

HEADLINES

Compiled by Catherine Evans

Large Turnout for Management Clinic

More than 800 growers, retailers, nurserymen and other businesspeople attended the American Nursery and Landscaper Association's (ANLA) 2003 Management Clinic in Louisville, Ky., January 30 through February 2. Sessions were held in the Galt House Hotel, one of Louisville's oldest hotels. The festivities started with an orientation for first-time attendees who met with long-time clinic goers to discuss what to expect, followed by a reception for attendees, which kicked off two full days of idea sharing, motivational speakers and networking. ANLA provided a comfortable atmosphere with friendly and helpful industry leaders, which in turn allowed and encouraged attendees to meet, share and talk openly with each other about industry issues and trends.

More than 100 speakers shared their thoughts, ideas and plans regarding numerous topics such as retail business basics, retail business management, designing and building, landscape distribution, human resources/finance, personal growth and team building.

One of the highest-ranked speakers, for the second year in a row, was John Kennedy from Kennedy Consulting, who spoke throughout the clinic. Kennedy held a special team-building workshop, which was new for the clinic this year, where he demonstrated how different personalities are needed to solve common problems and build a successful team. Attendees were split up into teams and asked to participate in many exercises that were fun and beneficial to their teams within their businesses.

Connie Podesta, author and therapist, provided comedy while motivating attendees to look at themselves and improve; Jim Cathcart, founder and CEO of Cathcart Institute, shared stories, visuals, research and discussion to make attendees think twice about the way their businesses are run; and Rick Pitino, University of Louisville Men's Basketball head coach, also delivered motivation to acquire a winning attitude to apply to a winning business.

P. Allen Smith, TV personality, spoke to the group

continued on page 56



Everyone was eager to participate in one of John Kennedy's exercises at the Team Building Workshop.

Kmart Closes 300 Stores

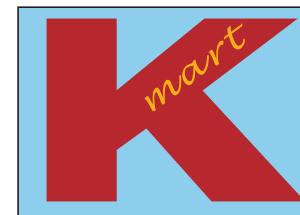
The Kmart Corporation will be closing more than 300 locations as part of a plan to emerge from bankruptcy by April 30, 2003. A federal bankruptcy judge ruled in favor of allowing Kmart to close the stores. The company has received a commitment for up to \$2 billion in exit financing from GE Commercial Finance, Fleet Retail Finance Inc. and Bank of America, N.A. These financial establishments will be taking over from the current \$2 billion debtor-in-possession (DIP) facility.

Kmart's Board of Directors approved the company's 5-year business plan and the framework for an all-equity Plan of Reorganization. On January 28, 2003, a judge approved Kmart's Plan of Reorganization, costing Kmart over \$300 million and 35,000 employees their jobs.

As part of its efforts to enhance the company's operating and financial performance, the completion of Kmart's strategic review of its store base and distribution centers will result in the closing of more than 300 stores and one distribution center. Kmart will continue to operate more than 1,500 stores in convenient locations across the United States, the Caribbean and Guam.

Stan Pohmer, president of Pohmer Consulting said, "Kmart has done the short-term tactical things necessary to save the company and exit bankruptcy court protection. But what isn't yet evident are the strategic changes and programs that will allow it to survive long-term."

In addition to the store closings, Kmart has entered into an amendment to its DIP creditors that permits the store closings and adjusts the covenant pertaining to the company's cumulative EBITDA (earnings before interest, taxes, depreciation and amortization) over specified periods to provide the company with additional flexibility going forward.



continued on page 58

PlantFind Adds Hard Goods to its Sales

Since every company needs supplies to run its business, PlantFind has launched a hardgoods section on the PlantFind network. This section allows companies to list their catalog products, along with pictures and descriptions, so interested buyers can connect with suppliers. The PlantFind "quick click" system allows buyers to shop multiple manufacturers and dealers from one shopping cart. According to PlantFind, this is one of the newest features the Internet has seen to make shopping for products faster and easier. Manufacturers can also protect their dealers with PlantFind's automated system that will drive the sale to the closest dealer based on geographic location. Each member gets its own storefront with all pertinent information about the company, and the store is fully equipped with shopping carts, info request systems and catalog updating. For more information, go to www.plantfind.com.

ANLA and The Scotts Co. Introduce Retail Recipes

The American Nursery and Landscape Association (ANLA) and its retail division, the National Garden Center Organization, in conjunction with The Scotts Company, Marysville, Ohio, are bringing independent garden centers a new product showcasing power merchandiser John Stanley. "Retail Recipes" features an extensive collection of merchandising and promotional ideas designed to inspire customers to buy.

