

Committed to the FUTURE

Welby Gardens' roots began in farming, producing vegetables and vegetable starts in 1948, and evolved into growing plants in 1955.

Welby Gardens and the Gerace family have a rich history of adapting to the needs of its customer base and the changes in the marketplace dating back to the 1940s. And that tradition is continuing as the third and fourth generations prepare for the future.

BY TIM HODSON

For more than 70 years, Colorado-based Welby Gardens has specialized in serving small- to medium-sized independent garden centers, landscapers and growers with vegetables (in the beginning), finished plants and young plants (for the past two decades).

Alex and Esther Gerace began their legacy in 1943 by purchasing the first several acres of land and a farmhouse in Welby, Colorado, with the sole intent to feed their family. In 1948, they began producing and selling vegetables and vegetable starts.

Esther's love for flowers inspired Welby Gardens to grow the business, and in 1955 the Geraces starting growing geraniums to sell at the local



WELBY GARDENS AT A GLANCE

Year Founded:
1948

Founders:
Alex and Esther Gerace

Current Owners/Management:
Marty Gerace, CEO; John Gerace, Director of Sales; Mark Gerace, Director of Accounting; Dan Gerace, Production Manager; and Nick Gerace, Director of Wholesale Operations

Family Managers:
Giovanna Romero, Sales Manager, and Mandy Gerace, Hardystarts Program Manager

Customer Base:
Regional independent garden centers and landscapers (finished business); small- to medium-sized growers nationwide (young plant business)



Welby Gardens' founders Alex and Esther Gerace were married in 1938 and spent 62 years together until his death in 2001. Esther passed away in 2017.



In 1976, Welby Gardens created its own plant brand, Hardy Boy, to distinguish itself from other growers and emphasize the hardiness of its plants.



farmers markets — and the company has been growing (a lot) ever since!

Throughout the company's history, four different generations of the Gerace family have been continually proactive in adapting to the changes in the marketplace.

From the early days, the company has always been a wholesale grower. In the early 1970s a retail store was added and later grew to three locations. Currently they have one standalone retail store in Denver, Country Fair Garden Center.

In 1976, the company created its own plant brand — the Hardy Boy brand. The company wanted to distinguish itself from other growers through its growing methods. Due to the Colorado climate, crops are grown on the drier side and toned with fertilizer to make them, as the name says, hardy.

The brand is "committed to providing garden success to a distinctive market by featuring products that promote living color, beauty and quality of life in our outdoor environment."

About 16 years ago, the company made the decision to get into the young plant business. Colorado's high light and arid climate provides the optimal conditions to produce hardy starts, thus the name of the young plant program, Hardystarts!

What started out as a 1,500-square-foot growing operation has evolved into a Rocky Mountain power house with more than 1 million square feet of growing space in three different locations in 2019.

But as the company prepares to head in to 2020, there are some major changes in the works for Welby Gardens.

The third and fourth generations of the Gerace family are in the process of refocusing the company, streamlining its operations and making plans for future growth.

In early August, GPN's Big Grower had a chance to talk to John Gerace, director of operations and one of the five owners of the company, to discuss the upcoming changes

at Welby Gardens and what the company has planned for 2020 and beyond.

POSITIONED FOR THE FUTURE

In June, Welby Gardens announced plans to sell one of its facilities in Denver and relocate the company's headquarters to its Arvada, Colorado site. The sale of the 74th Ave. property in Denver is expected to close in the fourth quarter of this year.

This is a strategic move that will allow the company to refine its business objectives, grow some of its existing business and continue to serve its customers the way it has been doing for the past seven decades.

John Gerace said the move will also enhance the company's already strong financial position and allow the family's second generation to fully retire from the business.

One area of real growth for the company is its young plant operations. According to John, the Hardystarts vegetative liner program will be focused on growth to position the company as a young plant leader serving small to medium growers across the country. "For our young plant business, we have room to grow so we intend on continuing to develop our [existing] facilities to grow that business."

Welby's Hardy Boy finished program will refine its product offerings to focus on key items that landscapers and independent garden centers have relied on them for.

For many years, Welby Gardens also had a walk-in wholesale shopping center where landscapers of all sizes could come in and "shop" for products for their installations. With the upcoming changes, Welby Gardens will no longer have this walk-in shopping center. It closed at the end of June.

