

GROWERTALKS

Growers Talk Business

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The Only Constant is Change

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As you return from well-deserved summer trips after another busy spring, it's a good time to take stock about both where you are as a business or individual, and where we are as a live goods industry. When a full six of the Top 10 businesses in our industry have either been acquired by another firm or gone bankrupt in the last five years (or both), and we continue to see consolidation and changes, the old adage of "the only constant in life is change" is well-suited for the live goods industry.

Is industry change good for us? As we begin planning for next year, everyone should answer YES—as long as we're willing to adapt and change with the new norms and shifting tides. So, as we embark upon 2020, let's delve into two areas of change that seemed top of mind at Cultivate this year, as well as some thoughts on how to attack those changing tides.

1. CAST or something else—The current problematic timing of the California Spring Trials for many has gained some additional momentum as a couple of breeders have now pulled out for 2020 and will either not display or do more online and other methods of display.

What finally drove this move? First, trials are everywhere now and seeing them in early summer (Metrolina, Rakers, Europe) or pre-season (Costa) is much more efficient and cost-effective, so it's begun to make CAST not "outdated," but "wrong-dated." What I mean is that having a major industry event in April and expecting the various facets of the industry to attend has always been a challenge. No breeder is going to spend the money and time displaying their goods if only a small subset of the industry attends.

Second, savvy breeders are targeting events with the right people and right concepts at various times/places throughout the year vs. trying to please brokers, big box customers and live goods manufacturers all at one time in the busiest month of the year in various locations on the West Coast. I don't think it means CAST goes away, but I do think it means it will change/evolve into something more targeted to the broker community.

2. Do I grow hemp, cannabis, indoor veggies or "keep trucking along"—At the end of the day, I would submit that we're all in business to deliver goods and services to generate profitable revenue to help support our families, lifestyles, employees, investors and causes. If the physical structures we've built over time can produce different end results in MORE product lines that generate profitable revenue, then that's good for everyone. More profitable revenue means more jobs, which helps grow the economy; more product options means we won't all choose to

produce the same thing and over-supply the market.

Yes, there are moral/state/customer/federal issues to address no matter which way you decide to look at it, but as an industry, it's GOOD that we have the ability to use our facilities for more revenue-generating activities. Any business would want that for their industry, no matter if you individually decide to invest/divest/diversify into new avenues or decide to continue to stick to your core competencies and get better at them.

But, no matter what you do, remember that nothing in business is easy. Before doing anything that has possible long-term impact, take some thoughtful steps:

- Talk to your teams. Looking at ways to diversify sounds good in your office, but your team has to buy in and be a part of any decision or they might not be there to drive it when it comes time to do the work.
- Talk to your current customers. Sounds simple, but it can be easy to go off to your separate corners after the season and work the plan in seclusion. The discussion with the customers can be hard, but that transparency is key to drive future success. Have the hard conversation now vs. waiting until they find out you're thinking of diversifying and then they diversify from you.
- Have a business plan. There are lots of "shiny new pennies" out there, so if you're thinking about new business ideas, have a five-year strategy plan, not a five-month plan.
- Innovation is key. Innovation is at the heart of what it takes to stand out and grow no matter what business direction you take. And it can come in many forms: product innovation, packaging innovation, new business ideas, growing innovation—it all counts and is needed. By trudging out the same old mix every year, you're effectively asking the same consumers to buy more of the same thing you have to grow sales. The companies that have the most innovative new items are the ones growing (both inside and outside the industry) and they all have a pipeline of testing and research to see what ideas will work with consumers without having to invest so much in every idea. **GT**

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