C&O Nursery

www.c-onursery.com

COMPANY

- Location: Headquarters in Wenatchee, WA with several field operations nearby
- Industry: Agriculture & Farming
- Application Replaced: Legacy Dynamics

SOLUTION

- Acumatica Distribution Edition with:
  o Advanced Financial management
  o Inventory Management
  o Order Management
- Acumatica Payroll

KEY RESULTS

- Connected business systems, streamlining operations and saving time
- Improved inventory management, conforming to the way C&O does business
- Gained flexible Payroll system that solved for seasonal ag worker requirements
- Provided online inventory access to customers & sales team, improving customer service
- Improved traceability and tracking of commissions and royalties for ease of audit
- Eliminated manual duplicate data entry & errors, gaining time to focus on higher level tasks with efficiency

PC Bennett Solutions Customizes Acumatica ERP Helping C&O Nursery to Grow

Challenge

C&O Nursery is a 113-year-old, family-owned finished-tree nursery, one of the oldest in Washington State and the country. It primarily sells apples, pear and cherry trees to orchard growers around the world as well as to consumers. The company, now run by the third generation, was the first to patent a fruit variety, a peach, making it a pioneer in what's now become an industry focused on proprietary varieties.

The company has grown revenues to more than $12 million, and is expanding into new patented varieties as growers demand them.

Changing Fruit Tree Industry

The commercial fruit growing business is undergoing massive changes. Orchard growers once reliant on open varieties that any grower could plant, and fruit sold at commodity prices, are betting their businesses now on patented varieties and higher density orchards. The nursery business model has had to change as well.

Previously, trees were grown on speculation with only a small percentage on contract. Nurseries like C&O had to base product decisions on past purchases.

"It used to take a crystal ball, which was very hard," says Todd Snyder, C&O president and third generation family member. "Past performance doesn't mean that in the next two years, that's what growers are going to want."

In recent years, however, nearly 80 percent of trees are sold on contract. Many of these varieties are patented and carry a royalty fee. Higher density orchards mean that more trees are needed. Because it takes several years to grow a tree, growers order as many as four years in advance.

Antiquated Software Problems

C&O used Microsoft Dynamics GP for accounting and payroll, along with special inventory software based on Microsoft Access 97 for four years before the executive team grew frustrated with the outdated software systems.

Fed up with using two systems in 2012, the team worked with its long-time technology partner, PC Bennett Solutions of North Bend, WA, to look for one system for inventory and accounting. "When we started thinking that it's challenging to keep two systems, we learned that our legacy accounting system was going to stop support," says Snyder.

As they looked for a replacement with agricultural roots, they found that most were rigid and not specific for the way C&O operates.

C&O needed a better way to adapt to new ways of doing business, integrate its financial and inventory data and update other systems to accommodate the growth of its seasonal workforce, says Patricia Bennett, founder and CEO of PC Bennett Solutions, C&O's technology provider. "It was a no-brainer to introduce them to Acumatica, a flexible system built on .Net technology."

Solution

Flexible, customizable ERP- "With Acumatica, we liked that we could access information from anywhere, and that we would gain an efficient inventory system sooner," says Snyder.

Acumatica offered the flexibility and integration C&O needed. Most importantly, Acumatica is browser-based, accepts many third-party applications, and, is written in .NET, which allowed PC Bennett to create the customizations needed for the nursery business. Acumatica also offered mobile access, flexibility, one connected system, as well as offered the financial, contract, and process controls the company needed, said Snyder.

"PC Bennett spent many hours interviewing us on what we really needed, what was on our wish list, and what would we want the product do if it could?" he says. "After taking all that information into account, they decided Acumatica was the best fit." Acumatica could be customized to the way we wanted, they could add payroll to it, and we would have one software package that would handle our entire operation."

Snyder appreciates PC Bennett's innovative, industry leading flat-fee pricing model, which allows the firm to fully utilize Acumatica without worrying about the cost of every minute the solution provider spends helping them.

"Acumatica has definitely changed the way our industry is working," Bennett says. "They're definitely a disruptor of the industry with their unlimited user pricing model. We agree that companies shouldn't worry about paying per user – or paying per minute for support. Everyone should have access to the information."

Benefits

C&O Nursery now has one connected business, eliminating the need for two systems, and helping the company become more productive. The team can access critical data from anywhere in the world, which allows them to provide instant information to customers without calling the office.

Real Time Inventory Insight

The ability to view inventory within one system eliminated challenges the company had for years. Snyder remembers shuttling paper lists between various offices at the beginning of his career. "Our inventory was a handwritten sheet, believe it or not. If a customer was on the phone and said, I want such and such, I can remember hearing, 'I need the sheets,'" he recalls. "And we'd take the sheets to the office. The order would be taken, manually subtracting what was just sold, and then rewritten in pencil for the next person to use."

