

Making the Little Things Count

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Doug Cole collects new ideas like a sponge absorbs water. And it's not that he's just a lucky guy—he pays attention to what other growers are doing.

"Most of these ideas are just grabbing them from enewsletters, from the magazines and from networking at shows, meetings and visiting other growers," said Doug, who owns D.S. Cole Growers in Loudon, New Hampshire.

Doug told us about a dozen different things D.S. Cole is doing to save time and money:

- 1| Have Dumpster pickup every other week; during the peak weeks, have them come every week.
- 2| Recycle cardboard. D.S. Cole has a huge Dumpster just for cardboard. They make money on it instead of filling up the normal Dumpster.
- 3| Recycle pots and trays. (D.S. Cole is MPS-certified, so the mindset of recycling this and the cardboard was easy to incorporate into their daily routine, said Doug.)
- 4| Changed from traditional copper wired landline phones and made them part of the cable system. Huge savings. (Doug says it was more than a 50% savings.)
- 5| Purchase natural gas and electricity from a separate company other than the local supplier. (You can work with these companies to lock in better rates, said Doug. "We're buying based on the commodity the way we want to buy it. We are able to lock in for as long or as short of a time span as we like.")
- 6| Finished installing double heat screens in all areas of the glass houses.
- 7| Changed to a Blue Cross-Blue Shield insurance product that provided savings when the employee avoids having ambulatory procedures at a hospital. It also saves the employee money. Any procedure that can be done by an ambulatory facility now costs \$75.00 total. No deductible. Most planned surgeries can be done outside of the hospital today.
- 8| Looking into the installation of a condensing unit for one of the boilers, which should save 9% on the gas used in that boiler. (According to Doug, they'll also be using government grants to help them pay for the installation of the boiler and new chimney.)
- 9| They're no longer producing shipping boxes in white. They're still printing on their boxes—they just print on typical tan cardboard.
- 10| Doing a better job consolidating incoming offshore cutting shipments. More sources mean more import fees.
- 11| Purchasing non name-brand pesticides, when appropriate.
- 12| They changed out hundreds of incandescent bulbs in the greenhouse to spiral compact fluorescents. (They went from 100 W incandescent to 27 W spiral fluorescents, which is more money at the start, but Doug says the electric bill savings have paid off.)

Floral Plant Growers based in Denmark, Wisconsin, has a very diverse customer base, so it's vital that they continue to look at new ways of doing business. Scott Lueder, FPG's CEO, said focusing on identifying ways to save money and serving their customers has been part of their culture for 40 years.

"The vast majority of cost-saving ideas at FPG come directly from our fellow teammates and is encouraged by our lean manufacturing/employee-empowered culture," explained Scott. "We began the lean manufacturing journey several years ago and encourage our teams to identify and work to eliminate waste in their area of responsibility. Next, we have four greenhouse locations residing in four different states, which also gives us an opportunity to share cost-saving ideas between locations. Last, we do pick up ideas by connecting with other growers and with other manufacturing companies outside the greenhouse/nursery area. Overall, it's a collaborative effort expected from everyone at FPG. And we work hard to make sure cost-savings initiatives never jeopardize product quality or service to the customer."

Here are a few ways Scott says he and his team save time and money:

