

Landscape Ontario Podcast

Take Over:

Navigating the dynamics of a family business succession

Host: Karina Sinclair

Guest: Nathan Helder, TRUEHELM, growth architect, strategic investor, and coach for owner-led businesses

Karina: Welcome to the Landscape Ontario Podcast, where today we're going to discuss the complexities of taking over the family business. I'm your host, Karina Sinclair, and my guest today is Nathan Helder, a widely experienced entrepreneur. He's the CEO of Southbrook Accounting, founding partner of True Helm and co-owner of Arizona Outdoor Solutions.

He's also the former owner of Gelderman Landscape Services, and in this episode, Nathan shares his experience of purchasing that family-owned business from his father-in-law. We discussed the challenges he faced, his frameworks for success and the importance of financial literacy, diversifying investments and earning respect within that business.

Nathan also offers insights into the significance of having personal financial stability, what money to use when you purchase a business and transitioning smoothly while keeping family relationships intact. If you are looking to understand the nuances of family business transitions, this episode is packed with valuable lessons and practical advice.

This episode is also available in both audio and video form, so head over to the Landscape Ontario YouTube channel to put a face to the voice. And don't forget to subscribe so you can stay up to date on the topics and issues facing landscape professionals in Canada now on with the show.

Music

Karina: Welcome to the podcast, Nathan. I've invited you in to talk today because I know that you have some experience taking over a family business and a successful family business and the pressure of making it even more successful, and I'd like to explore what that experience was like for you and some of the insights and frameworks that you've developed that could help other people in similar situations.

So thanks again for coming in today. Welcome to the show.

Nathan: Oh, thank you. It's a pleasure being here and hopefully I can be of some help.

Karina: Oh I'm excited about today's conversation. So let's talk a little bit about that family experience that you have. You have taken over a family business and family that you married into. Gimme a little bit of what that dynamic was like and that situation you found yourself in.

Nathan: Yeah, great question. Going back a few years now, but I was married about eight years before I asked my father-in-law at the time if I could invest in money and buy some shares of his business. And so for me it was purely a financial transaction to start with an investment opportunity for me.

However, he turned it on its head real fast and said "There's one share you, Nathan, you can buy it." And then at that moment I was like "I don't have a landscape background, so how am I gonna do that?" And so, over a period of about six to eight months, we went through the whole valuation of the business to determining what my role would be. And then I started in 2006.

So the dynamics at the start were purely business. I was a son-in-law with no experience coming in, and so I had to really learn the business, gain the trust of the existing staff. Understand where they were at that moment or that time in 2006.

It was a, uh, leap of faith to be able to just jump in to buy a 50-year-old business. And I did not have a landscape background whatsoever.

Karina: And I imagine there are some unique challenges with that, not only about learning the business, but about dealing with some of the feelings of other family members.

Nathan: Oh yeah, it was uh, emotional, I guess at the start for other people, not so much for me. Some family members struggled with a son-in-law coming in and not staying within the existing family. My wife had other brothers and sisters at the time, or still do, but they were not involved in the business at the time.

However, I learned quite quickly that, we need to respect the past, respect the history, but we need to move on if we're a business to go on to the next level,

for a 50-year-old business. And I was a third generation and as we know, the success rate of a family business, the third generation is like a 3% success rate. Right? So it really drops off.

There were some key fundamental things that I had to do in order to gain the respect. I had to have my father-in-law let go as well. That's the other half of it. And so that's what

plan I put in place and away we went.

Karina: Okay, so let's talk about plans. What kind of framework do you think would help people in a similar situation handle things like the compensation and the transfer of ownership and setting up rules within a new leadership for a family business?

Nathan: Yeah, that's a, that's a big question. I would say for us one of the bigger factors for success was we made sure as a family not to talk about business at family functions. And keep business and family separate, as hard as that is, but force yourself not to speak about business, at the family function. And then within the business side of things, my situation was a little different in that there were a lot of non-family members in management positions already. And so I was taken over from my father-in-law but he had some key people in place prior to me being there. So I had to earn the respect or trust, right?

So I always say respect is earned. You cannot demand it. You have to command it in how you act and how you behave and how you do things. And so I really worked hard. That was my focus for the first couple years, was to leave everything where it was, almost. Learn the business from the inside out. Work on every single crew, work in every position.

Master the position, like spend time there. Really understand. Ask the questions to the people that understand why they are working where they are, just to earn that respect of the people. And then as far as a framework moving forward, I like accountability. I like visibility. One of the things that I introduced pretty much in the first few years is open book financial management. And so the generation before me was very closed. When it comes to the financials, you don't share that. For myself, I'm like, if I wanna empower the staff to really own their roles, they need to understand the financial impact they have in the business. And so I, that first winter I taught all the management staff about financials and what does a profit loss really look like, and how do you ensure, what's gross profit? All those kind of things.

