



## Tree Farm Customizes Business Processes, Reduces Manual Data Entry by 60 Percent

### Overview

**Country or Region:** United States

**Industry:** Specialty retail

### Customer Profile

Groveland, Florida-based Cherry Lake Tree Farm grows and sells ornamental trees. The company has been in business since 1985 and has more than 2 million trees in production on its 1,200 acres.

### Business Situation

The company's enterprise resource planning solution (ERP) couldn't meet its unique manufacturing demands, leading to redundant data entry, a lack of current information, and no business reporting.

### Solution

The company deployed Microsoft® Business Solutions–Solomon for a customized business management solution and Microsoft Business Solutions for Analytics–Microsoft FRx® Professional for detailed reports.

### Benefits

- Achieved a one-year return on investment
- Reduced data entry by 60 percent
- Cut inventory tracking time by 30 percent
- Reduced time needed to update financial records by 30 percent

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Leila Hobbs, IT Director, Cherry Lake Tree Farm

Florida-based Cherry Lake Tree Farm grows trees for construction and landscaping projects throughout the United States. With more than 2 million trees in production, the company needed a better way to manage its inventory and tracking. Its existing business management solution couldn't accommodate its unique manufacturing process, leading to excessive data entry. Furthermore, the company lacked reporting. To address these limitations, the company decided to implement Microsoft® Business Solutions–Solomon and Solomon Tools for Visual Basic® to develop an order and inventory management process. Cherry Lake Tree Farm also deployed Microsoft Business Solutions for Analytics–FRx® Professional to generate detailed business reports. As a result, the company has gained a solution that matches its needs, eliminates duplicate data entry, and streamlines order and inventory management.

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### Situation

Cherry Lake Tree Farm grows ornamental trees, which it distributes by partnering with landscaping, development, and construction companies that can either buy existing trees or place orders for specific trees. In business since 1985, the company grows more than 2 million trees in containers sized up to 670 gallons on 1,200 acres in Groveland, Florida. Cherry Lake Tree Farm maintains 2,600 active lots and 1,500 future tree lots, and has supplied the trees for projects such as the Walt Disney World Resort, The Sydney and Walda Besthoff Sculpture Garden, and many different golfing communities.

To manage its 3,500 different products, Cherry Lake Tree Farm used an enterprise resource planning (ERP) solution from Ramco Systems. However, the off-the-shelf solution designed for manufacturers couldn't handle the company's distinct manufacturing process.

Ramco categorized all products into two phases: in progress and completed. This distinction might have been appropriate for a company that creates goods with a finite production process, such as a parts or equipment manufacturer. For Cherry Lake Tree Farm, however, the setup posed a challenge because trees are simultaneously in production and for sale. “Even if a tree is classified as a finished good, it still incurs costs like labor and fertilizer,” explains Leila Hobbs, IT Director for Cherry Lake Tree Farm. “In addition, we can potentially sell a tree at any stage of its growing cycle.”

To get around this limitation, Cherry Lake Tree Farm entered multiple inventory identification numbers for each tree—sometimes up to nine distinct numbers. This approach presented its own set of challenges. Multiple inventory IDs confused employees when entering data into the system. To streamline the process,

employees maintained information in spreadsheets, which were then given to specific employees to rekey into the Ramco solution. As a result, the solution often presented outdated, incorrect data.

The company also had to use work orders to track tree lots, because lot capabilities in the ERP solution were limited. Before a tree could move to the next process—either being potted up (moving trees to a different area so they can be put into a larger pot) or being sold—all work orders had to be closed. And even if a production procedure needed to be altered—for example, if the trees did not need pruning or pesticides—the procedures had to be entered anyway. Therefore, employees wasted hours entering false work order data just to close the work order so the tree could be sold.

The lack of comprehensive data was also taking its toll on the business. For example, once a tree was ready for sale, it was classified as finished—but the system didn't classify when it had been finished. Therefore, the company often held on to trees longer than the six-month period that is ideal for profit. In addition, the company had no way to plan for maximum use of available tree spaces. Furthermore, without detailed reports of tree lots, the company had no way to track the actual development of trees customers had ordered. Finally the accounting portion of the solution was difficult to work with and hard to make adjustments to. “We just weren't confident in the numbers,” says Hobbs.

Although Cherry Lake Tree Farm tried to work around the limitations of Ramco for nearly five years, the company finally reached a breaking point. “We just weren't getting the information we needed to run the business effectively,” says Michael Sallin, President of Cherry Lake Tree Farms. “We couldn't plan for the future.”