- 1| We've gone to using Go To Meeting over the Internet to connect our other facilities for intercompany meetings versus flying everyone to Wisconsin.
- 2| We've purchased two Dramm sprayers that use half of the insecticides and fungicides per spray application versus our hydraulic sprayers.
- 3| Our staff has started using tablet PCs in the greenhouse to write chemical application lists and work orders for greenhouse tasks. We used to hand write everything and then enter the information into a spreadsheet, which took a lot of unnecessary time.
- 4| We upgraded one seeding line to accommodate large seed items like asparagus, pumpkins and squash. We either did them by hand in the past or we ran the machine extremely slowly so the seed wouldn't fall off. Now, we can do the same amount of seeding of these items in 1/4 of the time.
- 5| We renegotiate our contracts with our cell phone service provider every couple of years based on the number of company phones and usage. We've been able to lower the monthly rates or obtain reimbursements for services. Cell phone companies are very competitive and are willing to work out a deal. You just have to ask.
- 6| We use Electronic Data Interchange with some customers so we have a more real-time assessment of sales data for product replenishment purposes in the stores that we service. This allows us to better manage inventory in our greenhouse and at the store level.
- 7| We've attached bar codes to our shipping racks so we can scan them in and out of the facilities to track them better. Many growers lose racks every year, which can be very expensive.
- 8| We converted our overhead lighting in our production and soil buildings to run off of motion sensors so only the lights where people are working are lit. The rest of the building is shut off. This has saved us money in electricity and also extended bulb life in the lamps.
- 9| We renegotiated contracts with our payroll service provider to reduce annual cost.
- 10| We converted one of our production facilities from oil/propane heat to 100% natural gas heat, thus reducing input costs due to the lower cost of the fuel.
- 11| We upgraded our Programmable Logic Controller (PLC) on our soil lines so that multiple soil mixes could be made one right after the other without having to clean off the conveyor belt and program the next run of soil. Any soil hopper can call for a different recipe from the soil-mixing machine and have it delivered to the hopper within a few meters of the soil batch before it. This automation has eliminated down time with regards to waiting for soil on our multiple production lines.

Be More Lean With These Time-Saving Tips

The word "lean" has become a buzzword in our industry with more and more growers implementing Lean Flow practices to save time and become more productive. Gary Cortés, founding partner of FlowVision, LLC, has spent the last few years helping businesses in a number of industries around the world improve their processes and supply chain. Even if you don't have the time and/or money to hire a company like FlowVision, Gary said there are seven simple lean methods you can start applying to your business now:

1| Don't build ahead

Building ahead doesn't save time or money; instead it costs more money and wastes time. Many growers like to do work ahead of time—building boxes or pre-labeling trays are a few examples. What are the steps when you build ahead? You do the work, then you store it some place (takes more space) for when you need it. When you need it you then have to have an employee move the boxes or trays from where they were stored to the materials' point of usage. In Lean Flow, the goal is to achieve a one-piece flow as much as possible. Make a box and label a tray one at a time when you need it.

2| Use smaller crews

Smaller crew sizes typically mean less movement of people, which translates into more output and increased efficiency. In Lean Flow, we prefer to have a smaller crew working a full day, instead of a larger crew working several hours in multiple locations around the greenhouse. The less movement of people, the more time you save and the more money you save because your employees are working more hours on value-added work. Just look around your facility and notice how many times your crews move from location to location—this is lost time and money. Let's say a simple move from one house to another house should take five minutes. Once we factor in cleaning their work area before they leave, going to the restroom and talking to co-workers, you now have 10 to 15 minutes. Multiply this by the number of workers in the crew and the number of moves per day and now you're talking about hours of wasted time. Wasted time that translates into lower output.

3| An hour of planning is worth a day of production

There's nothing worse than having your people out in shipping or in production and not knowing what to work on. Too many times growers don't preplan the day and instead plan on the fly. At FlowVision, we have a saying: "Everyday is a day, and everyday we plan." We feel strongly that better planning in the office leads to more efficient workers out on the floor. We work with our growers to create a process where they plan in the afternoon for the next day's production. By the end of the day everyone knows the plan for tomorrow. When the employees come to work in the morning they look at a staffing board and know exactly where they're working. Less time figuring out where they need to go equals quicker start-up each morning. This means more work getting done, which translates into more output. The planning includes the mix and volume of product that needs to be processed. To know exactly how many people are needed, the grower will require a planning tool that tells him by process where he needs to put his employees. When FlowVision works with growers, we set up a resource planning tool for them. They put in the mix and volume and it calculates how many people are required.

4| Track progress on an hourly basis with a Flow Rate Board

How do you know how well your employees are doing compared to the day's plan? Do the employees themselves know how they're doing? Do you wait until the end of the day to get the results? If you didn't achieve the goal, do you have your employees work overtime to get the work done? These are the questions that growers need to ask themselves. Just like marking the workstation, a Flow Rate Board is a visual tool that shows everyone how the team is doing. From a management standpoint, you can go out to the floor and look at the board to determine if the team is on-track, ahead of plan or falling behind. From an employee standpoint it's a motivator. If they're falling behind, they know that they have to increase their output. If they're on target or ahead, it gives them a sense of satisfaction.

