

IBM DATA PROCESSING AND THE NURSERY INDUSTRY

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In today's expanding and competitive market place, one of the most significant goals towards which nurserymen are working is optimum production with lowest costs and best inventory levels to meet customer demand. For over a year we have worked closely with Oki Nursery to implement an IBM Data Processing system which is a step toward this important objective.

As Mr. Kubo has told you, he maintains production records on all crops grown at Oki Nursery and during the last year we have been gathering sales data as a result of doing the basic accounting jobs of order writing and invoicing. This first venture into data processing is an important one, for while it is economically performing the routine accounting functions of order writing, invoicing, accounts receivable, accounts payable, it also enables a nursery to gather sales data which can later be used with production records to forecast sales and project production requirements.

The modularity of IBM data processing systems is important here. Oki Nursery entered punched card data processing at a economical level and has been able to meet increased volumes of business without complete modifications of their existing procedures and as we move towards more sophisticated work, the experience which we have had in working with this first system will enable us to move smoothly into a more powerful data processing system.

As I mentioned earlier, that one of the most important goals of the nursery industry today is to obtain optimum production with lowest cost and best inventory levels to meet customer demand. One of the ways in which this is done is through a technique known as linear programming. It is a management science approach to analyzing variable factors in a business. In the nursery business this linear programming technique could be used to forecast sales and at the same time correlate data from prior production records.

Many variables are involved here and in order to properly project the amount of planting required to meet a specific sales objective, it would depend upon many factors, such as mortality rate, climatic conditions, fertilization techniques, soils, and expected growth period. The main objective, of course, is to produce as much as is required to meet the specific sales objective based on all these variable factors and to produce these requirements at the lowest possible cost while maintaining quality.

An example of a system similar to this in use at the present time is Yoder Bros. operating in Ohio, California and Florida. They use an IBM 1401 tape-oriented computer to schedule pro-

duction of chrysanthemums. In addition, entire farms are under computer control in terms of crop projection.

Inventory problems are being solved every day by non-nursery industries through the use of a program called IMPACT, which is an inventory simulator. All of this experience can be brought to bear by IBM in assisting nurserymen who are interested in data processing as a technique to aid in realizing optimum production control. Because of the power of a computer data processing system, this kind of work could be accomplished while the computer would also be used to take care of all the accounting functions such as order writing, billing, accounts receivable, payroll, accounts payable, and the general ledger.

If we let our imagination be our only limitation, many other applications for this powerful tool are available. Through a technique which IBM calls, Teleprocessing, many locations could have on-line inquiry ability to the central computer system so that via telephone and keyboard inquiry one location could request inventory information, sales data, accounts receivable information, and receive, in seconds, a reply to their inquiry.

We appreciate the opportunity to speak to you today and certainly don't intend to turn this into a sales pitch by any means, but perhaps I can answer some of the questions which may have arisen in your mind as to the kind of support which IBM can lend to its customers in implementing a data processing system. In most major cities, as in Sacramento, IBM maintains a branch office and a staff of sales representatives and systems engineers. These people are all available for guidance and assistance in planning and implementing a data processing system. In addition, the branch offices also act as education centers where your own people can be trained to operate and to program data processing systems. We also maintain regional and district educational centers and an educational program unsurpassed in the data processing industry with classes geared to all levels of customer personnel beginning at the operator level and going all the way up to executive courses geared to presidents and managers of companies.

Technicians in our business known as customer engineers are also housed in a branch office to perform preventative maintenance on the equipment and to answer calls which may arise because of emergency situations. During the past year over 80% of all such emergency calls have been answered in one hour or less. Our objective here is to give each customer the best possible service and the most productive use of his data processing system. All of these services are apart of the package that a customer buys when he leases IBM equipment or purchases it.

Some of you may have further questions and I will be more than happy to speak with you individually following the meeting today. It has been a very interesting and exciting experience to work with Oki Nursery the past year and to find out what a dynamic industry the nursery industry is. We at IBM are sin-

cerely interested in helping you in any way to meet your business objectives and we feel that data processing as a technique and a tool for management certainly has a place in the nursery industry. I hope that this very brief discussion may have given you some ideas about where data processing's role is in the nursery industry and that we can at some time in the future be of more assistance to you in discussing your own individual needs and requirements.

Thank you very much for your invitation to speak to you today.