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buzz!

Retail news from inside and outside the green industry

Pay By Scan for IGC's?

Did that headline catch your attention? It should, because it's happening. That's according to a session you may have missed at the recent OFA Short Course in Columbus (see what you miss by not going?).

The session was led by our own Green Profit columnist Bill McCurry, entitled "More Money for Me." Bill was digging for audience information in his trademarked fashion, asking who had "more money for me" ideas to share with their industry peers when Van Cooley of Malmborg's Garden Center in Minnesota broke his news: Malmborg's was able to take over a vacated garden center location this spring because a vendor—BFG Supply—allowed him to go pay by scan. Had Malmborg's been required to pay up front, the numbers wouldn't have worked out as well in starting up the new, completely empty location.

Says Bill, Green Profit's business and money guy: "If [pay by scan] spreads through IGCs then it's going to be real—and gives a more level playing field for the independents who badly need the financial support to stock full shelves under today's economic/weather conditions."

I spoke to Van, manager of Malmborg's, about this development. The arrangement with BFG Supply has worked out well so far, and points out that the pay by scan is implemented with the vendor at just this one location so far. He also has a pay by scan arrangement with a green goods supplier. Van says he had approached at least one other hard goods supplier with a similar pay by scan proposal and it didn't work out. But when he approached BFG, they were willing to give it try.

Advice for other garden centers that might be interested in pursuing pay by scan with vendors? "Just keep asking the questions," Van says. "I kept asking under the premise that I wanted them to be my partner ... to help me with the selection and to take some of the risk with me." And that help with the selection was much needed: Van says it was a "buck-naked" store, not even fixtures. He arranged for fixtures and BFG filled the shelves. Share the risk, and share the reward.

Interesting development, wouldn't you say? Are you thinking about it for your own store? Are you doing it in some fashion already?

*This article is a reprint from Green Profit's Buzz eNewsletter - July 25th, 2012 edition