

C&O Nursery Grows with Flexible Acumatica ERP



OVERVIEW

Founded in 1906, C&O Nursery sells finished fruit trees, largely focusing on apple, pear and cherry varieties for orchards. When its legacy system couldn't smoothly integrate with its inventory system and then support ended, C&O Nursery switched to Acumatica for its integrated accounting and inventory, the way it addresses its agriculture business model, and its ability to flex with seasonal agricultural workforce.

SITUATION

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.

C&O holds 20 of its own fruit patents and sells some patented fruit varieties owned by others. For example, it offers September Wonder Fuji, EverCrisp and Washington State University's Cosmic Crisp apple varieties; Bronze Beauty™ Bosc Pear, and Chelan and Black Pearl Cherries, among others. 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 looked 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."

COMPANY

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

SOLUTION

- Acumatica Distribution Edition with:
 - Advanced Financial management
 - Inventory Management
 - 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

SOLUTION

"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, 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, and offered the financial, contract, and process controls the company needed, said Snyder.

"Our customers don't know that we're using Acumatica, they just know we're giving them the right answer and they really appreciate that. And for us to give that answer, we really appreciate Acumatica."

– Todd Snyder, President & CEO

BENEFITS

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."

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." Customers often tell Snyder they appreciate the nursery's accuracy, promptness, and information being instantly available.

Accurately track 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.

"Acumatica is so open ended and customizable; we can probably throw any tech at it and it'll take it and go. For example, Amazon Alexa is becoming more and more useful and one day we'll see it in agricultural applications too."

– Todd Snyder, President & CEO

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.

"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."

Financial Foundation for Growth

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 Acumatica can scale with them, provide information they can trust, and adapt to future changes and applications as they unfold in the agriculture industry. "Acumatica has been able to provide almost anything we've wanted," Snyder adds. "And with customizations, we're ahead of where some of our competitor nurseries are."