Is Lean Flow The Competitive Edge You Need?

By Janeen Wright | September 11, 2014

You want to take your greenhouse operation to the next level and get an edge on the competition. Your solution: a new expansion, an equipment upgrade or add more staff. Expensive, yes, but it's the way to get ahead, right? Maybe not. The better solution may be as simple as doing more with less by incorporating lean flow into your operation.

Lean Flow Defined

Lean flow has been a manufacturing buzzword for ages but is more recently making a name for itself in the greenhouse industry. Lean flow represents the focus on eliminating waste, reducing lead times and increasing speed and efficiency. When applied to a greenhouse operation, it can mean reducing idle time, reducing the time it takes to move a product through the operation, reducing unnecessary handling, and creating a more continuous flow of production.
greenhouse industry. Simply defined, lean flow is doing more with less — less labor, less square footage, less inventory. One of lean flow’s basic concepts is to get rid of waste. Any unproductive activity or motion that doesn’t add to the value of a product is defined as waste. Once waste is eliminated, quality improves and costs go down.

The flow part of the equation refers to smoothing or balancing out the work so it moves seamlessly from start to finish. The production process becomes consistent and predictable, with built-in checks and double checks for quality control. You can plan for the next day’s production and know precisely what you need to accomplish your goals.

“Productivity can increase as much as 20 to 40 percent with lean flow for production and shipping, even in the front office,” says Gerson (Gary) Cortés, a partner with FlowVision, a consultancy firm that assists companies with lean flow implementation.

“Growers can produce 20 to 40 percent more with the same number of people or do the same amount of production with 20 to 40 percent less labor, which may mean hiring fewer temps.”

**Productivity Goes Up. Peak Season Stress Goes Down.**

And productivity isn’t the only thing that gets better. Growers see other benefits, as well, like reductions in credits and claims for poor quality products and reduced overtime hours during peak season. In fact, Cortés says growers don’t have to kill themselves trying to get product out during peak season, because with lean flow, it doesn’t matter if you are shipping 10,000 trays a day or 100,000.

North Creek Nurseries has firsthand knowledge of the difference lean flow makes at peak season. The company has been practicing lean flow principles since 2008. It started by revamping its Oxford, Pa., facility and incorporating lean processes there, which nearly doubled its shipping capacity and resulted in a 40 percent reduction in labor, says owner Steve Castorani.

He says workers currently bring all the shipping for the week into the holding area at one time. In the past, they would turn the shipping facility over three to four times a week during peak season, which translated into too many touches and overworked employees.

“Today, we know where we are at any given hour of the week,” Castorani says. “We do not work as many Sundays, and we have been able to repurpose staff into different roles because of the labor savings. We are currently 60 percent more efficient because of the lean processes.”

Another lean flow benefit is producing more product on the same square footage because the removal of batch processing and flowing one product at a time reduces floor space. Growers can put off a costly expansion that they previously thought was a must-have.

When Castorani began looking into lean flow, he says he thought adding a new facility would alleviate problems and make it more productive.

“We didn’t really understand what being efficient meant,” Castorani says. “Once we examined our processes, we realized we could bring lean flow into our shipping department without changing our square footage.”

The supply chain and inventory side of a business can benefit, as well. Similar to how supermarket shelves are restocked and products are ordered based on consumer use, inventory in the greenhouse is replenished based on consumption at the retail level, resulting in less shrink and reduced labor costs.

Scott Epps, nursery manager at Hoffman Nursery, says using the just-in-time inventory principle gave his company more flexibility to change production schedules and helped reduce the number of plants sitting around aging.

**Find What Works And Stick With It**

Management at Hoffman Nursery first became interested in lean flow in 2008 and was successful at implementing several lean flow techniques. The operation had a production supervisor who championed the process, but once he moved away, it proved to be a setback for the operation. At the time, Epps struggled with how to keep the process going and how to reach the company’s goals of increasing output and improving quality. He finally realized Hoffman Nursery needed to use its experience to focus on the processes that best fit its operation.

Although Epps says he can’t say Hoffman Nursery is a complete lean flow operation today, he can say it is a lean operation that works continually to improve. He says he hopes to continue this process and incorporate more lean concepts throughout the nursery.

“My advice to operations considering lean flow is to find what works for them and stick with it,” Epps says. “Not all aspects of lean flow work for every operation, but I am a firm believer in the fundamental lean flow concepts. Lean flow can make a business stronger and better equipped to handle future challenges.”

Castorani echoes Epps advice, saying, “Stick with it. You need to reinvent yourself to stay relevant.” He adds that growers new to lean flow need to research it thoroughly. They must be able to identify their limitations and fully understand if their organization is capable of adapting to the changes lean flow will require of the staff.

**Willingness To Change And Continuous Improvement Are Critical To Success**

Employee involvement and training is vital to sustaining lean flow in the long term. One of the challenges growers often run up against with lean flow is human nature’s stubborn resistance to anything new.

“The most difficult part of doing lean is not the design process, but people’s willingness to change,” Cortés says. “Nothing is going to happen unless people make it happen.”

The management at North Creek Nurseries introduced the lean flow concept to its staff during a Town Hall meeting and started a Working Smarter Training Challenge to get the staff involved. Castorani says being open and honest with employees as to how and why improvements will benefit the organization in the long term helps staff be more open to change.

Once employees are involved and lean flow practices are in place, all is not done. Epps says continuous improvement is central to the overall process, providing a constant push that keeps blood flowing through an operation.
Cortés agrees, saying, in order to be successful with lean flow, growers need to look at it as a journey, not a destination, and continue to improve year after year.

**Is Lean Flow Right For You?**

Is lean flow right for every operation, no matter what the size? FlowVision's Gerson (Gary) Cortés says there isn’t any operation in the industry that can’t benefit from lean flow. He gives the example of James Greenhouses in Colbert, Ga. It first implemented lean flow as a small company because owner Ken James aspired to establish a foundation of lean practices that could grow with the company. Since then, James Greenhouses has grown rapidly and lean flow has helped make the transition a smooth one.

Cortés recommends asking the following questions to help determine if lean flow is right for your business.

- Are you making less money year after year?
- Is labor a big portion of your costs?
- Are you working a lot of overtime?
- Do you dread peak season every year?
- Do you have too much inventory?
- Do you want to grow your business?
- Are you thinking about expanding?
- Are you thinking about buying new equipment?

Read more about James Greenhouses, Greenhouse Grower's 2012 Operation of the Year

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