Much later, C&O moved to a proprietary system, but it only delivered some of what they needed, and it still couldn't connect to the accounting system. Unlike most inventory systems that track static widgets, nurseries create living, growing trees, some that die or grow faster than others. The product must be tracked over several years as it grows in a field, and then as it is dug up and stored in a warehouse before being delivered to a customer.

"We needed to keep track of inventory in a way that would track the different status and the different stages of the growing trees," says Snyder. "And we needed one connected system to manage our entire organization."

Within Acumatica, C&O tracks trees at different growth stages and different time lapses, collecting and recording data including the width of the tree stem and the height. To track orders over multiple years, PC Bennett designated virtual warehouses labeled with a year so C&O could track all the activity and orders to be delivered for that year.

"We're able to see attrition, how many trees survived and allocate inventory to sales orders so we know whether we have additional trees," says Snyder. "We have full visibility of what's happening out in the field at any point in time."

Anywhere, Instant Access to Information

Acumatica's cloud ERP allows C&O to access information standing in a grower's orchard, on the floor of a major horticulture convention, or overseas. "Before, if we were out in the field and a grower said, "By the way, do you have X, Y, Z variety?" We would call into the office," Snyder says. "Now that we're cloud-based, we can actually log in, look at our inventory and answer that person within about three minutes with an accurate answer."

C&O salesmen can log in on the company website using an Internet browser to access Acumatica and company inventory. The company also created general access for potential customers, allowing them to see inventory availability for whatever year they desire as well, says Snyder.

Customers often tell Snyder they appreciate the nursery's accuracy, promptness, and information being instantly available. "They don't know that we're using Acumatica, they just know we're giving them the right answer and they really appreciate that," he says. "And for us to give that answer, we really appreciate Acumatica."

Accurately track fruit tree royalties

As the tree fruit industry has shifted to growing and selling patented varieties, growers and nurseries have had to track, collect and remit royalty payments. As part of the nursery group known as NNII, C&O, for example, collects the $1 per tree royalty due for Cosmic Crisp.

Because Acumatica is flexible and customizable, C&O is able to track that apple as well as other patented varieties right within the system, which gives them traceability and makes it easy to find the information in an audit.

"C&O handles royalties and commissions very differently from most other type of sales," Bennett says. "We created a customization for them to pay royalties and commissions. And in general, we've created different inquiry screens and more dashboards."

As C&O's needs change and regulations are updated, we can very quickly create customizations in Acumatica that provide the information or the functionality that they need in order to run their business their way, she adds.

Acumatica Payroll Handles Agriculture Pay Requirements

When Lilly Estrada joined C&O as human resource and payroll manager years ago, the company issued paper time sheets in the field so workers could record their time, and whether they worked by the piece or hour. During peak seasons, the number of employees could swell to 500 burying her in paperwork. Typically, C&O has 36 full-time employees and 350 seasonal employees.

"It got to be very frustrating," Estrada says, adding that processing paperwork took 50 percent of her time and was error prone. When C&O implemented Acumatica Payroll and third-party software Attendance on Demand, Estrada's life became less stressful and more productive.

"Attendance on Demand made it a lot easier to keep track of all our employees out in the field," she says. "It literally helps us know how many employees we currently have active, their hours, and makes sure everyone is accounted for properly for every minute they're in the field working."

Like many agricultural businesses, C&O follows federal requirements for each worker class. "Acumatica helps us keep track of those requirements around our workers because they are seasonal and they do come different times throughout the year," Estrada explains. "The automation we have now means there's less extra work to make sure their information is still correct, making it easier to keep our payroll in order and accurate."

Estrada estimates she's recouped about 50 percent of her time, which she can dedicate to higher level tasks she found difficult to complete previously. "I like that Acumatica is very easy to use, very efficient, and accurate," she says.

PC Bennett Keeps C&O Ahead of Competition

C&O is well positioned to help growers become more profitable as they implement high density orchards and as they grow patented fruit varieties. Executives are confident that Acumatica can scale with them, provide information they can trust, and adapt to future changes and applications as they unfold in the agriculture industry. And they are confident PC Bennett can provide any customizations needed far into the future.

"To me, Acumatica is data and efficiency and speed of information," says Snyder. "PC Bennett was our support in integrating small business financials way back in the day. It was when we went into the customization of Acumatica that we really saw what they could do."

"Acumatica has been able to provide almost anything we've wanted," he adds. "And with PC Bennett's customizations, we're ahead of where some of our competitor nurseries are."