

Software Savvy

More growers are streamlining business functions while integrating production planning with software solutions. Is it just for the big guys, or would it make sense for your business, too?

by **DELILAH ONOFREY**
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WHILE growers with simple operations are getting by using basic spreadsheets to document accounting functions and production plans, those with more employees making decisions as management teams have found they need to centralize access to vital information for daily business functions, as well as planning.

The past five years, we've seen growers moving toward comprehensive Enterprise Resource Planning (ERP) systems and consolidating all business operations into a uniform computing platform. Information flows from plant orders generated by the sales department, which generates a production schedule, reserves space in the greenhouse and orders the inputs needed to produce those plants. The systems can be designed to interface with vendors, customers and contract growers.

ERP systems debuted 20 years ago in manufacturing industries as an extension of Material Requirements Planning/Manufacturing Resource Planning (MRP). But these systems designed for manufacturing do not mesh well with horticultural enterprises. For instance, if you produce a widget in March, the timing is the same if you produce it in April or May. Not so for living plants in the greenhouse world. And while a hard goods manufacturer can run extra shifts to meet unexpected orders, plants can't be produced fast enough to meet an order that ships in two weeks.

Pioneering growers have partnered with software developers to tailor these programs to meet their needs and offer them to other growers. The newest on the market is the Sage ERP MAS 500 Grower Vertical developed by Sage and enhanced by Practical Software Solutions with Metrolina Greenhouses in North Carolina.

"At its core, the MAS 500 is all about managing business," says Greg Lafferty of Practical Software Solutions. "Some problems growers have are not

unlike other industries – managing inventory, buying in raw materials and production plans. We had to tweak the core tools for the uniqueness of grow times, machine capacities, carts, shelves and the needs of big box retailers."

Working with growers, Practical Software Solutions observed:

- Systems are disjointed. The financials are in a different system than the sales, inventory and production information, which is kept on paper or in Excel. Running a business with older, disjointed systems frequently results in inaccurate or delayed information.

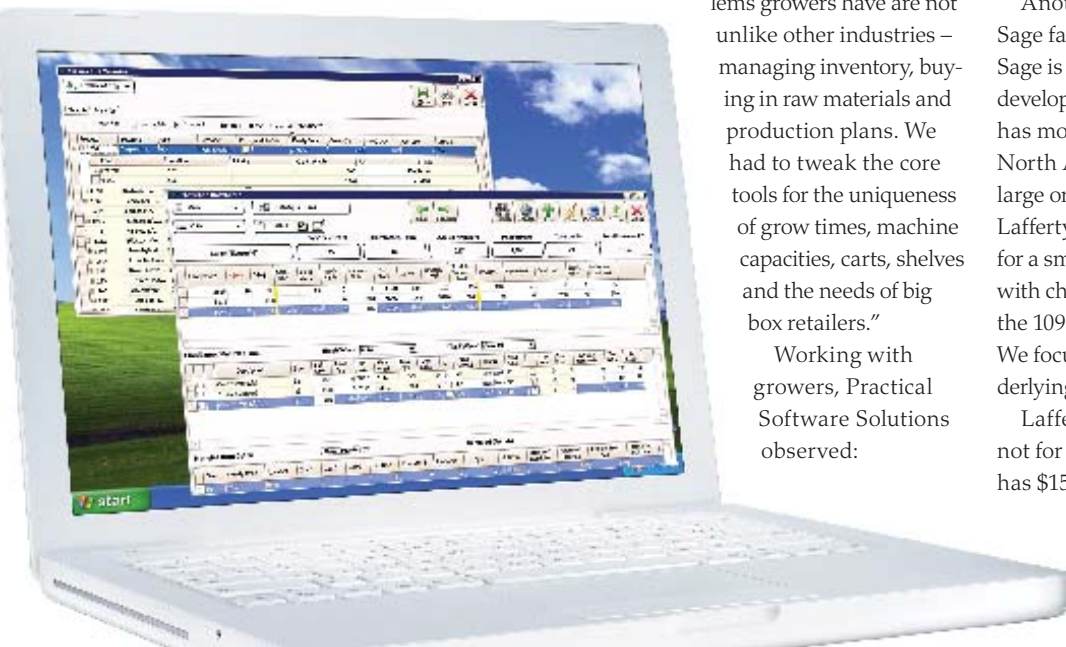
- Getting the information out of these systems or doing simple reports is too complicated because these systems are not fully integrated or implemented.

