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# Small Biz

STREETWISE GROWTH STRATEGIES

JULY 28, 2006

## No longer treading water

Pond supplier's first attempt to expand didn't work, but now they have plan

KELLY JOHNSON / STAFF WRITER

Business owners Marco and Wendy Tjaden learned the hard way that branching out to a second site far from home while having a baby doesn't work.

Still, it was a valuable lesson.

The couple own and operate Flora Tropicana Aquatics, a wholesaler and retailer of pond supplies and accessories, on 5 acres just south of Elk Grove.

They started the business from the back yard of Marco Tjaden's parents' house a dozen years ago, and established their first store at their current site four years ago.

The \$2 million business is growing at least 35 percent a year, and Flora Tropicana continues to diversify to ease the seasonal ups and downs.

Along the way, in 2002, the Tjadens accepted an offer to open a satellite store at a Loomis nursery.

"We never thought about expanding to another location," Marco Tjaden said. "We really shot from the hip without running any numbers."

They didn't invest much money into it, which turned out to be a good thing.

The commute was a killer between their Cameron Park home, the Loomis store and Elk Grove.

Flora Tropicana had to conform to the hours of its host retailer, High Hand Nursery. Separating Flora Tropicana's sales from the nursery's sales was challenging when customers wanted to ring up purchases together at one cash register. The employee crossover got confusing.

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DENNIS McCOY / SACRAMENTO BUSINESS JOURNAL

Marco Tjaden and his wife, Wendy (not pictured), display many pond settings at their site.

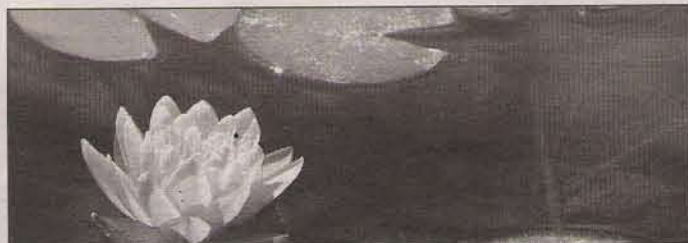
### Lessons learned

**Lessons:** Thoroughly research any prospective expansion, but also take chances.

**Philosophy he follows:** Business author Tom Peters' mantra that sometimes one must destroy part of an organization to get ahead.

**Advice:** "You better be passionate about what you do. If you don't enjoy it, you're not going to last."

**Goal:** "The goal is to try to not let the business control us anymore."



## FLORA TROPICANA: Expects boom in retrofits

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Wendy Tjaden was going to manage the Loomis store, but her long-awaited pregnancy left her husband trying to juggle both stores. "It was a timing situation," he said. "We had never operated two locations so we did not foresee all the headaches that go into it."

Closing the Loomis satellite store to focus on their core business wasn't a hard decision and he doesn't regret it, he said.

"I learned a lot," he said. "I would definitely have a better business cost evaluation of what my daily expenses would be."

He would also be more prepared for finding new employees, and "I'd have an outline of all the what ifs."

"It was hard on them. It was a nice try," said Lydia Patubo, High Hand marketing and business manager. And, by the way, the baby — 20-month-old Nicholas — is awfully cute, she said.

**Taking root:** Now, the Tjadens appear to be thinking more strategically.

Last winter, Flora Tropicana expanded into bamboo and some 130 varieties of Japanese maple trees. More competitors are jumping into the business and offering pond kits, so Flora Tropicana must set itself apart. The company aims to be a destination center. The planters that Wendy Tjaden buys from different artists, for example, can't be found at chain home-improvement stores.

Flora Tropicana also is branching out to other distributors this year. The company was one of the top distributors for manufacturer Aquascape Designs Inc., which represented 30 percent of Flora Tropicana's business.

But the Tjadens gave up the rights to exclusive products with Aquascape in order to carry products by other companies, and better prepare for changes they anticipate in the industry.

"The competition has at least doubled if not tripled within the past two years," Marco Tjaden said. Greater Sacramento has about six pond supply retailers instead of a couple just a few years earlier. Most are functional pond stores without acreage.

Flora Tropicana's expansive property showcases a variety of pond, waterfall and other water features in vignettes in the store's front yard, and in the side yards are Japanese maples under a 2-month-old shade structure, koi tanks and diverse selection of pottery, screens and architectural pieces such as Buddhas.

In back, Flora Tropicana grows its plants in 30 greenhouses for wholesale to nurseries, zoos and contractors throughout Northern California and parts of Nevada. Scattered around the property are a few pondless waterfalls — a growing segment as consumers like the sound of a babbling brook without the maintenance of fish.

Shopping on a recent blazing hot morning was Dave Rhodes, president and CEO of Rhodes Landscape Design Inc. in Sacramento. He's usually buying for his customers, but on this day he was buying water lilies to ready his own Rio Linda yard for a big party.

"They have fish, everything a person could want for a pond," Rhodes said. "One-stop shopping is what we build our business around. That's what they have here."

Retail and wholesale/contractors represent 70 and 30 percent of Flora Tropicana's business, respectively. Pond goods make

up 80 percent of sales, with 20 percent coming from garden decor. Marco Tjaden hopes to reach \$3 million in sales by the end of next year.

**Sales grow:** Others in the industry locally also are enjoying growing sales. John Hansen has seen his Nimbus Landscaping Materials & Pond Supplies in Rancho Cordova grow by 20 percent.

Situated on 2 acres, the store is mainly retail, with a lot of sales to contractors. He thinks the demand for ponds and pond supplies is just beginning. He started out as a landscaping supplier 26 years ago, but added pond supplies about 14 years ago when, as a hobbyist, he couldn't find anyone to sell him the products he wanted for his back yard.

"I think it's only getting better," said Sue Golden, owner of Golden Pond Water Plants in Loomis. Her revenue has increased by 5 to 10 percent each of the past several years. She closes her retail business in the winter, and instead works as a landscape designer.

Marco Tjaden thinks pond installations will slow, but retrofit business will boom.

"I think that market's going to be huge," he said, "because so many people are lured into the cheap price."

He enjoys the business, especially developing the property with new water displays as money allows. But this business won't satisfy him forever. He has always seen himself as an entrepreneur. Eventually he'd like to still be a part of Flora Tropicana, but to a lesser extent.

"Life is short," he said. "I want to experience other businesses, other opportunities."