

**STYBEL
PEABODY &
ASSOCIATES, INC.**

**CEO OPPORTUNITY WITH A RETAIL CHAIN THAT
IS #1 IN MASSACHUSETTS AND #6 IN THE U.S.**

Mahoney's Garden Centers

<http://mahoneysgarden.com/>

TITLE: Chief Executive Officer.

REPORTING RELATIONSHIP: Board Chair, Board of Directors

NUMBER OF EMPLOYEES: 150-450

REVENUE: \$50 Million.

LOCATION: Headquarters in Winchester, Massachusetts with eight locations 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 nearly 65 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 sixth largest retail garden center chain 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-June.

Some things do change.

Gardening is changing. The Baby Boomers who have been the core customer are aging, to be replaced by younger generations used to shopping in alternate ways and faced with many alternative activities and interests. Household formation is later and the time and space available for gardening is typically reduced. Gardening traditions are not as strong as they once were, although gardening resonates strongly with family, health, beauty, environmental and experiential/emotional values of Millennials and others.

Shopping has changed. Customers now have online shopping options to purchase seeds, plants, and garden equipment, or they can drive to Lowes, Home Depot, and many other competing retailers. Garden Centers must adopt modern retailing management and merchandising practices.

On the other hand, there has been a fueled 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, houseplants, outdoor living, and container gardening are getting more popular.

The COVID epidemic has been beneficial to gardening and has sparked an interest in working from home on a full-time or hybrid basis. Spending more time at home is good for the lawn and garden supply industry.

MAHONEY GARDENS HIRES ITS FIRST NON-FAMILY CEO.

In 2019, Mahoney's Garden Centers hired its first non-family CEO to lead the company. Under his leadership, an informal management system was replaced by job descriptions, clear reporting relationships, and performance reviews. Several strong new management hires have joined the organization. During the past three years the company has increased in sales, EBITDA, and professionalism.

The company is pursuing a customer-centric, differentiation strategy. This strategy has been outlined at a high level, but substantial work remains to define and implement actionable plans to effect change and realize the benefits. The opportunity exists for the incoming CEO to further refine this strategy, and to drive a common understanding of it throughout the organization.

When the CEO was hired in 2019, the family thought that it wished a leadership bridge between the second and third generation Mahoney family members. In 2022, the CEO position is no longer clearly defined as interim. The next CEO will help guide the family and the Board about strategic options.

BUSINESS PROFILE:

Mahoney's comprises a retail business, a wholesale business serving landscapers, a plant-growing operation (including "Mahoney's Grown")

annuals and perennials, and 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 60-70% from live goods (nursery, annuals, perennials, houseplants, and floral) and 30-40% from other products (Christmas, giftware, pottery, barn, fertilizers, pesticides, and patio).

There is a newly renovated and expanded 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.

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

REPORTING RELATIONSHIPS:

The Chief Executive Officer reports to a Board of Directors made up of family and outside Directors. External Directors not related to the Mahoney family have the majority vote.

Reporting to the CEO are the Chief Human Resources Officer, Chief Financial Officer, VP of Merchandising, VP of Operations, Director of Stores, VP of Growing, VP of Store Merchandising, and Marketing Director. Some of these roles are filled by the family members who sit on the Board.

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 their father built. How can Mahoney's

grow and adapt to new business challenges and still respect the Founder's vision? How can the company consistently achieve best in industry results? How can the company grow and balance risk?

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

There is a business cliché that "you always want to be the second incumbent hired in a new job because the first person ever hired is the experiment." That certainly is the case at Mahoney Gardens.

Family members, Board members, and non-family employees all have learned lessons from their experiences with the first non-family CEO. Everyone has a better sense of what is a "good fit."

Third Generation Mahoney family members may or may not be the future company senior management. To work in senior positions at Mahoney's, Third Generation family members will meet the same standard as would a non-family job candidate.

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

COMPENSATION:

Competitive base salary, benefits, bonus, and stock appreciation plans.
Relocation support.

RESPONSIBILITIES/ACCOUNTABILITIES:

Achieved target KPIs, budgeted financial results, and growth goals.

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.

Foster a professional and customer-centric business where strategy, finance and operations are aligned and working towards growth objectives.

Listen to differing perspectives with respect, build trust and express empathy. In the end, however, the CEO is going to be the “Decider,” subject to Board of Director review where appropriate.

Execute Strategic and Operational plans using appropriate metrics and management systems. Develop the organization to have Single Accountable Persons for all major operational areas and strategic initiatives.

Work with an informed, engaged Board of Directors capable of exercising their fiduciary responsibilities.

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

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

Value participative decision-making and data driven decisions.

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

Ensure capital necessary to achieve business goals.

Comply with appropriate Federal and State regulatory and legal requirements.

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

Experience as a CEO or COO of a multi-unit retail operation with

strong seasonality and that includes high turnover perishable inventory.

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 can patiently listen, demonstrate the ability to consider contradictory views but who ultimately is not afraid to make “tough” decisions, after consultation with the Board of Directors when appropriate.

The successful candidate will be described by references as someone who can be both calm and assertive at the same time. The person will be described as low drama during the normally tense times of any seasonal retail business.

The successful candidate will be described as having outstanding leadership skills and as a team builder.

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

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

This is a global retained search. We welcome candidates from other countries.

COMPETENT AND CURIOUS CANDIDATES SHOULD RESPOND TO THE EMAIL BELOW. YOUR RESPONSE WILL BE TREATED AS CONFIDENTIAL.

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