



After selling to investors, Gene and Jeff Young have rescued their family's business and restored order in the markets they serve.

Making A Strong Comeback

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RECLAIMING the family business was the right move for father and son team Gene and Jeff Young of Young's Nursery & Greenhouses in Gallatin, Tenn. In addition to receiving a hearty welcome back from loyal customers, they have had the opportunity to start fresh with modern equipment and serve a more diversified market.

During the consolidation craze at the end of the 1990s, Young's was one of the large bedding plant producers purchased by a New York investment firm, Weiss, Peck & Greer, which had also purchased Powell Plant Farm in Texas.

Rival investment firms were leading their own consolidation movements with California-based competitors Color Spot Nursery and Hines Horticulture, as well as Floral Plant Growers and Atlantic Greenhouses in the East. The race was on to become the largest producer and cash out by taking the businesses public with an initial public offering of stock. This was before the bull market of the 1990s underwent a major correction, which brought this roll-up activity to a screeching halt.

Gene says he was not interested in selling initially, but the firm courted him over the course of two years and sang a good song. "They convinced me they would keep the growing operations the same," he says. "I could stay as long as liked, my son could be part

of the organization and the money was good. But as soon as the ink on the contract was dry, things started changing."

He left the company after one year. Soon after that, his son left and started Jeff Young's Plant Co. 70 miles away in Smithville, Tenn., and he picked up customers who were not being served well by the new entity. Within two years, all but one employee left the organization.

The biggest downfall was not relying on the advice of the original owners, Gene says. "The corporate attitude is totally different than a farmer's attitude," he explains. "Corporations are used to buying companies that make nails, hardware and soap. We're dealing with live product. You need someone dedicated 24 hours a day to make sure the lights are on, the heat is on and

the doors are closed. A corporation is not going to dedicate itself to do what an owner does. If you try to manage from New York, you only look at the bottom line and how much money you can make. The expectations were way too high and unrealistic. They poured a lot of money into the business, but that was not the answer."

He says consolidation could have worked if it truly had been grower driven. "I don't think it would ever work with outsiders, but it could work if I or a big operation would buy others, not have to report to investors and we could run our own ship. With four or five captains, it's hard to steer that ship."

In 2002, Gene was sorry to hear the business was completely shut down and sold to a bank in Washington, D.C. "I drove by one day and said, 'I cannot let this happen.' I asked if there was anything I could do to get it back and we worked out a deal," he says. "It's hard to see your entire life's work go down the drain. If you don't have anybody to leave your business to and are not concerned for your customers or your life's work, then take the money and don't look back. Otherwise, be careful what you do. Once the papers are signed, you have no control."

Starting Over

The facilities were completely empty and Gene and Jeff had to rebuild the business from scratch. They decided to produce young plants at Jeff's facility and focus on finished production in the main facility. Then they invested in modern, automated equipment that reduced the number of employees they used to have from 150 peak season to 50 year-round, 70 peak season. Most of the original employees returned to the business. Customers started flocking back, too.

Randy Kees, who manages the Kmart in Dickson, Tenn., says he's pleased to be doing business with Young's again. "We missed Gene while he was out of the business and it sure is good to have him back," Kees says. "He had always done a very good job taking care of this market. It's always better to do business with people you know versus a conglomerate. He bends over backwards to get product delivered to us, even if it's our mistake and we didn't order enough. Gene Young himself would truck merchan-

dise into us on a Saturday morning. You don't see that too often."

The Opryland Hotel in Nashville, which has 8 acres of gardens under glass, is also a big customer. Opryland's chief horticulturist, Hollis Malone, says he can count on Young's for plants that are insect and disease free and custom-grown items, like poinsettia baskets. "His place is so clean, you can eat off the floor," Malone says. "He has the ability to guarantee plants are disease and insect free. Also, being a hotel, we never shut down. He works with us on delivering certain days and times. The key issue is the ability to get in touch and getting someone to respond to your calls and



Gene Young



Jeff Young

Young's Nursery & Greenhouses

Owner: Gene Young

Founded: 1975

Size: 22 acres of greenhouse and 50 acres of outdoor production

Locations: Gallatin and Smithville, Tennessee.

Main Crops: Annuals, hanging baskets, ferns, mums and poinsettias.

Market: Mass merchandisers, supermarkets, independent garden centers, hardware stores and landscapers within a 350-mile radius.

Trademark: Music City Flowers

Now that the business is back in their family's hands, the next step will be transitioning the ownership and highest management from father to son.

work on the contracted business."

Today, Young's business is well diversified – 60 percent with mass merchandisers and the remaining 40 percent with grocery stores, independent garden centers, hardware stores and landscapers. "When I left the company, we were selling 80 percent to the box stores," Gene says. "We made the decision to never put all our apples in one basket again. We will continue to diversify our base and product lines in response to what customers want."

As a result, Young's has expanded into perennials, larger containers, specialty items like windowboxes and is looking into herbs. All of his plants carry the Music City Flowers trademark and a toll-free phone number for consumers to call with questions. "Believe it or not, a lot of people request it," he says. "We're proud of what we sell and don't mind telling people."

Seven Generations Strong

Gene takes pride in his family's roots in horticulture, which date back seven generations to fruit tree growers in Scotland. They settled in the Carolinas and moved to Tennessee to produce young trees for orchards. After World War II, his father and uncles pursued their own businesses growing fruit trees, as well as woody ornamentals – shades, broadleaves and conifers.

Gene majored in agronomy and horticulture at Tennessee Tech University and did landscaping on the side to put himself through school. After he graduated, he started his own business growing woody ornamentals and trees. He got into the vegetable and bedding plant business when a buyer took an interest in tomatoes and peppers he was growing. Over the years, all the production got converted from field to greenhouse and the rest is history.

Jeff, 33, has been the head grower and will take over the business in the near future. He just spent more than a month in Europe meeting with suppliers and visiting growers to explore new production technologies and crops. His brother Mason is a cattle and small grain farmer in Kentucky.

"We're farmers, hardworkers and evolve through our ups and downs," Gene says. "We're lucky to be as successful as we have. We're fortunate to have the loyalty we had in the past come back to us."

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