

# Business Network

## Running big garden centre no bed of roses

Janine Perrett finds a man who's finally living his long-held dream - and just breaking even.

SIMON Ainsworth always had a vision for a gardening business that had never been done anywhere else.

After years of planning, negotiating bureaucracy and spending millions, he opened the doors of his 2.5 hectare Eden Gardens site in North Ryde in November 2004. But that just marked the end of the beginning of his entrepreneurial journey.

The real challenge was to make it work. So now, two years later, he is analysing his market and adapting his customer base. It's not easy as his is a unique business model.

"The challenge is in knowing our customer," says Ainsworth.

Actually there are plenty more challenges which he shrugs off with the enthusiasm of a driven entrepreneur who describes his Eden Gardens "oasis" as all about "horticultural excellence".

Half retail and half display gardens, Ainsworth gives equal emphasis to integrating the business side as the "pleasure and leisure" side and the many community awareness programs.

And with it only just breaking even, he recognises the need to be profitable.

"There is a lot against us. The economy is good but water is lousy. Apart from the drought, we're a brand new business in a declining industry."

While there has been a boom in landscaping businesses thanks to the plethora of TV gardening makeover shows, traditional horticulture has been shrinking at about 10 per cent for the past few years.

But that doesn't deter Ainsworth, who feels the answer is to be more accessible to customer needs.

"We now need to focus on the individual customers that come here and have to tailor our offer to those people and see that our product range is right for them."

"Understanding our customers and getting the right price points is just impossible sometimes."

"So this year we want to focus on the customer coming in so we can see what they want, what they're really needing and what they see us as."

That will involve a lot of research and analysis of spending patterns.

"Our point of sales systems allow for questions to be asked of customers - postcode, first visit, how did you hear about us - assisting in promotional activities," he says.

Feedback is also important and their loyalty program, The Eden Gardens Club, which boasts 4000 members, provides plenty of opportunity for focus groups.

Ainsworth has found that the other problem in the early years of a venture like his is that there is no business history to help cut overheads in areas such as telecommunications.

Eden Gardens fits firmly into the profile of a medium enterprise with its 100 employees and \$9 million turnover, although the 48-year-old Ainsworth prefers to think of his venture as a "small business".

The fact he spent tens of millions on the development is a result of his involvement in the family business, Aristocrat, the poker machine empire founded by his father, Len.

Simon Ainsworth studied horticulture at tech and worked in garden centres in his early career because it was, he stresses, his "first passion". When his father asked him to join the family firm he stayed for 14 years, working on everything from coin counting to managing the London operation.

When Aristocrat went public in 1997 it was no longer a family business and Simon wanted to work for himself.

"I decided OK, it's not going to be poker machines, it's going to be horticulture, so I began working on this plan I'd had in the back of my head for some years," he says.

"The initial vision was a garden centre with the practical side of a garden as a demonstration place. Gardening is all about pleasure. Gardening is all about art. Gardening is the things we do in life outside but traditional garden centres don't think about that."

Implementing that ambitious vision took all his entrepreneurial skill and drive. First, finding a suitable large site in the middle of Sydney, then negotiating with the relevant authorities and winning the tender.

By the time Eden Gardens opened in November 2004, the nation was enduring its worst drought in history. Ainsworth doesn't let that faze him, as the business boasts its own reservoir with 1.25 million litres of water.

Given the huge investment, getting customers through the door was the initial challenge but visitor numbers indicate his limited marketing has paid off.

"We had 1000 on an overcast day



Simon and Anna Ainsworth ... Simon worked in poker machines but studied horticulture.

### CHALLENGES FOR EDEN GARDENS

- Understanding the customer base
- Adapting business to customer needs
- Finding cafe staff and training garden staff in retail
- Expanding brand interstate

in winter recently so we expect about 300,000 this year," he says.

Marketing now is "internally focused" he says, meaning there is still plenty of potential for people driving by the distinctive site. He has found newspaper advertising not nearly as effective as radio.

"We were featured on TV on Sydney Weekender and were full to the brim for two weekends but the average sale fell from \$60 to \$15 which wasn't really much help," he says.

The cafe, which represents 35 per cent of total turnover, has 200 seats and has been virtually full

each day since the centre opened. But that doesn't mean Ainsworth will rush to expand it.

"You have to be careful that being full at 200 seats doesn't necessarily mean we'll be full at 400."

Instead, he is assessing the indoor-outdoor mix of seating and addressing whether to expand the external area.

But then he faces the current dilemma of any cafe owner: finding and retaining good waiting staff. Ainsworth admits employee turnover has been high in the cafe. The problem is exacerbated by the lack of public transport to

Eden Gardens at night, forcing workers to take taxis.

