

Growing In The Mountain States



Olson's Greenhouse in Utah uses smart growth strategies serving the nation's largest retailers.

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THE last 30 years have been a steady climb for Olson's Greenhouse serving national retailers in the Rocky Mountain States. Based just south of Salt Lake City in Salem, Utah, the business began four generations ago in 1942, when Bart Olson's grandfather, Roy, was working in the mines and produced tomato plants to sell to his fellow miners. He built wooden A-frame structures and expanded production to include bedding plants, which were sold retail and to other mom-and-pop retailers throughout the state.

Meanwhile, Bart's father, Jack, started his own operation three blocks away completely focused on producing greenhouse-grown tomatoes in three acres of wooden structures. "We all helped grandpa as well," Bart recalls. "In the early 1970s my mother also wanted to grow bedding plants, and we bought grandpa's place. Then in 1979, my two brothers and I decided we would really make something of this business and set up our own production. We bought my parents out in the mid 1980s."

The customer base was primarily independent retailers and regional chains when Kmart emerged as their first national customer in 1976. Even at this time, Olson's was shipping plants to Idaho, Montana, Wyoming and Colorado. "If a retailer was in the Rockies or in Utah, we sold to them," Bart says. "Grand Central

was a regional chain bought by Fred Meyer. Eagle Hardware & Garden became Lowe's. Our big leap was with Kmart and then we started selling to Walmart and Home Depot. As big chains have come and gone, we've migrated to the next."



Olson's Greenhouse

Owners Olson family

Location Salem, Utah

Size 1.2 million square feet of greenhouse production and 650,000 square feet of outdoor production

Crops Annuals, perennials, blooming potted plants

Markets Walmart, Lowe's and Home Depot stores in Utah, Idaho, Montana, Colorado, Oregon, Washington and Wyoming

Perfecting Production

Olson's Greenhouse is always looking at ways to produce a high-quality uniform crop, whether it's investing in new technology or bringing in the best outside expertise. The company has worked with consultant Roger Styer on annuals for the last 15 years and more recently started working with Paul Pilon of Perennial Solutions on perennials.

"Their growth in production and sales is quite remarkable!" Styer says. "They have committed to a program of scheduled products to suit a range of stores servicing a wide range of states. It used to be they would just have one or two plantings and work off that, but now everything is closely scheduled and grown for definite ship windows. Their growing staff has expanded both in numbers and expertise."

Olson's also is moving forward with sustainable initiatives and is in the process of getting certified by VeriFlora. Olson's has gained experience using biological controls, trialing various soil amendments and recycling plastics with East Jordan Plastic. The company recently established a sustainability committee headed by Steve Lloyd in sales. "We haven't been asked by our customer to do this, but the whole sustainable initiative with Walmart sparked us a little bit," Chad Olson says. "We were doing a lot on our own because it's the right thing to do."

Managing Growth

Today, Olson's Greenhouse is managed by Bart as president, eldest son Chad as vice president of operations, son Brandon in accounting and sons-in-law in key management positions, including Brian Lloyd as vice president of sales and marketing, Nate Barker as production and purchasing manager and Cody Swenson in maintenance.

It's rare for a growing operation to serve all three large national retailers, but Olson's serves Walmart, Home Depot and Lowe's in the intermountain West. The last five years have been a dramatic growth phase, going from 12 acres of greenhouse at the original production facility in Santaquin, Utah, to 15 more acres of modern facilities in Salem.

While crops are still grown at the older facility, all production and shipping is centralized in Salem. "We have seven transplant lines and this is where we mix our soil," Chad says. "We may eventually move all our production to one location, but at the old one, we still produce a high-quality, profitable crop and everything is paid for. It's just not efficient labor wise because half the greenhouses are quonsets and half are gutter connected."

The most recent expansion was four acres of glass, open-roof greenhouse in February 2008. This winter, Olson's will be putting three or four more acres up to support business gained for spring 2010. "We talked about contract growing and do have a grower who can commit for as much as we need, but we like the



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Watch a video about Olson's Greenhouse's commitment to sustainability at GreenhouseGrower.com.

idea of keeping the control in house," Chad says. "We've bought in plants before but have never been involved in contract growing."

Reflecting on the company's recent growth, Bart says Olson's has always been careful to not grow faster than it could manage. "We have had the opportunity to take on more business and there have been times we've said, 'No. It isn't right for us to take on additional business right now,'" he says. "We don't overextend ourselves financially or overcommit ourselves."

Olson's tries not to expand two years in a row, he adds. "Each year with an expansion is a test year," Bart explains. "How much can the new stores sell? And we're still getting production just right. The second year is more profitable than the first."

In the next five or 10 years as the market continues to grow, Olson's may consider building a satellite facility closer to some of its northern markets. For instance, a shipment to Spokane, Wash., or Kalispell, Mont., is a 14-hour drive. Denver is nine hours away. Olson's does have two sales representatives in Montana to service that region. Fifteen



percent of the deliveries are made on Olson's trucks and the rest via common carriers with Olson's trailers. An in-house transportation manager coordinates the shipments.

Ushering In The Next Generation

Transitioning from the third generation to the fourth has gone pretty smoothly. When asked what has worked for Olson's, Bart says, "We believe a family that plays together stays together. We go on vacations together, have Sunday dinners together. We're constantly communicating."

Giving each manager an area of responsibility they own has worked, too, for both family and non-family members. Olson's has started working with a family business planner to formalize the transition to the fourth and fifth generations.

"While the fourth generation consists of a brother and brothers-in-law, next will be cousins, which will be more difficult," Bart says. "We have regular meetings with the whole family, not just those who are working in the business. We will be selecting a board of directors. It might not be that every cousin who wants a job will be able to come work here, but we're starting the conversation now with the adults. First and foremost, it's important that our children get an education to prepare themselves for life."

Are the prospects as bright for the next generation in our industry? "We feel the industry is booming and are glad to be part of it," Chad says. "We're not recession proof, but we fared fine and are doing great. We feel as long as we produce a good quality crop at a fair price, customers will have no reason to look elsewhere, as long as we do what they need to satisfy them. If you produce a good quality crop and provide good customer service, you will continue to grow in the industry." **GG**