



STOCKUP

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Greenhouse MANAGEMENT

Vendor portal: Looking ahead to new ways of doing business Vendor portals may give greenhouses a more streamlined operation

By Amanda Tomaini | November 12, 2012

Giving vendors easier lines of communication and a streamlined workflow can be beneficial to the greenhouse industry. Growers may already be familiar with vendor portals with their work with big-box retailers. As vendors, growers can go to Lowe's or Wal-Mart's corporate website and log in to find out sales data from individual stores.

Growers can have that same relationship with their own vendors by opening a vendor portal on their websites. Although these are not commonly used in the horticulture industry right now, the following are options that certainly be used in the future.

- Vendor-managed inventory – In other manufacturing industries, small or often-used materials such, as bolts and screws, are sometimes supplied through vendor-managed inventory. Using this method, a vendor will bring in a large bulk supply of consumables and house them on-site at the manufacturer's location or warehouse. The vendor will take stock of what has been used after a set period of time, and the manufacturer will only be charged for those materials, not for the entire stock. In this symbiotic relationship, the vendor needs much less storage space at their facility, and it's less likely the manufacturer will run out of a commonly used item. For greenhouse growers, items such as pots, trays, and chemicals can be transacted using this method without having to worry about using staff to manage inventory.

One vendor who has taken the initiative in vendor-managed inventory for the greenhouse growers and garden center retailers is BFG Supply. Three years ago, the horticulture supply company based out of Burton, Ohio, realized there was a need in the industry on the hard goods side for a more streamlined approach to managing inventory. They now have about 25 of the Top 100 greenhouse operations in the country using their Grower Stock-Up program.

The Grower Stock-Up program runs on a software system BFG created and hooks into a vendor portal. This program actually takes vendor-managed inventory up a notch from traditional VMIs, according to Tim Gallagher, the vice president of operations and technology with BFG. Where traditional programs still rely on people to track the inventory and report it to the vendor, growers using the Grower Stock-Up program scan BFG's products as they are used, which automatically sends the updated inventory data to BFG.

Tim Ward, the director of marketing for BFG, said the Grower Stock-Up program most importantly helps improve cash flow for greenhouses by automating part of their inventory. It also acts as a great time saver, Ward said.

"Think of an instance where someone forgot to re-order or ordered too much inventory," Ward says. "With our program, we basically set a maximum and minimum level of inventory and as long as they scan our products every time they leave the inventory room, we're pinged every time you reach a minimum level, and that will trigger a truck to come out and deliver what you need. You don't need to interrupt growing operations. How many times have you stopped what you're doing to walk to other end of the property, finding out what you need is gone, then have to get in car to go buy some. With our program, you walk into the chemical room. There's no waiting, no work interruptions. It's always there when you need it."



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- Request for quote – Another way to handle purchasing consumables in a greenhouse would be to set up a “request for quote” area in a vendor portal. RFQ works like an auction house for both goods and services. A greenhouse could set up an RFQ page in a vendor portal where they list consumables they have a need for, and multiple vendors could visit the site to bid on providing the best product at the best price.
- Contract grower scheduling and reporting – When greenhouse growers work with contract growers, they both walk a moving line when it comes to the availability or needs of their products. With a scheduling and reporting tool in a portal system, the contract grower can keep a greenhouse informed of when their product will be ready. Conversely, a greenhouse can keep their contract growers informed if any of their needs change, such as an unexpected order.
- Accounting – Through a portal, a vendor can keep track of outstanding invoices, print paid invoices on demand, and update account information.

Communication between a greenhouse and its vendors is vitally important to the success of the overall business operations. By having a vendor portal on a greenhouse’s website, both sides of the equation can find improved communications and a streamlined process.

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