

Are You Prepared for The Future?

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INTRODUCTION

My part of this panel is to talk about the Succession Planning for a family business. I started the company, Foxborough Nursery along with my wife, Marilyn in the Fall of 1977 with the thought of eventually changing our business model within 10 years. My primary goal was to start a propagation production company selling liners and continue my landscaping business to help finance this goal. Once the nursery was up and running, we would phase out the landscaping division. At this time, this was a major undertaking and it took an incredible amount of my time and energy. I had developed a business plan while at college, University of Maryland, with the help of my advisor, Dr. Robert Baker. Succession planning really starts when an individual decides to make these career choices.

It wasn't until years later in the late 1980s that the true development of our succession plan really began. During this time, I was fortunate to be a member of the Advisory Board in the Department of Horticulture at the University of Maryland. A fellow board member, an older gentleman, ask me one day

what plans I had for the future and who was carrying on the legacy of Foxborough Nursery. He suggested that I find some way to get my two very young sons interested, he recommended starting a small plant business just for them. This was accomplished by starting a cut branch business for the floral market. It would be their company with the help from us till they were old enough to manage it on their own. They would see the reward of money given to them when they gave the customer the product they grew and cut. At this point, Foxborough Nursery's true succession plan really began. It was important to let my son's see this side of a business that requires making business decisions, working long and hard hours and realizing the income that you will make when you are committed.

As years passed by, my sons grew up, graduated from different colleges in Horticulture, came back to the Nursery to work. Our business model changed, for the better, which changed our future. The oldest son wanted to grow and sell plants on the wholesale market,

the youngest wanted to run and expand the landscape business. It was at this time we split off Foxborough Nursery Inc. (Wholesale Division) and formed Foxborough Inc. (Landscape Division). Now we have two companies that will require a succession plan for each.

With any type of family business or businesses, you can run into many obstacles especially if you start your business where you live. Unfortunately, that is what we did, we built these companies around our home on the family farm we live on. Knowing this now and not when we started, I would greatly emphasize that any serious business plan should avoid this potential problem. A true commitment from the next generation must be made for these Corporations to move into the future. Company evaluations must be made continuously, yearly meetings with accountants, lawyers and financial planners are critical.

Many components for a successful transition or succession plan for a family business are involved and they require insight and input from all of those that are family partners. Those components consist of what does the next generation want to do, what do we think their children will want to do, how can we keep the family farms in the family, how can we grow these companies and be profitable and productive year to year.

Succession planning for a family business is more than having a successful plan, it is knowing where you are at this point in your career, where you see the next generation going and how will they achieve this and still have a family business. All these factors must be decided on by the family and by outside consultants that can help direct the future of what we have started.