the same time a word of caution should be injected. Keep an eye on new construction; if it drops off, so will the need for landscape type of plant material.

Home gardener sustains nurserymen. The home gardener has been and will continue to be the anchor man in the garden center business. He has a basic desire to keep his home grounds attractive. We want not only to offer him the plant materials to keep his grounds attractive but also to encourage him to make it look better. We can do this by offering a good selection.

Inflation our biggest threat — plan ahead. Currently the biggest crisis in the business community is inflation with its escalating costs. This behooves us to take a hard look at our practices, procedures and facilities with man-hour productivity in mind. Every operation will have to be streamlined to accomplish an objective with the least amount of time and motion. It is much better to make these changes ahead of time rather than to wait until the crisis comes when time and money are both short.

Making a move ahead of time involves a certain amount of convincing personnel of the need, but this is a management responsibility. If we choose to wait for the crisis to convince help, then we have failed to exercise our station in life as a management leader.