Over time, with an open book management, the managers then really took hold of decisions they made and we could grow this business. So financial literacy is critical for anybody who's taking over, anybody buying anything--- business or goods and services, if you understand the value of money and where money goes.

But in the business, whoever's taking the business over needs to have very clean financials in their business, but then they have to have good financial literacy. And so financial literacy is probably number one for me.

Number two is making sure you have the people in the right spots. And then you asked about books and resources, and I have a book right here.

This book was instrumental. Who by Geoff Smart. Really talked about success, outcomes or profiles. What does a win look like in somebody's role? And so adding that kind of structure to the business really helped as well. And then just get very clear on the strategy.

Where is the business going? We're just, we're not sitting there just doing all the time. We need to understand where we're heading, where we're going, because then you can rally the people around you to really, as me as a new business owner coming in saying, "Okay, we're heading this way. Here's the direction we're gonna go. Here's how we're gonna do it. Here's why we're gonna do it." And get the, so to speak, the troops rallied around you.

Karina: That's a lot to unpack. It sounds like it boils down to earning that respect by understanding the rules, defining those rules, and understanding the true financial picture of how every role leads to the success and financial benefit for the business.

Nathan: What's difficult is that in a succession plan. The business must win. Who's paying to buy the business? Right? So if the next generation comes in with a boatload of money, they're likely not gonna buy a landscape company. They're probably gonna do something else with the money. So if there's no money coming in, how does the person retire outta the business?

If there's no money being transferred, that means that the business has to make extra profit to pay for the new person coming in, plus pay the person who's selling. And that's why it's so critical that the financials are intact and the person who's buying business understands how to make profit because the business must be profitable.

Otherwise, succession does not happen. There's not enough money to go around otherwise.

Karina: Do you think that's a common issue where perhaps new owners of a business don't think about paying themselves? Maybe they just hope that it will come eventually.

Nathan: I don't know if that's a succession issue or that's just a common issue in all businesses, right? How people, how owners pay themselves and when they pay themselves. It gets far more complicated when succession happens. Because now there's two owners. There's the outgoing and the new one. Both are gonna draw some kind of dividends or salary or compensation.

But the conversation around, how do our owners pay themselves, whether they pay a salary or dividends or management fee or whatever, that's a whole other podcast on its own.

Karina: Oh, and I think we should plan something about that too. So listeners stay tuned for that. You mentioned that a third generation family business has a pretty low percentage rate of potential success. Why is that? Why do you think it's so difficult for second, third, fourth generation businesses to be as successful as it was in the beginning?

Nathan: When I have conversations with my father-in-law, he was a second generation and the hustle that he had, the grind back in the eighties, when interest rates were 15 to 18%. And I just saw a document this morning with the property that I'm on, it was purchased in '81.

It was 15% interest rate. For \$80,000. 80,000 wasn't the issue, but it was the 15% part. And so when I hear about the stories of the second generation, or even the first generation, you're starting off. So I equate it to making a snowman. When you have snow and you're trying to make that first ball you're packing together in your hands and you lay it down, you try to roll it and it breaks it apart and you roll it.

And that's how the business starts, right? So the second generation can take it a little further and in our case it was through the eighties, so you couldn't just relax. Many businesses ended in those eighties because of interest rates, but the third generation is now two generations away or removed from the original.

So by that time, the brand is stronger, business flows, the business is bigger. And so it's very easy for that generation to say "It can't be that hard running a business. Come on. Like just, I'll just keep going. Do what my dad did or my father-in-law or whoever did," right?

So there's a disconnect between how much effort it took to start the business as to maintain the business. Now maintaining doesn't mean you just coast. The third generation is known to coast and saying "Well, I don't have to work so hard. The brand's right there." But if you're coasting, you're actually sliding downhill, right? In today's world, you're either growing or you're declining. You don't coast because everything costs more. You can't do that, right? So the work ethic that the first generation has, the third doesn't normally have it.

We all wanna live better than our parents do. That's just a natural human nature thing, I think. But in businesses, " We don't want to work that hard. I have to work all Saturday and nights, and I have to involve my whole family into this." Today's generation, my generation, I don't think I want that.

But then if you don't want that, okay, then how are you gonna run the business to make sure it's super profitable because you have to pay for yourself and for the business, you have to pay for it and keep it going and that's where it gets difficult.

Karina: It is interesting you, you mentioned that hustle that the original entrepreneur would have to get that started and build the momentum and build the strength behind everything. And if people that weren't witness to all that struggle in the beginning, they think maybe it just, I don't know, happened with good luck or all they need to do is maintain and don't need that same sort of hustle.

And I suppose maybe that's why they didn't start their own business in the first place and decided to buy something that already exists.

