



The benefits of benchmarking

Carmelo Luna enters data into one of the tracking apps at John Holmlund Nursery LLC in Boring, Oregon. PHOTO BY VIC PANICKUL

Nurseries that closely track their processes enjoy efficiencies, benefits and bottom-line boosts

BY JON BELL

Since the 1960s, **John Holmlund Nursery LLC**, a wholesale tree nursery backdropped with an unbelievable view of Mount Hood in Boring, Oregon, has been growing bare-root trees for a range of different markets. Today, the nursery sprawls out over roughly 600 acres and produces more than a million trees every year, 80% of which get shipped east of the Mississippi River.

Yet while John Holmlund Nursery has figured out how to thrive and survive for nearly six decades, one thing's been mostly missing from its recipe for success: benchmarking. And not in the purely business sense of the practice, which finds companies measuring their own quality, performance and growth by comparing themselves to their competitors, but more in terms of

measuring a company's own processes, establishing a baseline and then improving — and continuing to measure — from there.

But in recent years, the nursery has made a conscious effort to start measuring what it does, so that it can make improvements and do it all even better.

"I'm an Army guy, and you've got to measure things. You can't manage it if you don't measure it," said Vladimir Lomen, a former U.S. Army captain and general manager at John Holmlund Nursery for 22 years. "We know what we are doing, but can we do it better? To do that, we need to see where we currently are, so in the past couple years, we've starting to measure everything that we do."



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GENERAL MANAGER
John Holmlund
Nursery LLC

That's included everything from tracking how long it takes workers to count new plantings to the number of trees that can be harvested, planted, graded or tied in a day. It also includes recording weather, soil conditions, varying topography and other factors. With that valuable information in hand, the nursery can then implement changes to help things run more efficiently and effectively, thus benefitting the business and the bottom line.

It's a practice that more and more nurseries are implementing to up their game.

"Any company's strength is decided by wins and losses," said John Lewis, president and fourth-generation owner of **JLPN Inc.**, a seedling operation in

Salem, Oregon. "Knowing your numbers, knowing the seven wastes of LEAN and having the right people on your team >>

Measuring up



Workers grade bare-root trees at John Holmlund Nursery LLC in Boring, Oregon. The nursery benchmarked the process last year and made changes, moving the trees and sorting benches and other tasks closer together so that workers don't have to walk as far, making the process more efficient. PHOTO BY VIC PANICHKUL

is critical to being successful with benchmarking at a higher level.”

Measuring for change

Elizabeth and Rick Peters run **The Peters Company**, a consultancy well-known to the Oregon nursery industry that helps nurseries adopt LEAN principles and practices. They look at the term benchmarking in the more traditional sense — i.e., businesses comparing themselves to other businesses — but they are big proponents of measuring, establishing baselines and making subsequent improvements.

In a presentation they give called “Measuring for Change,” they emphasize that measuring drives behavior, shows progress toward goals and provides employees with immediate and relevant feedback.

“If you’ve never measured much before, you have no idea where the business is,” Rick Peters said. “There are a number of ways to reduce costs, increase production and decrease downtime and make a real difference, but you have to start with a baseline. If you never started doing that, you won’t have a very clear



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LOGISTICS MANAGER
Kraemer’s Nursery Inc.

idea of where you need to go.”

The Peters also talk about two different kinds of measures: results measures and driver measures. Results measures are

big-picture metrics, like external reporting and internal financial reporting, that tend to look backward by quarter or year.

Driver measures, on the other hand, are at the process level and used every day, even every hour, to achieve company goals and drive continuous improvement.

The focus areas of company goals usually encompass things like safety, quality, costs and on-time delivery. Process-level measures should directly relate to company goals, focus on process, not people, and be simple for everyone to understand and act upon.

“Your workers need to know the expectations and what they need to do to make the metrics you’re asking them to make,” Rick Peters said.

A lot to process

At **Kraemer’s Nursery Inc.**, a wholesale nursery in Mt. Angel, Oregon, logistics manager Tristan Wampole said the nursery has always looked at big-picture data — i.e. results measures — but in the past few years, it’s started to pay closer attention to its processes.

One primary area of focus has been shipping. Wampole said Kraemer's has looked at its entire value stream, from sales through getting trucks loaded and on the road, for ways to improve. That has included tracking every order that gets pulled — the plant mix, location of the plants at the nursery, how long it takes the team to pull the order and other factors — and making adjustments to labor allocation and other factors to improve.

"We've taken all that and redone our entire fulfillment timeline,"

Wampole said, noting that changes have included eliminating most deliveries on Fridays, which box stores try to avoid due to the weekend rush. "We have gained a lot of efficiency."

