Berry Family of Nurseries has been plotting its growth for tomorrow by making the right moves today.

BY TIM HODSON

In 500 B.C., the ancient Greek philosopher Heraclitus wrote, “The only thing that is constant is change.” That is a philosophy that some growers in our industry have subscribed to while there have been others that haven’t. But it is the successful ones that know change is essential if they want to move forward and flourish.

At Berry Family of Nurseries (BFN), headquartered in Irving, Texas, there has been a lot of change going on in the past couple of years but with good reason, so the company can continue to grow.

Big Grower recently had a chance to talk to the company’s chief executive officer, Randy Roush, to learn about some of the changes that are taking place at BFN and why they are taking place — and where the company is headed.

BERRY BEGINNINGS

Founded in 1993 by Bob and Burl Berry, the Berry Family of Nurseries started out with 10 acres of production in Tahlequah, Oklahoma. In 2014, the company operates six farms around the country and has approximately 7,500 acres of active production in six different states. Berry Family of Nurseries grows a wide variety of live good products that will perform well for consumers in the different regions that the grower serves.

Over the past 20 years, the company’s growth was driven by acquisitions, the largest being the purchase of Zelenka Nurseries in Grand Haven, Michigan, in 2003.

BERRY FAMILY OF NURSERIES

Established: 1993 by Bob and Burl Berry in Tahlequah, Oklahoma. Insight Equity, based in Southlake, Texas, purchased the company in 2010.

Location: Irving, Texas (corporate headquarters); Quincy, Florida; Sims, North Carolina; Smithville, Tennessee; Grand Haven, Michigan; Hulbert, Oklahoma; Cornelius, Oregon

Chief Executive Officer: Randy Roush

Number of employees: 4,000 during peak season

Production Area: Approximately 7,500 acres on six different farms

Customers: Major retailers including Lowe’s, The Home Depot, Shopko, Rural King, Kmart, Meijer; regional retail chains; and independent garden centers.

Website: www.berrynurseries.com
In December 2010, Insight Equity, a private equity firm based in Southlake, Texas, acquired BFN. Insight is partnering with Berry’s management team to continue to grow one of the largest wholesale nursery operations in the country.

Today, Berry Family of Nurseries’ customers include national big box retailers like Lowe’s, The Home Depot and Shopko as well as regional retail chains and larger independent garden centers.

Randy Roush was hired as the company’s vice president of marketing in June 2012 and about 16 months ago was named CEO. Prior to joining BFN, Roush spent 23 years working for a subsidiary of Verizon where he headed up the marketing operation of its information services division.

He is responsible for growing the company. “My goal is to hopefully transfer some of the business principles and practices [that he has learned throughout his career] to help us become more efficient and leverage the expertise of our general managers at our farm operations so we become extremely healthy as an organization,” Roush says.

**MAKING STRATEGIC DECISIONS**

Since taking the reins of the company in 2013, Roush has been taking a long, hard look at all of the different components of the company and how they operate. As a result of this self-examination, the company is making changes, some simple, others more difficult, to ensure that Berry Family of Nurseries has a thriving future.

“We are looking at every aspect of this business so that we understand our cost structure,” Roush says.

Recently, BFN closed two of its farm operations (one of its two Tennessee farms and another in Florida) because “we are rightsizing for profitability and growth,” Roush says. “We made the strategic decision to close those operations.”

Roush says those facilities had some rather costly challenges like difficulties with cost effective freight shipping that just didn’t make sense for the company’s bigger picture — but they were challenges that could be overcome.

When making these types of decisions, he says, BFN management “looks at three different pieces of the puzzle — profitability by SKU; profitability by farm; and profitability by customer.”

“We must understand our costs [at all levels of the business] so that we can make the best decisions on what [products] we push through to our customers.”

Roush admits it is never easy to implement major changes like facility closures but they were business decisions that had to be made. He said the company “worked really hard” with affected employees transferring some personnel to other BFN operations and offering outplacement services to others.