Nathan: Taking over an existing business, it's easy in some ways, but running a business is not easy, right? So, now I look at it, I'm down the road a little ways and, to me, it's always easier to go buy an existing business. I understand business, I know the systems we need to put in place. To start something from zero takes a lot of effort.

But even businesses in 2025 that are starting off, anybody who starts a business knows it's a grind. It's a hustle. Some things are easy 'cause you have AI now

and the podcasts and the learning is so much faster than reading just books. You can learn so much. But hiring people is just, it's more difficult today than it was 30 years ago. And commanding a higher price on value is not easier now. So some things are easier with, other things are much harder,

Karina: Hmm.

Nathan: But the hustle today is you still have to have that hustle. You have to have that grit, tenacity, and agility. Just because you have a plan, you have to deviate from your plan and keep going. Right? That pressure. And that's why the success rate for first generation businesses is not that high. Most businesses end before year 10. So a third generation is that's, that's why it's unheard of, right?

Karina: Right.

Nathan: Few businesses that get to that level.

Karina: And the terms of success are actually that much higher. Like the standards you have to hit because the cost of everything has gone up, because maybe you have more employees, you have more capital invested in equipment and property, and there's just so much more that you're working with in that situation that you have to be even more successful than the first generation ever was to really make a go of it.

So from your perspective, what are some of the biggest hurdles families face when passing the torch, and what can they do to increase their chances of a smooth and successful transfer?

Nathan: I think the biggest hurdle in any business is the owner itself. John C. Maxwell has 21 Irrefutable Laws of Leadership. Forget which one it is, but the law of the lid is basically saying, what's the limiting factor of growth of a business?

And it's the lid, the owner itself is that. And so as far as succession goes, even though I might be of age, I wanna retire, but if I don't have a good hobby that is different from golfing, or if I don't have anything to do after my business, then what will I do? So why should I really let go?

Right? So then that owner becomes that, that lid, that stopping, that stop gap, the bottleneck of that successful transfer. And so, the biggest hurdle, I think, is

the identity of the founder or the founder's identity is in the business. All their eggs are in their basket, so to speak, right?

Their investment is their business. They don't have an investment outside their business which is too bad, I guess, because if your nest egg is the business and you wanna sell it, or you wanna pass it on and there's no way to buy it, no one to take it over, then you can't let go of your nest egg and you can't realize the potential profit or cash that's in your nest egg.

This has become very emotional to people because they've worked all their life. They get to whatever age, they're like, "now what?" Unless you've not taken money, cash, outta the business and invested somewhere else, so you have a separate nest egg. And if you have not done that 'cause you couldn't for whatever reason, or you chose not to, then your business becomes your nest egg.

And if your name's on the business, oof, it's even worse because who's gonna buy that name now and actually pay you what you think it's worth?

Karina: Right. So would you recommend that if someone were to start a business today, to maybe not name it after themselves. That's a pretty common thing that's done in landscaping and lots of businesses really. 'Cause you don't necessarily have to register those business names and maybe that's not such a good idea after all, you should have that separate identity.

Nathan: Yeah, so I bought a family business with the last name, right. And I bought the business. It was actually called Jan Gelderman Landscaping. And Jan was JAN. It was "yahn", it's a Dutch John. John Gelderman. And so already I was like, oh, that's his whole name, so let's just drop the Jan and make it just Gelderman.

So still last name, but then Gelderman became a brand over the years. Right? Just in itself. Ideally looking from the outside, you know, I'd started a few businesses since, and I will not put my name on it. Because I'm thinking of the end in mind whenever I start something now, right?

It's "Hey, what does the end look like? 10 years, 15, 20 years?" If I want to package something up and sell it later, it's not connected to a name. It's probably easier to pass on. But it's emotional. Again it's an emotional thing. Your business becomes your baby, so to speak, and it, and if it's your name,

then well it can be helpful at the time because customers will say well, they know who you are because of the name of the business.

So it can be beneficial. So when you're selling your product and your name's your company, then people know who you are. So that's a positive. You think that's really good, but it's not till you wanna have another salesperson or you want to sell the business. Now it's still your name. And now to change the brand, it can be done--- rebranding is not easy. It can be done. But yeah, I've seen it both ways. It can work just fantastically, but it can be difficult because the names stay with a person. Right.

Karina: Right. And unthreading that legacy from the name and the person who built the reputation, and it gets passed on to somebody else. And the responsibility of maintaining that reputation of the originating owner. There's a lot of stress on that. How can families maybe inspire and prepare younger generations to take over ownership and put in that realistic effort required to lead?

We talked a little bit earlier about not understanding the hustle that was required in that first generation, but that doesn't have to be that way. Right? What could be done to make sure that next generations of interested family members understand what it takes?

Nathan: Yeah, so I, I've been told I'm a little bit opinionated on this matter, on this topic, and I will share that. And it can be, maybe not that I have a personal experience on it, but just I've learned over the years and I've seen in other businesses that I've coached. So my opinions are fairly strong when it comes to this.