Retail Recipes, a 2-year, subscription-based program, offers independent garden centers 10 different card packs featuring 4-color photographs of sample displays, complete with step-by-step instructions. The packs arrive prior to each major selling season and include 15 assorted, weather-resistant cards. Each card is filled with information, tips and easy-to-follow instructions retailers can utilize to create seasonally appropriate merchandising displays.

LAWN & GARDEN RETAILER
HEADLINES

National Gardening Association Celebrates National Garden Month

This year the National Gardening Association (NGA) is helping promote and celebrate "The Power of Gardening" to highlight how gardening can transform lives. National Garden Month takes place during April 2003.

Valerie Kelsey, president of the NGA, said "We at NGA know from 30 years of experience that gardening has the power to transform individuals and their local and global communities."

One of the central celebrations planned is a special dedication ceremony at the National Botanical Garden in Washington, D.C., honoring the presidential proclamation declaring the inaugural National Garden Week in 1986. Other planned activities include a "Plant the National Flower" campaign directed by the National Garden Bureau. An NGA school promotion will award a garden to a school that wins an essay contest on "What Gardening Means to Us."

NGA has launched www.nationalgardenmonth.org, which will feature downloadable promotional materials and suggested garden-related events and activities. Schools, public gardens, communities and retail garden centers nationwide may post their activities on a national calendar of events and create links to their own Web sites.

Home Depot Expands Landscaping Program

The Home Depot recently announced that Texas will be the first expansion state outside of Georgia for its new Home Depot Landscape Supply stores.

The company said it plans to open several of the new concept stores in the state this year, beginning in Arlington. Additional locations opening later this spring will be in Plano, Grapevine, Lewisville and Dallas.

Home Depot Landscape Supply locations are designed to extend the reach of Home Depot's garden departments, focusing on professional landscapers and do-it-yourself gardeners. The Arlington store brings the number of Home Depot Landscape Supply stores open to date to four. The first three were piloted in Atlanta last summer.

The stores are set up with separate entrances for the professional landscaper and the do-it-yourself enthusiast. The pro-side of the store features job-lot quantities with bulk items stacked nearby. The other side of the store resembles a greenhouse, complete with exotic plants and flowers.

FNGA Announces Winners

The Florida Nurserymen and Growers Association (FNGA), in an ongoing effort to promote plant production and sale, has chosen its 2003 Florida Plants of the year. The plants are *Stokesia laevis* Stokes' Aster, *Petrea volubilis* Sandpaper Vine, *Paspalum quadrifarium* Evergreen Paspalum, *Brunfelsia grandiflora* Yesterday-today-and-tomorrow, *Callicarpa americana* Beautyberry, *Magnolia grandiflora* 'Little Gem' and *Schefflera acroicola* 'Luseane'.

These plants are chosen on an annual basis by a group of growers, horticulturalists, retailers, landscape professionals and the University of Florida faculty. For a plant to be considered for the award, it must meet the criteria set by the FNGA. The plants must display good pest resistance, require reasonable care and be easy to propagate and grow. ▶



Clockwise from top: Stokes' Aster; Sandpaper Vine; 'Luseane'.

MARCH

14-18: Columbus Marketplace March Market
 Columbus, Ohio
 T: (800) 686-6278
www.thecolumbusmarketplace.com

15-18: Atlanta Spring Gift Accessories & Holiday Market
 Atlanta, Ga.
 T: (800) ATL-MART
www.americasmart.com

16-18: Dallas International Gift & Home Accessories Market
 Dallas, Texas
 T: (914) 421-3200
www.glmshows.com

16-18: GlobalShop
 Chicago, Ill.
 T: (866) 933-1001
www.globalshop.org

17-18: SAF Congressional Action Days
 Washington, D.C.
 T: (703) 836-8700
www.safnow.org

APRIL

3-10: High Point International Furniture Show
 High Point, N.C.
 T: (336) 888-3700
www.ihfc.com

6-8: Spring Gift & Home Furnishings Market
 Los Angeles, Calif.
 T: (213) 763-5800
www.lamart.com

JUNE

11-13: National Lawn & Garden Show and Controlled Marketing Conference
 Chicago, Ill.
 T: (888) 316-0226
www.nlgshow.com

12-14: Super Floral Show
 Salt Lake City, Utah
 T: (480) 998-3992
www.superfloralshow.com

20-24: Dallas International Gift & Home Accessories Market
 Dallas, Texas
 T: (914) 421-3200
www.glmshows.com

