

TECH TIPS FOR IGCs

Leveraging today's top technology trends can help you achieve your 2016 garden center business goals.



By Sam Kirkland

Now that you are into the new year with your goals for 2016 in place, and you are preparing for spring, it is time for you to look at technology and how it can help your business succeed in taking the competition head-on to win.

Aligning your company's goals with technology, where applicable, is smart business, and even small improvements can mean big returns to your business.

To start, create a dashboard or a scorecard to manage your goals. Make it simple enough to see the information you need to manage your business within one view, so you can get the pulse of your business at any time. This allows you to manage the unexpected and frees up your time to focus on employees and customers.

If you are able to pinpoint areas of concern and address them immediately most of the time, you can resolve business practices and work on long-term success. At the same time, the need to focus on what is hurting the company is as important as what is working at peak.

Finding the metrics to manage is key to the success of any scorecard, and knowing what the last year's sales data was and this year's goals are is key to the success of measuring, monitoring and working on your business.

So let's look at some things that can have impact.

A Scorecard

Your single-view dashboard or scorecard should include what you need to compare last year's with this year's data and get a solid understanding of your business.

Some key items to include are:

- Percent increase in sales
- Percent increase in gross margin
- Percent increase in average ticket
- Percent increase transaction count

- Percent line items per transaction
- Inventory turnover rates

You will know that your operations land within the average range if:

- Your gross margin rate is in the range of 45 to 60 percent.
- Your labor costs are within 20 to 35 percent of sales.
- Inventory turnover ratio is between 1.5 to 12 percent (very subjective).

Some common areas that can impact your business in a negative way are:

- Inventory markdowns
- Excessive reductions
- A high rate of returns on items
- Everyday low margin inventory
- Price exceptions, discounts given by clerks

Technological advances continue to make it easier to achieve sales goals by appealing to customer needs. There are new capabilities on the horizon, and the 2016 retail technology trends I am watching include:

Mobile Wallets

Currently this is a form of payment that is new and cool but lacks functionality. As mobile payment capabilities improve and consumers learn about the security of this type of payment, we'll see consumer behavior driving retail behavior.

In other words, consumers will start expecting the acceptance of mobile wallets at retail business.

Credit Card Processing

In 2015, the focus was on Europay, MasterCard, and Visa (EMV) and its adoption with the banking industry's security related regulations taking effect. However, though EMV is being adopted, the industry and its customers cannot fully relax

about identity security. EMV stops at the card reader, so real data security will still be an issue in 2016.

The next steps beyond EMV are tokenization of credit card data and adding Point 2 Point encryption. Businesses should now be evaluating this as an option to add additional credit card security.

Improvements in Mobile Technology

For both consumers and businesses, mobile can seem overwhelming, and every day there are new apps available.

However, apps enable snippets of information, not full access to data or information, so selecting apps that deliver actionable behavior will be key to improving business operations.

Also, understanding what your customers are using and what they are looking for or researching can help in understanding customer needs.

Cloud

As we see technology improving rapidly and its costs remaining competitive, operations hosting — where software solutions are hosted in the cloud — will continue to be an option.

Removing hardware and its related maintenance costs from businesses offers good reason for evaluating a move from an on-premises server to accessing the cloud.

Additional reasons for considering a hosted offering include added security and data access as physical hardware can be stolen or damaged.

In 2016 and over the next two to four years, we will see most businesses moving some or all of their operations to the cloud.

eCommerce Improvements and Adoption in Brick & Mortar Environments

This applies to both product visibility and selling online. Electronic commerce can seem very complex, but it is an important function businesses need to support online inventory visibility for customers.

Making it possible to search online for an item that your business carries can greatly improve the likelihood that customers will go to your garden center versus going to a competitor for something you stock.

The next step is to sell online, which requires your specific business focus including understanding the geographical area, focusing on existing customers with loyalty programs, attracting new customers and maintaining desired product offerings.

Electronic commerce continues to be an option businesses need to discuss, understand and consider offering.

Email, Social Media and Text-Based Marketing

Reaching all the generational groups with items such as helpful guides on planting, maintaining, fertilizing, etc. in the method they prefer can offer challenges to businesses.

A balance of marketing to your existing customers and attracting new ones requires a mix of old and new methods.

Email remains a good method, and social media — with Facebook and Pinterest leading the way — is growing in importance. Not far behind Facebook

and Pinterest, we see Twitter, Instagram, YouTube and check-in apps such as Swarm and Yelp.

Understanding what your customers are using and what channels you need to monitor will be critical.

Even text-based advertising is becoming popular with more companies offering programs that help capture phone numbers in order to market via text.

Whether you incorporate all or some of these technological trends to address customer needs, when you reach the end of 2016 you will be able to return to your single-view dashboard or scorecard to compare last year's and this year's numbers and determine whether you met your goals.

Chances are, if you have incorporated smart technological changes, you'll see that you were successful.

It starts with knowing what you want to achieve, continues with knowing who your customers are and what trends they are following, and ends successfully with the implementation of the right technology. **LGR**

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