So I would suggest that, if you have a son or a daughter that needs a job in the summertime, that's one thing to go work in the family business. But post-college or post university, I am a huge proponent that a son or daughter should not come back to the family business. Should actually earn their stripes and work elsewhere, in a similar field or different field, but not work for the family business.

So work elsewhere for five years. Learn to work in a different, different business where there's different systems and rules and opportunities and stuff, but learn in that business and learn and earn your stripes, right? So basically come outta college or high school or university, whatever and gain some professional credibility and experience. And confidence. So confidence is probably the biggest part of it because they have to be themselves, their own identity.

They're not the son or daughter, relative, of the owner. You have your first name and the last name and that's very important in a non-family business. So they earn their professional credibility, the acumen they're gonna learn or whatever trade or service they're in. And then at some point, if the opportunity arises that there's an opening at the family business, that they apply for it.

Too often I see that circumstances might change, that a son or daughter might lose their job and then the family member says "Oh, come work for dad and mom, now." That's not a good start. And it's emotional because it's "I wanna help my son or daughter out, so I'll give them a job within the company." And it is great for you and the, and that and your family member, but for all the other staff members, who are non-family, that see what just happened. And you can say, "Oh, it's tough beans, this is my business. I can do whatever I want." True. But it depends on, start with the ending. Right? What do you want in the end, you want a business that's all family members, that if you're not family, you're not part of it? Then great, you're gonna get that.

I was never that, like I had earned my stripes elsewhere. I joined the business later, 10 years afterwards. And when that happens, the family member actually brings a lot of knowledge back to the family business. 'Cause if you're always in the same business, you don't know what you don't know. You don't know what's out there. You don't know a different way.

But they can bring a lot more value coming back in. And now they come in with respect because they've, they come in knowing that they weren't just given a job, they applied for the job, they got the job.

Karina: Yeah, I think that would go a long way towards building that self respect and the confidence as well as respect within the rest of the staff existing, that, that see this change of hands.

Nathan: I must say though, I've seen the others where that has not happened and it's worked fine too. So I'm not, again, it's my personal opinion. I've seen friends of mine where their sons have come in the business straight outta college, straight outta high school, no college diploma, nothing. And it's worked out just fine.

So it's not like it doesn't happen, but it, as a family member inside a small company, that's one thing. But if you have a larger business, 20, 30, 40 employees, as a family, you have to work double hard, extra hard. Because you have to prove to everybody else you're of worth. You're not just given a job,

you're just, oh, you're the son of that person. It's gonna be your business anyway. From that point, you have to really prove that you are the right person.

And that's why sometimes it doesn't work because the next generation doesn't think they have to prove a thing. They think, "Ah it's gonna be given to me. When my old man dies, I'll have it all." That attitude thing, that's the beginning of the end because nobody's gonna wanna work for that person.

Karina: Right. So it's important not to take any of that for granted and look for those opportunities to gain skill sets in almost any other kind of business really. It could be in finance, marketing, communications, retail. There, there's so many other places that people could learn about how the rest of the world works and bring those skills and wisdoms into their business and have great success with it. So I guess anything's possible. You just have to make sure that the right person's in the right place at the right time.

Nathan: Yep.

Karina: So what if the next generation wants to take over the business, but they can't afford it? What could they do?

Nathan: That was me. I had no money. Had a lot of sweat equity and so I would say lots of grind and hustle and our succession plan was very different. We evaluated the business on day one. It was the note, so the value of the business was determined. I agreed to the number. My lawyer thought it was crazy. My accountant said, "You are whatever." I said my father-in-law's gonna take the note back, right? So it's a vendor take back. So the easiest option is that if the person has no money, the outgoing generation or vendor take the note, basically loan the money, pay over time.

Our succession plan was built on 15 years at Prime minus one. So a pretty good deal on that. And I had two mulligans built into the succession plan. And what that means is basically my father-in-law realized that you're not likely to have a great year every year. And so we're gonna add in a mulligan. You can use twice that if you can't pay me for a six months or a year, you can opt and take that option. But it can happen twice. And I guess what, I used it twice, 2008 in that recession. Then again, a little later where I had a tough year. So in that case, my father-in-law trusted me with this whole business that I was gonna pay him over 15 years.

And in that 15 years I had to figure out how do I grow the business, pay my father-in-law, keep the bank happy at the same time, and build this business right? That's where it takes extra cash. That's why there's pressure on the next generation unless you are given the business. In my case, I did not, I had to pay. I was given a great opportunity, but there was a significant price.

But it taught me a lot. I had to understand the numbers. See, that's where financial literacy comes in. I had to really watch and make sure that I could buy that piece of lawn equipment or landscape equipment and still make the payments for my father-in-law every month. Make sure the bank was on side, make sure I got, my family got paid too and kept the business afloat. Right? So a vendor take back usually works quite well. Or, and this is where sometimes partners come in and say some one partner has some investible funds and says, "Okay I'll join you and buy that business."