JULY

7-18: Atlanta International Gift & Home Furnishings Market
 Atlanta, Ga.
 T: (800) ATL-MART
www.americasmart.com

12-16: OFA Short Course
 Columbus, Ohio
 T: (614) 487-1117
www.ofa.org

15-20: ANLA Convention & Executive Learning Retreat
 Boston, Mass.
 T: (202) 789-2900
www.anla.org

15-22: Gift and Home Furnishings Market
 Los Angeles, Calif.
 T: (213) 763-5800
www.lamart.com

21-23: Lawn and Garden Marketing and Distribution Association Annual Convention
 Las Vegas, Nev.
 T: (215) 564-3484

24: North American Lawn and Garden Trade Show
 Las Vegas, Nev.
 T: (215) 564-3484

31-Aug. 2: Southern Nursery Association: World's Showcase of Horticulture
 Atlanta, Ga.
 T: (770) 953-4411
www.sna.org

AUGUST

9-14: New York International Fair
 New York, N.Y.
 T: (914) 421-3200
www.glmshows.com

10-12: National Hardware Show
 Chicago, Ill.
www.reedexpo.com

15-17: Nursery/Landscape Expo
 Dallas, Texas
 T: (800) 880-0343
www.txnla.org

21-23: Farwest Show
 Portland, Ore.
 T: (503) 653-8733
ghorning@oan.org

31-Sept. 2: SPOGA International Trade Fair
 Cologne, Germany
www.spoga-cologne.de

SEPTEMBER

7-9: Vancouver Gift Show
 BC, Canada
 T: (914) 421-3200
www.glmshows.com

7-10: Autumn Fair Birmingham
 Birmingham, England
www.autumnfair.com

HEADLINES

"Large turnout" continued from page 54

about how to connect with consumers and what he went through to become an expert in the consumer world of gardening, sharing his childhood in the industry and his love of gardening. Smith also debuted his book, *P. Allen Smith's Garden Home*, especially for the clinic, selling more than 180 copies.

The Swap Shop Spectacular, Future Forecast and The Famous Clinic Networking Session were big draws for the clinic, discussing such issues as seasonal labor, box stores as competition, managing a Hispanic workforce, retaining and training employees, renovating, branding, water and weather issues, 2002 outcomes and many other topics.

Attendees left with new ideas to build and better their businesses. That is what the clinic is famous for — the networking and sharing ideas with peers, which betters the industry. This year's clinic attracted 100 more attendees than 2002, which goes to show the clinic never fails to impress year after year with better speakers, thought-provoking topics, numerous take-home ideas and newly formed friendships and business relationships. Don't miss next year's management clinic, also to be held at the Galt House, February 5-8, 2004.

COLORADO DROUGHT CAUSES MAJOR GROWING PROBLEMS

Residents in Aurora, Colo., will not be allowed to plant annuals and vegetables or put in new lawns this year because of the severe drought conditions in the state. Residents are allowed to plant trees, shrubs and perennials until May 3, 2003, when the city is expected to announce its restriction plan. Until then, trees and shrubs are allowed to be watered only with deep-root or drip irrigation because the city's water reserve has only 25 percent of its water left. Denver and other surrounding communities say that unless the conditions worsen they will not have to take the same measures.

UPS RAISES RATE

United Parcel Service (UPS) has raised its rates as of January 6. The increase is part of the company's reassessment of prices and services to fit both economic changes and its customers. Commercial ground services will increase 3.9 percent, Next-Day Air will rise 3.2 percent and Worldwide Express will increase by 2.9 percent. Since the UPS fuel surcharge is index-based and adjusted monthly, the most recent rate is from December at 1.25 percent.

BUSH ADDS SMALL-BUSINESS PLAN

President Bush is planning on adding a small economic package to the budget that is geared towards small businesses. Through the plan, the businesses get a \$25,000-75,000 tax write-off cap for new technology, machinery and other equipment if it is passed by Congress. According to *The New York Times*, the White House estimates that approximately 23 million small businesses would receive \$2,042 in 2003 from the plan.

EPA WITHDRAWS RUN-OFF REGULATION

In late December the Environmental Protection Agency (EPA) withdrew an attempt to regulate runoff from non-point sources into polluted bodies of water. The TMDL rule mandates that all non-point runoff sources that contribute to the pollution of nearby bodies of water have runoff elimination plans in place, along with mandating that polluters apply for and obtain National Pollutant Discharge Elimination Permits. Currently, many nurseries have a system to catch or filter runoff, and the amount of time and money that is needed to obtain these permits would cause a large problem for growers. The EPA has stated it has sent a new rule to the Office of Management and Budget to help amend this problem in the future.

