

The award-winning staff of Watters Garden Center includes, from left: (back row) Scott Bennett, hardgoods buyer; Lisa Lain, owner; Ken Lain, owner; Gerald Rogers, nursery buyer; (front row) Leza L. Dandos, marketing; and Brad DeKruyter, general manager.

ask the right questions.”

In truth, whether it's promoting the garden center, helping customers find the right plant for their landscapes or keeping a close eye on the bottom line, this retailer does a lot of the same types of things others do. It's just that Watters does all of these things, and many others, very, very well.

It's the reason this Prescott, Ariz., retailer is the Revolutionary 100 Southwest Regional Winner four years running, and why Watters Garden Center is our Revolutionary 100 National Winner for 2010.

Everybody In

Many garden center businesses take on the personality of their owners, and this one is no exception. Watters Garden Center is an active place, and an important part of its community. On any given day there, you're likely to see a busy gardening class or an after-hours charity event in addition to a crowd of shoppers.

Lain is the face of Watters Garden Center and he's known as "The Garden Guy" in and around Prescott. Residents see him speaking at events for community organizations, read his gardening columns in the local paper and hear his advice on the radio every Saturday from 11-noon. He is not, however, the only high-profile member of the staff. In fact,

just about everyone in the company is busy speaking, teaching, writing and spreading the word about gardening and Watters Garden Center.

"Pretty much the whole staff from my general manager, Brad DeKruyter, on down is involved with that.

If you're not good in front of the public, you're probably not going to fit in at Watters Garden Center," Lain says. "They're teaching classes, making presentations, doing interviews on the radio. I want my staff to be seen as the pros, so you don't have to just come talk to Ken Lain The Garden Guy. As a customer,

The Retailer's Retailer

With a niche as the local experts and a clear focus on the bottom line, garden retailing is serious business for Watters Garden Center.

by Richard Jones, Group Editor
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First and foremost, Ken Lain is a retailer. Yes, he owns and operates Watters Garden Center, one of the most revolutionary garden centers in the country. And yes, he appreciates the beauty his business brings to his community and the joy it brings to his customers' lives. But talk with him for five minutes, and it's clear his perspective is a little different than that of many of his peers. He knows why he's in the business, and he's very serious about the goals he expects to achieve.

"Plants and flowers are a great product to be selling. They're far more romantic than socks or soap, but I don't fall in love with the product," Lain says. "I view this as a specialty retail garden center and it's purely an asset. It's there to generate income – cash. A small business is a cash-

churning machine."

Lain and the rest of the Watters staff are in perpetual motion, always multitasking and always talking to someone – anyone – about retailing. The goal, he says, is simple: to learn something he doesn't know that can help him in his business. "If you want to get smarter, you have to hang out with smarter people than you are," Lain says. "In any group, I'm always looking for the people who are the smartest in the crowd and I want to hang out with those folks. Any person has something to offer. You just have to



Watters Garden Center

Owner & President: Ken Lain

Location: Prescott, Ariz.

Size: 73,000 sq. ft.

Annual Sales:
Nearly \$2 million

Website: www.wattersonline.com



I know I can talk to anyone at Watters Garden Center because they're experts, because I heard them on the radio."

Make Local Your Own

When the Watters staff speaks, people listen, Lain says, because they understand gardening in the mountains of Northern Arizona inside and out.

"It's our niche in the marketplace. We're noted as the experts in the region, as far as which plants will grow well in our area. If you want to know what a bug is, we know how to identify it and kill it if it's a problem. If a plant is struggling, we know how to break out the garden pharmacy and medicate it and make it better," he says.

That focus on local extends to relationships with other Prescott-area businesses and organizations. "One of our philosophies here at Watters Garden Center is 'He with the most friends wins.' I think it's really beneficial to connect with other local merchants, especially if there are partnerships," Lain says.

He cites the example of one of Watters' classes last spring on repellents and other deterrents to keep animals out of the garden. Lain invited the owner of the local feed store to make a presentation to the class on how to install an electric fence. Both businesses advertised the event, bringing more people to Watters for the class and selling a few electric fences for the feed store.

"We all benefited from the partnership. More plants were purchased because we had more barriers up and people could garden without animals," he says.

Lain also places value on partnering with local non-profits. "We work with groups like The Prescott Fine Arts Association, Soroptomists International, Rotary International and The Humane Society," he says. "We give the garden center away for an evening. They fill it with 200-300 people, and we've had up to \$20,000 raised with one event."

Watters is promoted as the venue for the groups' fundraisers and everyone at the garden center gets to do something good for the causes they care about. "It's truly a win-win-win all the way around," he says. "We put a lot of energy into that and I think it makes our community a better place to live."

It's All About Selling Product

Being the local experts in a somewhat isolated location like Prescott can be a big selling point with customers. At the same time, though, it can cause some serious headaches in dealing with suppliers.

"We're up in the mountains, a hundred miles north of Phoenix, a couple hundred miles south of Vegas. It's difficult to get trucks to roll to this part of the country," Lain says. "Plus, we're pretty far from the

major growing areas. We pull material out of Portland, Ore. That's 1,800 miles away. Southern California is 500 miles away. We have to work hard to figure out ways to get product here."

