

**STYBEL
PEABODY &
ASSOCIATES, INC.**

CEO OPPORTUNITY WITH A RETAIL CHAIN THAT
IS #1 IN MASSACHUSETTS AND #8 IN THE U.S.
OPEN TO LEADERS FROM THE U.S., FRANCE, U.K.,
OR THE NETHERLANDS.

Mahoney's Garden Centers

<http://mahoneysgarden.com/>

TITLE: Chief Executive Officer.

REPORTING RELATIONSHIP: Board of Directors of a second-generation family business where three of the five Board members are external and have no connection with the family.

NUMBER OF EMPLOYEES: 150-450

REVENUE: \$38 Million.

LOCATION: Headquarters in Winchester, Massachusetts with operations around the Boston metropolitan area.

LEADERSHIP CHALLENGE: Successful Second-Generation Family Business seeking to position itself for continued success in a retail industry going through change. How do you honor the values of the founder while moving the company towards the future?

CURRENT SITUATION:

In 1959 Paul and Doris Mahoney began a garden center in Winchester, Massachusetts. As it celebrates 60 years in business, the company has grown from one farm stand to seven Mahoney's Garden Centers locations in Eastern Massachusetts plus a Growing Operation in Woburn, MA and an Evergreen Farm in Nova Scotia.

Mahoney's Garden Centers is #1 in its industry in Massachusetts. It is the ninth largest retail garden center in the United States and has a staff of dedicated long-term employees.

A RETAIL INDUSTRY DEALING WITH CHANGE:

Few retail businesses can resonate so well with family themes. The backyard is a place for leisure recreation and cherished family memories. Under Founder Paul Mahoney, the company positioned itself as a customer-oriented garden center that provided an attractive mix of quality products at competitive prices.

Some things do not change: the industry is a seasonal business with key months being April-May.

Some things do change.

The backyard is no longer central to some families. Children may play less in their back yards and may spend more time driven by parents to structured play activities. Increasingly, busy young parents pay landscapers to do yard work. In affluent communities, it is common to see small homes replaced by large homes that occupy most of the yard space.

Shopping has changed. Customers now have online shopping options to purchase garden equipment or they can drive to Lowes or Home Depot.

On the other hand, retail operations like IKEA, West Elm, and Anthropologie, have fueled a resurgence of interest in creating attractive home spaces. There is growing interest among homeowners and apartment dwellers in organics, growing edibles, decorating with houseplants, and planting with native trees and shrubs.

Product categories like succulents, air plants, houseplants, seed starting, outdoor dining, and container gardens are getting more popular.

The CEO is going to work collaboratively with the family and the outside Board members to begin to ask some fundamental questions about the future of the company: Are we in the garden supply business, the lovely home business or perhaps something else?

A Mahoney's Garden Center challenge: how to deliver more meaningful customer experiences than the big-box stores or online merchants?

BUSINESS PROFILE:

Mahoney's comprises a retail business, a wholesale business serving landscapers, a plant-growing operation (including growing the herbs and vegetables sold under the Uncle Mike's brand), and a tree farm in Nova Scotia.

The stores are all in Massachusetts: Winchester (the original and by far the largest), Falmouth, Brighton, Chelmsford, Tewksbury, Osterville, and Concord.

Each store has a general manager (also called a store manager). Revenue comes 60% from live goods (nursery, annuals, perennials, houseplants, and floral) and 40% from other (Christmas, giftware, pottery, barn, fertilizers, pesticides, and patio).

There is a farm stand in Winchester. This is an homage to the origins of the business.

Product line managers (PLMs) are specialized by product area. It is a challenge to marry the location-specific expertise of each store manager with the product-specific expertise of the PLMs.

Key employees include the five second generation brothers and sisters, eight general managers (seven store managers and the manager of Woburn plant growing); six PLMs (also called buyers); the CFO, controller, and seven store controllers; the marketing director; and the human resources director.

The general managers and product line managers generally have over 20 years of tenure with the company.

