

GROWERTALKS

Acres & Acres

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The Four Bs

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I was lunching with Jen Zurko and consultant/columnist/exceptionally bright chap Dr. Brian Corr recently to brainstorm topics around cannabis (his beat for *GrowerTalks* and *Inside Grower*), and we also veered off into hemp and CEA and other financially tenuous horticultural endeavors.

Between bites of tortas al pastor, Brian stated something clever I hadn't heard before.

"It's the four Bs," he said. "You can be Big. You can be Boutique. You can be Bought. Or you can be Broke. The four Bs applies to all of these crops ... really, if you think about it, to all businesses," he added.

Interesting! Let's dig into this idea:

Big. Being big looks easy on the surface. You just ... you know, get big. Add space, buy someone out. Buy 10 guys out! Back in the day, in Florida, where I did my growing, if you had 100 acres of groundcloth and maybe some shade cloth, you were automatically one of the biggest growers in the country. (It's not that easy today.)

But to be big and successful first requires you to be small and successful—also not easy. Then, as you get bigger, you have to grow not just your greenhouse space, but also your production and management teams, your IT investment, your HR and payroll capabilities, and a million other areas that are challenging enough to manage when you're an acre, but exponentially more so when you're 100.

But with size comes inertia. Momentum. Leverage. Buying power. Funds to afford talent in the critical areas of the business. And with growth done right, and you keep your powder dry, you have the resources to weather larger and longer storms that sink lesser businesses. Size, as Brian implies, has its benefits.

Boutique. This is my favorite because it describes Ball Publishing. We are small, we are specialists (horticulture), we are experienced, we are exceptionally good at what we do, and we inspire a loyal following for our goods and services. It was another publisher, in fact, who pointed this out to me years ago. At a conference, he forecast that print magazines would be dead in just a few years. I objected, and he was forced to admit, "Well, sure there will be a few boutique publishers left."

Eureka! And that's how I've defined Ball Publishing ever since.

Boutique implies unique, special, exclusive, and yes, maybe higher priced than the average business—a nice place for many of us to reside.

Bought. Big or boutique, if you don't have a next generation waiting to take over, selling is the best succession plan possible. And if you've worked hard to be successfully big, or successfully boutique, it's the best way to capture the value of your brand before unforeseen market forces upset things. In some industries, like tech, being bought is the ultimate goal of many a startup and it can happen almost overnight.

Some of our most successful floriculture businesses have been bought while still allowing the founding family to manage the operation—the best of both worlds, you might say, getting the fun and challenge of running the business without the long-term financial worry for your family's future.

Broke. I don't want to even paint this picture, but duty compels me to tell you the truth: some horticulture businesses go under. Certainly, in the fast-paced, Wild West worlds of cannabis, hemp and controlled-environment agriculture, where success is measured in the raising of capital, not crops, there'll be more failures than successes. I can already point to some, such as FarmedHere, the Chicago vertical farm I profiled for Inside Grower in 2014 (and which closed in 2017).

Thankfully, floriculture, for better or worse, is a mature industry and so isn't subject to the sort of gold rush mentality those other crops are seeing today. Chances are very good that if you're reading this today, and you were reading my stuff five years ago, you'll still be reading my stuff in five years.

Chances are equally good that folks like my friend Dr. Corr will still be providing me with interesting stuff to write about. **GT**