

7/1/2019

## In It for the Long Haul

*Elizabeth Holmberg*

Our wholesale and retail greenhouse will soon be celebrating its 100th anniversary. I've been involved with it for the past 30 of those years, helping steer this ship through the vicissitudes of business cycles, generational shifts and the personal life changes and soul searching each person confronts when—at certain junctures in our lives—we reexamine our life's direction.

In that time, too, I've seen peer businesses facing their own challenges, mature, evolve and, at times, shutter their doors, sometimes with forewarning, and other times overnight. There are other businesses like ours, still left standing, like pieces on a chess board. Competitors though we may be, when we see each other at trade shows, we feel like business soul mates, with an unspoken understanding of what it's taken to have taken our businesses this far for years, or as they say, for the long haul.

### What It Takes

To be a small business in for the long haul, some business principles still apply. Planning. Timely bill paying, including always taking early pay discounts when possible. Integrity. Keeping a close watch on cash flow.

But there are other qualities, too. These are qualities I've observed common to businesses that have sustained decades afloat in the business ocean. And these qualities aren't necessarily taught to us in MBA classes or the latest trendy business books. They're like the slow food movement compared to fast food's definition of success: cheap and quick. Steady as she goes.

So it's been a great spring. The money is flowing in, the bills are all paid, and hey! There's even a little extra something for getting all those needed repairs done. Yea! Time to spend! I never get too, too excited about a phenomenal spring season. To engage in a reasonable pattern of growth, to keep up on repairs and to continue an upward trajectory is laudable. But my observations of businesses that have lasted through the decades lead me to the conclusion that a financial buffer is essential to sustain a business in the long term.

### Shoring It Up

Each year, there seem to always be, to some degree or other, unexpected repairs, slowdowns or higher-than-expected costs. I count on it. And I like to sleep at night. The greenhouses and nurseries that have sustained decades and possibly generations of being in business are as steady as a beacon in the sea. They roll with the inevitabilities of life, continuing to pay their bills, keep up with repairs and maintain consistency with their quality.

Never getting too excited about banner years has given us a financial and psychological cushion against setbacks. Our aim is up the mountain, but that doesn't mean we have to get there in a hurry. Slow and steady wins the race.

## Quality for Survival

Our company wouldn't be where it is unless our core value included a high-quality product consistently delivered. There's just no other way. A quality plant enables us to maintain and protect our reasonable return policy. If quality is suspect or lacking, customers won't hesitate to complain and make returns. Those returns will include reasonable ones and unreasonable ones. With insufficient quality to start with, companies can get bombarded with returns in our business and will have diminished ability to thwart them.

Focusing on quality is the best thing a greenhouse or nursery can do. This needs to be done despite the temptation to push the limits of quantity and production goals. Companies that deliver higher-than-average quality can command a higher price and that price will be perceived as less negotiable by customers. Naturally, the higher price increases the chance for crops to sell through and be profitable for the company. They turn faster and can result in more repeat orders. In a nutshell: quality is the way to go.

## Staying True

For years, the research gave us the story: Branding is in. Unbranded products don't sell as well, they're boring, people don't know what to do with them and you can't sell them for as much as a plant with more "flashy splash."

I have another viewpoint. Yes, yes, given two plants that are ho-hum and identical, the one with the flashy splash pot, banner and social media support is going to win out. But here's the thing: If you have a flashy splash pot with mediocre quality versus a plain pot with fantastic quality, which would you rather have?

My customers have told me with their wallets: they pick quality, appearance and their experience with the plant (if they have it) every time. It all goes back to quality. So, yes, branding is important. My brand. My reputation. My plants. And we do it all with plain 'ol green pots--pots we can clean, recycle and reuse.

## Avoid Debt

The one sure thing about business is that it's never a sure thing. Each day, our efforts need to be focused on growth and sales, even if it's just to keep even. Markets change, competition pops up and prices rise. And in a greenhouse, with living plants, you can count on even more uncertainty: crop failure, poor weather, insect infestations and fickle consumer behavior is just the start.

From my observations on our own and other long-lived greenhouse businesses, conservative financial behavior is the norm. Debt is kept at a minimum, although banking relationships are steady and strong. Interest payments that need to be made in the face of a cyclical and uncertain market are risks, which those who want to be long-term players tend to avoid.

## Live a Balanced Life

Let's face it: growing plants is a 24/7 job. And you can start out passionately working that way for months, and maybe even a few years, to get the business off the ground and lay the groundwork for a self-sustaining business model. I did. I juggled that with children, soccer games, homework, housework and being a good spouse.

With all of the demands of a business, unless the work is balanced with some down time, an occasional change of pace, greenhouse fatigue will surely set in. And you will not like your life. And that's sad.

Truly, we're in a wonderful industry. However, because of its nature, we need to be determined to set some time to travel, gain perspective, see new things, gather new ideas, get recharged and stay excited about our lives. Realistically, we shouldn't even consider this mental and physical break from the business a luxury. It's not. It's vital to your continued enthusiasm, which will spill out all around you, creating a positive influence to your employees, coworkers and customers.

All of the businesses I know that have had long histories and happy owners share this trait. They either have a special place they visit, engage in a meaningful hobby, make time to travel or take at least one day off per week to do things other than their normal work routine. Will you get as much done by taking a little time off for yourself? Absolutely. You'll love your life and you'll love your business. It's a good formula for being in it for the long term.

## **Make a Succession Plan**

Make a plan and keep your promises. One of the biggest reasons that businesses aren't able to transition to the next generation is that either a plan for succession isn't firmly in place or a plan as conceived isn't carried out for various reasons. Consequently, the next generation loses interest or cannot continue operations due to financial obligations of other family members that aren't involved in the business.

Passing the torch from one generation to another is an achievement. Done smoothly, it's a testament to the care and love of a previous generation. Done poorly, it takes a sledgehammer to the foundations of the business, and tempers or extinguishes the enthusiasm of the next generation.

Recently, a Dutch salesman visited our greenhouse and, amazed at our longevity, he told me that in the Netherlands, our company age would qualify us for Royal status, a distinction of respect and appreciation granted by the Queen herself.

Of course, we have no such thing in the United States. We're as far from a trendy "start-up" as you can be. Yes, maybe you can even consider us a dinosaur in our current business climate. But we're still here. And I'm glad about that. **GP**



*Liz Holmberg is vice president of Nelson & Holmberg Inc. and Lizzie's Garden in Naperville, Illinois. She can be reached at [lizholmberg@gmail.com](mailto:lizholmberg@gmail.com).*

### **About the Operation**

*Lizzie's Garden has been around since the early 1990s, but Nelson & Holmberg Inc., the wholesale business, was started by President Erik Holmberg's grandfather, Elof Holmberg, and his partner Oscar Nelson in 1922. Both operations are located in Naperville, Illinois, and the wholesale business specializes in seasonal blooming plants, holiday and foliage, supplying area*

*landscapers, florists, fundraisers and other organizations.*

*Liz and Erik Holmberg are the third generation to run the wholesale business Nelson & Holmberg Inc. and the first to run the garden center, Lizzie's Garden.*