- The current state of these systems has hampered industry growth and has limited growers' abilities to be competitive in the marketplace.

The goal of the Sage ERP MAS 500 is to provide a 360-degree view of the business. Features include: real-time replenishment support; mass-change of sales orders and work orders; logistics interface to plan delivery routes and drop sequences; electronic data interchange support; cart analysis; ISO week grow cycles; facility capacity planning and item attributes (genus, color, variety, pot size, etc.).

Another advantage is being part of the Sage family. Based in the United Kingdom, Sage is a \$2 billion, publicly traded software development company. Sage ERP MAS 500 has more than 5,000 installations in the North America. "We're underpinned by a large organization and big support dollars," Lafferty says. "It's so much more expensive for a small software company to keep up with changes. If the government changes the 1099 form, Sage makes those changes. We focus on the needs of growers, not underlying technology or regulations."

Lafferty acknowledges the system is not for everyone. "Our typical customer has \$15 million in revenue. A \$1-2 million



business is not a good fit. The last thing we want is a company running a system that's too big for them."

Bryan Young of Young's Plant Farm in Alabama led his organization's conversion to the Sage ERP MAS 500 system a year ago. Ranked at No. 48 on our Top 100 Growers, Young's decided to upgrade because, "We had an increasing level of detail in the com-



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pany we needed to keep up with, for instance, UPC codes by variety and by color and the order-entry piece," he says. "It's a challenge to

manage that many items. It helped us get a lot more organized. Before, we were still using Excel spreadsheets and it was hard for all the management positions to be on the same page. Now everybody knows instantaneously and can get on the same page earlier."

Retrieving information is so much more efficient, he adds. "Little details that used to take an hour to look up and figure out, we can find within a couple of minutes now."

Another benefit is accuracy during shipping. "We scan all our orders when we load the trucks," Young says. "Before, we had a lot of errors and substitutions due to not getting the paperwork right. Now we scan as we load the truck and know exactly what ships."

More Accessible Options

What options are there for growing operations that aren't as large? SBI Nursery Software in Oregon has been developing integrated software solutions for wholesale growers and retailers. Of its 265 customers, 65 percent are growers.

"We have set up operations as small as \$1 million in sales," SBI's Aaron Allison says. "Using production management to plan and execute the plan is much less labor than managing monster Excel sheets. It is often key in smaller operations to get more efficient in order to be able to grow. Our production module is so efficient in data entry and control that one person can manage \$10 million in production."

SBI maps out the grower's business process and then maps out how the grower will run the new software based on that process. "Training and all steps in the implementation are driven by these two outlines: business process outline and how to run SBI to match that process," Allison explains. "Then we take copies of their setup and let them team play in a test copy without consequence. Each day we are learning by test driving in their system and tweaking the real setup to keep improving it and preparing for the real go-live day on the new system."

Once growers make the conversion, they realize the benefits of improved inventory visibility to customers and sales representatives, which improves sales, as well as better inventory control, better planning and matching seasonal demand, Allison says.

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Timbuk Farms, a diversified grower-retailer in Ohio, converted to SBI software in 2009. The company had been using three older systems that were difficult to use for retrieving data. "We needed a system that would cover a lot of different things," says Logistics Manager Stacy Decker. "We are three companies in one growing Christmas trees, seedling trees and wholesale liners for Dümme and needed a point of sale (POS) system for retail. The businesses are still separate but together."