While the biggest issue is staffing the cafe, he also does a great deal of training on the garden centre side which, he points out, is primarily a retail business.

"We're running a modern retail business in horticulture, we're not just running a garden centre," he says.

As he hires horticulturalists the emphasis is on helping them acquire strong sales skills through in-house training programs, which cost time and money.

After the strong initial growth the business has plateaued slightly and is now expecting to grow at

around 20 per cent per annum. Yet Ainsworth is already planning the next growth phase, which will involve building the brand name to take it interstate.

Brisbane will be home to the next Eden Gardens which will be much bigger, thus requiring outside investment.

"So we have to prove this model first - it's got to be profitable," Ainsworth says.

"We're trying to achieve a business that can be profitable and have a whole lot of programs and that can educate and engage people in outdoor living and get pleasure from that."

"And that requires money."

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## Two years of happy returns



JANINE PERRETT

THE occasion of our second birthday has brought out yet more Business Network subjects keen to update us on their success.

Katie Halson, founder of ozpets.com.au, reports her business is negotiating with some large retailers to provide a pet range for Christmas.

Since the article she says Ozpets has had "numerous pet industry members contact us for advertising, sales increased in the shop and we saw a remarkable increase in turnover last quarter".

"We have acted on some of the [experts'] key points, including streamlining products stocked, being more aggressive with suppliers, realising that shelf space on Ozpets is quite valuable due to the website traffic and having suppliers pay to advertise product of the week."

"We are also only weeks away from launching paid membership facilities. This was something we had always planned on implementing, however to hear it across the board from the experts we realised that it needed to be launched sooner rather than later."

The ever popular FLATOUT Bears continue to attract world-wide publicity; the latest being a big plug for the sheepskin teddies in *The Times* in London.

"The response has been amazing and crazy," says delighted co-founder Prue Trollope. "One of the stores stocking the FObear in the UK sold about 80 bears in three days so it's been fab. Just sent a really big order to the UK and our USA distributor has just taken on another 25 stores too. So, things are really busy. It's FLATOUT!"

Trollope says she received a number of emails after our most recent story about her trademark problems, including people from her own industry who asked for advice.

"It makes people a bit more aware. The good news is that the domain name has now been signed over without any problem and international trademarking is still going on as planned."

Another business that attracted some interesting emails was Stuart Dunne's Universal Rocks, a Sydney venture which makes amazing faux landscaping.

Talei Dunne tells us that after appearing in Business Network they received an order from Ukraine, of all places.

"We've just sent a container and now another Ukraine company is interested," she says.

Their US agent also saw the article and passed it on to the reps there as part of an export push, which is continuing in the UK as well.

Although winter was a bit quiet ("Try selling water features in a drought," Dunne jokes), Universal Rocks is gearing up for a big September with the opening of Sydney Wildlife World, a great showcase for their product.

Another business which attracted customers from far afield after our story was Shine Shae Shine.

Founder Kate Kay says the Melbourne business "is thriving - not only do I have regular customers from the Rialto and other parts of the CBD, I have regular customers from Sydney who make time to come in for a renovation when in town for their weekly/monthly meetings and that is all thanks to your article." "Since print, I applied for and was successful in receiving a small business development grant from the City of Melbourne. As a direct result of the likes of your article and the development grant I am now in the planning stage of expansion."

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### Eden Gardens

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### Use technology to merge vital customer information

Carolyn Stafford  
Director, Connect

Stephen needs to analyse four key things about the people who visit his store: where they live, what they purchase, how much they spend and how often they visit. This information would help him better understand who his customers are, what they want and how to reach them.

While he is already aware of where customers live through obtaining customer postcodes at the point of sale, he could take this one step further using technology. By implementing customer relationship management technology, Stephen could obtain and merge all the above information at the point of sale. Once this information is obtained, emphasis should be placed on building loyalty and repeat business, so Stephen should focus his attention on meeting the needs of regular customers.

While the website looks fantastic, he could further embrace e-commerce to enable people to become Eden Gardens members or purchase products online. Since the North Ryde site is most suited to local residents or avid gardeners prepared to travel, an online ordering facility and home delivery service might extend the appeal to others. An online survey could help determine whether this was a desirable customer service. Finally, advertising with affiliated websites could further build brand awareness.



### Target affluent market through the right channels

Rajarshi Ray  
Head of Small Business Services, American Express

Knowing who your customers are is absolutely critical to the success of any small business, yet it is often poorly done. Stephen is already aware of this issue: the TV spot on Sydney Weekender brought in plenty of customers, but they spent much less on average than Eden Gardens' regular clientele. It sounds like this advertising didn't target the right customers.

