

Inventory Visibility and the Power of the Click

Managing inventory can seem confusing, but here's a breakdown of three different processes available to growers.

BY ERIC EVANS

Most growers determine their success by sales, which makes a lot of sense. Growing is a business like any other and the bottom line matters. But before products can be sold, there are many steps in the production process you can measure and adjust to boost efficiency and ultimately make that sale more profitable. What you learn by tracking those metrics can make a huge difference in your bottom line. For example, clicks.

How many clicks does it take to get through any given process? We click buttons on laptops, mice and phones every day without a second thought. But when each step of a process takes five clicks and you repeat that process hundreds of times a day, each click adds up. This is never more true than with inventory management. Aaron Allison, partner at SBI Software, sums it up succinctly: "If you think dropping one click from a process is no big deal, try doing it 2,500 times a week and you'll see how much an extra click can matter."

Even among elite growers there's no consensus on how to do inventory: availability built from scratch weekly, perpetual availability based on moving ready dates, or product availability buckets specific to customer. For each process, the inventory software needs to maximize availability detail while minimizing time spent entering data. In the real world, that means fewer clicks.



Barcode scanners and software such as SBI's Quick Avail make building weekly inventories a snap.

WEEKLY AVAILABILITY

With more than 5 million square feet of environmentally controlled greenhouse space, Color Point is one of the largest greenhouse growers in North America. And with all that ground to cover, their inventory needs to be fast and accurate. Generating a weekly availability report was a huge effort for them, requiring a major investment of time and manpower. Color Point challenged their enterprise software partner SBI Software to simplify and speed up the process. The solution was SBI's Quick Avail App.

Unlike native applications that limit your hardware options, the Quick Avail app works on any device. All you need is a Bluetooth-enabled smartphone and barcode scanner or all-in-one device to build a weekly availability report from scratch. [See sidebar] Users scan the location or select it and scan UPC or product

ID, then enter quantity and you're done. What's ready for sale is clear right from the greenhouse floor. Optionally, items can be flagged as "must go," or count by color can be added as well. In Color Point's case, using Quick Avail reduced a five-click process to a two- or three-click process making it possible to easily produce availability three times a week — unheard of before.

Increased inventory visibility sped up order fulfillment, directly impacting Color Point's profitability. Reductions in data entry labor led to back office staff reductions from 11 to five, freeing up people for other tasks. Color Point can also queue up availability for the following week Wednesday through Sunday, flipping a switch takes it live on Sunday.

PERPETUAL INVENTORY

By contrast, Sawyer Nursery thrives in a perpetual inventory system. Using their ready dates to determine what's available for sale, Sawyer ships product according to their calendar. The piece missing from the process was the ability to grade product and prioritize it from one crop to another. For Sawyer, SBI introduced the Quick Grading Tool in the Inventory Control App.

Quick Grading gives greenhouse staff the power to grade and rank inventory within ready dates so the product that is most ready to ship first actually does ship first. The window of retail readiness is sometimes small, so the ability to quickly grade and ship ready product minimizes waste. With Quick Grading the user can spread inventory quantities over multiple grades and order will automatically allocate to the grade that should ship first.

The result is more efficient order fulfillment with the best product always out the door first. Paired with SBI's Racking Optimization tools and the rest of the various other beneficial system tools, Sawyer Nursery and its partnership with SBI has yielded massive efficiency gains year-on-year-on-year. Sawyer's project manager, Steve Brookhouse sums it up:

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Forget Hardware Requirements, Go with Web-Based Apps

Setting up the hardware necessary for inventory scanning is a snap with web-based apps. In most cases it's as easy as pairing a smartphone with a Bluetooth barcode scanner or using an all-in-one device such as the rugged new Panlin PL-43 (pictured at left being assessed by SBI Software's Brian Ragsdale). The scanner reads the info, the phone records the data which is later processed through the back office. There are also all-in-one devices available such as the Motorola MC40 which work equally well. Web-based apps such as those from SBI Software work on any phone, tablet, desktop or laptop, simplifying your hardware requirements.

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“To date, both our Michigan and Alabama locations are getting 8 percent more product on the racks than the same weeks in 2014. And 2014 was about 20 percent more than 2013.”

AVAILABILITY BUCKETS

Casertano Greenhouses and Farms is a major supplier of both Lowe's and Home Depot stores in Connecticut. To keep quality product flowing to both of those chains, Casertano uses a bucket system of inventory management. Once available, any given crop is divided into “buckets” — essentially, portions allocated for specific customers. Order entry and replenishment allocates to out of their specific inventory bucket(s). The difficulty was in identifying sellable inventory and guaranteeing it was headed to the right bucket(s). The relationship between a grower and a big box store is predicated upon mutual confidence that product will be replenished with accuracy. So Casertano tasked their software vendor with creating and implementing a solid proven method of separating products per partner.

SBI Software's Availability Buckets use customer prefix ready dates to differentiate between salable products per customers. For example, if a given crop is due to be salable on week 16 of 2016, the prefixed ready dates would read HD1616 for Home Depot week 16, 2016 and LO1616 for Lowe's week 16, 2016. SBI then allocates quantities of each product based on parameters chosen by the grower — hard numbers or percentages, typically. If demand for a specific plant was higher than anticipated at Home Depot and that bucket needed to add more inventory, all the product earmarked for Lowe's would be safely reserved in the Lowe's bucket. Home Depot's additional needs would either come from unallocated stock or a user would need to remove stock from the Lowe's bucket before it could be used anywhere else. The system honors

the buckets to ensure that inventory meant for a chain gets to that chain. The functionality is simple yet robust, and even allows for splitting one crop over multiple bucket ready dates in only a few clicks.

There's no one right way to do inventory. But regardless of the

method, smart growers realize that fewer clicks is more desirable. Whether you're choosing which inventory system would integrate best into your process or looking to update the software driving your current method, consider ease of use as

an early barometer of success. The faster your stock is inventoried, the sooner it can be offered for sale. [gpn](#)

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