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The Transformers



Many growers are thrilled to meet the highest standards, but Wenke Greenhouses sees them as stepstools to help them reach higher, make changes and get to the next level.

By Jasmina Radjevic

Wenke Greenhouses, a family-owned business, transitions with each generation of ownership. Lorence and Dennis Wenke purchased their father's bedding plant business about 40 years ago, and today, Lorence's daughter Lisa and her husband, Andy Ambrosio, are at the helm.

What started out as a small celery growing operation in Kalamazoo, Mich., has transformed into a more than 40-acre greenhouse. In the last two years, they have even added an additional 7-8 acres of contract growing space. But they didn't do it alone. This rapid expansion was made possible by an excellent team of managers and employees, support from the local community and involvement in industry organizations.



Diversification was important, but differentiation is essential. To be competitive in the marketplace, Wenke had to meet the industry standard and keep aiming higher.

Controlled Chaos

Wenke Greenhouses is split into three divisions: young plants, finished product and retail. Being involved in these different areas gives them a unique perspective on the industry as a whole. Their customer base is focused on independent garden centers and landscapers, national chains through the Kalamazoo Flower Group network, other growers and lastly to consumers at their own retail garden center.

"What really makes this company unique," shares Dennis, "is the fact that we have so many independent garden center customers." The diversity in their production would make some large growers squirm, he adds, but Wenke's ability to service independents separates them from other growers their size. They are able to service a small independent garden center customer who buys \$5,000 worth of product annually, but they can also

service another customer who buys close to \$3 million each year.

No matter the customer, Wenke's goal is to create a one-to-one relationship with each buyer. "Part of our success is that we try to listen to what they say," says Andy. "Is there something new that they're looking for? Whether it's a new product or a new way of doing business."

He says it can be controlled chaos, especially in the spring. But they're able to control it better than most, with accurate and timely information flow.

"The young plant side of the company has to have a very broad selection of plants," Lisa explains. "And so we go to the California Pack Trials and look at the new varieties... We talk with the breeding companies; the young plant side is going to have at least 10 times more varieties as our finished side will have."

The consolidation of some of the breeders has definitely had an impact on production selection within all the divisions because they're narrowing their offerings, adds Lisa. "I don't know if anyone else is doing this, but every time I'm meeting with a sales rep [from a breeder company],

"If you can't put something on a poster next to [a plant] that says exactly why it's better, then don't bother introducing it."



Lisa and Andy Ambrosio



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the question I ask is, 'What is going to make a difference at retail, and will the customer even notice it?'

Wenke is more concerned with the product that will be worthwhile to the landscapers, garden centers and consumers who buy it. "If you can't put something on a poster next to it that says exactly why it's better, then don't bother introducing it," Lisa says.

Another way to keep up with new product introductions is by speaking with customers directly. "Between the retail store, our landscape customers and our garden center customers, we get asked about plants, hear about trends or see what people are asking for," adds Lisa. "The feedback from our own experience at retail is very important, especially as we do production planning."

Community Support

Michigan State University was an influential player in Wenke's early transition. "Michigan State University is responsible for hundreds of millions of dollars of profitable businesses in this area," shares Lorence. "They helped people like our father transition from growing



celery to growing bedding plants."

Fast-forward to the present-day business: MSU continues to work with Wenke. For example, Associate Professor and Extension Specialist Erik Runkle consults with Wenke on the greenhouse lighting regime, Dennis says.

Community organization and support are essential to the growth of the business. Wenke's owns part of the Kalamazoo Flower Group (formerly the Kalamazoo

Bedding Plant Cooperative), a wholesale annual bedding plant supplier with garden center customers across a wide geographic area. Spring bedding plants and potted annuals make up the largest share of their business.

"The cooperative was formed by the growers in the community 45 to 50 years ago," explains Andy. "It enabled them to offer a yard price when people tended to pick up flowers as opposed to having them delivered,

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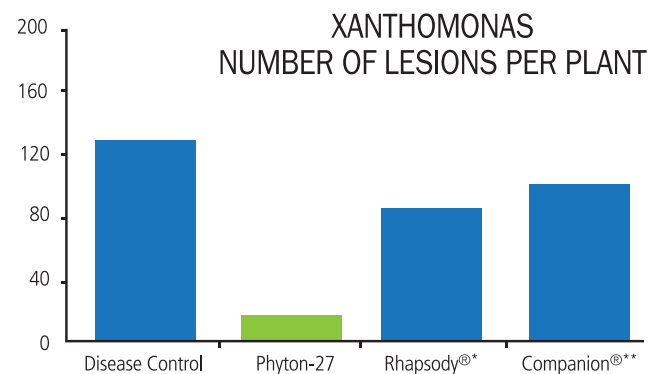


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cover story

Staying on the Technological Edge

Wenke's greenhouse management software, PICAS, has enhanced their ability to communicate availability to their customers. "It's a production program that the largest and best young plant growers are using," says Lisa. "We're able to send [customers] the availability based on what we have. They order based on that availability, and we send them what they wanted."

