

Partnership bloomed without business formalities

by Anne Wallace Allen

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Photo: Cottage Gardeners owner Nancy Day, right, and Nursery Manager Carly Geidl, left.

Nancy Day and Penny Rice found a vocation, a business partner, and their first client all on the same occasion: a neighborhood cocktail party back in 1985.

Day and Rice, virtual strangers who had children at the same elementary school, carried on a three-hour conversation about flowers that night. They left the party with a plan for Cottage Gardeners, a landscaping business that 25 years later is still going strong with 15 employees.

"The lady hosting the party said, 'I'd hire you,' and she was literally our first client," Rice said.

In developing their company, Day and Rice followed some well-known business rules, ignored some others, and forged their own path in a few areas.

As soon as they decided to start a business, they headed down to the local Small Business Development Center to find out what to do next. There, they learned about things like bookkeeping and licensing, and met with retired business mentors. The advice was invaluable, both women said - and both the accountant and attorney mentors became clients.

But Day and Rice also ignored some of the most steadfast rules for starting a business with a partner. The two never created any kind of formal agreement for the assets; they just split the money in their joint company bank account in order to pay themselves. When Rice left the business in 1993, she took half of what was in the bank and left the rest of Cottage Gardeners to Day.

"I always said, 'If you franchise, this, I get half,' and it was a deal," Rice said. "That's how we functioned. We trusted each other. I was thrilled she went on and did what she did."

The two are lucky things worked out as well as they did, said Penny Pickett, associate administrator for SBA's Office of Entrepreneurial Development in Washington, D.C.

"That is extraordinarily rare," Pickett said of the harmony between Day and Rice. "We always hear the disaster stories."

The SBA urges would-be business partners to establish the same rules a larger company would, said Rick Vycital, the director of the Small Business Development Center's Boise office. Partnerships need job descriptions and employee manuals, he said.

Rice and Day started out very slowly. Day worked at FedEx in the afternoons. The pair won some large contracts to design gardens for commercial homebuilders, and also did Christmas decorations on a smaller scale. They didn't advertise; all their business has come from word-of-mouth. And they ran the business out of their homes.

"I had employees coming and going at all times of the day and night," said Day. "I had three bicycles in my yard, and (the employees) would come and drop their paperwork off at 9 o'clock at night."

Accordingly, in the early years the company had virtually no overhead. The pair used Rice's Ford Bronco to transport plants, and their then-teenage sons pitched in when there was something heavy to move. They worked around the preschool schedule of Rice's young daughter, bringing her to garden jobs when they had to. Their biggest expenses were business cards and a bookkeeper.

After Rice left in 1993, Day decided to get serious about making money. Last year the company moved out of Day's home to an office on Boise's Latah Street. At one point, there were 35 part-time employees. Now Day has a staff of 15 full- and part-time workers who stay busy at private and commercial gardens.

Day still does almost all of the garden design. She has seen the impact of the recession; design budgets are more constrained, and a larger proportion of work is maintenance rather than new jobs, she said.

Rice, a former nurse, and Day, who had a degree in elementary education, both said they never would have had the nerve to start a small business alone. Together, they split the work and the risks. And they shared ideas. Day is the designer and is also impulsive - she said Rice often talked her away from impractical notions.

"She had far more creativity than I did, a better eye for things, but she also sometimes thought beyond our capabilities," Rice said.

"I just didn't have the confidence that I could have done it on my own," Day said.

A business partnership works well when partners' skills are complementary.

"Look for someone who has the skills you don't have, and be smart enough to recognize what you're good at and what you're not," said Pickett, who has met her share of former friends and partners who are no longer on speaking terms.

Rice and Day also got along well and had fun together. Both laugh when they recall the early days of driving around in the crowded Bronco with plants balanced on their laps. Day still enjoys meeting clients and designing gardens for them.

"I can't tell you the satisfaction of seeing something that actually turns out well," Day said. "It still surprises me."