However, all of the other business activities are continuing uninterrupted in 2019, including all summer, fall and holiday crops, such as pansies, cyclamen, summer perennials and poinsettias.

TWEAKING THE MIX

In 2019, Welby's business mix was projected to be 40% landscapers, 40% IGCs and 20% young plants. In 2020, John says, that mix is targeted to be 40% landscapers, 30% IGCs and 30% young plants.

"Our business hasn't really flipped, but because of our new footprint, the young plant percentage of our business is going to be a bigger part of our sales."

John says the company's core landscape business also will evolve as it focuses on larger landscape customers. "Our landscape customers count on us to help them be successful and let us direct their buying and that will continue."

He says those landscapers are looking for advice from the Welby team on which landscape varieties they should be using because they want some assurance that their customers are going to be happy with them.

Welby's IGC customers have always known they could rely on the company for high quality, reliability and on-time delivery. "They come to us every year because they want to know what is new for them to sell."



Welby Gardens trials hundreds of new varieties each year (950 in 2019) to ensure they are "proven garden performers."

That's why the company has an extensive trialing program and the Welby team travels around the world to find new products for those IGC customers. That will not change either.

COMMITTED TO COMMUNICATION

The Gerace family understands that this kind of change can be a little scary for everyone including customers, suppliers, the broker

network and their employees. To ease those fears, management from the Gerace family has been very open in communicating their vision and how the changes will impact the future.

"We've reached out to our top 100 customers, which is really allowing us to reconnect with some of them and to tell them our story and to make sure that we are really getting our message out to them," he says. "That was really important to us."

John says the company has also been working very closely with the broker network to get the word out to the grower community. He says their customers have come to rely on the variety and breadth of products and that will continue going forward. "We have more than 2,000 products in our young plant catalog to offer them."

Because misinformation sometimes can travel faster than accurate information, the Welby team went to Cultivate'19 in July "and made ourselves available to talk to anybody that had any questions" and clear up any misconceptions, rumors or innuendo that they may have heard.

He says it also has been a chance to reconnect with the rest of the Welby team. "We have been explaining to them why we are doing things and how it will affect them and helping to make them comfortable with the changes."

PREPARING FOR SPRING

Obviously with the elimination of one facility, the company's production footprint will be reduced. Once the sale of 74th Ave. property is complete, the company's production size will total 500,000 square feet.

With the reduction in square footage and the elimination of some job redundancies, there will be a reduction in the total number of

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The roots of Welby Gardens began when Alex and Esther Gerace bought land in Colorado in 1948 and began farming. Esther's love of flowers spurred the company's evolution into horticulture.



employees at the remaining two operations. In 2019, all three facilities had approximately 360 total employees including seasonal labor. The company estimates that in its new business structure they will be less reliant on seasonal labor and that number will be reduced to somewhere around 250.

"This will allow us to have some really increased efficiencies and the ability to utilize labor from one department to another," John says.

This summer the company has been working diligently to streamline its production operations in its greenhouses while expanding its office space and consolidating different departments like accounting, sales, logistics and distribution to get its new headquarters up and running — smoothly and efficiently.

He says the team has spent the summer putting the "new" facilities together in a proficient and logical manner so they can hit the ground running and be fully operational once the 74th Ave. facility sale is complete.

While no new greenhouses are currently being built, there is new office construction taking place while some existing buildings are being retrofitted but everything is scheduled is on target for the 2020 spring season.

ENERGIZED AND READY

John says that the changes taking place at Welby Gardens this year are all about the future — and just a natural progression for the company. The company is always examining its operations while keeping an eye on the future.

"For all of our customer segments, when we sit down annually, we really decide who are partners are — both customers and suppliers — and how we can work with them and solve their problems" for today and tomorrow.

This allows the company to identify its strengths and weaknesses and determine how it can and should focus its resources.

He says it is critical for all growers to constantly examine their operations and their operating costs and be proactive when it comes time to make investments in the future. "That is something we have always been good at.

"We are really committed to this business and the future — we absolutely are!" John declares. "This is still a family business. There is a ton of energy in the air here as we prepare for 2020."

By taking the pulse of your business on a regular basis, it makes it easier to steer the business in a new direction when the time is right — and now is that time for Welby Gardens. ■



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