Stephen needs to reach the right customers through the right channels with the right products. Eden Gardens is not your everyday garden centre. The clients it wants to attract will have a house, a high disposable income and an interest in gardening and possibly outdoor dining. Given the garden's location, customers will probably also need a car.

Stephen's marketing should therefore target customers in suburbs that have higher than average disposable income and car ownership. The Australian Bureau of Statistics ([www.abs.gov.au](http://www.abs.gov.au)) could help with this information. Stephen could develop partnerships with local gardening groups, display brochures at petrol stations in nearby affluent suburbs, give out fridge magnets to clients or advertise in gardening magazines to communicate with this audience. While Eden Gardens might have a broad appeal, I think Stephen needs to narrow his focus onto these more affluent gardeners.



### Keep prices competitive and offer a shuttle service

Paul McKeon  
Corporate Communications Manager, Dell Australia

It's hard to find an issue in relation to Eden Gardens that Stephen hasn't already thought about. He is clearly using the experience he built up in the successful family business to an advantage in this new venture.

I'm not a gardener, but Eden Gardens sounds like a very tempting place to visit. It makes sense, as Stephen says, that the business should focus on our increasingly outdoor lifestyles at home, not just selling pots and plants.

With so many visitors a year, Eden Gardens has traffic numbers of which many of Sydney's tourist spots would be envious. Stephen's obviously made a strategic decision to establish the business in a relatively central suburb rather than on the city's outskirts, as others may have done. He's also clearly made a considerable investment in getting the business up and running.

My main caution would be to keep a watch on pricing to ensure Eden Gardens continues to stay competitive - that isn't to say it should attempt price parity with other ventures, but there is probably a limit to any premium people are prepared to pay.

Finally, to help his staff and increase visits to his premises, I would suggest Stephen consider providing a van to act as a shuttle bus to and from the nearest public transport.



### Survey customers to identify their differing needs

David Dandie  
Head of Business Advisory and Training, Westpac

Customer needs change constantly so Stephen will have to regularly review what these needs are. He is taking the right approach by asking customers questions, such as how they heard about the business. My suggestion is that he formalises this approach to understand their needs better.

Stephen should create a survey to help him identify what types of gardens customers have, the products and services they want and how much time they dedicate to gardening. In this way, Stephen could identify his target market demographics: are his visitors predominantly retirees with large gardens, or time-poor semi-professionals with small gardens and large discretionary incomes, for example? An incentive could be offered to all members participating in the survey, such as the chance to win an Eden Gardens gift voucher.

Identifying these interests could help Eden Gardens tailor its products and services to meet client needs better. For example, if he discovers much of his market is time-poor or concerned about the drought, he could promote and display low-maintenance and drought-resistant plants and grasses. Promoting such products could give people in this market segment ideas about how they could share the "pleasure and leisure" aspects associated with gardening.



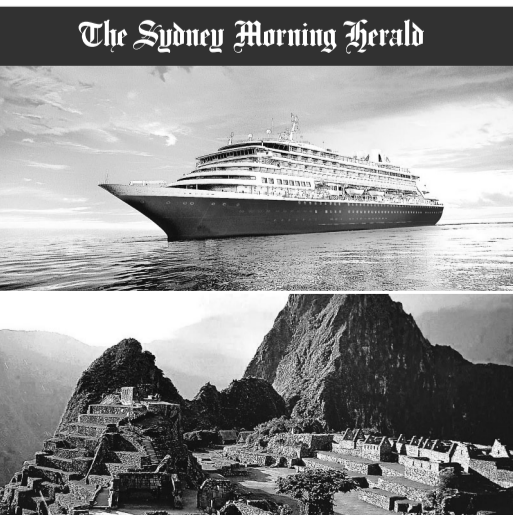
### Build the brand interstate when new store opens

Prue MacSween  
Director, Verve Communications

Stephen should only start building the Eden Gardens brand interstate when the new Brisbane store is nearly open. He will have to invest significantly in advertising and public relations to position the concept and the brand correctly. He could also sponsor major lifestyle and family-focused events and support and provide incentives to institutions that outdoors lovers might frequent such as sporting and lifestyle clubs.

As people become increasingly conscious of water restrictions, Stephen needs to continue to create new ways to promote the pleasure and leisure aspects of his industry. In addition to the events and workshops promoted on the website, Eden Gardens could invite guest chefs to cook barbecue meals on location, encourage artists to paint in the gardens and create seasonally themed events. The business could sell complementary products such as garden furniture, barbecues and barbecue settings.

Since cafes are often a great meeting point for young mothers, Stephen could create seminars and demonstrations that might appeal to this demographic (such as mums-and-bubs workshops) and provide an opportunity to sell products. Finally, to complement his shop, gift hampers and deliveries could be offered, which could be themed to reflect seasons and traditionally strong shopping periods.



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