

Evergreen Memories

A Truly Green Business

Introduction

Evergreen Memories is located in the heart of Northwest Ontario. Surrounded by crystal clear lakes and a beautiful forest, this eco-friendly (green) business is inspired to create and deliver earth-friendly favors and gifts to its customers. In doing so, this company has become a commercial success while also helping to preserve the planet. But there is a story behind this entrepreneurial journey.

Background

The original business was called Tamarac Nursery. The company had a single-minded focus: to grow tree seedlings for re-forestation purposes only. However, this market was basically a commodity-based market where price was often the key determinant for the customer. Moreover, demand for forestry seedlings was also declining. It doesn't take a genius to figure out that under these conditions this company's future was likely to be truncated. So, the company set out to determine how to sustain and grow the business. A review of other possible markets for its existing product resulted in some possible options. After much discussion, the idea of entering the "wedding favor" market emerged. However, the wedding favor market would be a chance for the company. It would be a business-to-consumer (B2C) play and not the current business-to-business (B2B) play which was the original focus of the business. But, the company decided to give it a try. With very little marketing and promotion of this new idea the company had three requests from "brides to be" for tree seedlings that could be given out at their weddings to their guests.

But, in addition to limited marketing and promotion, the company was also not well-prepared to execute in this new market. The presentation of the wedding favors, according to the company, was not well executed in the beginning. So, the company began to experiment with how to best prepare and present the wedding favors. The company began to further study the wedding favor market and began experimenting with different decorating techniques. One day the company experienced a "eureka" moment. It sent some personnel to attend a major wedding show in Toronto, Canada. There the company finally found some insight into its competitive set of offerings and how those offerings were being presented and merchandised. The company also made contact with personnel from several wedding magazines. These contacts provided some insightful assistance and encouraged the company to advertise their new wedding favor offerings in their magazines. Within a few months orders began pouring in. At the same time, the company made continual improvements in its product presentations. The company also began listening to customers' feedback in order to make further refinements.

The New Concept, the New Vision, the New Mission

Tamarac Nursery was evolving from a commodity-based business to a new value-added enterprise. Enter, new owner of Tamarac Nursery, Margot Woodworth. She would be the perfect fit for the company's new focus. Margot was always very conscious of the importance of preserving and protecting the natural environment. That love and respect for nature was something that was ingrained in her growing up in her native Germany. Germany has been a leader in promoting green behavior for many years. Yet, when Margot arrived in Canada 20 years ago, the emphasis on "green" was in its infant stage. In contrast to Germany, Canada appeared to be a "throw away culture" to the detriment of the natural environment. Margot believed that every product came from the Earth and would inevitably return to it in one form or another. Her hope was that Canadians would soon realize the importance of preserving the planet for future generations.

So, with her nursery background, Margot began the task of really building this green business. She knew, for example, that billions of dollars annually were being spent on weddings in North America. Margot believed some of those expenditures could be turned into ones that would support a green business—a business committed to the environment and to social responsibility. Margot believed that the company's new earth-friendly wedding favors (the tree seedlings) focus was a good one. But, she also believed the company needed a broader product portfolio. So, she began to design seed packages for an alternative favor to give during the winter months and also developed other green options suited for giving on every occasion. She also undertook the design of a professional Website that would enable the company to accept customer orders from all across North America. And, importantly, she also believed that the company needed a new brand name, one more consistent with its new focus. She renamed the company, Evergreen Memories.

Business Growth

Margot was extremely passionate and committed to her new business. Margot considered her green favors as "gifts of oxygen" since trees clean our air as well as fight global warming and prevent soil erosion. Margot believed that by the time her customers celebrated their silver wedding anniversaries, their wedding guests would have nurtured small forests that both beautified and protected the planet. In addition to her tree seedling product line, Margot added her packaged seed line for special occasions. Margot also discovered that many large eco-friendly companies were also interested in using "green favors" as part of their promotional efforts. So, she decided to embark on a marketing effort to gain some customers in this corporate space.

Margot also believed that entrepreneurs have an obligation to be good citizens and to give back to their communities. Therefore, Evergreen Memories became a sponsor of school projects, as well as other charity and fundraising events. Margot believes that starting and growing a successful business is very similar to growing a tree from seed. Both endeavors require much care and nurturing. She sees her business success as inextricably linked to her love and passion for nature and the planet. Ultimately, she has demonstrated in a very tangible way that a green business can be a success; a success both in terms of profitability and the preservation of the planet.

Under her stewardship, the company doubled its sales in its first year. Since then, sales have increased 30 percent per year. These results are impressive considering the business only operates six months a year (April-October).

Currently, 60 percent of total sales come from tree seedlings/seed favors sold as wedding favors. The other 40 percent of sales is derived from corporate sales to companies such as Xerox, Honda, Jamieson Vitamins, Bell Canada and TD Bank as well as sales to school districts.

The company sees major growth potential in the United States. Currently, about 30 percent of total sales are derived from US-based customers. She believes the wedding favor market in the US is 10 times bigger than in Canada. Currently, there are over 2 million weddings per year in the United States. The average cost of a wedding is close to \$20,000 making the market size over \$40 billion. The average wedding size is 100 guests. Margot roughly calculates that the average expenditure per wedding favor per wedding guest is \$5. Thus, she believes the wedding favor market in the US is approximately, \$1 billion. As part of her plan for US expansion, Margot is advertising online and in bridal magazines in the US. She is also attending wedding trade shows and corporate trade shows. She has also purchased the Web domain name evergreenmemories.com to complement her evergreenmemories.ca Website. She also discovered that some gift-giving occasions in the US are much different and much bigger than in Canada. For example, there is a major opportunity to market green gifts during American Thanksgiving.

Finally, Margot entered the Dragons' Den, a Canadian television show that has entrepreneurs meeting with potential investors in the hopes of securing venture financing. Margot won the competition and received angel financing for her US expansion plans. She also believes that her exposure on this nationally televised program will bring her new business, both wedding favor clients and corporate clients.

Questions

1. What does the evolution of Tamarac Nursery to Evergreen Memories tell you about the entrepreneurial journey?
2. What other opportunities do you see for Evergreen Memories in terms of sustaining the growth of its enterprise? Be specific. What market segments and product offerings do you recommend? Why?
3. What advice can you offer Margot as she makes her move to expand into the United States from her home-base in Ontario, Canada. For example, where should she build a beach head? What do you think of her way of calculating market size for wedding favors in the USA?