### *Flexibility comes at a price - but IT can help reduce it*

Imagine.  You're supplying product into three major UK retailers and a number of customers in other sectors.  As well as growing your own produce, you also work closely with a few specialist independent growers.  And to support your key customers' programmes you source imported produce at peak periods and around the shoulder ends of the season.

What differentiates you in the marketplace?  Well, you have the edge on quality of course: standards are high everywhere these days, but no one can really match what you're offering, can they?  Also you pride yourself on *flexibility*.  Each one of these key customer relationships is different: the same commodities are specified differently, ordered differently, inspected differently, packed differently, labelled differently, distributed differently, invoiced differently and so on.  You try very hard to excel at all of this, 24 hours a day, 7 days a week.  Success means the relationships continue in future - but in any case, there are penalties for making mistakes.  So how is your business doing?  Well, it's challenging: last year was a very tough year.  You're hoping that next year will be better.  Does any of this sound familiar?

Take a moment to consider how much it is actually costing your business to deliver that flexibility.  The chances are, your internal processes have evolved to be different for each key customer that you have.  You are almost certainly paying to maintain different EDI systems to receive their orders.  The work instructions for packing, labelling and distributing product are likely to be different, too.  You may be using several alternative sets of internal paperwork for QA and through the pack house, depending on the customer.  Even the way you invoice product to your customers is most likely bespoked to meet their individual needs.  Put another way, there is duplication of effort going on here: many different ways of achieving the same thing, for which you are bearing additional cost.  And if you run multiple pack houses, how easy is it to switch production between them - is that customer specific capability easily transferable between your locations?  Are there cost savings to be had if you could do it confidently, without compromising the quality and consistency of your deliveries?

Of course, you can't opt out from dealing with variety. Unless you've decided to build your business on a single key customer relationship, you must provide the flexibility to meet each customer's needs. The goal is to do this cost effectively, and right across the organisation: there is real money to be saved and benefits to be had if you can.

IT has a big role to play here. A modern, flexible business system designed for the produce industry provides two of the fundamentals. First, implementing standard software will help to ensure that you don't operate different business processes for every customer, just because things evolved that way, when really there's no need to. The more commonality you can get in your internal processes, the more strength you will have in your operations: staff can be deployed flexibly, and the barriers to optimising production across multiple locations are reduced.

The second foundation is around product knowledge. The chances are that right now you have key personnel in your business who work very closely with particular customers. They understand the nuances of the relationship: they know the products inside out, the right people to talk to and the processes that must be followed to get things done. They are also the people whose experience is most valuable and whose talent could be harnessed to help your business grow. If only they can make the time: but of course, like everyone else, they are working flat out to maintain the status quo.

What a business system can do is to provide a single, central location for storing all that valuable product knowledge, in a structured way, so that it can be *easily shared*. Coding, descriptions, technical specifications, packing and labelling requirements, packaging for distribution - all this information can be recorded and stored just once, for everyone to use. This makes it easier to cross-train existing staff or to train up new people. It reduces the scope for errors, because everyone is working from the same information source - which is the latest available to the business. And at the same time it can free up your best people to spend time working on opportunities that will drive the business forward.

Establishing standard business processes internally sounds like common sense and will surely repay the effort. However, one group comprising some of the largest growers in the US is aiming higher. What they want to do is to influence retailers to adopt a common method for describing and ordering items of fresh produce electronically, to eliminate variations between different retailers. This translates into more efficient operations internally, as the need for customer specific order processes and EDI systems disappears. The members of this group meet as competitors, but on this initiative they have chosen to pool their resources and work together, for the benefit of all. Ambitious? Certainly - and it's not

something that any one of them could hope to tackle alone. But acting in concert they represent a substantial volume of supply in their home market, enough to get retailers around a table to listen. And their goal is to reduce costs in the supply chain, for the benefit of all parties. How successful the initiative will prove remains to be seen - but all credit to them for spotting an opportunity, and for partnering with one another to try and make it happen.

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