

GROWERTALKS

Growers Talk Business

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Planning for 2024

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As we embark on spring 2023, this is the perfect time to begin the evaluation of how you'll go forward and complete your field SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. While we're in season is also the perfect time to seek opportunities where you might grow your business or do better in what you're already doing.

I'd like to offer some insight to how you might approach evaluating and seeking opportunities. Consider these points when you're walking your customers' or competitors' stores.

Strengths

Think about what you're really good at. Things like quality, ability to deliver, regionality, merchandising or other competitive advantages. When walking retail, I often see gaps where we can create a real advantage for ourselves and our customer. Customers are always looking for ways to one-up their competition. This may be in the form of quality, color, presentation or merchandising.

Quality: Keep in mind that quality is a given at most customers, but different customers or buyers perceive quality differently. It's your goal to identify real quality gaps that can give you the advantage on certain SKUs. Take pictures of what you can offer that may present a compelling option for your customer.

Delivery: You may have a regional advantage—especially in spring, speed supports turn rates. It's essential for customers to receive timely delivery. Does your rack system provide real advantage and delivery efficiency? Do you have tailgates or must your customer have a forklift?

Merchandising service: Depending on your customer, this may or may not be a point of value, however, this can be a key advantage. Many retailers struggle to maintain appealing customer-facing displays. Remember our business depends on impact and presentation. How well do you execute relative to your competitors?

Other advantages: Find as many unique values as possible.

Understanding your strengths and how you might outperform a competitor in-season are immensely helpful, allowing you to show real-time examples that could grow your mutual business with your customer. It's important to evaluate strengths for yourself and your customer, tailored to reflect each customer's or supplier's needs. Not all strengths are relative for all customers.

Weaknesses

Depending on your personal style, this can be difficult for some. Myself, I tend to be more critical of our company, which leads to many opportunities. I also feel this assures I don't oversell a customer and will comfortably deliver my sales proposition.

I've also found it can be beneficial identifying weaknesses with customers, which then translate into what we call "correction of errors." Corrective actions, if dealt with correctly, present opportunity. As you walk your retailers, you'll certainly see ways you can do better. Take pictures to use as examples to take back to your team or share with your customers to show how you'd like to improve. I often review our weaknesses against our strengths and evaluate the gaps, which translate into opportunities.

Opportunities

This is the fun part! I find my travels at retail always find me coming home with a lengthy list of opportunities. I like to break opportunities down into these buckets:

SKU opportunities: We always look for opportunities to expand our business, first in our current customers, and secondly in new customers. We focus on what we're good at and how we can create a compelling story for our customers. We consider depth in SKUs like variety selection—presentation on the bench or rack, and of course, quality.

Corrective actions: The biggest challenges in retail are the simple things, like having the cash registers running, garden center gates open or getting watering done. Simply knowing these weaknesses and addressing them with your customers and finding the solutions together create some of the greatest opportunities for growth and long-term benefit for you and your customer. We find our customers are open to these discussions and it has huge upside benefits.

Service & merchandising: Often, this is a key value proposition. How you present can make or break a sale.

Threats

These are things that can cost you business or money if not addressed appropriately. Some of the examples we evaluate in our business are:

External threats, such as a competitor who may outperform us in any way, which may cause our customer to move business away from us. These could include internal quality issues, late deliveries, poor rack pickup, lack of color, poor in-store displays or even lack of depth in each SKU. Also, cost of materials, utilities and interest rates.

Internal threats, such as staff challenges, succession and liquidity.

Remember, your greatest weakness can be your greatest strengths, and the same goes for opportunities and threats.

Planning considerations:

- Consult with your customers or prospective customers early about opportunities, but also clearly discuss timelines you need to work with to execute a successful 2024 season. Don't underestimate the planning, supply chain run time or delays, or the time it may take to get the approvals you need for a given proposal.
- Cost review: Unfortunately, most operating costs haven't gone down. Lay out your plan to clearly articulate what you'll need for cost increases.
- Do you need to build? Depending on the size of your expansion this may be a challenge. We now plan and give

final approval two years ahead. I've heard there's some capacity with builders, and if your expansion is five acres or less, you may be able to complete it for 2024 production.

- Don't forget the internal capacity building: your team. What positions will you need to fill? Do you have the experience and ability to support your growth plans?

I hope this provides a method of thinking that helps in your planning for the 2024 season. Wishing you all a prosperous season! **GT**

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