headed since 1992 by Paul Ecke III, became a recognized leader in almost all facets of the floral industry, from breeding and disease control to innovative marketing and global production. They also cornered an astounding 70 percent of the poinsettia market here in the U.S., a feat that made them particularly attractive to Agribio, said Ecke, who will leave the industry entirely when the deal closes in mid-September. (Part of negotiations involved a non-compete agreement for Ecke for an undisclosed number of years.)

But Ecke, who purchased the business from his father in 1992 after earning an MBA from Duke University and working for Hewlett Packard in the Bay Area, isn’t looking back misty-eyed on the family’s 100-year run. Instead, he’s casting his sights on all the projects he’s pushed aside, confident he’s leaving his family legacy in good hands.

“Integrity and ethics are two things that I’m leaving the business with, or, at least, I hope I am!” he said. “When you deal with customers, your employees, your competitors, you have to be honest and ethical first. I learned that from my grandfather and dad.”

Floral Management recently talked to Ecke about the difficult decision to sell the family business and what the future has in store for a man so many people know as “the poinsettia guy.”

What’s the best piece of advice that someone in your family ever gave you?

My Dad told me to go to business school, rather than horticulture school. In his way of looking at things, the business issues were more difficult and challenging. We compromised. I studied horticulture at Colorado State and then got my MBA at Duke. He was right. The business part was harder.
What advice would you give to someone just starting out?
Be conservative with your projections. Get enough of a working capital line to grow. It’s hard to find capital today. The last three years have only made it harder. Banks are gun-shy about lending and there isn’t much venture capital. There aren’t a lot of second chances. You screw up once and banks can cut you off. We were lucky to work with Bank of the West — they really do know our industry, but it has been hard for banks to extend credit in this last recession.

People hear Ecke and they think “poinsettias,” but you grow lots of other flowers. Did you ever feel like a victim of your own success, or feel frustrated that your other crops weren’t as widely recognized?
Most people in the industry and most of my friends think of me as the poinsettia guy. I have no problem with that. Poinsettias are our flagship product. We bought Oglevee in July 2006, so we have a large share of the geranium and annuals market, but when you have a 70 percent market-share in one product, you can’t run away from it.

What do you see as your legacy?
A company has to change to survive. When I see people, especially in family businesses, clinging to ideas — “this is the way that we’ve always done it!” — I want to tell them that massive changes are the only reason we survived for 100 years. My grandfather (Paul Ecke Sr.) grew poinsettias outdoors for 40 years. My Dad (Paul Ecke Jr.) took production inside for another 40 years. I took it offshore in Guatemala. “I love the people and the country,” he said.

Describe your management style.
I don’t breathe down people’s necks. I expect them to do the right thing. Google’s (unofficial) motto, “don’t be evil,” is brilliant guidance. I don’t want to worry about a guy polluting a stream or mistreating someone, whether he’s in California or Guatemala. I have a really good team here in Encinitas, not only at the senior level but mid-level and production level, and also in Guatemala and in Europe. I don’t care who you are — unless your business stays small where you can do it all — you have to surround yourself with bright, hard-working people.

What is your proudest achievement?
Moving production to Guatemala. Our first foray into offshore production, in Mexico in 1995, was a disaster. We were working with geraniums and ran into a major disease problem. That’s a tough crop to keep disease free, especially in those days. We could have said we’re never going to go offshore again. Instead, we went to Guatemala and started from scratch. We built greenhouses and, eventually, three farms. That was 13 years ago.

Why Guatemala?
We had to go offshore because European companies were undercutting our prices here in the U.S. We couldn’t compete. We went through a pretty diligent search. Guatemala was in the right place at the right time, in terms of politics, economics and geography. Seventy percent of their GDP was already agriculture, but much of that was super perishable product — berries — where you’re talking spoilage in terms of hours, not days. We weren’t the only company to go there. In fact, Goldsmith Seed (now part of Syngenta) was there first. We came in at about the same time as Ball (Horticultural Company). Now there are dozens of companies there. I love the country and the people.