SAF OPPOSES RADIO AD

The Society of American Florists (SAF) took issue with a radio advertisement by the Pennsylvania Tourism and Marketing Office that makes nega-

tive references about floral gifts to promote tourism for Valentine's Day. SAF members immediately sent E-mails and made phone calls to the ad agency that developed the advertisement, explain-

ing the problems this ad may cause. The Pennsylvania state tourism office pulled the ad right away, apologizing to the cut floral community and thanking them for the notification. ♦

HEADLINES

"Kmart" continued from page 54

For the five weeks that ended January 1, 2003, Kmart reported a net income of \$349 million on net sales of \$4.71 billion. In 2002, net sales decreased 5.7 percent on a same-store basis as compared to the same period a year ago.

The factors on which each store is considered for closing are determined by evaluating the store portfolio both financially and strategically. There were key financial metrics involved for each location, on both an historical and a projected basis, including comparable store sales, gross margin, 4-wall EBITDA, store cash flow and lease terms. Strategic considerations included an analysis of the competitive environment in local and regional markets, distance from distribution centers, and the location and number of other Kmart stores in the market.

All stores will be closing within the next 10-12 weeks under strong clearance orders. The distribution center is slated to close in March. Stores have already begun posting signs and putting merchandise on sale all across the country. At the same time, however, Kmart has kicked off a new marketing strategy encouraging people to come to its local remaining store locations, calling it "Savings Are Here To Stay." Closing stores will be handing out maps and addresses for the remaining open stores. The list of the closing stores is posted on the Kmart Web site at www.kmart.com in the news section.

As far as the more than 35,000 Kmart employees that are losing their jobs, the company will help ease the transition for affected associates by providing a range of benefits, including supplemental separation pay, extended benefits and job placement assistance.

Kmart anticipates that the sales proceeds generated from store closings will enhance its cash flow by approximately \$500 million in 2003. As a result of the store and distribution center closings, the company currently estimates that it will incur aggregate restructuring charges of approximately \$1.7 billion, a major portion of which will be recorded in the fourth quarter of fiscal 2002 with the remainder to be recorded in fiscal 2003.

Kmart Corporation and 37 of its U.S. subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code on January 22, 2002. In the past year, Kmart has taken a number of actions intended to strengthen its business operations and enhance

its financial performance. These steps include the closing of 283 stores; not renewing leases for previously closed stores; selling three corporate aircraft; streamlining Kmart's management structure; reducing staff at the headquarters; and introducing more efficient business practices throughout the organization. Within the last two years, Kmart has closed approximately 600 stores.

SCOTTS' NET SALES INCREASE IN FIRST QUARTER

The Scotts Co. reports that its first quarter net sales increased 12 percent from the same time last year. The company reports a quarterly loss of \$46.8 million compared with a loss of \$65.4 million in 2002. Due to the seasonal nature of the lawn and garden business, Scotts reports a first quarter loss each year. According to the Scotts Company, this year's reduced loss resulted from improved sales and supply-chain cost reductions.

EMERALD EXPO CANCELLED

The Emerald Expo, scheduled for July 24-25 in Seattle, has been cancelled. The trade show is sponsored by the Washington State Nursery and Landscape Association. For more information, call (253) 863-4482.

MEMORIAL GARDEN DESIGNER NAMED

To honor the victims of the Sept. 11 attacks, New York City has named Piet Oudolf, a Dutch horticulturist and landscape artist, to design the New York City gardens. Oudolf will design 10,000 sq. ft. of plantings and passages in Battery Park overlooking the Statue of Liberty and New York Harbor. The Battery Conservancy said it chose Oudolf to design the Gardens of Remembrance because of his past work on "sustainable gardens that celebrate the poignancy of life." Planting will begin in early summer. The project is funded primarily by private grants.

BIRDWATCH SHOW HEADS TO OHIO

Retailers eyeing the latest ideas in birding will descend on Columbus, Ohio, July 12-14 for the first-ever Birdwatch Backyard

Show. The first day features seminars for retailers and a cocktail reception on the show floor. Exhibits showing the latest water garden supplies, bird feeders and other backyard nature products

will be open July 13-14. It will be held at the Veterans Memorial Center and runs concurrently with the OFA Short Course. To register, call (813) 995-2804 or visit www.birdwatchamerica.com.