Typically in, in family business, it doesn't work that way. It's usually over a vendor take back like over a period of time. Or if the business is not worth a lot, then sometimes the owner of the business will actually hold onto the property and only sell the business, right? Sometimes the operating company does not own the property.

In that case, handing the business over is actually not that difficult because the business might not be worth much. All the assets are sitting in the property and the older generation just keeps the property

Karina: So in that situation, I'm assuming the business owner would be paying a lease on the property though, right. Okay.

Nathan: Yeah. And that's how this, the next generation, who's leaving has some residual income coming in.

Karina: Right. And it would be very difficult, I think, if you've maxed out all your money on the purchase to continue investing and adding innovations to grow the business. It seems like it's a very tricky situation and you really have to love what you're doing to make this worthwhile.

Nathan: Uh, you need a good accounting partner. Cashflow management is critical. Projecting out 90 days, three months, 13 weeks as a minimum, to really understand where the cash is coming and going. Right. I wouldn't say it's not doable, 'cause I'm living proof that it is possible.

But it is really, never lowering your prices, always raising your prices, but knowing why, right? And understanding the value that you actually bring to the table with your price. Knowing how to buy and purchase equipment and materials so you can cut those percentages, watch those margins.

Right. Not to get too much overhead in that. All those things. It's doable, but it's not easy and it's not "Oh, I'm tired, I'm gonna give up now." No, you, the first seven years was the grind, right? My accountant said, "The first seven years you can probably do it, but here's what you have to hit. These are the minimums. You can't get by with 5% net profit. That won't be enough. So you always have to perform."

And that's why my father-in-law had those two mulligans built in our succession plan in case it did not happen that way, which he, ' cause he's had, everybody has years that are not great. And that's realistic, right?

So allow for that, and then always use the bank's money. Right. I didn't have any cash, so I had to use the bank's money, so I had to understand my own financials so well, so I could present them to the bank and ask for a line of credit.

They asked me, what will you use the line of credit for? I knew exactly what I was gonna use it for. I need to do a rebranding. I need to add a sales person or account manager. I need to pay off debt. I gonna use it for this, and this. And I was always able to get an additional line of credit or up the line of credit because I knew the numbers so well.

Then the bank has faith in you. They know the odds for a third generation. They know just as well as I do it's not good. But I always was trying to be different and I always wanted to be able to present our business, understand the numbers, and here's where the numbers are going. So they had confidence in me and my team and gave us money to, to use, right as a line of credit.

Karina: Now you have a background in accounting, right? No.

Nathan: No, I don't, no. I have a bachelor of science from Guelph

Karina: Okay.

Nathan: Science. Animal science was my major in Guelph, and I spent eight years working with dairy farmers and how to feed their cows.

Karina: Oh wow.

Nathan: I learned it by doing podcasts and reading, and I was a treasurer of our church for a bunch of years, so that gave me some insight.

I always loved not money, but loved working with money and how to, you know, how to make 10 cents out of 8 cents or something. Just trying to figure out ways to be efficient. But I learned it, right. I learned it and I learned it within the Gelderman business early on, like understanding that balance sheet. I had to figure it out because I couldn't get money. I didn't have money. So we, when you, so that's the other thing. When you don't have money it forces a person to really be creative and figure this out.

Karina: So you saying that, it might give hope to people who want to buy business or want to take over family business and think, "I can't because I don't have the capital in my pocket." But there's definitely ways of doing it. Uh, it may be a little bit stressful, but certainly possible.

Nathan: There's a fellow named Roland Fraiser, if you Google him. He teaches how to buy businesses with no money down. Today. It happens all the time, and I've done it several times now, and I'm still doing it. Not using my personal money, using other people's money or other collateral.

You have to be creative. It's creative purchasing. The family business is a little bit different, right? Because it is usually a family member that's willing to give out a loan, personal loan, right. Or a vendor take back, like in my case. At the end of the day, it's gonna require the next generation to have that hustle, to have that knowledge to watch those details, not to spend it.

And always think long term, right? So for years I had a small salary and I just grinded it out and I, and people say, "Nathan, why don't you take more money outta the business?" No, I need to keep it in, my time will come. And it did. It was 10 years down the road.

For the first bunch of years, you can't live high off the hog. It won't work. You'll run outta money, you'll go negative. That's that tenacity and that willingness to say, "I'm gonna sacrifice now for later. I will choose to live within my means until I can relax later in life." But that's hard 'cause everybody tells you, you can enjoy life now.

That means spending more money now, not saving, not holding back, not withholding yourself. In a business, you have to eat last. You can't eat first. business has to get the cash. It's fuel, it's oxygen. You have to keep the cash into the business.

