



Julie Kouhia, CEO of Molbak's Garden + Home, moved from a career with Fortune 500 companies to an industry of independent retailers. One reason, she says, is because, "What we do matters."

'What we do matters'

Julie Kouhia worked for American Express, Starbucks and Amazon before becoming COO of **Molbak's Garden + Home** a decade ago. Now as CEO, she talks about why they stopped growing plants to focus on retail and other "growing" opportunities.

Story by Michelle Simakis • Photography by Meryl Schenker

While walking through Molbak's Garden + Home on a busy, bustling Friday before Thanksgiving, customers could be overheard talking about the store. A man named Woody walked up to Egon Molbak, who founded the Woodinville, Washington-based company with his wife, Laina, in 1956, and recently celebrated his 90th birthday. "You helped me do my first yard almost 40 years ago, and I just wanted to thank you," the customer said while shaking Molbak's hand. Two girls no older than 9 zipped by, and one loudly exclaimed, "Have you ever been to the café? I love this place! I love their pizza." Earlier that morning, customer Diane Williams shared, without being prompted, why she loves to visit the store.

"If it's a day when it's pouring rain in the summer, I just like to be in here and wander by myself as an outing. I like to visit the greenhouse just to hear the rain," Williams says. "They had a whole set of coleus of different colors grouped in such a way that it gave me great ideas ... Just now [an associate] taught me how to take cuttings from the coleus that's on our front porch."

Julie Kouhia, who was promoted to CEO of Molbak's in June, laughs, as she often does, when she hears this.

"You are probably going to think that we paid these people to be here and that they are all 'plants,'" she says.

Kouhia has worked for some of the largest, most recognized brands in the country. She pored over customer analytics "before big

data was cool” at American Express, directed retail marketing at Starbucks and led customer marketing initiatives at Amazon. After working for Fortune 500 companies for a decade, she moved to an industry of independents in 2006 and became COO of Molbak’s. This past summer, Jens Molbak, second-generation owner, promoted her to CEO.

Her tenure at Molbak’s is double that of her second-longest stint at Starbucks.

“There were life transition points that motivated me to leave Amex, Starbucks and Amazon when I did — that explains why I left, but it doesn’t tell you why I am staying at Molbak’s,” says Kouhia, who has two children, Anders, 12 and Annika, 17.

“This is a really wonderful industry, and what we provide to customers and the broader community really matters. We help people to create gardens and homes that are uniquely theirs — providing places to connect and recharge. We work in a business that does good for the environment, the community, and society at large. We build tangible and emotional connections between people and their spaces.”

A positive energy

During *Garden Center* magazine’s photo shoot in the store’s greenhouse, Kouhia was present and gracious with her time, all while being acutely aware of store happenings. A customer accidentally dropped a roll of ribbon nearby that began to tumble down the slightly sloped floor. She ran over and scooped it up for her. Molbak’s is dog friendly, but one customer had a very conversational pup with a high-pitched bark. Kouhia stepped in, gently saying that the dog didn’t seem very happy. Was everything OK? Has she brought the dog before? Kouhia was kind to the long-term customer but cognizant of the store experience as well.

While preparing for another shot, she kicked up her stylish taupe suede boots and spontaneously began tap dancing in place



Above: Julie Kouhia, CEO of Molbak’s Garden + Home, unexpectedly finds the store’s founder, Egon Molbak, enjoying breakfast with friends in the store’s cafe on Nov. 20.

before posing. She grasped a gate displayed in the greenhouse, but noticed it was a bit wobbly and could fall over, and noted that maybe they should tether it to something soon.

She is equal parts professional and playful and radiates positive energy. While she walked around the store greeting associates, it was clear she was respected but approachable. She mentioned she wanted to look “casual and sophisticated” for the photo shoot. This description fits her style as much as it does her personality.