The biggest benefit has been time management. "We're so much more productive," Decker says. "We're not doing the same job three times in three systems. It's so much easier to keep organized. With the task manager, we know what we're doing three weeks out instead of walking around and finding out about next week's jobs. With the production module, we can pull orders by stick date or ship date. If we end up short for a presold order, we can work with our broker on substitutions."

Casa Verde Growers, the production arm

of Petitti's Garden Centers in Ohio, installed SBI software a year ago. While the garden centers are on a different POS system, customers will buy plants wholesale at the production facility. Most of what is grown is sold at Petitti's Garden Centers.

"We wanted to be able to track everything we do with production, what we were throwing out, what we were shipping," Casa Verde's business manager and tropical buyer Meg Vanderbilt says. "We can label and monitor by specific variety. Before, we just tracked quart annuals. Now, if it's a 'Blue Wave' petunia, we can track exactly what we grow and sell and where

it is in the greenhouse. It's a big jump from generic. Now we can look back at the year and know exactly what was sold."

Focusing On Integration

Innovative Software Solutions, which developed the Picas program with Four Star Greenhouse and Glass Corner Greenhouse in Michigan 25 years ago, has been focused on integrating growers' activities with all their vendors' and customers' systems, so growers never have to leave Picas to transact business.

"Eight years ago, we completed three broker integrations with Ball, Michell's

Considering A Conversion?

Growers who have invested in new software solutions share the following bits of advice based on their experiences:

- Be open minded about your current business processes and to improved them.
- Don't force bad habits into a new system. Once the basics are mastered, the new way can be faster and better than the old way.
- Put a lot of thought into the information you want to get out of the system.
- Make sure you ask a lot of questions and talk to others who are using the system.
- The learning curve may be steep at first but becomes much easier after six months of use.
- Take advantage of all the training that's available, and once you understand the system, follow up with more training.



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and Syngenta, and we're working on four more," says John Stallmer, president of Innovative Software Solutions. "This has helped growers not have to key enter orders. Orders are generated without somebody typing. Our vision is connectivity."

Picas also integrates with tag suppliers, Master Tag and John Henry, so growers don't have to deal with tag inventory. Tags

automatically ship to growers who order plugs, liners and cuttings. The next step will be to integrate with pot manufacturers.

Other innovations include the ability to sort crops by grade or status. Are they in full color or just cracking color? Does the customer need full color? Growers can pull the right grade for the right customer. Picas also introduced a replenishment tool that

allows growers to link with big box systems and see what is selling in the stores.

Lisa Wenke Ambrosio has been using the Picas system for 12 years and can't imagine life without it. She especially likes being able to offer real-time availability of finished plants for garden centers and landscapers. "Before, it was for scheduling young plants but now it's everything we do," she says. "The biggest change has been reducing the number of people entering data because so much is automated. Orders come in automatically and we just import them. It started benefiting us the most when we made it part of everybody's job, not just the office staff. The more people involved who touch it and see it, the more benefits you get."

Oro Farms in Guatemala is the first cuttings producer to use the Picas system. Integrating with brokers and rooting stations has been successful. "In four years, our sales have more than doubled and we've managed the growth with fewer people," Oro's Mike Fernandez says. "The management of index numbers on stock plants has made us more accurate. The system polices you to have good procedures. You don't take an order unless you have availability. It helps us monitor our forecasts and see where we need to increase or decrease production."

The Picas base of 27 growers includes eight young plant specialists, 11 that produce young plants and finished plants and eight that are strictly finished plant growers. One trend has been linking contract growers to larger growers through Picas by providing limited access to the large grower's system.

Stallmer sees great opportunities to connect larger and smaller growers to streamline business, whether it's a smaller grower producing finished plants for a large grower, or a large grower selling plugs and liners to a smaller grower. The next step is to roll out a version of Picas for the smaller to midsized growers who may not need all the bells and whistles the big guys have. "You don't have to be large. The question is do you want to be automated?" Stallmer asks. "It's based on what you want to accomplish and where you want to go." **GG**

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