Karina: And it'd be difficult to know what sort of timeframe is gonna require all this growth. Thinking of the long term, that could be five years, it could be 25 years down the road. And, of course people want to reach a certain level of success and status and comfort with their business and maybe hold it steady for a while. When do they know that's a good time to do that? Is it just gonna be grind until you die, or is there a point where you can actually enjoy being in that business?

Nathan: I'm gonna hold up another book. So you asked me before this session, what books do you recommend? John Warrillow is another guy. "Built to Sell." So he talks about how to build your business to sell it and how there's different stages. And my journey at Gelderman was that I used both of John's books.

He has this book "Built to Sell" and another one called "The Art of Selling Your Business." Both of those were foundational principles in how I built the Gelderman business to when I exited in 2024.

Karina: Okay.

Nathan: And so that grind is different for everybody, right? Everybody's capacity is different too as a person, right?

God's gifted us very differently, and so we have to know our own capabilities. You might think I wanna grow the business to X millions. And not have a plan on how to do it and not realize it takes a ton of cash to grow your business, right? So growth is not like, what are you trying to grow? Your top line, your bottom line, your time with your family?

What do you wanna grow, right? So that's a question that's very personal that everybody needs to ask. And just because your neighbor is doing something different doesn't matter. And that's why bigger's not better. Bigger's just different.

Smaller is not better. Smaller is different again. But it's the owner's capabilities, their passions, their desires, their family, all those things come into play.

But if you don't know, if you've never done any soul searching, say, "Okay, where are we taking this business?" Then it's gonna be a white water raft for a long time. And you say, "When is the grind gonna end?" It might never end 'cause you just haven't been very clear on where you want it to go. If somebody says to me, "Nathan, I'm 55 or I'm 60 and I wanna be sold by 65," we've got five years to polish the apple, so to speak.

All right, there's a plan, but the best time to start yesterday, the second best time is start now. Don't keep putting it off because you've put it off around the year, we don't know what's gonna happen in your life. You might get cancer. You might, something might happen.

You might lose a good staff member that's critical to the business, or you might lose a great client. You can't just "Oh, I'll wait till when I get to this age and I'll plan to sell." It doesn't work that way.

Karina: Right, so having some clarity on goals. Having that financial literacy and knowing what growth and success means to you seems to be pretty critical in building out the next stages of your business plan. So we'll make sure that we link those books in the show notes. And hopefully others will find as much benefit from them as you have.

And a few minutes ago you talked about loans and taking loans from the banks, but what do you think about accepting loans from family? Now, you did have that vendor take back from your father-in-law. He entrusted that over 15 years you were gonna get that money back. But again that's a long term investment and trust in your success. And if at 3% success rate for a third generation business, huh, that was a leap of faith that was a pretty risky move for him and for you and to know that maybe within 15 years, because I know your father-in-law. He's at retirement stage already, so you would wanna be able to enjoy that time and not worry about money coming in.

Nathan: Yeah, so he was, so when this transaction happened, he was actually 55, so he retired at 55. He was out of the Gelderman business by that time. But one of the things he taught me early on, he said, "Nathan, always take money outside your operating company and invest it in something else." And he had done that from day one.

And so by the time he sold the business to me, he had other nest eggs that he could draw on if Gelderman business actually went down.

Karina: Okay.

Nathan: Right. So it was still a high risk for him, but I think your risk tolerance is based on your divesting of your assets, right? So if all your eggs are in one basket, you're gonna hang onto that basket for dear life and you're really worried about it.

But if you've been divesting over the years and you have other assets in other property or investments or build, whatever else, right? Then if one of those things go down, you're still fine. And that's what he taught me. My first years as when I owned Gelderman, I did the same thing and I've done it every year. So if one investment goes sour, yeah, I'll be upset, but I'm not gonna lose everything. Right? So he had done all that prior, right? Prior for me coming on board.

At the time, I didn't really understand how big of a risk he took. It wasn't, not until now I look at back and, "Oh, he was crazy or he was wise." Would I be willing to be that open to that kinda situation? And I'm like, I don't know. You have to trust that person enough to take over your baby again. Now the Gelderman business was over three times the size by the time I sold, so it was a much bigger enterprise.

And so, the bigger the business, the harder it is for succession too, because now it's so large I'm saying anything plus 10 million is a large number. And for somebody to come in and just go buy something for 10 million, like who has that kind of capital? So it, yes it's, it gets challenging, right? The larger the business is, and that's why you see a lot of businesses will sell to a third, like in my case, the Gelderman business sold to private equity. Private equity has the capacity to buy that and not the, like my generation, like I wasn't, I couldn't wait for my children, or I chose not to wait another 10 or 15 years before they could maybe buy it.