“I think I wanted to hire her right when she started working with us,” says Jens Molbak, adding that she was a marketing consultant for Molbak’s at first. He began describing her background. “She has the whole Starbucks experience. It’s probably one of the

greatest brands to come out of the Northwest, and she was there helping them manage growth and how to roll out and deploy and communicate the Starbucks experience ... So I was kind of like, ‘Holy smokes.’ She has a skillset that is very unique, between the database marketing, the brand development and the online marketing.”

Molbak said before Kouhia assumed the leadership role, people already thought she was running the business, and that was a “great sign.” They had training meetings, but many of her attributes were not taught.

“She’s funny. We laugh a lot when we work together. She’s motivated. She really wants to see good stuff happen and she has a deep, intrinsic drive in her,” he says. “I think it’s part of her DNA and her makeup, and that’s not something you can coach or hire into somebody.”

Kouhia says her work ethic comes from how she was raised and the high expectations her parents instilled early on.



“Dad always said, you guys are all really smart and you should do the thing that’s very, very hardest for you because other people may not be able to do that,” Kouhia says. Then she laughs, “And [my siblings and I] look back on it now and think, ‘Hey, what about following your passion? Doing what comes naturally?’ But he always kind of pushed on that.”

Though Kouhia may have started her career in other industries, a love of plants and gardening was established in her childhood. When Kouhia was about 11, she worked with her father’s friend on a massive vegetable garden that included crops like tomatoes, potatoes and squash as well as asparagus and cauliflower.

“He just taught me an awful lot about gardening. He was just a great, great role model and he was so patient,” she says. “I grew up in Pullman, which is where Washington State University is, and it’s wheat country, it’s farm country. So in my life there were a lot of conversations about weather and crops and an awareness of how that tied to the economy and the livelihoods of the people in the town.”

Tough decisions

The horticulture industry, like farming, is susceptible to uncontrollable factors like weather. Molbak’s had always had a strong foundation in growing up until the end of 2012 when they grew nearly 85 percent of their annuals and some perennials, Kouhia says. But three years ago, Molbak’s made the decision to stop producing plants and to focus on selling them.

“At one point we had three locations. The Woodinville store was by far the largest, but we are back to this one location. We prided ourselves and still pride ourselves on offering a fabulous selection, a great assortment of plants, annuals, perennials, nursery stock and everything appropriate for your garden,” Kouhia says. “Since we were growing most of that ourselves, we were having to grow broadly and shallowly because we were just a single point of sell-through for the farm.”



Left: Poinsettias are grouped both by brand and in color blocks. Molbak’s stopped growing its own in 2012. Right: The poinsettia tree is typically surrounded by shoppers taking holiday photos and selfies.

This meant more pressure, risk and responsibility on Molbak’s, especially with the competition from big box, grocery and hardware stores that sell annuals and herbs.

“Despite any seasonal shifts, we had to sell what was ready at the farm, regardless of the weather impacts. It became really difficult because it was not cost-effective,” she says. “More growers have been growing for a wider number of outlets. And they specialize — they grow narrow and deep — and that’s really cost-effective. Then you’ve got a number of different places where you can sell your product and clear out the farm and move onto the next crop.”

The decision was not easy. Growing “was so much in our DNA,” Kouhia says. But it was the correct one.

“It has been fantastic,” she says. “Now, we can really focus on retail, which we think we are really, really good at. It gives us more flexibility in terms of when we pull product, and so we can offer plants when customers really want them and not just when it’s time to clear out the farm.”

Customer experience

What drives Molbak’s focus on retail is a commitment to honing a positive, inspiring customer experience. Much of her in-store philosophy Kouhia first learned from working at Starbucks.

“[I went from] a company where your relationship with the customer was all through the data and through the mail [at American Express], to a company where their relationship with the customer was all in person. Starbucks didn’t have a big database of customers,” she says. “Trying to figure out how to utilize that and strengthen those relationships when you’re working with thousands of individual baristas was really an interesting shift.”



