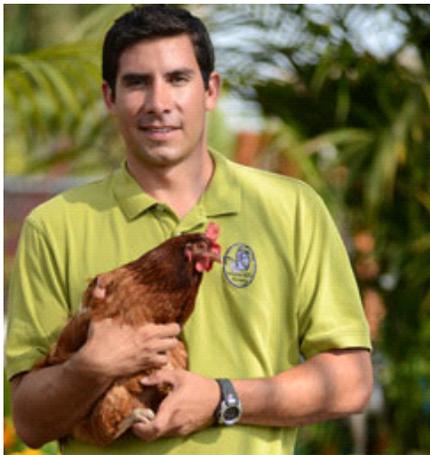


Man With a Mission

| Ellen C. Wells

>> Published Date: 8/27/2012



About Mission Hills Nursery

Location: Mission Hills neighborhood of San Diego, California

Year established: 1910, by Kate Sessions, a.k.a. "The Mother of Balboa Park." The Palafox family is just the third owner in the nursery's 102-year history.

Size: Just under an acre

Annual sales: \$900,000-\$1.2 million

Percentages: 50% bedding; 30% shrubs and trees; 15% hardgoods; 5% gift

Employees: 10-11 year round

Specialize in: Edibles and California natives

Tiger Palafox is where he belongs—at his family's Southern California garden center, Mission Hills Nursery in sunny San Diego. This wasn't always the case, though. Growing up in the family business, Tiger wasn't sure which career destiny had chosen for him, but the nursery business wasn't it. Away at college, internships in the career he thought was in the cards—civil engineering—didn't suit him, but a part-time job at a nearby garden center did. Maybe there was something to this horticulture business, after all.

Ten years after coming back to the family operation, Tiger has found his passion—make that passions: the nursery business, marketing and advertising, and of course, his family. Now store manager and vice president of the under-an-acre business, the 31-year-old has made it his mission to make Mission Hills Nursery an inviting, welcoming garden center for the San Diego community, young and old alike. His customers' success is a goal this young man strives for each and every day.

So, how does he go about this? *Green Profit* chatted with this year's Young Retailer Award winner to find out.

Tiger Talks

On growing up in the business:

When my father purchased the nursery, I was just a little over 5 years old. So I really don't know anything different. I grew up going to the nursery in the wintertime and helping out. I went away to college to become a civil engineer and I found out that it wasn't the direction I wanted to go in, and in my early 20s I said, "I'm going back, I want to work in the nursery." My dad said, "No you're not! If it's something you want to do, you can do it, but you're not just going to come back here because it's here [for you]."

So I stayed in college, studied marketing and advertising, and I really got a passion for that. And I loved the marketing and advertising aspects of the industry. I said, "Dad, I want to come back, I have a passion for making us a better business." And after about four years I developed a huge passion for plants and customers. So it was definitely not something that I knew from the age of 5 that I wanted to be, and my dad never expected it of me. It's definitely something that I chose. I go to work each day and I'm happy to be there, I want to be there, and I'm looking to do better things.

On his greatest contribution to the family business ... thus far, of course:

I brought into the nursery a youthful presence that made other people feel more comfortable coming here. I've walked into a lot of nurseries and I've asked questions of the older nurserymen who didn't feel like they wanted to give the time of day to you. I never wanted that to be the way at our location. I feel like when people come in, you greet them with a smile and you give them good information and they leave happy, then they're going to remember you, they are going to enjoy coming back in the future, and they're going to suggest you to their friends. I could say that I've brought new ideas and new products and all that, but more important than any of that I feel like I've brought the nursery an energy boost that it needed. Years [in a nursery] can really wear a man down when the thousandth customer of the day comes in with a question. You can answer the question a thousand times, but if you can answer it the thousandth time with a smile on your face and a good presentation, then you're not letting it get to you. It's definitely where I feel my biggest strength in the nursery is—coming in and making it feel like everybody's welcome.

[Young people] are really excited about gardening, but at the same time they're real shy ... they have a lot of ideas, but when somebody is just going to say, "No that doesn't work," right off the bat and you burst their bubble, you need to let them down easy. If you say, "It's not the ideal place, but what if we do something else?" you're going to make them feel like not so much of an idiot, and you're going to still keep their passion going.

On a shift in demographics: Our demographic is still the older woman who has a passion for flowers and gardening. I am seeing a little bit of a

shift in more youth being involved in planting edibles. But it still isn't big enough to say that there is a shift going on. I'd say that we're still looking at 70% of our customers being that 30- to 55-year-old woman that is either a stay-at-home mom or the woman who is successful on her own. There has been a lot of energy to get younger people involved. Definitely in landscaping and gardening, you'll always have to cater to that middle-aged woman because that's always going to be our market.

