



# Lindley Mann:

## Flower Company Turns Globalization Thorn into Opportunity

By Rebecca Patrick

A display case in CEO Lindley Mann's office offers a window into the proud legacy at Hill's Floral. Adorning the shelves are trophies and medallions won at countless flower shows since the late 1800s.

At one time, the company sold millions of roses annually and was so renowned for its flowering prowess that it put Richmond on the map as the "Rose City" and gave birth to the Richmond Rose Festival, a popular event that honored the rose industry.

Over the last 15 years, the business – founded in 1881 by E.G. Hill and his father, Joseph – has, like so many Hoosier companies, had to come face to face with the effects of a global economy and other parts of the world providing the same service but at a lower cost. When flower hotspots sprung up in South America, Hill's Floral could no longer be competitive and shut down nearly all of its greenhouses – all 40 acres worth.

The company, led by Mann, who represents the fifth generation of the Hill family, redirected its efforts to become a nationally recognized leader in flower importing, distribution and wholesaling. Today, its headquarters remain in Richmond, with a distribution center in Dallas, where the sixth Hill generation (Mann's children) heads up the operation.

Mann sat down with *BizVoice*® to discuss how Hill's Floral successfully made the transition to working with its foreign competitors and what the company embodies circa 2006.

**BizVoice®:** When exactly did you stop growing flowers in Richmond?

**Lindley Mann:** "In 1995, we finally closed the greenhouses and became distributors of roses (and other flowers). We should have closed 10 years before that but we just dragged on ... it was a hard decision. There was a lot of heritage involved and all of our employees. But when we closed the growing operation, it was the perfect time for this community to absorb our workers."

Over one hundred years of recognition of the rich history of Hill's Floral.



“We had 250 employees, with 90% of the labor in the greenhouses – cutting roses and other flowers. Now, we’re probably at less than 100 workers, but most of the employment is distribution and office personnel.”

**BV:** Was there one thing that finally pushed you to make that decision to shift focus?

**LM:** “Yes, running out of money! We thought we could make changes enough to overcome the globalization ... you always think you can reinvent the wheel and try to do something different – lower costs, increase quality. All the things we tried didn’t work. We had to admit that we couldn’t be competitive in this thing doing as we had been. Realizing that, we were then able to make a transition to where we could be competitive.”



**Founder E.G. Hill (left) admires one of his roses; Mann explains today's breeding process.**

**BV:** How were you able to start that process to become a full-time distributor?

**LM:** “We always had a little part of the business as a distributor and have wholesale operations throughout the Midwest, so in that sense, it was a natural change. We started importing from South America and established a rose growing operation in Ecuador, so we basically have a subsidiary there growing roses. We just started buying more roses to replace the ones we pulled out here. Our customers were already in place, so we started with that base and built on it.”

**BV:** Was there ever a time when you thought about moving operations out of Richmond?

**LM:** “We considered a lot of these things, but frankly Richmond is a great place to distribute flowers. We have highways 70, 75 and 65, plus within 500 miles, you can get to about 70% of the population. It’s a fantastic place to be a distributor ... that’s why we stayed. We started the Dallas operation because we needed to be able to service Sam’s Clubs in the Western part of the country.”

**BV:** Talk about your distribution system.

**LM:** “We have a system that compares to nobody in an industry that’s generally pretty fragmented. There aren’t many large distributors. We’re probably the largest one now and have trucking lanes going everywhere, which means we can do a lot of things with product that other people can’t do. We have trucks coming in from Miami seven days a week. We have trucks coming in from California with product two days a week. During holidays for example, we fly our own 767s from Quito, Ecuador into Dallas to make sure our product is fresh.”

**BV:** Where can we find your flowers?

**LM:** “They’re in various supermarkets, retail florists and Sam’s Clubs in about 30 states. Our division in Dallas services 228 Sam’s Clubs throughout the U.S. Also, we have some Sam’s Club locations – like the ones in Indianapolis, Dayton and Cincinnati – that are leased, so we own those departments in the stores. That’s been a good part of the business, a good expansion. Because as retail florists decline in consumption due to supermarkets and big inventory people like Sam’s Club, that part of the business has shrunk for us.”

“The opportunity with Sam’s Club appeared about 14 years ago. That was a tough one because our retail florists didn’t like that obviously, but we had to say, ‘Hey, to get you good product and have it here on time, we have to have more diversification in our business.’ Over time, I think that most people have understood why we did it.”



**The Hill's Floral distribution center in Richmond abounds with flowers, both the mixed variety and rose bouquets.**

**BV:** What is the hallmark of Hill's flowers?

**LM:** "We pride ourselves on our cold chain; roses and flowers need that. They have to have a constant temperature chain because if that's broken somewhere along the line for an extended period of time, the flowers lose their value – days of value to you in a vase. So, we pride ourselves on keeping the cold chain intact all the way through as much as possible (with only a minimal lapse at customs) because we know how important it is to the consumer. There are a lot of people in the industry that aren't that concerned about it, so sometimes you, the customer, get bad flowers. From us, you're going to get a flower with lasting capabilities."

**BV:** What types of flowers and products do you sell?

**LM:** "We sell every flower you can imagine, but the biggest change is we're using more bouquets or mixed flowers. We're selling more of those and less straight roses, carnations or lilies. That change has taken place in the last few years. We also sell all the paraphernalia needed by retail florists, such as vases and silk flowers, plus foams for wedding arrangements. We do a little bit of everything with cut flowers. We leave the outdoor rose bushes to others like Jackson Perkins."

**BV:** I understand that breeding of roses still occurs in Richmond. How does that work?

**LM:** "We produce new varieties of roses that we sell; this takes

place in the few greenhouses that we kept open. We develop the seeds here and ship them to Colombia for germination. From there, ones are selected that have good potential, good characteristics to be patented and trademarked. We let people in South America grow these varieties, but they have to pay us a royalty for them. And then in turn, we buy flowers that they grow, so it's kind of a two-way street.

"The breeding operation has really kept us in the forefront over the years as being a premier company in the industry. We're always coming up with something new – a new variety or color."

**BV:** How many varieties of roses have you patented? Do you have a favorite?

**LM:** "We've been breeding since the 1930s, so there are hundreds of roses that we patented. Interestingly, before there was real color photography, the way you protected your patent was have a commercial artist do a painting of your product. So, we have quite a few oil paintings representing some of our earlier varieties."

"A patent is for 20 years, but it doesn't usually last that long because there's always another variety that comes along that has a better fragrance, lasts longer or has better color. Therefore, varieties come and go. Right now, I really like one of our new roses called 'Forever Young.' It's a red rose that keeps 15 to 20 days in a vase."

**BV:** How much of your business is via the Internet as opposed to retail?

**LM:** "We're doing a lot of fulfillment for a company called ProFlowers.com. We also do some for Sam's Club online. It's becoming a big business. Right now, it's still a small part for us, but it's the fastest growing part. Recently for Mother's Day, we probably did 1,000 boxes of fulfillment from here just for ProFlowers.com, and the Dallas operation did the same thing."

"The online market has certainly helped our company survive, which is the key in the world today. Each day is still a struggle in this industry because there are just too many flowers coming into this country, so the margins are squeezed."

**BV:** Any advice for companies reluctant to let go of what they've been doing and take on a more global approach to business?

**LM:** "I don't have any magic ball here. You simply have to know your customers and what their wants are. Also, you have to realize when the market is changing and you have to change with it – or you're going to be gone."

#### INFORMATION LINK

**Resource:** Hill's Floral at (765) 973-6600