

GROWERTALKS

Features

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You're Not as Unique as You Think

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Mark Sellw checking the Knock Out Roses that were just picked from the supermarket.

Without fail, everywhere FlowVision goes and talks to companies about Lean Flow the typical answer is: "It won't work here; we're different/unique."

My response to that is: "Do you buy material, and apply labor and overhead to your product?" If the answer is yes, then you're like every other grower we work with—the only thing that can make you different or unique is that the Lean Flow companies sell their product for more than what it costs them to produce it. The only difference or uniqueness that you may have is that you sell it for less than what it costs you to produce it. If this is the case, you don't want to be different or unique.

Complexity, on the other hand, is another discussion. There are companies that aren't necessarily unique, but very complex.

The issue

A few years ago, we helped Prides Corner Farms (PCF) convert their shipping system to FlowVision's Dock Supermarket concept. While we were gathering data to design the process, we noticed that PCF had a lot more SKUs than any other customer we'd worked with and that they didn't have any order minimums. They produce more than 4,000 SKUs and their customers can order one plant. On any given day, they ship over 1,000 SKUs, so just

imagine a rack of 40 or so plants, and all with a minimum order quantity of one plant.

We questioned Mark Sellow (owner of PCF) about this and his answer was, “This is our business model and this is why customers love us. We will not change.”

PCF has over 2,000 independent garden center and landscape customers, and doesn’t sell to the big box stores. The number of SKUs is only one of the issues; if you think about different tags, 17 distinct brands, SKU labels and price labels, it makes the system even more complex. Based on this complexity, FlowVision continued to collect data to design the new shipping process.

In addition to the complexity of SKUs and product minimums, PCF was converting from deck stack loads to rack loads. They never shipped on racks before, so they had to buy/lease racks and pour a concrete pad. In their previous system, they used conveyors to load their trucks, so there was no need for concrete.

As part of the implementation, FlowVision calculated the number of racks and the square footage of concrete they needed to pour. Based on their deck stack loads, they were shipping 50 trucks a day. By converting to rack loads, they were able to reduce the number of trucks required by 10%, but even more importantly, grow their business close to 10% annually over the last three years.

They found that this method of shipping allowed them to fit more product on a truck. The racks allowed them to better utilize the vertical space on the truck, resulting in less air being shipped. With the new electronic logging of their over-the-road drivers being implemented in 2018, getting unloaded quickly at their customers is essential to assure they’re turning the trucks daily and avoiding illegal driving. With all of these complexities, the team at PCF was confident that they could successfully implement the “Supermarket Concept.”

Master pulling

PCF used to pull their product by order/load and stage it in a field near the loading dock. When a truck was ready to load, the wagons would be transferred next to a conveyor belt where the product would then be loaded onto the belt and into the trailer. The tagging and labeling of the product was accomplished on a wagon.

Pulling by order is the least efficient way to pull product. As part of the implementation, FlowVision introduced the “Master Pull Concept.” In a Master Pull Concept, orders are combined and loads are built. Once the loads are built, half of the day’s orders are pulled in the morning and the next half in the afternoon. The master pulls are based on when the loads are leaving the facility.

The morning master pull is handed out at 7:00 a.m. when the team starts and the afternoon pull is handed out after lunch. The morning master pull is staged in the supermarket and then picked/shopped, cleaned, tagged, labeled and loaded in the afternoon. The afternoon pull is picked/shopped, cleaned, labeled, tagged and loaded onto a truck the following morning. At the end of the day, the supermarket is left “wet”—inventory of plants to pick the next day.

Picking/shopping

The master pull was the easy part of the implementation; the more difficult part was the shopping. How do you shop 1,000 SKUs among 300 to 400 racks in the supermarket?

The first attempt to shop was a bit of a challenge. With the high SKU count and no order minimum, there were racks

in the supermarket that had six or seven different items—in some cases more. To complicate the issues even more, the pots only had a 1-in. SKU label with the product number on them. So searching for a plant on a rack with a small label created a challenge that had to be addressed.

Through continuous improvement, the field racks from the master pull were labeled and staged in the supermarket. The shoppers are given a rack sheet that tells them what rack in the supermarket to go to in order to pick the plant. They eventually put a bigger product ID label on the supermarket rack to facilitate the picking of orders. These efforts helped to reduce the non-value-added searching that the shopper had to perform. Now in their third year of running the dock supermarket concept, they've fine-tuned the process where they can now do upwards of 50 semi-trucks a day and finish by 8:00 p.m.

The takeaway

At times, it seemed like there were way too many SKUs and no order minimum to make it work. The PCF team kept working on improving the process and is a great example of what having “true commitment” can do.

They still haven't reduced their SKU count or haven't increased their minimums—and guess what? Their customers love them, sales have increased dramatically and they're achieving a 25% improvement in productivity. Every year they continue to improve their process even more.

This year, they added a roof to the loading dock and put up solar panels that provide power to the entire nursery. So when you say, “We are different/unique/too complex,” are you really? Remember, you're only unique if you sell your product for less than what it cost you to produce it. Don't be “unique!” **GT**

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