

The Keys To Long-Term Profitability



About The Author

Jeff Warschauer, the vice president of sales for Nexus Corporation, is one of 19 innovative thinkers who attended The Grow Summit in August 2011. The goal of the summit was to re-energize our industry and help put it on a path to consistent growth and success. In this editorial, Warschauer focuses on how growers can sharpen their business management and writes why flexibility and agility are the keys to achieving long-term profitability.

If I'd known, I might have done something else. We've all said it. If I'd known the stock market would tank, I'd have bought gold. If I'd known summer would come in March, I'd have planted earlier. If I'd known spring would bring perfect weather, I'd have produced more.

None of us can know what will happen in the future, but we do know something about today's consumers: They're looking for instant gratification. They want mature plants, vibrant colors, unique varieties and low maintenance. Today's consumers are looking for sustainably grown herbs, edible ornamentals and native plants.

Will future consumers have the same demands? We can't know, but we do know that the growers most likely to be successful are differentiated by three essential factors: They listen to the retailer and consumer, they have a flexible and efficient infrastructure and they have a top team to "grow" with.

A grower's business depends on the right greenhouse to grow the right plants at the right time. But "right" isn't static. Plant varieties and weather conditions change, putting different performance demands on the house and outdoor growing areas. Responding to those changing pressures requires a greenhouse that is quickly and effectively adaptable.

Consider a grower who holds a contract with a retail giant and builds a greenhouse specifically to grow finished plants that will satisfy that contract. The greenhouse and coverings were cheaper and faster to construct than some alternatives, and they made sense when there were only a few crops sharing a single growing environment.

That greenhouse and those coverings were also inflexible. When the grower lost the retail giant's contract, the limits of the greenhouse were quickly apparent. Neither worked well for multiple customers who wanted a variety of propagation, prefinished and finished plants with different temperature, humidity, light and hardening-off needs. The grower can meet those diverse needs but quality may suffer – and profitability will certainly suffer.

Just as important as the physical structure of the

greenhouse are the internal systems and equipment that support – or inhibit – growing and business agility. Some examples are coverings, ventilation options, heating, cooling, environmental controls, watering systems and material handling.

Make Your Business Agile

Agility is what sets a business apart, especially as the economy shifts and twists with ever-increasing speed. Becoming an agile organization means incorporating it into the way a company looks at itself, its market and its future.

This isn't something we just talk about. It's something we practice. Later this year, Nexus will be opening a new manufacturing facility in Pana, Ill. From the earliest stages, we committed to building a facility that could meet today's needs efficiently but incorporate enough flexibility to meet needs we couldn't yet anticipate.

The new design has two production lines, one for aluminum greenhouses and retail bench production and the second for steel utility and greenhouse structures. Either production line can be adapted to double the production capacity of an individual line. Walls enclosing the steel welding area are framed to allow easy removal. The material flow inside the facility has been designed for maximum efficiency, from inventory to finished product. With the additional space and equipment, we can triple our capacity – but we aren't "paying for" that expansion until it is necessary.

The agility and flexibility built into our facility are the same characteristics we see in successful growing operations. Today's progressive grower has many options to meet the dual objectives of immediate efficiency and long-term flexibility.

Glass or other high-light glazing systems provide maximum light while open-roof vent options allow maximum ventilation and cooling. Multiple shade and energy curtain systems provide the broadest environmental control, and new technology for side and end-wall ventilation make them more efficient than ever.

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