Ornamental Production

Managing Plant Material Inventory

Charles R. Hall
Extension Economist-Horticultural Marketing
Texas A&M University

> "Sorry Joe, we overbooked sales for that plant. We won't be able to ship those to you Monday as promised…" "What do you mean we're out of tissue culture plantlets! Didn't we just get a new shipment in?"
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> "Should I discount these plants to open up bench space or hold on a little longer?"

Do any of these scenarios sound familiar? Hopefully not, but if they do, you may be experiencing inventory control problems. Managing inventory can be one of the most arduous tasks that face greenhouse managers. But it doesn't have to be. Applying some basic inventory management principles may eliminate some of the headaches.

In order to maintain control of plant materials, equipment, tools, and supplies, an inventory control system is needed. Business management experts often classify inventor systems according to the usage of the item in inventory. Following this line of thought, a greenhous inventory can be categorized into three groups including plant material inventory, equipment inventory, and supplies. Last month, we discussed an inventory system for equipment and supplies. This month, we will discuss the basics of maintaining a plant material inventory control system.

A plant material inventory system is designed to provide management with information for making managerial decisions regarding production, sales, and dema nd trends. By maintaining a current, up-to-date plant material inventory, problems arising from overselling or leaving plants unsold can be minimized. A knowledge of plant inventory can provide the basis for planning work schedules, labor needs, space requirements, and supplies needed. Inventory data are also needed when planning production programs, calculating costs of production, and developing pricing strategies. Cultural practices and their impact on inventory turns may also be evaluated.

To talk about the benefits of plant material inventory control systems is one thing, but actually developing a system that indicates (at all times) how many plants of each variety or cultivar are available, in what size, and where are they located within the greenhouse operation, is another. The actual system of plant inventory control will tend to vary with the size and type of each individual greenhouse operation and the level of sophistication desired by the greenhouse manager. For relatively small "Mom and Pop" operations, the plant material inventory system may be quite simple, needing infrequent updating. But for larger, more commercial greenhouses, a rather complex system that must be updated daily may be required. Numerous computer software companies have developed computerized plant material inventory systems that will fit the need for most any sized operation.Taking the physical plant material inventory is facilitated by developing an integrated layout of thegreenhouse operation using plant blocks and labeling benches or rows. The count is made by trained individuals using plant inventory schedule sheets or electronic recorders. Electronic recorders are expensive, but offer the advantage of transferring data directly into computer memory storage. In some of the larger, commercial greenhouse operations, physical plant inventory is combined with data

regarding new potted/seeded plant material and sales data. By continuously tracking these data, it is possible to determine fairly accurately the status of all plant material within the greenhouse by type and location. From a production management standpoint, if accurate data are collected and maintained over time, it is possible to determine plant losses, estimate growth rates, pinpoint problem areas, and check on cultural practices.

Maintaining an accurate sales inventory may be the most import ant attribute of an inventory control system. However, this data must be accumulated in a timely manner to be most effective. This means updating sales data on a daily, or at least weekly basis. The sales inventory can also be posted with current price information as an aid in quoting prices to customers. Each greenhouse manager must adjust the plant inventory system to the situation and develop it to provide the control and information necessary to make sound managerial decisions. Computers can be used to provide an immediate update of sales inventory and can be programmed to provide an analysis of sales by variety, customer, geographic region, or by salesperson. In addition, the computer may be used to update sales records, prepare price schedules, and with the input of inventory data, can be programmed to estimate potential sales inventory. Several commercial vendors currently provide inventory control software for the greenhouse and nursery industry.

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