But then who would, who said they would want to buy it? They're only 15 now. Like I, I gotta wait 10 years till they're 25 and then maybe they'll wanna take it over and then what? Buy it. By that time the business would be totally different again. And I didn't want that pressure on them. Right. And that's where another book, I'd like to read, "Every Family Business" by Tom Deans really talks about that. It's like, when's the best time to get to pass on the family business out of the family?

Karina: So what's it like to let go of something that you've built? You know, for a lot of people it is their baby. And when you are in a situation where you're building something and if you haven't divested some money outside of the

company because every dollar went back into building your brand, and if you didn't spend any time developing hobbies and interests and things outside of the business, because every waking hour and all the 17 hats a business owner has to wear has meant it's all time's been spent in a business. Letting go would be very difficult and full of lots of emotion and I don't know if people really understand how difficult that might be to hand off. So what would you recommend, do you think that people should spend some time outside of their business developing themselves? But then at the time to hand something over, should they be involved in training? Should there be a gradual handover or is it just easier to step back cold turkey?

Nathan: Tough question, but I think the first conversation for somebody would have to have is what does the end look like? Not when the end is, like, what year it is, not so much that, but what does the end look like? and then work backwards from there.

Right? So if the end is that they want to sell the business outright, totally sell it and walk away and never touch it again, then they know that's what they're gonna do. But I would say, if you want to pass it on to somebody else in your family or you wanna sell it to your staff members or you wanna exit totally, you're probably good to bring in a third party to help you through that process. Right?

I'm not trying to promote coaches and there's tons out there, and I do this myself too, but I was very clear in my own mind, because I remember talking to people about it. I just, I said, I can sell it to the staff members, I can sell it to my competitors. I can sell it to my children. I can just roll it up and shut the lights off and just sell all the assets.

I knew there were all these options, what the exit would look like. I knew what I was hoping for. But I always built it so that I could sell it at one point. I didn't know when, but I knew that's the how. Right. So that's the conversation is---"you wanna preserve the brand and sell an ongoing business, then let's build the business for that. But interesting enough, when I say to people, "Do you have the business you want?" they're like, "What?"

Think of it, if you're operating your business right today, and you are wearing 17 hats. You actually like that? 'Cause you have not done anything different. You might have tried, but have you tried hard enough? And many times people can't let go 'cause why? You're fearful. Fearful of what? Fearful of losing everything. Or they don't know how and it's then bring in a coach. Bring in someone who's

done, can work alongside you, who has done this before. Who's watching your footsteps, right? Has done that.

Karina: So someone who can see past emotions and past the feelings, and really be analytical about the whole situation on your behalf.

Nathan: Yeah. Yeah. But if you don't know what the end looks like, if I'll just keep doing this till I can't, then you just keep doing it.

But if you realize like I know at some point I won't be able to, so then, and that's where I'm having a lot more conversations the last few years with people that are approaching 55, 60 and they're like, "Ooh, my body's okay right now, but it's gonna give up at some point." Or "My children, they're not interested, so I'm not sure what we're gonna do." So you wanna sell it to your staff? " They don't have any money."

I say " Let's start an employee buy-in." There's ways of doing this now already. And I had that at Gelderman. I actually sold some shares to current staff members because I wanted them to be empowered as a minority owner of the Gelderman business, and then who knows, over time, they might take on more and more shares.

Now, it didn't go that way, but the structure was there. It could work. And there's other companies out there are doing that right now, like an ESOP employee stock ownership, that could be an exit strategy for somebody.

Karina: It sounds like there are lots of different options and pathways to explore and having that outside party come in to give some insight. Is this something that you offer as a service?

Nathan: Yeah, I do through one of my companies called TrueHelm.ca. And that business I actually own, I'm actually doing partnerships myself with companies. Although not in the green industry 'cause of my non-competes, and that's where I offer coaching services.

Karina: Okay.

Nathan: I do have a [PowerPoint presentation](#) I can share with you for the listeners as well on just a whole walking that journey and how to polish that apple, the apple being your baby, so you can hand that off, right? So I have a PowerPoint presentation I can share that just walks through all the steps...

Karina: that's great,

Nathan: and what to consider as well.

Karina: That's great. We'll be sure to include a link to that as well as to TrueHelm.ca. And is there any last piece of advice you'd like to share about keeping your sanity during a business succession?

Nathan: Keeping your sanity?

Karina: Is that possible?

Nathan: No it's, it is. I guess, in a nutshell, It is a necessary discussion, but it's a hard discussion. Right. Especially when it comes to family. Family is great. And, they'll hopefully stay your family after the business is long gone. Right. So the business and the family are two separate identities and that's where it's so hard and trying to keep the emotion out.

There was an association I joined when I first started called Cafe. I think it's called something else now, but it was Canadian Association of Family Enterprise. It helps families go through succession like that. I think it's changed names now. You have to double check, but I was in it at the very start because there's a, and especially now, there's gonna be a lot, lot more of the baby boomers really getting out of their own businesses. There'll be a lot more of this transition period happening.

