

Using the Computer for Customer Service

Michael Poynter

Skagit Gardens, Mount Vernon, Washington 98237

The I.P.P.S organization is involved with sharing information primarily about specific techniques in plant propagation. It is, however, important to take a close look at the other aspects of commercial plant propagation as they relate to propagation as a business. Record keeping has always been an important job of the propagator and when the number of plants and orders involved in the organization increases we now have the computer as an affordable and readily available tool to the business.

Up until about 8 years ago computers for use in business were pretty well confined to larger multi-user mini or main frame machines that were exceedingly expensive. With the advent of personal computers even the horticulture industry saw several companies offer software to growers that would help them run their businesses. Although the dealers claimed that they would do quite a wide variety of things they were best used for handling accounting functions.

With the advent of the spreadsheet programs, starting with Visicalc, the grower could do some of the same things on the computer that he was used to doing on paper and found that much of the tedium was taken out of doing "what-if" calculations to determine profitability of different crops.

When the personal computer became available we saw companies introduce software targeted at horticulture businesses. None of these early attempts were successful in the long term. The problem is in dealing with our inventory. Off the shelf programs are not designed to handle a growing, changing, and sometimes dying inventory where multiple start dates of the same item can overlap in their availability. Many of the production situations can be handled on a spreadsheet when the production is primarily intended for use by yourself. But when dealing with custom orders that can be altered in quantity or ship date and are mixed in with other custom orders or production for yourself, it is best to use a database program that handles orders more like an accounting system. The big difference here is having the numbers of items to be propagated or shipped tied directly to specific orders versus just in one lump figure that includes many orders and maybe your own production also.

Skagit Gardens is a wholesale grower of bedding plants and herbaceous perennials. With our finished plant material we do business almost exclusively with independent garden centers and not chain stores. This choice has forced us into computerization of the business to handle the detail involved with customers that demand exact cultivars on each order and not just assortments.

Bedding plant growers commonly produce up to 20% extra seedlings for production, which are often dumped. We began selling a few extra seedlings and rooted cuttings from our propagation and now for the majority of our business in the off-season, our propagated material is sold through brokers and shipped to other growers.

This little sideline got out of hand and we are now dealing annually with 12 million plants in 4500 orders selling for a quarter million dollars and going to

nearly every state and province in the U.S. and Canada. The prefinished program now comprises one fourth of our total sales and is handled as follows:

We offer our plants to other greenhouses through horticultural brokers. The price is the same for the customer regardless of who he books the order with. We either custom-grow the item for the customer or we ship out of production that we have speculated on for this purpose, or we sell extras from our own production at the last minute while they are still useable.

The plants are shipped to the customer by common carrier with a packing list and the broker is billed for the plants less a broker's percentage. The broker pays us, the customer pays the freight, and the broker takes the risk of getting paid on time or at all.

At any given time at Skagit Gardens we might be propagating the same plant for ourselves for any of several pot sizes, or for other growers as custom orders, or as speculation for the growers that need something at the last minute. In order to keep track of all these possibilities we have developed a complex system of color tags and summaries on computer printouts. There are numerous ways to make mistakes but the business is there for the grower that can handle this level of complexity with the fewest errors. These choices in the market place have forced us into a high degree of computerization.

The best service that you can give a customer is to get them what they ordered, get it to them on time, and in good condition. This sounds obvious but it is a rarity anywhere in our country. The emphasis needs to be on timing and on correct shipping. There are far more growers that can produce a high quality plant than there are growers that can get it delivered on time and in good shape. A grower could have any business he wanted by simply being extremely reliable.

SOME SPECIFIC USES OF THE COMPUTER AS IT RELATES TO CUSTOMER SERVICE

Accounts Receivable Aging Reports. By carefully monitoring the customers' account you can help the customer stay out of trouble. We have a 2 percent discount for those that pay cash for their order and when someone gets late with their payment they can qualify for our permanent 2 percent discount by going on COD.

