



FAQ's on the Possible Merger of ANLA and PLANET

December 27, 2005

Joint Merger Evaluation Task Force

PLANET Representatives

Kurt Kluznik, CCLP
Co-Chairman
Yardmaster (OH)

Dan Foley, CLP
D. Foley Landscape
(MA)

John Gibson, CLT
Swingle Tree, Lawn &
Christmas Décor
(CO)

Peter Howe, CLP
Engledow Group
(IN)

Jim Campanella
The Lawn Dawg (NH)

ANLA Representatives

Dick Campbell
Co-Chairman
Campbell's Nursery
and Garden Center
(NE)

Peter Orum
Midwest
Groundcovers (IL)

Buzz Bertolero
Navlet's Garden
Centers (CA)

Joanne Kostecky
Joanne Kostecky
Garden Design (PA)

Dwight Hughes
Dwight Hughes
Nursery (IA)

How did these two associations begin discussing a possible merger?

In 2004, the Associated Landscape Contractors of America (ALCA) and the Professional Lawn Care Association of America (PLCAA) merged to form the Professional Landcare Network (PLANET). Follow-up discussions between PLANET and ANLA leaders introduced the possibility of a PLANET-ANLA merger. ANLA and PLANET are now engaged in an 18-month, thorough evaluation of the benefits and disadvantages of merging.

What kinds of industry businesses would be affected in this merger?

If such a merger were to occur, the full spectrum of green industry businesses would be represented by a single national trade association, including agricultural nursery production, wholesale distribution, retail garden centers, landscape design and installation, lawn care, maintenance, and interior plantscape services—plus, the suppliers to all of these business segments.

How would the individual PLANET or ANLA member business benefit from such a merger?

Members would benefit in at least four ways: 1) access to more business-building association programs and services; 2) more direct opportunities to build supplier and customer relationships; 3) a stronger industry voice to the public and the government, and; 4) the elimination of duplication and/or competition in association activities that increase dues and service fees.

What are the potential disadvantages to the individual member should this merger take place?

Bigger is not always a guarantee of Better. Merger efforts can distract organizations from delivering key services provided by the former ("legacy") associations. New faces and combining association traditions can lead to a loss of a sense of community or familiarity that existed before the merger.

Can these disadvantages be addressed and overcome?

Disruption to current programs and services can be reduced through detailed planning and by ensuring sufficient post-merger resources to sustain the programs. Both legacy associations are financially sound and aware of the necessity to maintain the unique benefits and sense of community members have come to expect. There may be some bumps, but the resources would be there to overcome them.

What would happen to popular ANLA and PLANET membership programs after the merger?

There is little overlap between the two associations' current services and the content of their specific programs. Consequently, PLANET's and ANLA's long-standing and valued programs would continue into the future. With the size of the combined membership base, some of those programs would have even more support than before and enjoy greater success.

Who's responsible for evaluating this merger?

PLANET and ANLA each have five current and past leaders serving on a Joint Merger Evaluation Task Force (JTF). This group also includes ANLA's chief staff executive, PLANET's COO (currently serving as acting chief staff executive), and a professional consultant with experience in association mergers. The JTF began work in February 2005.

The JTF is systematically developing a picture of what a merged association would look like. The ANLA and PLANET Boards of Directors have received periodic reports from the task force and have continued to support further evaluation based on the JTF's findings thus far. A final decision whether to merge must be approved by both Boards and then by the ANLA Senate and by PLANET membership.

What would the member dues structure look like in the merged association?

Typically, membership dues underwrite operating expenses and certain membership programs that are not easily funded by participation fees or sponsorships (e.g., government and public relations). Therefore, the level of dues varies depending upon the program mix offered by an association. A larger portion of ANLA's activities fall within programs that are underwritten by dues, so ANLA's dues are higher per member than PLANET's.

Funding of the merged association must ensure that the new association continues to deliver the highly valued programs and services of the legacy associations. Therefore, the JTF is recommending that, for at least one year after merger, the dues for renewing members would be based on the renewal dues paid in their legacy association.

The JTF is currently looking at several dues models built on the combined mix of dues-based and non-dues-based programs. They are considering the differing value of these programs to various business segments. In designing the new structure, the JTF is committed to maintaining a direct connection between the amount of dues paid and the value of the association activities that those dues underwrite. Greater detail regarding the dues structure will be developed and communicated prior to a merger vote.