And so I think it's really wise to surround yourself with people that have gone through this before, who are not family members so emotional bias is gone, that can help you and give you some good advice. In my own transaction, I had my own lawyer, my own accountant, and Hank had his own lawyer, his own accountant.

There were six people at the table. It's critical for you to have your own accountant and lawyer who represent the buyer because the seller has its own tax implications and that seller's gonna want to do X and the accountant's gonna advise this way. But as a buyer, your accountant's gonna help you cashflow this business post-sale.

So you need to have that person on your team. So your own partner, your own, your team, your representation is very important. You have to have your own. You can't say I'll just use my dad's account. No way. That's not good. 'Cause he's

gonna be loyal to him and, "Oh, he'll be loyal to me." He can't, you can't split your loyalty. And you have to be able to take the motion away and say, no, and have the business pay for all this. So in our deal, the Gelderman business paid for my lawyer and my accountant 'cause it's part of the succession plan. The business pays for it all.

But have your own your bench strength. Have your own people representing you. And it's, and it has to be a three-way win. So you, I had to win. Hank had to win. But most importantly, Gelderman had to win. The business has to win first though. 'Cause if business is not profitable, nothing works.

There's nothing to buy. Nobody can get anything outta retirement. The business has to win first,

Karina: Yeah. Otherwise there's no point.

Nathan: And that's hard. Right?

Karina: That all sounds like great advice. Nathan, thanks so much for taking the time to walk us through this today. Listeners, I hope if you are thinking about selling your business, buying a business, taking over a family business, there's a lot to think about.

You know, there's definitely a lot of work to be put in. We've got some great books that we can recommend for you to read and reach out to your network within the landscaping community because there's lots of wisdom out there of people who've done something similar.

So, Nathan, thanks again for coming in. I really appreciate it.

Nathan: Yeah, it's fun to share. And I look back and realize I didn't know what I didn't know. Right. I didn't know how enormous this was at the start. I was 32 years old, let's go. And I know, I knew what hard work looked like, but I didn't know the risks that I took on. And I just give 'er. I always say the flame was so close, just go, you can't let go. And yeah, it was some tough years and every once in a while I do some reminiscing how it was way back when. It's " Whoa, yeah. Remember when I had to fire that whole crew 'cause they were drinking on the job."

Karina: Ugh.

Nathan: Like the early days, "Oh, that was just so hard." And you keep hiring people, better people and better managers. And you keep growing and it takes, it took, for me, it was 18, 19 years. And that's where some people give up way too soon. And they say Nathan, I've been doing this for five years. I'm like, yeah, you're just getting started. What do you mean? I thought it was supposed to be getting easy now. Easy? I don't think anything in life's easy. It's gonna change, but keep going. But always keep planning, keep executing, keep learning. It doesn't stop. That's why a lot of times it fails because people give up and they, "oh, I can't do this. I can't." Or they don't have the support from their spouse. That's the other half. We didn't even talk about that. Your support from your spouse, if you have a spouse, is critical. They gotta be able to support you and not get all worked up and get upset because you're gonna be putting extra time in. My spouse was fantastic and it was her family business that she never worked for. She never worked in the Gelderman business ever in her life. She was dead against us doing this, but she was like, we committed. She was right there.

Karina: It's not for the faint of heart, that's for sure. And, I think in life it's just generally a good idea to surround yourself with good people, smart people who can support your dreams. And it sounds like you had that and it led to a positive experience.

Nathan: Oh! There's one other thing I didn't mention, but, for me, my faith is important to me and my trust in God to provide was there. And he did provide, he blessed the process, he blessed this business for all those years. And it's not just me doing anything. It's the team. It's all those around. Right? It's a joint effort and it's from God's blessing alone.

Karina: It sounds like you went in with the right approach and the right mindset and look at you now. So again, thanks for sharing all those extra details and the context around taking over a family business, how difficult it was and the opportunities it created. And I'm excited to watch what happens with your businesses next.

Nathan: Okay. Thank you very much for having me. Take care.

Music

Karina: That wraps up today's episode of the Landscape Ontario Podcast. Talking with Nathan today reminded me that a successful family business transition isn't just about the paperwork or the price tag. It's about trust, clarity and respect. Whether you are stepping into leadership or planning your exit,

having a solid framework, financial literacy and open communication can make all the difference.

If you'd like to dig deeper, be sure to check out the books Nathan mentioned in this episode. They're great resources for anyone navigating a change in ownership. Nathan has also kindly provided a succession roadmap that you can download from this episode's web page at LandscapeOntario.com/podcast.

And thanks for tuning in. If you enjoyed this conversation, please subscribe, rate, and share the podcast so others in the landscape profession can find it too. And until next time, keep learning. Keep growing, and take pride in building something that lasts.