LISTEN TO excerpts from our conversation with Julie Kouhia that we couldn’t fit in print in the podcast ‘What we do matters.’ bit.ly/1HIE2e2



More about Molbak's

Year Founded:
1956

Location:
Woodinville,
Washington

Employees:
160 at peak,
120 year-round

Size:
160,000
square feet

Website:
molbaks.com



#14



The holiday circus display at Molbak's was packed with stuffed animals and appealed to children shopping with parents.

They are all about relationships and the retail customer experience and creating a sense of place, which is now becoming so popular.”

When Kouhia came to Molbak's, she developed a cross-company visual merchandising team to make the shopping experience more consistent for customers.

“We have a team of six visual merchandisers. Creating displays that are both shoppable and inspiring is really important to make the experience of shopping here really fabulous,” Kouhia says. “I believe in having an integrated design aesthetic that pulls everything together and runs like a thread through everything we do. It is like a consistent visual shorthand for customers letting them identify something as ‘Molbak's’ at a glance.”

Part of that was the “brand refresh” that Kouhia led, which included modernizing the company logo and creating customer “personas” for current and potential customers based on consumer research “to bring them to life throughout the company,” Kouhia says.

They kept what was intrinsically Molbak's the same, however. They didn't repaint the wonderfully worn, white wooden beams near the greenhouse ceiling or replace the upside-down terra-cotta pots that serve as light fixtures.

It's common sense that if employees aren't happy, customers in turn will not be happy. Part of the customer experience piece is making sure that staff are prepared, have opportunities for growth and that they feel they are essential to the company's success.

“We created a Molbak's Training program that is uniquely ours: the new program includes a mentorship component, an all-day new hire orientation, seasonal training forums, product knowledge sessions, and more,” Kouhia says.

Instead of sitting through PowerPoint presentations about new products, employees are guided around the store before it opens so they can actually see and touch the products they are hearing

about, and so they are able to find it for customers. Though people have their specialties, staff aren't segmented into departments.

“Talking to our associates and having everybody work together so that we are all speaking the same language has really done a great thing in terms of pulling us together as a unified, single team rather than different departmental teams, so the customer has a consistent experience throughout the store,” Kouhia says.

It's also important to communicate with staff when you have about 160 employees during peak season.

“The company has gone through a lot of changes, both expanding and contracting,” says Stacie Wilson, senior buyer for garden and live goods, who has been with the company for 27 years. “But it's always had a small feel ... You can certainly approach [Kouhia] and talk to her about anything at any level. I think her awareness and her involvement, even at fairly low levels, is pretty strong. I think that only makes her better at helping her make decisions at a higher level.”

The actual layout of the store changed as well to reflect this cohesion among departments.

“We reshaped the retail floor and flow to make it easier and less daunting for a customer to navigate their way smoothly through the store and transition from one department to the next,” Kouhia says. And, of course, they have always updated their product line to attract customers. “We worked with buyers to focus on products that are particularly well-suited to our area, that have a unique, local connection, tell an inspiring story, or have a philanthropic tie in.”

Learning from the past

Though American Express, Starbucks, Amazon and Molbak's are businesses of varying size and operate within different industries,

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A team of six visual merchandisers updates Molbak's displays and store six times a year. Kouhia created a promotional calendar designating seasonal campaigns: Refresh & Renew (Jan./Feb.); Twist & Sprout (March/April); Beauty Blooms (May/June); Simply Summer (July/Aug.); Gather! (Sept./Oct.); Comfort & Joy (Nov./Dec). The team of merchandisers, buyers and managers bring those themes to life.

Kouhia finds a common thread.

"All four companies have this tremendous commitment and belief in the brand," Kouhia says. "I know there are elements I've brought from my previous experiences that I apply at Molbak's."

Fresh out of business school at UCLA, Kouhia launched her career at American Express, serving as manager of card member services.

"It was a great opportunity to really learn business, and the thing I loved about it is American Express was doing big data before big data was cool, and that's how they connected with customers," she says. "You had so much customer information. What I've brought [to Molbak's] from that is discipline in terms of business analytics and

customer analytics, and this recognition that sometimes you have to move quickly."

