

Establishing and Operating a Garden Center



REQUIREMENTS AND COSTS



Natural Resource,
Agriculture, and
Engineering Service
Cooperative Extension

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Disclaimer

The numbers used for start-up costs and financial statements in this book are for illustration purposes only. They are not intended to reflect accurate estimates of the costs associated with establishing and operating a garden center. Garden center operators should use the charts and tables as guidelines for entering their own numbers to accurately reflect their own true costs. This book will illustrate the methodology for using costs to calculate financial ratios and analyze business health.

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Preface

The S-290 Regional Research Project combines horticulturists with agricultural economists to look at issues important to the nursery industry.

Abstract

The objective of this book is to estimate establishment and operating costs for garden centers at two levels of sales and to specify the general set of financial, marketing, and business principles that should be available to the owner/manager of a garden center.

After surveying 25 garden centers across the United States, the authors derived two models for discussion: a large garden center with annual sales of \$1,000,000 and a smaller garden center with annual sales of \$350,000. Capital budgets, including investment and operations costs for each garden center, are developed. Each center is evaluated based on standard business indicators. A merchandising program composed of layout, pricing, advertising, cost structure, and diversification is outlined.

KEY WORDS: garden center, operating costs, product mixes, capital budgets, financial and income performance, merchandising program