

Case Study

KERRY'S BROMELIAD NURSERY

- Non-Traditional Lean/Flow environment
- Dramatically Increase Final Delivery Output
- Maintain Leadership in Highly Competitive Environment



"FlowVision came down and showed us on the second day of their evaluation one process that improved throughput 25% and dramatically improved product quality."

- Kerry Herndon

*President and General Manager
Kerry's Bromeliad Nursery, Inc.*



Business Objectives:

Kerry's Bromeliad Nursery, home of Klassic Beauties orchids, bromeliads, and tropical foliage, is located in south Florida. They are the largest grower of orchids and second largest bromeliad growers in the United States.

The company has been the leader in creating the mass market for these once rare and expensive plants. They have been growing Bromeliads for thirty years and Orchids for more than fifteen years. With 2.8 million square feet of production space Kerry's Nursery currently dominates the wholesale production of orchids in the U.S. market.

A prime business objective for the company is to create and foster a community of customers and end consumers that benefit mutually from our manufacturing activities. Executing on this initiative has resulted in a customer base ranging from single operator florist shops to most of the major leading retailers in the United States including Home Depot, Costco, Kroger, and Publix.

The Business Challenges:

Kerry's Nursery operates large-scale, extensively automated greenhouses that efficiently produce high quality plants. They transform these plants into finished goods at the point of shipping. In addition, they custom manufacture gardens and arrangements to order on a daily basis.

This final assembly work has been the cause of most of their overtime hours and customer complaints. The daily volumes fluctuate from 200 to 6,000 cases of finished goods on any given day. "We needed to get control of our manufacturing process." Said Kerry Herndon, President.

"One of the nice things about being the creator of a new mass-market product is you get to have first position in the market. However, competitors appear quickly and almost always benefit from our expensive learning curve. Our largest challenge is to keep pace with the changing demands placed upon us by our large, publicly financed, rapid growth customers. Or lose their business"

Based on their leadership position, Kerry's Nursery was faced with a thirty percent growth in shipping volume in the coming year and were struggling under the current volumes at the time. In order for them to maintain this leadership role, the organization realized it required assistance.

The FlowVision Solution:

The initial requirement to contact FlowVision, based on a venture capital's recommendation, was to improve the final assembly of the products produced. At that time the organization was evaluating the construction of a large warehouse to create buffers of shipping materials. However, they felt that with a better understanding of Lean and Flow concepts that need might disappear.

That justified the inquiry, but not the end decision. FlowVision still needed to prove them worthy. "FlowVision came down and showed us on the second day of their evaluation one process that improved throughput 25% and dramatically improved product quality. There was not much to decide after that. We were set with FlowVision" Said Kerry Herndon, President, Kerry's Bromeliad Nursery.

FlowVision trained us thoroughly in the tools required to implement and improve our ongoing Lean/Flow process. As we learned to use the tools of just in time

replenishment and communicate our needs to our suppliers more acutely and timely, the need to build the extensive warehouse disappeared.

Implementation:

Lean/Flow is no longer something that you can just read about and not do. Lean/Flow is a challenging discipline when first encountered.

The entire implementation was actually very quick. The design and analysis with the company's process teams went very smoothly. The largest duration was in the actual transformation of the equipment layout.

The existing facility layout utilized some very beautiful conveyor systems in place that looked quite impressive to outside observers. The problem was that we were doing bench build assembly that made the conveyor system inefficient. By removing the conveyor system and re-aligning our cells around the new workflow, we saw dramatic improvements in quality, resource utilization, and major reductions in material handling.

The implications of change management were not as dramatic as expected. FlowVision taught and assisted the specific process teams to develop the new standard operating worksheets. At first, the employees were reluctant that the changes would be effective. However, it did not take them long to realize that their changes would realize benefits as quickly as they did. FlowVision enabled the teams to look at the problem in a new way.

Metrics established for the FlowVision implementation caused the teams to change what was traditionally measured: Number of units per hour. The



implementation had them focus on specific efficiencies by operation instead. This enabled the organization to determine where there were wasted activities occurring in addition to determining new resource requirements based on changing demand patterns.

Results:

We are able to ship large quantities of product manufactured in real-time using very little overtime. Even with the fluctuating demands of our customers, this is a first in the history of the company.

Today, Kerry's Bromeliad Nursery Flow is fully committed to Lean/Flow manufacturing. The bottom line:

- *Improved shipping output by 25%;*
- *Reduced material handling by 83%*
- *Employee resource utilization improved by 33%;*
- *Quality improved by 40%*

Kerry's Nursery cannot imagine going backwards. Their future plans are to deploy our FlowVision tools and techniques to additional facilities over the next few months.

"I believe that it is impossible to implement Lean/Flow without some outside help. When it comes to requiring outside help, FlowVision's experience makes all the difference."

ABOUT FLOWVISION

FlowVision is the leader in lean and flow manufacturing consulting that provides real world experience in lead-time reduction and supply chain management, resulting in significant financial benefits.

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