Lewis, from JLPN, said his nursery tracks everything with an associated cost that goes into a product's production, from the labor to the cost of seed and materials, as well fuel and insurance.

"Everything that we do in a nursery process has a cost associated to it, so we track everything and assign it to the production cost," he said. "A lot of this has to be done with labor tracking as we go from crop to crop. It takes a lot of effort, but that's how you truly know if you are profitable or not."

Lewis said JLPN's biggest benchmarking success came about three years ago, with the hiring of Sean Offield as new product and business development manager. Offield led an effort to create a profit and loss document that revealed, to the fractional penny, what JLPN's profit margin was on every single product. The three-month task was a big one — made somewhat easier because JLPN had already been tracking labor and production hours for years — but it's had a big payout.

"The impact of doing this was that we now knew exactly what we made on every product and why we were or were not making



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PRESIDENT
The Peters Company

money on them," Lewis said. "We use our profit and loss as a guide for what we grow and what we won't grow. We don't believe in loss leaders, so if it's not profitable, we don't do it."

Tech tracking

As in most fields these days, technology is making it easier and more efficient for nurseries to track and measure their processes. What may have started as handwritten paper records shifted to Excel spreadsheets and has now evolved for many into customized apps that crew leaders, workers and others can use from tablets and phones in

the field.

"It's so much easier for crew leaders," Lomen said. "They just hit a drop-down menu on their app and get to work versus spending three hours doing paperwork."

Crew leaders at John Holmlund Nursery use apps on tablets to track how many people are working and for how long, as well as how many trees are graded or harvested. They even drill down to see how many trees each person on the team is tending to per day. Managers can then take that data and compare it between teams. If one is performing better than another, it's easy to take action.

"If we see in the data that one crew is doing better or getting better results, we can compare and see what the reasons are," Lomen said. "Is it a matter of topography? Are they working a different way? Then we can write SOPs [standard operating procedures] to make sure that we are all working together in the same way to get the best results."

Kraemer's Nursery even hired its own in-house software developer to build custom applications that team members can use on their phones. The nursery can track labor, and teams can do simple scans while pulling orders to help track all the various processes that Kraemer's is measuring. ➤



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Peoria Gardens Inc. benchmarks itself against its competitors. The nursery visits nearby retail locations monthly and sizes up its plants against its competitors and tracks how they're doing, making recommendations as needed. PHOTO COURTESY OF PEORIA GARDENS INC.

Beyond benchmarking

While most benchmarking at nurseries involves measuring their internal processes, some do employ the kind of benchmarking that sizes up a business against its competitors.

Zac Burke-Wolf is the sales manager for **Peoria Gardens Inc.**, a garden plant grower in Albany, Oregon. He said the nursery has recently made a more focused effort to conduct monthly benchmarking by sizing up its plants — annuals, vegetables, perennials and hanging baskets — in nearby retail environments compared to the competition.

For Peoria, that entails sending someone out to a location and visually inspecting how Peoria's offerings level up to other plants. They'll look to see if other growers' plants are healthier, have larger blooms or just look cleaner than Peoria's. They document with photos and



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— **John Lewis**
PRESIDENT AND OWNER
JLPN Inc.

notes, all of which gets compiled in spreadsheets so they can track how they're doing — and make recommendations as needed.

“For example, say we go to a nursery and our pansies are looking nice, but there are some others that look nicer,” Burke-Wolf said. “Maybe they went a little heavier on fertilizer, so maybe we need to look at our feeding rates and be a little more aggressive.”

If another nursery has a certain plant out earlier than Peoria, that could lead to some changes as well.

“What's really nice about that is you're getting the feedback right there and seeing it live,” Burke-Wolfe said.

He added that Peoria hopes to expand its benchmarking practices into other areas, including their deliveries and the ordering and purchasing process.

In fact, most nurseries who have made measuring and benchmarking a

part of their business see only additional benefits to bringing even more of their processes into the fold. Wampole said Kraemer's would like to expand its benchmarking to include more production areas, including pruning and propagation, while also tracking and allocating labor more efficiently, especially as overtime laws continue to evolve and add constraints.

And at JLPN, Lewis said more automation will ultimately require another layer of benchmarking, which he sees as only beneficial to the long-term health of his 25-year-old nursery.

“We are constantly looking at our products and processes to discover key data points that keep us at a strong margin,” he said. “It's all about the numbers in the end. If you don't know what you are spending, then how do you know what you're making? It's like driving with a blindfold on with no brakes at your feet. That's a care-less way to do business and it has a shelf-life when times get tough.”

Jon Bell is an Oregon freelance journalist who writes about everything from Mt. Hood and craft beer to real estate and the great outdoors. His website is JBellInk.com.