Order Pulling and Delivery. By having cutoff times for specific delivery dates and entering all of the orders into the computer before pulling you can gain in efficiency. By using master pulling lists you can more efficiently pull the material for the days' orders and you can use the computer to route trucks during the order entry process thus showing where you can work on certain delivery areas to get the trucks as full as possible. This requires training customers to order by your rules. If the customer perceives the grower as reliable, and the system works, then customers are trainable.

Customer Sales Histories. Computers are very good at providing customers with sales histories of what their purchases were and you can often provide a customer with information that they don't have themselves. This is useful in planning future orders.

One of the toughest areas of our business is in determining availability of saleable product. With all of our sophisticated computerization we still rely on physical counts of what's ready on a weekly basis. We have found that we can fax this information to customers weekly and they can fax back orders to us that need

very little altering to be ready to ship. To do this a fax machine with memory is required to broadcast one set of information to multiple locations automatically. Mail is the way to go when timing is not so critical; the computer has long been used to produce mailing labels and can be used to select the type of group to receive the mailing if it isn't appropriate for the whole customer base.

Cost Accounting. Computers are very well adapted to computations such as cost accounting. This is an important aspect of customer service but not often viewed as such. The grower has to know his costs in order to stay profitable and stay in business to serve the customer in the future. The grower also needs to know when to drop a crop because the perceived value in the market place won't cover the costs of producing it. Likewise, a crop may be relatively inexpensive to grow but could command a higher price if one only asked for it. The higher margin available should be taken to offset the numerous crops that we grow that have too narrow a margin. These are important decisions that require good cost accounting information to make. Good decisions here benefit the customer by helping the grower stay in business and insuring supply but also to grow in capacity and diversity which is also to the customers advantage allowing them to do the same.

Crop Scheduling. The area of crop scheduling is the area that most sets our business apart from others from a software respect. Many of the above listed uses of the computer, with the possible exception of cost accounting, can be handled wholly or partially with generic software. But crop scheduling isn't one. Customer service here is provided by doing the crop scheduling based on ready dates or ship dates versus using start dates for an initial reference.

Crop scheduling, especially as far north as Mt. Vernon, Washington, requires that the grower take into account the time of year in determining start dates to reach a particular ready date. Production times for a pansy plug, for instance, can vary from 5 to 9 weeks depending on the time of year. By adequately defining how a crop needs to be grown at different times of the year, the computer can be used to schedule any order for any date and additionally handle changes in quantities and ship dates that result in changes to production numbers and dates. As the numbers increase, it quickly becomes impractical to schedule activities manually. If you grow too many you are unprofitable and if you grow too few or on the wrong date you are perceived as unreliable. Since we are in the business of propagating for custom orders we have found it necessary to write our own software to handle these orders. If you don't have to do this then don't. It is very expensive. The single aspect of our software that sets it apart from what is available from software vendors is our ability to specify whether individual items on an order are to be produced as custom items and thus have all of the activities scheduled for them or whether they are to come out of existing production.

You can get a system that can handle orders quite well and you can get a system or develop one on a spreadsheet that can schedule the activities it takes to produce what you have determined are your goals for the coming season but I don't know of another system that allows you to enter orders for the customer that will be a mixture of custom and existing or extra items. The trick, of course, is to know what in the world needs to be done in a given week.

The grower that can make the fewest mistakes can come out ahead in the market place. Let's face it, there are a lot of ways to kill a plant. We have built much of our propagation business on making fewer mistakes and thus being perceived as

a more reliable source. The word perceived is significant here for a grower can and will make mistakes. The computer can be used to provide information to handle problems and the results of this handling can be quite different from the customer's point of view.

If a grower experiences loss or delay in production of pre-sold crops the computer can provide lists of who ordered, when they ordered, etc. Timeliness is what's important. Letting a customer or broker know of upcoming crop problems early enough for them to make alternate arrangements is critical in customer service. Many growers will delay this process in the hopes that the crop will grow out of the problem or that he can locate some substitute material elsewhere. It is the unpleasant surprises that a customer gets on the ship date that can ruin business.

If you take care of your customers and you take care of your employees then profits will take care of themselves.