## Solution

Cherry Lake Tree Farm contacted Microsoft® partner Stanley Stuart Yoffee and Hendrix (SSYH) for help. Together, the two companies compared various ERP solutions, including J.D. Edwards. Initially, Cherry Lake Tree Farm was hesitant about implementing a solution it would have to customize. Over time, however, it realized that only a fully customizable solution would best fit its unique manufacturing process. The company opted for Microsoft Business Solutions–Solomon as a complete business process management solution.

SSYH helped the company design and write an order-processing and tree inventory system using Solomon Tools for Visual Basic®. With this system, the tree farm can easily manage all its tree lots, tracking them from order (if applicable) to creation to sale. After a tree is started as a seedling or a cutting, it is entered into a lot. Each lot is then assigned characteristics, including creation date, tree details, lot price, previous lot, and due date. The tree inventory ties into the general ledger, accounts payable, accounts receivable, and purchasing modules of Microsoft Solomon. In addition, the company uses the inventory module of Microsoft Solomon to assign material resources—such as new pots and soil—to lots.

Cherry Lake Tree Farm has also set up default growing tables for its tree lots that can be modified. For example, a default growing time might be 18 months, but if reports show that lots are actually being produced in 17 months, it can adjust its sales and order-taking accordingly. The company also uses Microsoft Business Solutions for Analytics–Microsoft FRx® Professional and Crystal Reports to generate this type of detailed business intelligence.

## Benefits

As a result of implementing Microsoft Solomon, Cherry Lake Tree Farm has gained a solution that can accommodate its manufacturing process. With a solution that can be customized, the company has gained a system that can meet unique business needs, while reducing the amount of data entry required to maintain tree lots within the system. It has also eliminated redundant data entry, substantially reduced the amount of time it takes to track inventory, and streamlined the ordering process.

### **Achieved a Return on Investment in Just Over One Year**

Although Cherry Lake Tree Farm had been hesitant about implementing a solution that had to be customized, the company found it was well worth its while. “Trying to fit our production practices into standard manufacturing systems was cumbersome and complex,” says Hobbs. “It was a huge step for us to discard our ERP system and embark on designing a new system. But with Microsoft Solomon, the payoff was fast.”

This fast payoff can be seen in the way Cherry Lake Tree Farm now manages its business processes. Because the company no longer has to work around the limitations of its previous solution, it has streamlined how it tracks tree lots from inception to sale. With controls built into the system, problems are eliminated before the trees leave the farm. Furthermore, the system can adapt to new business practices quickly and easily. All these factors have saved the company a substantial amount of money—and as a result, the company achieved a return on investment in about fourteen months.

### **Reduced Data Entry by 60 Percent**

Entering data into the old solution was a time-consuming process. First, employees had to use a spreadsheet to track all the work done on tree lots. Then, this data was

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given to another employee to enter into the ERP solution. Using Microsoft Solomon, however, the company has streamlined how it manages production—and employees have to enter data only once.

For example, with the old system, employees had to complete 15 discrete steps just to see how much space in a truck an order would require. Today, Microsoft Solomon calculates the space needed automatically. As a result, the company has been able to reallocate six employees, thus reducing the time spent on data entry by 60 percent.

#### **Cut Inventory Tracking Time by 30 Percent**

Cherry Lake Tree Farm has also substantially reduced the amount of time it takes to track tree inventory. Previously, tree inventory management relied on manually entered data spreadsheets. But now, the company's custom tree inventory system, which stores characteristics of each lot, gives up-to-date statistics on the each lot, including future orders and available quantity. “Managing our tree lots is much more efficient, whether we want to track by age, type of tree, or quality of tree,” says David Ressler, Vice President of Operations for Cherry Lake Tree Farm.

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#### **Reduced Time Needed to Update Financial Records by 30 Percent**

Using Microsoft Solomon has substantially reduced the time it takes to produce month-end departmental budget and financial reports. The company attributes this improvement to the fact that Microsoft Solomon and Microsoft FRx reporting are tightly integrated. “We can now update our monthly budget and financial reports in 30 percent less time than we did before,” says Hobbs.

#### **Chopped Tree Production Costs by 15 Percent**

With the old solution, Cherry Lake Tree Farm had no way of knowing whether a finished tree had been for sale for three months or nine. But, as Sallin explains, the ideal time to sell a tree is within six months of when it becomes fully grown. There are two reasons for this. First, if the tree is left in a container for too long, it becomes rootbound, which affects the quality of the tree. Second, the longer the tree is in the company's inventory, the higher its cumulative production cost.

By switching to Microsoft Solomon, the company now knows exactly how long each tree lot has been for sale. As a result, it knows which items to offer to customers first, or to sell at a discounted price in order to maximize profits. In addition, the company is able to make better production decisions based on past experience with particular varieties and their production practices. Both of these factors reduce the overall production costs. “Now that we know the age of the tree in each state of its development, we can plan more effectively,” says Sallin. “As a result, we've reduced our production costs by more than 15 percent.”

