

GROWERTALKS

Features

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Lean Flow: Embracing Change

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When times get tough, it's the mid-sized guys that feel it the most. And you can either go down with the ship or change course.

The assembly-line system allows for packing to be done by multiple people instead of one.

North Creek Nurseries president Steve Castorani and general manager Tim McGinty knew they needed to make improvements to their business, but “business” always got in the way. However, as other growers and hort companies near their area of Landenberg, Pennsylvania, began implementing the Lean Flow program to parts of their business, their interest was piqued.

“I knew that some other folks in the area were working with Lean and that goes back eight to 10 years,” said Steve. “We were looking at Lean before we went into this downturn and it just so happened that right at the downturn, we started [the program]. Even though we were spending money, it was a smart move because we started seeing real gains in reduction in waste, which is really reduction in cost. You’re spending money to save money, but your savings will go on with time. And when you’re going through a timeframe like we just went through the last few years, fixing those inefficiencies was long overdue. It kind of made us look at it more critically and more immediately.”

For the last 10 years, Lean Flow has been a buzzword in our industry, but what is it exactly? To put it simply, Lean Flow is a technique that helps a company do more with less. The focus is on maximizing quality while eliminating wasteful practices, thus saving on time and money. “It’s most synonymous with the automotive industry,” said Gary Cortés, who is a founding partner of FlowVision, a company who implements the Lean Flow program. “A lot of the roots [of the program] really come from Henry Ford and the assembly line.”

Many businesses around the world have implemented Lean Flow in their processes and culture. So far, FlowVision has helped 50 different growers with implementing Lean Flow, and if you take into consideration that the program was introduced to our industry in 2004 and that each implementation takes three to four months, the program is picking up steam.

“Based on the economy, there are a lot of growers shutting down or being bought out because they can’t compete,” said Gary. “For those growers who are struggling, the reason they want to do Lean is to reduce their costs because increasing their prices is really not an option. Other companies who are doing well just want to continue to make more money and be more profitable, so they’re not waiting until they’re in dire straits to do something.”

It’s interesting to note that before adopting Lean Flow, North Creek went through the “Working Smarter” training program in 2010 that was developed by Jim Paluch. Tim calls it “Lean Light,” because it also assists with implementing change within your company—but focuses on the culture, rather than the processes. With this program, they addressed and fixed problems with order entry, greenhouse sanitation, tool organization and creating workstations.

Then in January 2011, North Creek started re-working their shipping process using Lean Flow techniques. Originally, they thought that expanding their facilities would fix their problems, so Steve and Tim were surprised when Robert Hayter—a landscape architect they hired to help update their facilities—said that new renovations wouldn’t fix their inefficiencies. That’s when they decided to call FlowVision.

“It’s not a cheap process, but we felt we needed to do something,” said Steve. “And talking to other growers makes a more convincing argument. Not everyone is going to stop to re-evaluate their processes, but for us it was a very necessary thing.”

While going through the Lean Flow evaluation, Steve and Tim learned that a lot of the time in the shipping area was being wasted on waiting and walking around. For example, it took 37 seconds for an assembled box to come down the shipping line. Fourteen of those 37 seconds was spent entering data and walking over to the boxes to place shipping labels. To alleviate that, they built a new office next to the shipping line so the employee doesn’t even have to leave her chair to place the labels. Plus, they’ve combined their ship-to information with their FedEx and UPS computers, so all of the information is there by typing in a single order number. Tim says they haven’t officially crunched the numbers, but he believes they’ll be down below 30 seconds a box this shipping season.

“We gained a 66% increase in productivity in our shipping facility,” said Tim. “What used to take 30 people, now takes 14. We used to work seven days a week pretty much from the end of March until late June and we did not work one seven-day week last year.”

“One of the challenges to changing processes is people’s reluctance to change, which can create career-changing opportunities for those not willing to change,” said Gary. “Unfortunately it’s more common than we would like.” Although the improvements are made with the intention of helping the people and the business, many times human nature rears its head with a stubborn unwillingness to cooperate. Fortunately, Steve and Tim were well aware that not every employee would be on board, so they were able to handle it while maintaining morale.

In a year or two, they’ll be implementing Lean Flow within their production process when their facility upgrades are complete. Tim says right now they don’t have a big enough area to pull off a complete process change.

For now, Steve and Tim are happy that they'll have another year of stress-free shipping and are actually looking forward to the spring rush.

"The biggest thing we gained is piece of mind," said Tim. "The big fear is you don't complete your week of shipping, so it goes into the next week and you never catch up. So, now we know exactly where we're at." **GT**