

For Dennis Gabrick, coming up with a good product was easy. Dealing with his investor group was almost impossible.

The pickled palm man

By Seth Lubove

WHEN HE WAS 12 Dennis Gabrick turned over his earnings from caddying and delivering newspapers to help pay the household bills after his family declared bankruptcy. In the late 1960s he put himself through the University of Miami, working at department stores. It was all good

training for one of life's toughest challenges: getting a business off the ground and keeping it there.

By 1984 Gabrick, then 35, was in Carpinteria, Calif., selling money-counting machines and counterfeit-money detectors made by a Swedish company. The Swedish outfit decid-

ed to add to its product line flowers preserved in a special formula developed by a chemist named Per Monic. Monic and Gabrick teamed up to start making the product.

Gabrick saw the possibilities of a business based on selling plants and bouquets that would last forever. He



Preserved TreeScapes International's Dennis Gabrick and embalmed palms
Gabrick thought his investors would let him run the show. They had other ideas.

persuaded Monie to cut ties with the Swedish company and throw in his hand (and his preserving formula) with Gabrick to start Nature Preserved of California.

Gabrick and Monie started out selling \$5 bouquets at supermarkets, but by 1985 the partners had preserved the entire top of a palm tree. They soaked the palm fronds in Monie's solution for several days, then attached the fronds with metal bands and glue to artificial trunks made from steel and fiberglass. The trees looked amazingly real and required no maintenance, save an occasional dusting.

Targeting the \$3-billion-a-year commercial interior landscaping business, Gabrick figured he could sell his preserved trees to malls, restaurants, hotels and casinos as substitutes for live trees. He priced his trees at around \$1,000 apiece. This was twice the cost of live trees, but live trees must be watered and fed, and often require reinforced floors to support the weight of wet dirt. And live trees typically die after three years. Bottom line: After three years Gabrick's trees are generally more economical than live ones.

Coming up with the product was the easy part. Financing its production and marketing it proved almost impossible. From family savings and with help from his uncle, a barber in Santa Barbara, Gabrick put up \$150,000 for working capital. This kept things going for two years, when Gabrick convinced some local investors to put up \$750,000 for a two-thirds stake in Nature Preserved.

Gabrick figured he'd still run the show. Wrong. The investor group installed a new president and chief financial officer, and demoted Gabrick to vice president in charge of sales and marketing.

Looking for customers, Gabrick soon found that he had to be careful not to alienate the commercial interior landscapers, who have the best connections with the owners of malls, restaurants and office buildings. The landscapers make a lot of money feeding and watering the live foliage they install. Nature Preserved's embalmed trees threatened to eliminate this revenue stream.

So Gabrick decided to market his



Atrium of the Mirage hotel and casino in Las Vegas, with preserved palms
Only reluctantly did Gabrick's shareholders take Steve Wynn's order.

preserved trees as a complement to live plants, in areas where lighting was poor or floors could not support the weight of a live tree. This made the landscapers happier, but also greatly reduced Gabrick's potential market. In 1990 Nature Preserved sold only \$700,000 worth of trees and was losing money. Tired of living hand-to-mouth, Monie quit and returned to Sweden.

Gabrick hung on. He visited dozens of trade shows and relentlessly called on landscapers and commercial property managers and owners. He drove a Ryder truck filled with palm trees to Las Vegas for a sales call on gambling mogul Stephen Wynn. Wynn wanted to give the atrium of his new Mirage casino and hotel the look of a rain forest, but he couldn't find live trees that would sufficiently obscure the pedestrians' view of the glass roof overhead. Unlike live trees, which need breathing room, Gabrick's dead palm trees could be crammed into the space, creating the effect of a lush canopy of palms.

Wynn ordered \$750,000 worth of Nature Preserved's palms—but Gabrick's investor group was nervous at the thought of taking on such a big order. Gabrick finally convinced the controlling stockholders to take the business, but he kept quarreling with them over how much money they could take out of the business as well as other pressing concerns.

Fed up, in 1991 Gabrick quit. He lured five of Nature Preserved's employees to join him in starting a competing company, Preserved TreeScapes International, financed with \$300,000 from his Santa Barbara uncle and some friends. Nature Preserved sued him for violating a noncompete agreement, but that was a desperation move: Nature Preserved was dying without Gabrick. The order backlog shrank from \$600,000 to less than \$100,000. The investors had borrowed another \$2.1 million to cover Nature Preserved's losses. They offered to sell Nature Preserved's assets to Gabrick for \$420,000. Gabrick agreed, merging the assets into his new company.

Today Gabrick is again president of his own company and, with 75% of Preserved TreeScapes, secure in the job. (His general manager and vice president, Vito Milano, owns the rest.) Using the contract with Steve Wynn as his calling card, Gabrick has sold his trees to such customers as Disney's hotels, the Planet Hollywood restaurants and Warner Bros.' retail stores. This year Gabrick expects sales to reach \$6.5 million, with pretax earnings of about \$1.3 million.

His latest idea: Market the trees as a way to disguise ugly cellular phone antennas. To sell this concept he'll need tenacity, with which he is amply endowed.