

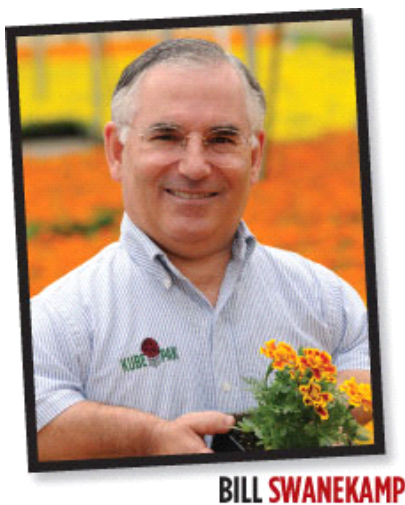
GROWERTALKS

Growers Talk Business

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Time Marches On

Bill Swanekamp



(Editor's note: The staff at Ball Publishing—especially Chris and me—would like to thank Bill for his years of being a highly valued contributor to our publication. We're so grateful for his insight and I know our readers have enjoyed learning from one of the true leaders in our industry.—JZ)

As we age in life, there's one constant that doesn't change and that is that change is constant. Life and circumstances move on, and we cannot stop it.

I've reached a milestone in my life that I've been anticipating for over a decade. Yes, I've reached the time when I need to retire.

Notice the choice of the word "need," not want. I've worked in the horticulture industry about 60 years and have assisted with running Kube-Pak for over 40 years. I cannot say that I chose the easiest career in life. No, running a greenhouse business is probably one of the most difficult vocations one can

have. Not only do you need to run a business, but design and write software code specific to our industry; learn how to grow plants; maintain production equipment; fight voracious insects; manage destructive soil diseases; keep up with government regulations; manage and train a diverse employee base and prepare against windstorms, hurricanes, and 3 ft. of snow. This isn't a complete list of the many challenges that we face on a daily basis, but enough to give one sleepless nights. Add to that the effects of aging and as much as one believes in his heart that they can do as much in their late 60s as in their early 30s, our bodies tell us otherwise.

So that brings me to the next phase of my life—succession and retirement. As a family business, we've always wanted to see our children follow a path in our industry. You might ask why since it can be such a difficult business to run. Very simply, it's a satisfying way to make a living. There's something unique about growing plants and bringing pure beauty into the lives of others. It never gets old seeing the joy in others as they buy beautiful plants and then plant them in their own gardens to enjoy for the rest of the summer and fall.

In my case, it brings me closer to our Creator. But now, the stress of running the business is too much and it's time for the next generation to take over. Currently, we have two family members of the third generation active in the business for over 10 years each. A third one is just starting to show an interest. The question is, when did we start to plan for the succession of the business? Can we say 40 years ago when we had our children? Yeah, pretty much. It was always our desire to pass the business to the next generation.

Was it easy? NO! Children aren't like robots that can be programmed; they're individuals who have their own likes

and dislikes. Our goal was to expose them to the business and then allow them to make their own choices, with a little prodding from us. How successful were we? Two out of six are active in the business with a third one joining us recently. That isn't a bad success rate.

What was our plan for succession? One of the most important goals parents should have if they want their children to join the business is show them the joy of growing plants and then provide them with a successful business model. There are very few children who want to buy or inherit a greenhouse business that's unprofitable or just hanging on by a thread. Also, you want to make the terms of the transfer manageable.

You can meet the first condition by showing them the joy of growing plants. This comes from within us. If you wake up every day hating your job and viewing plants as an intermediate form of cash, you won't pass this appreciation on to your kids. Never stop being amazed as a plant grows from a seed to a radiant flower. Put those feelings into words as you tour the greenhouse each day. It should never get old.

Let's talk about the second condition—a successful business model. Over the past 15 years, we've seen many large and small greenhouse businesses fail. Excessive production and low pricing have been at the root of this failure. To avoid this dilemma, we needed to create a model that circumvented the traditional production and sales model. Part of our strategy was to develop an alternative to the garden center and big box sales outlets. We focused for many years on selling to landscapers and garden centers.

Today, Kube-Pak sells 40% of its finished plants to landscapers. This has enabled us to flatten some of the extreme cycles we see each spring with poor weather. Landscapers will take their orders over the course of the season even if the weather isn't ideal. Why? Because, eventually, the weather does improve and businesses want to have an attractive image facing the public. On the other hand, homeowners will move on from planting their gardens when the weather gets too hot and the beach starts calling.

The other important aspect of bringing the next generation along is to give them a meaningful share in the daily operation of the business. As soon as they indicated a desire to be in the business, we trained them to be managers and supervisors. Although, they did some of the less-important jobs initially, it wasn't long before they were given more responsibility.

We also paid them well. Why is this important? When we were kids, we basically worked for free. It wasn't until we got jobs outside of the business that our parents started to pay us. This might be okay for a short period of time, but realistically, you cannot erase the bad experiences of a childhood. Treat your children well, but teach them to work hard. The only place where success comes before work is in the dictionary.

Structuring the transfer of the business is a complicated process, and requires the direction and advice of a talented attorney. Don't skimp in this area. We came up with a plan that gave the next generation a strong chance for success. Although we had to follow the law, we didn't put such a burden on them that their success was uncertain. We transferred to them a business that was running along like a well-oiled machine. This was very different from the one we took over many years ago.

The last challenge is that of letting go. Is it easy to let go? Not after being involved for five decades. After all these years, making decisions has become intuitive for us old folks, but for the next generation they see things from a different perspective. We have to allow them to make some mistakes. Hopefully, not the grandiose type, but somewhat lower on the Richter scale. Maybe a little shaking from time to time.

My cousins, John and Rob, have worked together with me for five decades and we've developed a decent working relationship over that time. One challenge of bringing in the next generation is that they don't always understand this dynamic. They haven't personally witnessed the successes and failures over the years or the paths we took to

resolve them. Now we have two new personalities to consider and how they'll integrate themselves in the personality mix. Will they form a strong working relationship with each other or will they fail to bridge this important gap? Time will tell, but so far, they seem to treat each other well.

What will I be doing in retirement? That's a good question. One goal is to spend more time with my congregation. The other is to be available to assist with input in the business if it's requested.

Lastly, I want to thank all the fine people that I've had the privilege of working with and getting to know in our industry. I especially want to thank *GrowerTalks* for giving me a small voice in our industry. It started in 1987 when Vic Ball invited me to be a speaker at Grower Expo in the dead of the winter. It was a special meeting and led to many more speaking presentations at OFA and Cultivate.

Also, it's been about 20 years that I've written columns for *GrowerTalks*. That I will miss. Maybe they'll call me to see if I still have a pulse on this marvelous industry. 'til then, it's time to move on. **GT**

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