What about the different “cultures” between ANLA and PLANET members?

Most members of both associations are small, closely-held businesses, with owners operating the business. While these businesses may occupy different positions in the industry supply and service chain, all of them share the ultimate goal: to have commercial property owners, municipalities, and consumers fully satisfied with their exterior landscape, their interior plantscaping and decorating, and their plant material. In addition to a common goal, these businesses have common equipment, many common business practices, and common challenges relating to weather, economics, labor availability, restrictive regulations, and business succession.

What about the different “cultures” between the associations?

Both associations already manage “different cultures” to some degree because of the multiple business sectors in their current membership. Also, there is a track record of these associations successfully working together in the past. For example, last summer PLANET and ANLA combined significant portions of their legislative conferences. Both associations have dedicated, involved volunteer leaders and staff who share a strong commitment to professionalism and serving their members.

What would the leadership structure of the merged association look like?

The proposed leadership structure would build on aspects of the PLANET and ANLA leadership structures as follows:

Senate: A delegate body of state representatives would be elected by the association’s members in each state.

Divisions/Specialty Groups: There would be seven groups, representing the existing seven primary business sectors in the membership. Both PLANET and ANLA have these groups currently. PLANET’s Design/Build/Installation Specialty Group and ANLA’s Landscape Division would be combined.

Board of Directors: There would be a 19-person board comprised of (4) officers, (8) region directors with two directors from each of four regions, and the elected leaders of the Divisions/Specialty Groups (7). Officers would serve one-year terms; region directors would serve two-year terms, subject to re-election once.

How would the Division/Specialty Groups and the Board members be selected?

A representative Nominations Committee would nominate candidates for the board/officers and the divisions/specialty groups, who would then be voted upon by the Senate.

To get things started, a Transition Board Task Force would select the members of the initial board of directors from among the current ANLA and PLANET leadership, subject to the approval of both current boards. Seats on this initial board would be allocated between PLANET and ANLA in proportion to the size of their memberships and budgets as follows:

PLANET: President, Treasurer and 5 region directors

ANLA: President-elect and 3 region directors

The initial board would also include slots for both associations’ retiring Presidents to serve as Immediate Past Presidents.



This allocation of seats between the two legacy groups would relate only to the initial board. After that, board members would come from the merged association.

What would happen to the ANLA and PLANET offices and staff?

Neither association's offices currently under lease are large enough to house a combined staff. Therefore, for the first several years, the merged association would operate out of both associations' offices (ANLA's in downtown Washington, DC, and PLANET's in nearby Herndon, VA).

Since there is little overlap in current programming, the overall staff size would remain about the same after the merger. As operations are consolidated over time, the future staffing level would be adjusted. Increasing membership potential, member benefits, and association clout are the primary drivers behind this merger, not consolidating staff.

Currently, PLANET does not have a chief staff executive under contract; ANLA's chief staff executive has been with ANLA for fifteen years. ANLA's chief staff executive would be employed by the Executive Committee of the merged association.

What would the name of the merged association become?

The name of the association would be determined by the board of directors of the merged association. Following final ANLA and PLANET votes to merge, a separate name evaluation task force of PLANET and ANLA members would consider both the current legacy association names and other possible names. Their recommendation would be presented to the merged association board for their selection prior to the scheduled date of the formal merger.

What happens next?

January/February: Member and leader discussions about the merger at industry trade shows, the Executive Forum (PLANET), and the Management Clinic (ANLA).

February/March: Both association Boards of Directors consider preliminary approval to merge; if adopted, then additional details are provided to association leaders and members

March-May: Ongoing communications with members and industry; Joint Task Force develops formal merger agreement

Early June: ANLA and PLANET Boards of Directors consider adoption of the formal merger agreement.

ANLA—if approved, the merger agreement is forwarded to the ANLA Senate for action.

July: *ANLA*—Senate considers adoption of the merger agreement.

PLANET—if ANLA Senate adopts agreement, PLANET forwards agreement to its members for a vote.

January 1, 2007: If votes are favorable, formal merger occurs

For further information, contact:

American Nursery & Landscape Association
1000 Vermont Ave., NW, Suite 300
Washington, DC 20005
Ph: 202-789-2900
Fax: 202-789-1893
www.anla.org

PLANET
950 Herndon Parkway, Suite 450
Herndon, VA 20170
1-800-395-2522
www.landcarenetwork.org