On challenges facing his nursery: There were a lot of wonderful nurseries in San Diego County 10 years ago. We all kind of had our own little piece of the pie. But as the economy dropped and nurseries fell off, some people couldn't keep them up ... I'd say we lost about 25% of the nurseries in the area. And because of that, I feel like when a nursery closes down and doesn't get replaced, that customer doesn't go to another nursery, they go to a Home Depot or a Lowe's or a Walmart, because they don't know the other nurseries. They knew their local nursery or garden center and didn't know the other [independents].

So getting your image out to the community is probably one of the biggest challenges. We've been in the same place since 1910, but every week there will be someone from San Diego County within 5 miles of our business who'll say they never knew we were here, that it's a wonderful place and they can't wait to come back. So we say we need to advertise more ... I understand the phrase, "You need to spend money to make money," but at the same time, when you're breaking even for the month and you're doing everything you can to pay your employees, spending that extra \$5,000 a month on advertising doesn't always make the most sense.

The social media, online and community events efforts have been our biggest push for getting our word out. Gaining market share has been one of our biggest challenges because we don't have the advertising budget that we wish we could have. But I have a lot of hope in that social media and online marketing doesn't cost a lot and can still add great value to who we are and present us in a lot of good ways ... And then, we can't wait for when we can get our advertising budget back up. We want to use TV, radio and print to advertise what we're doing to get more people out to events. If we can get them established now without much advertising, I can only imagine what it's going to be like when we do advertise.

On growing consumer interest: I feel like one of the biggest challenges for the industry is keeping people interested. There are so many interesting things here in our industry, whether it's varieties of vegetables or flowers, or maybe you want to change over to native gardening, or maybe you want to change over to tropical gardening. You and I see all these wonderful [new] flowers that keep us interested, but it's not always what keeps the consumer interested. Just because it's a pretty new yellow flower, doesn't mean that Susan Gardener is excited about it. How do we keep them wanting to replant flowers? How do we keep them wanting to redo their vegetable garden season after season? How do we keep them interested? I think success is the biggest thing for us.

On what success means to a San Diegan: It's very common for customers to say, "My pansies have lived for two to three years, and this is the second year I'm going on my tomato, and why did my petunias die? It got cold one day and they all just died, and I don't know why." And they give up because they feel they can't be successful. For people who understand seasons, where those plants go dormant and things die, they understand failure and they'll retry. Failure is not an option for Southern California gardeners ... But I definitely know that when people are unsuccessful in gardening, they aren't interested any more and they give up.

On what success means to Mission Hills Nursery: Success is definitely monetary, but more so, I like to base my success on customer count. When I pull reports, I don't necessarily always look at the dollars and cents because that's going to come and go with different years. But if I can continue getting good customer counts, good transaction numbers, this means I'm gaining market share in our area. And that is success to me, because when times are tough, no one is going to do well. But when times are great and I have good market share, I'm always going to do well. I've learned from my dad over the last 30 years that there are always going to be ups and downs—it's never going to be constant. One thing that is constant is your customer count. If you continue having good customer count when times are great, times will be excellent. And when times are tough, you're still going to be okay; you're not going to be terrible because you still have that good customer base. That's a way we like to measure success in our business—customer count and making sure we still have the same volume of customers coming through the door.

On the benefits of chickens (yes, chickens!): We're always looking to find that niche, to find that difference in the garden center. That's what keeps people coming back. A lot of garden centers might have a cat that people come back to for the kids to play with. We have the cat, but we took it a step further—we felt that chickens in this community were going to be really good. We're in this movement of vegetables, herbs and farm-to-table seminars, and chickens were something that went along with it. And they've been a great addition. Kids come by after school to see the chickens and find their eggs ... It's definitely a niche that no other nursery in the city of San Diego has done. But in rural San Diego they have it, so we're kind of bringing that rural sense into the city.

On speaking with clarity: People don't always trust us or listen to [young people] in our industry. We can come in excited and with guns blazing, but that doesn't always allow people to listen. One thing that helped me over the past four years is I've been involved with Toastmasters, which is a public speaking and management program. It has helped me talk to people in ways that have allowed me to get my message across without coming across as that young, ignorant guy. It's definitely helped me seem more mature. One of the biggest things it taught me as a manager is how to tell someone they did something wrong without berating them and to make them feel like they want to do it 10 times better the next time around.

On loving what you do: Keep the passion going because the passion in this industry is what is going to build your business. If you don't have that passion anymore, get out, because it's just going to make you more unhappy every day that you're there. So this is definitely a job that you can't just hide behind a desk with. Each day you interact with customers who want to learn and want to do something great. And if you're unhappy, you're not going to make them happy. **GP**