It may sound novel, but many growers simply ship what they have or what looks nice, without looking at what the customer actually ordered. Wenke's tries very hard to show the customer exactly what they have and ship what the customer wants.

"That's probably what we do differently than everyone else," says Dennis. "For a greenhouse this size, both North and South, to be able to take small, independent garden centers and give them what they want. Generally speaking, the bigger growers were never able to do that. We found a way."

It also increases their flexibility: "We can even contact them now and ask, 'While we're out of this, do you want us to substitute with that?'" Dennis says. Wenke spends a lot of time making sure their customers get what they want, and if they don't get what they want, they can substitute.

Another big difference between their greenhouse and others their size is Wenke's implementation of the sorting line. "If you're growing for a national chain, your assortment is probably a lot narrower, and going to fulfill orders, it's more cookie-cutter," explains Andy. "With garden centers — the word 'independent' does have a lot of meaning to it — no two orders are the same."

but it also gave the growers negotiating power by purchasing as a group."

The cooperative, which has played an enormous role in Kalamazoo for more than 40 years has certainly impacted Wenke's business, Lorence says. There used to be up to 60 members in the cooperative, but it's now down to 48 or so.

Long-Distance Synergy

Wenke's association with the Kalamazoo Flower Group is only a small part of this varied business. Wenke's also has two separate growing locations.

"Half the company is located in Douglas, Ga.," says Lorence. "Not too many greenhouses have locations that are 1,000 miles apart."

There is a synergy between the two locations, and the distance allows them to serve a wide geographic area. "The Georgia facility will ship to north Florida, South Carolina, Georgia, Alabama and up into Tennessee," shares Andy. "The Michigan facility will go to Tennessee, Kentucky, Ohio, Michigan, Indiana, Illinois, Wisconsin, Mississippi, Kansas and a little bit of Nebraska."

Tennessee is that linchpin, Andy says, where they're able to provide more frequent delivery to customers and get a head start on the weather. Products are designed so that one location may have something that

the other doesn't, to offer customers a wider assortment.

Forgetting Fear

One of the big changes that Wenke's has been through came directly from Wal-Mart. Twenty years ago, after attending a Ball Horticultural Co. seminar in Chicago, Lorence returned with a completely different mindset.

During Wal-Mart's presentation at the seminar, they defined themselves as a numbers-driven company. "Wal-Mart was quite instrumental in changing growers' focus as far as the standards we would be held to," Dennis says.

After the seminar, the Wenkes toured a Wal-Mart distribution center across the street from their Georgia location. "We saw boxes from all these suppliers going down these massive conveyors," explains Lorence. "The computers were reading the barcodes and telling those boxes where to go and billing somebody for them. It was amazing."

After that tour, Lorence made it clear that Wenke's had to become a numbers-driven company as well. Rather than viewing the big boxes as competition, Wenke's Greenhouses looked to them as the standard. And they wanted to beat that standard.

"Boxes have helped to force reductions in production costs and introduced plants to a large number of people who would not have gone to a



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garden center otherwise," says Lisa.

If anything, the big boxes pushed the independent garden centers. "There's a need out there for independent garden centers," Andy adds. "They have to go

out there and market the product, and we're trying to fit that bill from the input side."

Wenke's is doing a lot with packaging now, from bigger tags to

POP. Packaging is a "silent salesperson." A plant is not just a plant, Andy says. Growers need to offer quality plants regardless, but it's the packaging that helps it stand out from other retailers.

Sustaining Success

By embracing change, Wenke's has remained at the top of its game.

Opening the retail operation was a transition within itself, and that business grew rapidly. Back in the day, they were making \$25 a day, says Dennis. But today, about 30 years later, they are a force to be reckoned with in the Kalamazoo market. "It was a dramatic transformation," he says.

The company continues to look at sustainability, both how it applies to today and for the future. This year, Wenke's will roll out a pilot program for recycling plastic carriers. "Our customers will have the opportunity to send back their reused plastic, and we'll sort it," says Dennis.

Internally, on the production side, they have switched from a lot of unit heaters to mini boilers, says Andy. "They are efficient on both ends of the season when you have to heat a smaller area; we're seeing a lot less consumption."

Moving forward, Lisa, Andy and Dennis will continue to handle the majority of the business decisions as Lorence focuses on other projects. Lorence has been involved with Michigan politics for the past eight or nine years and is currently running for state Senate.

A self-proclaimed pessimist, Dennis commends Lisa and Andy for their optimism within the business. "I think that's a generational thing," he says.

Through transformation and growth, Wenke Greenhouses' mission is always to "plan for the best year possible," Dennis says. "We just want to continue what we're doing; bigger and better every year." ■

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