For Watters, this has meant using a somewhat risky strategy: significantly limiting its number of active vendors. But it's a decision that has really paid off and created beneficial relationships with suppliers. In fact, this little 2-acre garden center is able to get most of its vendors to deliver and help stock product that comes into the store pre-priced and with UPC tags already in place. That includes plant material.

"We're buying more product from fewer vendors, so all of a sudden we become more important and it's worth them rolling the trucks our way because we're putting more on those trucks," Lain says.

Why Watters Garden Center Is Revolutionary

Watters Garden Center is one of the most active and progressive retailers in our Revolutionary 100 survey each year. 2010 is no different, with owner Ken Lain reporting action on a wide range of business activities.

Here are just a few of the experiments, improvements, and innovative ideas Lain and his team tackled over the last 12 months that illustrate why Watters is our 2010 Revolutionary 100 National Winner:

- Made upgrades to garden center facilities, including parking, structures, benching & displays, interior layout, exterior layout and technology.
- Created a private label organic fertilizer for Watters, billing it as a local

product that supports local economies, local agriculture and local businesses.

- Expanded the garden center's digital presence, launching an active Facebook fan page and opening an e-commerce section on its website to add incremental sales through the Internet.
- Continued to expand its base of activity with community organizations, including three area Chambers of Commerce; a young professionals networking group, Prescott Area Leadership; five different Rotary Clubs; Soroptomist women's leadership programs; and the Prescott Fine Arts Association.

- Broadened the garden center's radio profile, adding two National Public Radio stations to its advertising mix and moving its weekly radio program, "The Mountain Gardener," to a new station with a larger audience and better time slot.



cover story

Watters also partners with other garden centers in the region on orders, to create workable delivery routes.

"I would say we probably have half of the vendors most garden centers have. We're choosing vendors that have the ability to price it, drop it on the rack, leave it there and come by next week to pick up the rack and drop off another load. It's streamlining," he says. "We're looking for vendors that want to partner with us to sell more through our garden center and make the retail experience simpler to get product onto the sales floor."

The worst possible scenario for any garden center is to have product delivered and then sit on the back dock for two days on a busy spring weekend simply because the staff couldn't get there to



Classes and events build relationships and make Watters an integral part of the local community.

price it, or stock it or merchandise it, he says. "Vendors see this, and they're there to help us. Or, the aggressive ones are. If they can't do that or they don't have the interest, they're probably going to be thinned and replaced by another vendor."

That step became even more critical when Watters installed POS four years ago. "Once you get a POS system past the point of a glorified cash register and into real usable data streamlining the register process, it's imperative you have price tags and UPC codes on there already. It just makes sense – if it's got a price tag with a UPC code on it right off the truck and you've been able to input that into your system correctly and quickly, that's all going to increase sales."

2010 And Beyond

Even with all of these strategies to keep the business moving forward, Watters Garden Center is just as vulnerable to the ups and downs of the economy as the next retailer. The company saw a sales decrease of nearly 5 percent in 2009, but Lain sees that turning around, and he's planning for growth in 2010.

"I'm holding the line on expenses, but we're going to keep advertising and we expect sales increases next year overall. If we get our merchandising and product mix right, and talk about it in our advertising, I think people will come in and buy," Lain says.

How does he see that happening? For Watters Garden Center, at least, Lain is moving forward by looking 25 years into the past.

"I'm going to go backwards in time. I'm looking at creating a classic 1980s garden center where the focus was all about the plants," he says. "It wasn't about giftware. It wasn't about furniture. It was all about how to make plants grow."

Watters has a limited amount of space to work with, so that means making wise decisions about what product is going to be displayed. Lain is slimming down gift lines and increasing houseplants, expanding in herbs and vegetables and reducing fountains and statuary and benching to make room

for more perennials.

"It's going to be all about the plants," he says. And that focus, combined with his vendor partnerships and local relationships and the trust he and his knowledgeable staff have built with customers, will make the difference.

"It sets us apart. We are the authority on plants in our region. If you want to know how to make plants grow and pick the very best ones, you come to Watters Garden Center. That's what we're going to focus on. I think in the past, when the economy was really good, it was easy to lose focus on what got you there," Lain says.

"Plants are what make a garden center great. I want Watters to be a great garden center." TGC

Watters Garden Center Owner Ken Lain On...

What customers want:



"I'm not big on a lot of brand new plants. New color is good, but a petunia is a petunia. Now, this is where I'm probably different. I don't think consumers care. They just want a big, bold, beautiful plant that's inspiring."

Big categories for 2010:

"Increases will be in annuals, perennials, herbs and vegetables of course, and also hard goods. Fertilizer sales are off the charts, and I think we'll see increases in the hard good products that make plants look better, grow better. Flowering shrubs, which are basically just big perennials that color up, I think we'll see big increases in that."

The future of garden retail:

"You really need to focus on your core product, which is plants if you're a garden center, or you're at risk of competitors coming after you and taking a piece of your business. With the economy the way it is, I think that's a necessity. It's extremely competitive. Everyone's chasing after every crumb. If you don't protect what made you great, someone's going to come eat your lunch if you're not careful."

The importance of POS and streamlining the register process with pre-pricing and UPCs:

"It's exactly what the box stores do. They're pretty smart. We need to mimic them. There are other people smarter than I am out there. I want to do what they do."



More Online

To see video and more photos of Watters Garden Center, go to TodaysGardenCenter.com and look for the more online logo.

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