



COVER STORY

COLOR POINT

Color Point has good luck hiring its team based on work ethic and attitude.

Color Point in Paris, Kentucky is a prime example of how embracing innovation and building the right partnerships can grow profits.

Point expects to continue growing, it will do so with caution, as long as the market stays strong and financing remains adequate.

"We're about triple the size we expected to be at this point, in our third year of operation," Daniel says. "We're really happy. The growth has its own challenges but it's so far, so good. We have a master plan that we're following. We're well ahead of it and we will continue to grow as quickly as we can and as quickly as our market needs us to, but it will be somewhat tempered by our capital resources."

Partnering For Profits

In its third year of growing for Lowe's, Daniel says he is convinced this retail partnership is the best Color Point could have made. Color Point serves 46 Lowe's stores in four states.

"We really believe that Lowe's is taking the concept lead in lawn and garden and for us, that's been a big part of our growth," he says. "If you look at their lawn and garden concept, and what they've done over the last five years, they are really the lead in this industry. So we're really happy to be part of that partnership with Lowe's."

Color Point supplies Miracle-Gro branded plants to the home improvement giant, as well as nonbranded material. "This is the third year of the Miracle-Gro program with Lowe's that's been very successful in branding plants," Daniel says. "It takes a lot of work and a lot of attention to detail with tagging and presentation and quality, but it seems to work. These are all approved and tested varieties that go into the program for the best consumer end use and presentation, and delivered quality is very closely monitored."

One of Color Point's strongest marketing weapons is its merchandising service, Daniel says. Merchandising representatives for each store effectively become part of the retail team. Color Point also has begun contracting with foliage and perennial growers to merchandise their products. "Being a greenhouse grower is one thing, but merchandising just makes us more of a partner with our customers and it also helps ensure that we're involved with the customer all the way through to the retail consumer," Daniel says. "We want to be part of the sale, not just deliver the product, and it keeps us in touch with what's going on at the retail level and it also makes us better growers."

To growers who fear the onset of merchandising for their customers thanks to the realities of retail consolidation, increased competition and pay-by-scan implementation, Daniel says they'd better get in line or be left behind. "We love to merchandise stores," he says. "If you're not merchandising or trying to be merchandisers, then you're definitely going to miss out because marketing and branding is all about merchandising. If you don't understand it and you don't believe it, then I do believe that that attitude is going to make you a loser in the long run as a grower."

"We Hire Attitude"

Experience isn't a deciding factor in hiring key employees at Color Point, Daniel says. A hard work ethic and

positive attitude cancel out any lack of experience someone might have. "A lot of our people have come in without experience but we brought them in because they had the right attitude and they very quickly became integral parts of our management team," he says. Key

families. We work with them so they can be part of our team but also not forget about their family. We like to find people who want an opportunity, have the ability to meet the challenge, and when they do, they're rewarded for it."

Stay Hungry

Aside from building the right partnerships, continuous evaluation and improvement are the strategies Color Point uses to stay competitive and remain an asset to its customers, Daniel says. "Increase of sales, margin retention and increase, and inventory turns are my three marketing tools," he says. "If I can continually improve on those, then I'm going to have a marketable service and product. If I can't, then I will sooner or later lose that business. Making our customer as profitable as possible is our key strategy."

Daniel recognizes that no grower or supplier is irreplaceable, but, he says, there is no reason why growers can't shoot for retailer loyalty. Meanwhile, he says, Color Point is still in its formative years, with unlimited potential ahead of it. "We're just looking to take pride in building a quality organization that provides a great service and product to its customers and we have a long way to go," he says. "We really think the potential is phenomenal because we know how much better we can do in the future if we keep focusing on self improvement. We are never satisfied. I don't think we ever will be." GG

Color Point

Owners: Art and Ken Van Wingerden

Founded: 2001

Size: 11 acres of environmentally controlled greenhouses, 1 1/2 acres of contract growing acreage

Location: Paris, Ky.

Main Crops: Full spring and summer bedding plant programs, vegetables, perennials, pansies, mums and poinsettias

Market: 46 Lowe's stores in Kentucky, Indiana, Virginia and Eastern Tennessee, as well as 10 Sam's Club stores and 27 Rural King Locations

managers include General Manager Travis Schnitzler and Julie Fritsch in fulfillment, as well as Grower Manager Craig Daniel and Leon Ingerson in fulfillment, who were brought in from Floral Plant Growers.

