

COVENANT

# vision



LONG-TERM PLANNING LEADS TO  
A MULTI-GENERATIONAL FAMILY  
**BUSINESS LEGACY**

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COVENANT<sup>®</sup>  
FAMILY WEALTH ADVISORS



CLIENT STORY

## GRANDERIE HOME HARDWARE

### LONG-TERM PLANNING LEADS TO A MULTI-GENERATIONAL FAMILY BUSINESS LEGACY

**“GrandErie Home Hardware – you are one of the many reasons we have such a great community! Your benevolence is amazing! Thank you for always supporting our little town.” – CUSTOMER**

Ken Zantingh was already a business owner, along with his partners, at Armstrong Milling Co Ltd., but in 1989, his entrepreneurial spirit led him to independently open an Armstrong Milling feed store on South Cayuga Street in Dunnville, Ontario. Four years later, Henry DeKlerk became his business partner, establishing GrandErie Ltd. It soon became apparent that farm and feed supplies alone were not enough to sustain a business and they began looking for other local opportunities to complement the business. In 1996, they purchased the local hardware store in downtown Dunville. They also introduced a third partner, Bert Mulder, who had knowledge and experience in hardware.

Fast forward to 2015, and GrandErie Home Hardware was a thriving business and a valued part of their community. The partners had also reached a point where they wanted to start planning for their future succession, including the addition of next-generation owners to the partnership. This is where Covenant entered the picture.

Our first priority was to understand and help clarify the picture of the future they sought. We also had to understand their corporate and personal structures and ensure they were built to facilitate this future. Regular meetings with ownership ensued, allowing for an effective planning process. Corporate vision, mission and values were affirmed. Financial and business planning were conducted. The next-generation candidates gradually increased their participation, providing for deeper discussions, clarification of plans and terms, and mentorship from the older generation.

Ken’s son, Wes, became the fourth partner, and the first of the next generation. In 2018, while GrandErie celebrated its’ 25th Anniversary, Bert’s son, Nathan, became the fifth partner and the second next-generation owner.



Knowing how important it is for an evolving ownership group to remain a healthy team, we employed a personality and career profiling system call The Birkman Method® with all of the partners. We also came alongside the new partners, Wes and Nathan, to augment their learning from the existing partners with supportive discussions around business and finance, and the different roles they would have as owners, partners, employees and family members. Working closely with Henry, the “numbers guy”, we supported the process with cash flow modeling to clarify the transactional elements of the deal and how it would play out over time, while ensuring the business’ financial health was maintained. Terms for a shareholders’ agreement were developed as it is critical for governing the partnership and future ownership transactions. Finally, financial and estate plans were developed for the partners to complete a fully integrated plan that could stand the test of time.

Now, in their 28th year of operation, they have two lumberyards, a hardware store and a garden centre with full-size greenhouses growing plants year-round. Furthermore, their unique and diversified offering includes a large pet department, a wild bird section, a Farm and Country Division, and their Greenhawk and Equestrian Department. They really are a BIG BOX store with a small-town flavour.

Amidst 2020, a year of great turmoil, the partners met weekly to navigate the COVID-19 situation. They were quick to respond and empowered their 75 employees to step up to the challenge and they became even stronger. They are known for their exceptional customer service and have been a support to their community, and in return, their community supported them. “When you support local, local supports you.”



**“Your employees are always smiling; it speaks volumes about your work culture.” – CUSTOMER**

**“Great customer service, polite and courteous.” – CUSTOMER**

The store has received multiple achievement awards, most recently in 2018:

**GOLD** – Garden Centre, Building Materials, Countertops, Toy Store

**SILVER** – Plumbing Supplies

**BRONZE** – Lighting Centre, Hardware Store, Department Store

Their vision for the future is to continue to grow the business at GrandErie Home Hardware Building Centre and further develop their new partnership locations at Armstrong’s Home Hardware in Binbrook, Ontario and Garden City Home Hardware Building Centre in St. Catharines, Ontario.

We have been impressed by the quality of leadership and management this group of owners display. They do a great job of continuously improving their existing business while finding new

business opportunities. They also possess an unusual ability to take a long-term perspective in their planning, while also keeping an eye on what’s happening today. A real benefit of this long-term perspective is the attention they have given to the future of their business, ownership and family. They’ve worked to involve and develop the next generation of owners and have an intentional plan for succession. They are demonstrating a multi-generational legacy of family working well together, business rooted in its values and community, and financial and employment opportunity through effective structure and management.

We wish them continued success.

**“It was good to have experts in Succession and Transition guide us through the entire process. They took a complicated process and broke it down into segments making the decision making process balanced . The next generation knew exactly what they were signing on for after going through the process.” – KEN ZANTINGH OWNER/PARTNER GRANDERIE LTD.**