Industry peers include Volante Farms in Needham, Briggs Garden and Home in Attleboro, Russell's Garden Center in Wayland, and Seasons' Four in Lexington.

Some peers used to be more like Mahoney's and have reinvented themselves as destinations that encourage longer visits and more diverse purchases.

THE MAHONEY FAMILY AND CORPORATE GOVERNANCE:

Paul has passed on and Doris is not active in the business on a day-to-day basis.

Paul and Doris Mahoney's children in age order are Paul, Jr., Peter, Susan, Tom, Michael, and Lauri. All six have worked in the family business and nowhere else, although Paul now runs an independent retail operation on Martha's Vineyard. He is no longer involved with the company.

In 2018, the family decided to create a Board of Directors composed of two family members and three external Directors. The Board has decided to restructure the operations and to seek a non-family Chief Executive Officer.

MAHONEY'S IN FIVE YEARS

This is a "good to great" situation. Mahoney's is a national industry leader. The founder's children respect what father has built. How can Mahoney's grow and adapt to new business challenges and still respect the founder's vision?

The owners seek to remain an operating business. Ideally, Mahoney's leadership will eventually pass to the third generation.

If there is no appropriate leader within Generation 3, the family wishes to position the company for eventual sale.

DYNAMICS OF BEING A NON-FAMILY CEO IN A SECOND GENERATION FAMILY BUSINESS:

The Second-Generation Mahoney siblings have agreed that Third-Generation family members will work outside Mahoney's before being considered for positions at Mahoney's.

To work in senior positions at Mahoney's, Third Generation family members will meet the same standard, as would a non-family job candidate.

Compensation will move toward role-based versus family based. In the second generation, this is equal among the five siblings and will remain so unless mutually agreed buyouts change the ownership shares.

BOARD STRUCTURE:

The CEO will report to a Board consisting of five members. Two are second generation Mahoney family members with significant experience in the business. And three of the Board members are external.

The three external Board members are independent of the family:

John Ela. http://www.elamanagementgroup.com/?page_id=33

Jim Feinson. <https://kidsgardening.org/board-of-directors-jim-feinson/>

Linda Moulton. <https://www.linkedin.com/in/linda-moulton-6917521/>

COMPENSATION:

Competitive base salary plus a bonus plan.

ACCOUNTABILITIES:

Lead and ultimately decide on a Good to Great strategy that balances respect for the Founder's vision with the realities of tomorrow's retail environment.

A competent and customer-centric business where finance and operations are working towards growth objectives.

Insuring capital requirements necessary to achieve business goals.

Compliance with appropriate Federal and State regulatory and legal requirements.

Ability to listen to differing perspectives and to express empathy. In the end, however, the CEO is going to be the "Decider," subject to Board of Director review.

Position the company for a future by cultivating and coaching Second Generation and Third Generation family members to "up their game."

A competent and motivated workforce qualified to meet customer needs and empowered to make decisions within clearly defined limits.

A company that values participative decision-making and data driven decisions.

A customer-centric culture where employees have authority and are accountable.

SUCCESSFUL CANDIDATES WILL HAVE THE FOLLOWING KNOWLEDGE, SKILLS, AND ABILITIES:

Experience as a CEO or COO of a multi-unit retail operation (not necessarily garden supply).

References will describe the candidate as someone who is impatient sitting behind a computer screen and enjoys being “on the floor” with customers and employees.

References will describe the candidate as someone who listens well but ultimately is not afraid to make “tough” decisions in consultation with the Board of Directors.

Experience with the dynamics of a family business is a plus.

Experience with the dynamics of a seasonal business is a plus.

References will describe the person as someone who is open to new ideas.

This is a global search and we welcome candidates from other countries.

COMPETENT AND CURIOUS CANDIDATES FROM THE U.S., UK, FRANCE, OR NETHERLANDS MAY CONTACT:

Larry Stybel
Stybel Peabody Associates, Inc.
lstybel@stybelpeabody.com
www.stybelepeabody.com