Color Point offers full medical, dental and vision coverage, in addition to competitive salaries. In 2005, Daniel says Color Point will offer a 401k program, as well. "At Color Point, we're very family oriented," he says. "There is a number of people here that have large

Breaking New Ground

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NOT every growing experience is the same. That's a lesson Color Point founders learned when they established the business in Paris, Ky., in 2001. Co-owners Art and Ken Van Wingerden, former owners of Floral Plant Growers in Wisconsin, and Color Point President Bruce Daniel realized quickly that while the basics are the same in building a greenhouse operation, location, market, employee work habits and several other factors play a big role in establishing a new business.

"The best lesson that we've learned is that every greenhouse operation, de-

pending on location, the market that you're serving and the customer base you have, is very different," Daniel says. "We really thought that starting from day one, we could just apply all this knowledge that we had from our past experience and, of course, it's helped, but a lot of the same issues still come up. In a sense you can pick up where you left off, but it's always the last 10 percent of what you do that makes the difference."

Despite these minor challenges, Color Point is off to an amazing start. Forecasting growth to 40 acres in 20 years, with 5 acres built by this year, the operation is way ahead of schedule, with 11 acres of production onsite and about 1 1/2 acres in contract growing space. Daniel says while Color

Reigning In RFID

Losing carts is a fact of life in this business – one that costs growers a small fortune each year. But it doesn't have to be a problem anymore, according to the Kartkeeper System (www.kartkeeper.com).

Color Point co-owner Ken Van Wingerden always dreamed of a cart tracking system that would automatically scan carts as they were loaded on and off trucks, going to and coming back from retailers. This, in theory, would save time and money by getting carts back into production rotation faster, while eliminating the manual labor required for scanning barcoded carts upon departure and arrival. Experienced with using UPC codes for tracking carts, Van Wingerden knew about RFID (radio frequency identification) but it wasn't until he and Art Van Wingerden established Color Point did it become feasible to investigate using the technology. Ken, Art and Color Point President Bruce Daniel, began an Internet search to find companies offering RFID applications. That's how they came across AIS-Columbus, owner and founder Mike Nolan and project manager Steve Hilliard.

AIS (Automatic Identification Systems) was founded in 1985 and since then has worked with the automotive, steel, retail, distribution and healthcare industries, with both barcoding and RFID technologies.

RFID presents benefits that barcodes just can't compete with, such as read-write capabilities, allowing traceability from start to finish and back again, Nolan says. "The benefit to tracking carts is that you get them back," he says. "The challenge is to read the cart 100 percent of the time. It took awhile for us to accomplish this, but it is very important because it allows the system to do its job without adding confu-

sion or labor costs. We are operating very efficiently and giving our users unprecedented control of their cart assets."

Since the Kartkeeper System was installed at Color Point, cart loss has been reduced to a fraction of a percent. The system costs approximately \$4 per cart and \$4,000 to implement RFID technology into each loading dock. Considering the alternative, at about \$300 per cart on average, with an annual 5% loss, the Kartkeeper System offers a great ROI, Daniel says. "I think larger growers should adopt the system," he says. "The economics of it, just from the pure standpoint of lost carts, is definitely worth it. But also there's an opportunity cost here. When you can't get your carts back in the spring, you're losing sales and this system helps you maximize getting carts back to your greenhouse for shipping the next day."

Color Point, Mid American Growers and South Central Growers are all using the Kartkeeper System to date, and other operations are currently looking into customizing it to their particular needs, Nolan says. "We now have installations in three states and have a list of future Kartkeeper users that are helping us determine the complete requirements for this industry," he says. "We expect to be adding to the installed base significantly in 2004."

Other applications in the floriculture industry will be forthcoming once RFID tags become more affordable, Hilliard says. But with the implementation of RFID tags into all Wal-Mart vendors' distribution cycles by 2006, he expects the technology's costs will be reduced significantly in the future, allowing for even more valuable capabilities. These include item identification, smart shelving, sensor technology and more.

For more information, contact AIS, 614-431-3300; www.kartkeeper.com.