5| Do work in a fixed location

There are tasks such as fixing, cleaning or tagging that are typically done in the greenhouse. In Lean Flow, we design progressive lines (as an example: one person cleans, one person puts on the UPC and label) in a fixed location. Just like Henry Ford built cars on an assembly line, we design lines where the cleaning, UPCing and labeling are done in a fixed location. The advantage of having this work done in a fixed location is the employees don't have to move from one area of the greenhouse to another. The plants and material are brought to them. The other advantage to doing this type of work at a fixed location is the workstations are designed with ergonomics in mind. No more bending over to clean or put on labels because the plant is at a comfortable work height. Having a more comfortable workstation increases output, saving time and money.

6| Mark the workstations and floor to control flow

Workstation organization is key to improved efficiency. The term "5S" is used quite a bit in Lean. The term stands for five Japanese words that begin with "S" (Sort, Set in order, Shine, Standardize and Sustain). The American translation is "a place for everything and everything in its place"—housekeeping in its simplest form. A well planned out workstation, marked where tools, materials, etc. needs to be makes it easier for the employees to do their job. If you look at where your employees are working, does it look organized, free of clutter and can you see how the product is flowing?

7| Utilize material handlers to support value-added workers

Material handlers are an integral part of efficiency gains. In processes such as sticking or planting, we design it with material handlers as part of the process. Since sticking and planting is considered to be value-added work, we want these employees to spend more minutes of the day sticking or planting. If they have to stop to get their cuttings, plugs, trays, etc., it takes time away from performing value-added work. Material handling is defined as non-value added. We want the non-value-added material handler(s) to keep the value-added employees doing more work throughout the day. Just because we're defining a new position in the greenhouse doesn't mean we're adding work content. In most cases today, the value-added sticker or planter is doing their own material handling work. This takes time away from the value-added task at hand, sticking or planting.

For more information about Lean Flow, contact Gary at cortes@flowvision.com or (561) 301-8740.

Another Source for Your Energy

You have more than one option when it comes to sourcing your fuel and electricity. In 2005, Glacial Energy opened for business to offer energy solutions to commercial properties all over the U.S., establishing supply agreements for natural gas and electricity with local utility companies.

For the last two years, Glacial Energy has been working to become an energy supplier for wholesale greenhouse growers. Lori Dodge, national business development manager—horticulture for Glacial Energy, says her job is to find the most cost-effective pricing for growers' energy supply needs.

"We have supply agreements with utility companies and markets in the United States that are open to direct competition, which means the utilities deliver the energy that we supply," explained Lori. "Ninety percent of the time we can get better pricing against the utility supply price. What we offer to greenhouse growers is essentially the same energy at a lower cost."

Many utility companies have old business models with large overhead and outdated infrastructure, which affects the price of their energy. Lori says Glacial Energy's business model is an efficient, e-commerce business with strong purchasing power and low overhead.

"It's just like any other commodity—you find the best deals for your customers," said Lori. "Depending on their usage, we save them anywhere from 10 to 20 percent and possibly more."

Glacial Energy can also provide "green" energy from suppliers that have renewable energy sources. Energy like solar, wind, hydro and geothermal are a few that are available to growers. According to Lori, there are multiple ways renewable energy can be purchased and it's often as simple as a small surcharge on your energy bill that goes to support the renewable suppliers along the grid. Growers who use renewable energy can also participate in national programs like Green-E, RECs, LEED credits and green certification.

Lori says many of the locations where growers are using propane now have an opportunity to convert to natural gas. "Propane is four times more expensive than gas," she said. "Quite often we are finding that what was once a remote location 20 years ago is surrounded by urban sprawl and, with that, the utilities have built natural gas pipeline extensions."

And for those growers who aren't necessarily looking to switch suppliers, Glacial Energy can also help them ask the right questions to save a little more off of their energy bill by working with the utility companies. Many people don't realize the opportunities available to them with energy-efficiency and tax rebates from their energy suppliers, said Lori. Glacial Energy can offer an analysis of different prices from the local utility company that the grower may not be aware of.

For the first time, Glacial Energy had a booth at this year's Short Course and they've been working with a few large, high-profile growers to help them with their energy solutions. For more information, contact Lori Dodge at (415) 867-8652, lori.dodge@glacialenergy.com or visit their website at www.glacialenergy.com. **GT**