She used those skills to help redesign and launch Molbak's Rewards program in 2009.

"We had had an e-club program, which is an email program, and that had hovered around 16,000 in membership for years," she says. "But we now have over 80,000 members, and that's a really big number for a single location. We want to be able to communicate more directly with that group and to invite them and give them special benefits and privileges and acknowledge them as being core to our business and part of us."

Collecting consistent data about customers has been a challenge, however.



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Molbak's cafe is right in the middle of the store but surrounded by and draped with plants to give it a more private feel. Once just an espresso bar, it has been transformed to a restaurant and is open from 9 a.m. to 6 p.m. daily.

VIDEO FEATURE

Molbak's sold more than 500 tickets for each Girls' Night Out event that took place in November this year. Watch the video 'A gangbuster Girls' Night Out' to find out more about the holiday celebration: bit.ly/1lrFovg

They are working through it, however, and at the same time revamping their POS system, which will roll out in February.

"We don't have the server here; it's located in Montreal, and we've had challenges with it. Looking ahead, when it came time to make the shift to the chip encryption and encryption software, we thought, you know what, rather than investing with this company, let's look around and see what other solutions we can find that might be a better fit for us," she says. "It's going to be much more intuitive and flexible for the cashiers." In the peak of spring, rather than cashiers having to remember this or that discount, the system will be more automated, for example.

Growth

Molbak's has always been well-respected and well-known in the industry, but in the early 2000s, the company was in debt and closed two of its locations. In 2001, Jens Molbak purchased the garden center from his family and has revitalized the business.

Since then, Molbak's has been focusing on its flagship store. Kouhia says that in 2016, which happens to be the company's 60th anniversary, it will be once again poised for growth.

"We're not just growing for the sake of growth, but we're ready to grow. We've built the people foundation, the infrastructure of

"The current system has not been great about providing data in a way that's easy to consume, so we ended up replicating all of our data in a separate data warehouse of our own and then trying to analyze against that," Kouhia says. "The problem was the CRM system and the sales audit system were not completely in sync. And so which numbers do you believe? Which is really frustrating."

the organization, the financial foundation," she says. "We're a destination spot, which is great, but we also want to be more accessible to more people."

She didn't share specific details, but they are open to the possibility of adding new stores. Growth could also come in the form of click-and-brick shopping or e-commerce.

They are also adding a landscape design department, which will include regular maintenance services as well as design and installation for both outside and inside of the home. This was in direct response to customer requests for off-site container planting and even interiorscaping, Kouhia says.

"We started offering these services about three months ago, and so far, the business has been growing steadily without any marketing at all," she says. "We are prepared to grow the team to meet customer demand."

When Kouhia reflects back on her family and career, she talks about how she's balanced it all, and how often, only women are asked that question.

"There's a book called 'Sequencing,' [a passage reads] you can have it all, but it might just not all come at the same time. You make trade-offs and you figure out what you need to do to adjust to make everything work," she says. At various points, she took time off to spend with her kids and consulted for four years to have a more flexible schedule but stay fresh.

"We have a share group called ECGC, [an alliance of a dozen independent garden centers across the country] and we have the nicest, most supportive network of owners and CEOs, but I'm the only female CEO in that group," she says.

Molbak recalls what members of the group said when Kouhia was not at the meetings.

"There would be some meetings where I would show up and Julie wouldn't be there, and they would say, 'We don't want you, we want Julie,'" he says. "She's the only woman in that group. For an industry where 80 to 90 percent of the customers are female, I think that's a powerful distinction ... She thinks a little bit differently than other people. She has a different perspective. I think she's emerging as not only a leader for Molbak's, but as a leader for the industry."

Kouhia has somewhat come full circle in her career, from her first summer job working in a vegetable garden to leading Molbak's Garden + Home.

"We believe really strongly that what we do matters because we're helping people create gardens and homes," she says. "Our brand is about connection and inspiration. And I think it's reflected in everything we do in the store, and I think it sets us apart from all others." ❧