#### **Streamlined the Ordering Process**

One of the major drawbacks of the previous system was that it made managing orders difficult. For example, if a customer ordered trees, there was no way to tell from the system where in the production lifecycle those trees were. Furthermore, the old system allowed the company to predict the sales window only up to one year in the future—and orders were not associated with lots, making tracking orders even more difficult.

Now, however, order data is stored in the Microsoft Solomon system as one of the lot's characteristics (along with schedule and inventory). As a result, maintaining and

viewing orders is much easier than it was in the past, and the company has clear visibility into orders for up to four years in the future.

Cherry Lake Tree Farm is also better able to predict whether an order will be delivered on time, early, or late. This improved reporting can be attributed to the order tables, which can then be analyzed for trends. For example, if it has been a cold year, the company can revise lot growing times to show that an order will be delivered later than expected. The company can then provide better customer service either by updating them with accurate delivery times or replacing one lot with another for on-time delivery. "With the old system, we lacked accurate sales data for future orders because of the variables that affect the growing time of a tree," says Hobbs. "But with Microsoft Solomon, we can guarantee our customers the right tree at the right time."

#### **Improved Business Reporting**

For Cherry Lake Tree Farms, one of the greatest measures of success is the quality of business reporting it now receives. Today, each department enters budget data into Microsoft Business Solutions for Analytics-Forecaster, which also hosts Microsoft Solomon financial data. With integrated customer and sales data, the company uses Microsoft SQL Server™ 2000 Analysis Services to view key performance indicators from many different perspectives. "Now we can create numerous needed reports quickly," says Peter Langer, Systems Analyst for Cherry Lake Tree Farm. "We are able to go to the next level and produce the complex reports that our managers used to dream about."

#### **Boosted Planning Capabilities**

With the old solution, the company didn't have insight into business trends or changes in market demands. As a result, it couldn't plan—and because trees can take up to 9

years to grow, the lack of detailed business intelligence was hampering the competitiveness of the business. Today, the company gathers detailed reports on business-critical topics such as crop availability, order commitments, open-order tracking, fast-moving and slow-moving inventory, and expected sales demand.

"With our Microsoft solution, we can accurately predict our future inventory and make the appropriate changes," says Hobbs. "Adjustments can be made to our production process and quickly implemented across all lots for a particular tree. And we now have the tools to make long-term marketing decisions."

#### **Reduced Inventory by 40 Percent**

For Cherry Lake Tree Farm, better reporting has also led to a more efficient use of resources. Now that the company can accurately track—and predict—the resources required for each tree lot, it no longer needs to store excess inventory. In fact, the company has reduced the value-of-materials inventory by 40 percent, freeing capital for other improvements.

#### **Raised Quality of Products**

Because Cherry Lake Tree Farm can better forecast how long each lot takes to grow, the company is also able to improve the use of its land. In the past, the company often had to wait until an appropriate area was free for potting up. As a result, tree-lot production was often disrupted, and trees were often damaged because they were rootbound in containers that were too small. With the new solution, however, the production staff has access to all data by tree lot, including expected future orders, empty tree spaces available, trees that are ready to be potted up, and a recommended quantity to pot up based on established guidelines. With this information, employees can make better decisions to maximize the tree space on the

farm while meeting the requirements of tree growth and order fulfillment. And as a result, the company can plan each step of the process, ensuring that the production cycle stays on track. "Using Microsoft Solomon, we've maximized the use of our storage areas, which in turn, improves the quality of our products," says Hobbs.

## For More Information

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For more information about Stanley Stuart Yoffee and Hendrix products and services, call (800) 670-0059 or visit the Web site at: [www.ssyh.com](http://www.ssyh.com)

For more information about Cherry Lake Tree Farm products and services, call (352) 429-2171 or visit the Web site at: [www.cherrylake.com](http://www.cherrylake.com)

## Microsoft Business Solutions

Microsoft Business Solutions offer integrated business applications and services that allow small and midsize organizations and divisions of large enterprises to connect employees, customers, and suppliers for improved efficiency. The financial management, customer relationship management, supply chain management, and analytics applications work with other Microsoft software, including the Microsoft Office System and the Windows® operating system, to streamline processes across an entire organization. This gives businesses insight to respond rapidly, plan strategically, and execute quickly. Microsoft Business Solutions are delivered through a worldwide network of channel partners that provide specialized services and local support tailored to a company's needs.

For more information about Microsoft Business Solutions, go to:

[www.microsoft.com/businesssolutions](http://www.microsoft.com/businesssolutions)

- Microsoft Business Solutions
  - Microsoft Business Solutions for Analytics–FRx Professional
  - Microsoft Business Solutions–Solomon

## Hardware

- Compaq ProLiant ML350 server computers

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