

NURSERY PAPERS

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DATA THE KEY TO A NATIONAL INDUSTRY VOICE

Collecting data about nursery production is challenging, due largely to the diversity of the industry and the number of times plants can be sold before reaching the end user.

Whether you are a business operating in the nursery and garden industry in Australia, a key stakeholder representing industry interests or a commercial enterprise looking to engage with businesses in the industry, the lack of accurate data makes it difficult to plan for the future.

This Nursery Paper looks at why the nursery and garden industry should embrace the capture and sharing of information. Through commentary from a leading industry grower, it examines how the benefits of industry data for individual businesses can outweigh concerns around sharing information.

A new project addressing industry data needs is underway. The consortium of Nursery and Garden Industry Australia (NGIA), ACIL Allen Consulting and Down to Earth Research is on a mission to collect statistics accurately and in enough detail to track industry performance over time, assess market trends, and prioritise spending for the future.

Summary

- Information collected through the current project will be collated before being provided, and therefore individual business details will not be known to industry
- The benefits of industry data for individual businesses can outweigh the concerns around sharing information
- Accurate data will back up efforts to advocate to governments about the value of the industry and the need for support on training, biosecurity and other initiatives
- *Nursery Industry Statistics and Research* (NY16004) will deliver a Data Tool designed following in depth interviews on the data needs of end users

NURSERY INDUSTRY DATA COLLECTION AND ANALYSIS

The recently contracted *Nursery Industry Statistics and Research* (NY16004) project will collect industry data to provide an accurate industry snapshot, and prepare the industry to harness the benefits of having the data.

The project involves learning and overcoming the barriers to data sharing and understanding the information needs of data users through in depth interviews.

The results of these interviews will guide the primary collection of nursery data from a random sample of industry businesses.

An analysis of all available existing data will be completed and a Data Tool capturing both primary and secondary data sources will be delivered to industry.

The project is expected to be completed by November 2017 at which point recommendations will be considered for future collections.





IMPLICATIONS FOR THE NURSERY INDUSTRY

As the old adage goes, if you can't measure it, you can't manage it.

A comprehensive data collection system across the nursery and garden industry would give industry members the ability to track trends against historical data and use this information to enhance operations.

By identifying the buying trends, industry can analyse the data to make intelligent production decisions for the future, and measure the success of levy spending on campaigns such as 2020 Vision.

National and state ratios in specific areas such as wages, productivity, average turnover and percentage of stock value sold, could also allow nurseries to benchmark their own businesses against similar operations, and provide data to support business transfers for those moving in and out of the industry.

The lack of solid data on how many businesses the industry represents and how many people it employs makes it challenging to prove the nursery and garden industry's impact on society.

Importantly, the combined information of all contributors will deliver a powerful opportunity for nursery industry association bodies and key stakeholders to advocate with government about issues such as the need for training, and help to raise the profile of the industry by providing accurate figures on its contribution to the national economy.

With the support of solid, reliable, independent data, nursery businesses will attract genuine investment for long term performance and growth, and capitalise on the opportunities available.

GOOD DATA IS ESSENTIAL TO BUSINESS

The collection and use of data is critical to Hamish Mitchell's business of growing and selling premium quality landscape trees in Narre Warren East, Victoria, and he believes it's also the key to the nursery industry being recognised as a major player in the national economy.

Speciality Trees employs 20 people over two 8-hectare sites and supplies landscapers, developers, councils, and high-end gardens with quality tree material.

Within the nursery, computerised systems collect data on more than 350 different varieties of trees ranging in size from five litres to 300 litres. This information is critical to stock control,

sales, resource planning and tailored production plans for each variety.

Each tree has an individual identity number and can be tracked from entry, through the nursery to planting by the end customer. The majority of Speciality Trees' stock is delivered direct to site, and can be monitored afterwards for performance and then evaluated to improve processes.

Data on the number of trees potted, what is sold and the amount of waste incurred in the process is regularly analysed to assist managers to make informed decisions on the needs for the following season and to maintain a process of continual improvement.



Hamish Mitchell of Speciality Trees says a lack of industry data makes it difficult to compare and benchmark the performance of his business with industry averages.



The business has been growing at 10 per cent or greater per annum since Hamish and his wife Gaby took over 10 years ago, but he's not sure whether growth figures are the same for other operations, due to the lack of data.

Hamish strongly supports *Nursery Industry Statistics and Research* (NY16004) because he says it is difficult to compare and benchmark performance of his business with industry averages.

While it has been slow progress, nursery industry businesses now recognise that it is vital to behave professionally to be recognised as professional. Understanding who is buying what, when and where the growth areas are, provides the ability to make intelligent future-based production decisions.

It is anticipated the project will deliver a raft of national and state ratios in specific areas such as wages, productivity, average turnover and percentage of stock value sold, to enable nursery operators to benchmark their businesses.

Using a professional data collection agency and analysts who are independent of industry helps to ensure that information will remain anonymous.

Hamish believes the benefits are endless.

"If we can compare what's happening in all states and look at what's working best and where, we can develop strategies across the country, and promote the industry and the value of what we do," Hamish said.

Understanding not only the value of the product but also the value of what the industry contributes to the economy and the community will drive many benefits in a higher profile including assisted training and employment.

"As we drive productivity, we drive profitability. If no-one knows what the average return on investment is, how can we measure whether we are being successful or encourage investment in the industry?"

Hamish sees data collection and analysis as a way to maximise benefits for the entire industry, with respect

to providing more trees and plants for health benefits and greater green environments to offset the effects of climate change.

He believes the nursery industry is at the forefront of change and opportunity.

"The next 50 years present an exciting opportunity for the industry to be recognised as a solution to a heating planet, with all its associated health and wellbeing issues, but we must define and communicate who we are, quantify what we do and establish how to work better together for the collective good."

And he says, change the industry's traditionally laconic nature to one of a more business-oriented, long term performance.

"There's a really positive feeling in the industry and massive opportunities. Too many nurseries start up and then they shut down. With the support of solid, reliable, independent data we will be positioned to grow our businesses and attract genuine investment for long term performance and growth."



BENEFITS OF USING DATA IN YOUR BUSINESS

Having the ability to benchmark performance against industry averages provides greater confidence in decision making and supports business investment and strategic planning, and reduces risk.

Business owners can better serve customers via informed product development, service enhancement and to take advantage of forecasted opportunities ahead of competitors.

In this current project, nurseries and allied businesses will be asked up front, what information they're willing to share, and how they might use information if it was available. All information collected will be collated before being analysed; therefore, individual business details will not be known to industry.

The Nursery Industry Statistics and Research (NY16004) project is being conducted by Nursery and Garden Industry Australia, combining its networks, experience and knowledge with that of two other partners:

- **Down to Earth Research**, a social and marketing research company with extensive experience in conducting evaluations and surveys, data analysis and reporting.
- **ACIL Allen Consulting**, the largest Australian-owned independent, economic, public policy and public affairs management consulting firm with expertise in data and statistics research and analysis.

Anyone seeking more information about the project, willing to participate, or interested in hearing when the final data tool is released, can email NGIA at stats@ngia.com.au



LINKS TO RESOURCES

Australian Horticulture Statistics Handbook 2014-15

<http://horticulture.com.au/resource/australian-horticulture-statistics-handbook/>