“It’s never easy. But we needed to take a look at this from a business perspective versus the historical farm operation model” and the way things have always been done in the past.

Roush says as a result of these organizational changes, the company is now using its space much more efficiently.

“Along with that, we have significantly cut our overhead to make sure we are in line with where we need to be to take the business forward,” Roush states.
He said that by minimizing the inefficiencies, BFN can maximize its margins, “We are rightsizing for profitable growth.”

**GOING UP?**

Another thing Berry Family of Nurseries has done to ensure a healthy future is to scrutinize the pricing models for the different products they grow. As production costs continue to rise, Roush believes that growers need to communicate with their retail customers and let them know how these costs are impacting their overall business.

He says if the retailers have a good understanding of a grower’s cost structure and what it actually takes to grow a saleable product — and they realize how important a grower is to the success of their lawn and garden business — then it makes the conversation about pricing much more palatable.

“We need to be healthy and the retailer needs us to be healthy,” Roush remarks.

Roush believes that the inability to pass on rising costs to consumers has been one of the major factors in why some growers have had to declare bankruptcy in recent years.

According to Roush, “We’re doing what we can to be more efficient.” He says the company is working very hard to standardize its production and business systems and processes “to maximize the best service we can provide to our retail customers.”

**THE RIGHT STUFF**

With a business background in new product development, Roush knows that having the right types of information to make informed decisions is extremely important.

“As an industry, I think we need to think more in-depth about a data-driven approach to understand why consumers buy what they do when it comes to live goods,” Roush says.

He is constantly studying BFN’s sell-through data to make sure the numbers are where they need to be and where the company’s core competency is.

“It comes down to growing a product that the consumer will buy!” he declares.

Just because a new product is available and you can grow it, doesn’t mean you should, Roush says. Before launching a new variety, “We need to make sure the new product has been vetted and validated so our chances of changing buyer behavior will be greater.”

Berry Family of Nurseries is always looking for new and innovative products to offer to its customers, but Roush says they have to be the right products for the business.

“I have challenged the organization to stop, drop and roll” when it comes to new introductions — introduce the new product, monitor its sales, and adjust quickly if necessary.

“You have to be willing to stop and reassess what we are doing.” Sometimes that means killing a new product if it does not perform at the level the business needs it to.

“It’s a simple question of economics.”

**THE NEXT GENERATION**

Roush also understands how vital the consumer’s role is in the live goods business. “We are always trying to stay as close as we possibly can to the consumer.”

As demographics continue to shift and Baby Boomers cut back on their gardening purchases, BFN is looking for any and all ways to grow new customers.

“As a grower, we must determine the best ways to work with the retailer to begin to transfer the knowledge from the aging Baby Boomer generation to a younger generation that is getting married later in life — and delaying their first home purchase,” states Roush.

“It is all about creating the need, the desire and the relevancy [for younger consumers] to make the decision to buy plants,” Roush says. “We talk about relevancy [of our products] to today’s customers, but we don’t talk about future generations and we really need to. That focus will impact the health of the industry going forward.”

Roush says that many Gen Ys and Millennials “have a big fear of not being successful” when it comes to plants and gardening and that’s what turns them off. “These [young] consumers need to get more educated and more comfortable” with live goods so they are not afraid to participate.

Roush says he is always looking for ways to reach this next generation of consumers because “I want to determine the right marketing approach to change the way young people are thinking about us.”

**A HEALTHY FUTURE**

Change is happening at Berry Family of Nurseries. The big grower is taking a very business-like approach to the live goods business and that means making changes for all the right reasons. It also means the company should be healthy for years to come.

“It is all about applying basic economic principles on how we need to take care of the retailers and their expectations. Then focus our energy on the consumer’s behavior so that sell-through meets the thresholds that make us all healthy!” Roush declares.

And even with all of the business changes taking place, Berry Family of Nurseries is still all about growing the best plants possible. “I truly believe you’re only as good as your last shipment,” Roush says.

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