

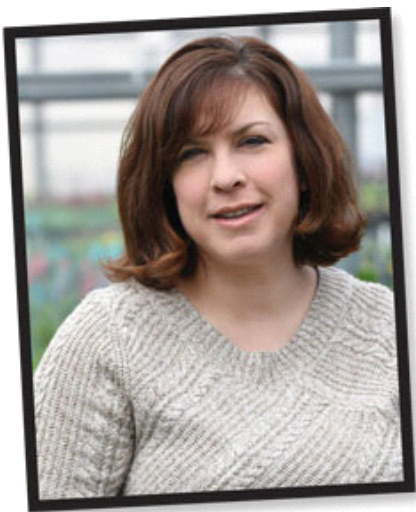
GROWERTALKS

Inside Look

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The Pain of Prices

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You know you're old when you start comparing the prices of today to what they were when you were younger.

"Remember when _____ cost _____?" Nowadays, you can pretty much fill in those blanks with anything, from milk to gas to movie tickets.

What happens when prices for something you use or enjoy on a regular basis go up past your threshold? You cut back. Maybe you don't eat as much cereal, or pare down to one car, or you only go to the movies once a month. But you know that something has to give because those prices aren't what they used to be ... and your take-home pay isn't keeping up with the increases.

When business costs go up, owners may cut back, too, on things like payroll, travel expenses and even office supplies. But what if certain costs go up double or triple? And in multiple areas?

I know that's what many of you are experiencing. When describing a pattern of bad luck, my mom always likes to say, "When it rains, it pours," and, right now, you guys need a golf umbrella.

Transportation, healthcare, labor and wages—these four have all seen significant increases during the last five years. You can only cut so much (and how could you cut payroll when you already don't have enough people to work anyway?), so your next option is to raise prices. Easy for a lot of industries; for ours, we seem to treat raising our prices like a cat sitting on the edge of a bathtub—you're hesitant to even stick a paw in.

But raising your prices doesn't have to be a painful experience; there are ways to present your case to your customers diplomatically, as long as you have all the info to back it up. Look, your customers know everything is going up—they're feeling it, too—but you can't just use that as your reason. Facts and new ideas will lay the foundation for the conversation.

I asked four of your peers, who have had to increase their prices in order to mitigate raising costs, how they approached their customers about increases.

While we're talking about money, there are basic ways you can save some—even on things you haven't thought of before. Get some tips on saving money on plants, labor, water and heating.

The folks from Dickman Farms in Auburn, New York, saved some money—thousands, actually—because they're premier members of AmericanHort. You know that as a member you get more than entrance into the Cultivate show in Columbus every year, right? Find out how the Dickmans learned of the value of their AmericanHort membership.

As I was talking to Kube Pak's Bill Swanekamp for this month's cover story, he said that operating a greenhouse business is a lot different—and a lot harder—than it used to be. My takeaway from speaking with Bill, Andy, Stan and Joche is that the key is to find ways to be flexible and creative when responding to new challenges. In an industry built on relationships, you should be able to discover that within your internal and external support systems. **GT**