Why do you have such a strong connection to Guatemala, personally and professionally?
Right after we started operations in Guatemala, a major hurricane hit the country. The storm took out roads and bridges. The president of Guatemala told everyone to stay home, but 98 percent of our employees came to work. Some came without their shoes because their houses had been destroyed in a mudslide. That dedication has continued to this day.

What do you think are the major challenges and opportunities that U.S. growers face today?
Consumption and demand are low, and we have over-production. That equals low prices... and that’s a problem for all of us. If I could wave my magic wand, the American public would buy more flowers. I can’t do that, so we all have to work harder and smarter. In this latest recession, consumption dipped even more, but guess what? People still bought poinsettias. Even in the worst recession of my lifetime, people still bought poinsettias. Consumption dipped but not as much as other sectors.

Why do you think that is?
In the poinsettia business, we bank on tradition. At the end of the day, people may have gotten a smaller Christmas tree or a less expensive gift, but they said to themselves — we think — “I can afford a poinsettia.” That’s the sentiment that pulled us through. They’re an affordable luxury.
Can you talk about Ecke’s contributions to new poinsettias — those wild colors outside the traditional red and green spectrum?
My father started our program with a breeder who was self-taught, but brilliant. When I took over, we brought in a geneticist, and she took our breeding to another level. We developed ‘Prestige’ and other novelties. Those novelties are a lot of fun, but at the end of the day, the classic red is the one that sells best for growers.

What about working with mass retailers and big box stores?
I’m proud of all that we brought to the marketplace and our relationship with retailers like Wal-Mart, Home Depot, Lowe’s and Costco, among others. When I was really young, you went to a florist for a poinsettia. Then, the supermarkets came in and started selling them. Then, the big boxes came in. Every time the paradigms shifted — consumption in units increased. These big stores have actually increased consumption of poinsettias dramatically over the years. Retail florists, the good ones, have adapted. If you don’t change, you will die.

Transitioning from one generation to the next can be painful. What did you learn from your own father, when he sold the business to you in 1992?
I’m really proud of my Dad for making the arrangements for me to buy him out. More businesses should do that.

Why?
If you’re going to have a family business and you want to continue, you have to, number one, sell it to your kids, and this will probably happen before you think they’re ready. By the way, you may never think they’re ready. And number two, you have to get out of the way. That’s really, really, really hard to do. When I look out in the corporate world, you don’t see the former CEO or president in the office next to the current one. That scenario only plays out in these family businesses. The previous generation has to step away to let the next generation take over.

Was it hard for your own Dad to step away?
Our Dad didn’t have other hobbies. The business was his life. Anyone who knew him, knows he liked to help. So, yes, there was some friction at times, but he was a big help in a lot of different ways. These family businesses are hard to do. That’s one of the reason that I chose not to pass it onto our kids.

Was there pressure on you to keep the business in the family?
We have a 19-year-old son and an 11-year-old daughter. Lots of people assumed we would groom our son and/or daughter to take over. We decided not to do that. Our son is studying engineering in college — that’s his interest — and our daughter, well, she’s too young to decide what is going to be her passion.

Why was 2012 the right time to make this big change?
When you measure us against other companies in the industry, we’re small. To do some of the things we wanted to do, we needed access to capital. Agribio has that. They can take this company to the next level. I’m a long-term planner. If we didn’t do something dramatic, I knew we’d be taken over by a bigger company, eventually, or we’d have to find a way to join up with others.

You’ve said that the transition out of the business was hard for your Dad, in part because he had few hobbies outside of work. What about you?
I’ll have more time to drive carpool and go to our daughter’s soccer games, and I’m active as a western cowboy riding. I also love snow skiing, and getting in the ocean, surfing and paddle boarding. On a business level, we own some real estate assets. We also still own the Flower Fields (50 acres of exhibition blooms in Carlsbad, Calif.). We sold the physical land of the Paul Ecke Ranch in a separate transaction to the Leichtag Foundation (a local nonprofit that will use the land for urban farming and community activities), so I also have 100 years of “stuff” to clean up around the ranch. I may plant some wine grapes on a piece of a property I own and dabble in that. Do a little more farming for fun rather than profit. I’ve been stuck behind a computer for two decades. I’m ready to get my hands in the dirt.

Mary Westbrook is a contributing editor of Floral Management. mwestbrook@safnow.org