

## **Case Study**

For immediate release 15 May 2018

## Driving profitability: a freight and logistics focus at Overland



Nursery businesses stuck in the slow lane are being encouraged to rethink logistics and transportration as just one of the ways to boost their profitability, according to Sales Manager of Overland Nurseries, Brent Tallis.

Overland Nurseries is a family owned and operated nursery located in Arcadia, on the outskirts of Sydney supplying trees, shrubs, climbers and ground covers, in sizes of 100mm to 300mm, throughout NSW and the ACT.

Set on a 4.7-hectare site, the NIASA accredited\* and award-winning production nursery has been in operation for more than 40 years. Currently managed by brothers Brent and Scott Tallis, the nursery employs 10 full time equivalent staff.

The nursery supplies large retailers such as Bunnings and BIG W, as well as Independent Garden Centres and Wholesale Nurseries. Like any modern business, the nursery is faced with increased pressure to produce more, with less.

Brent says that identifying efficiencies within the nursery, without compromising stock quality, has been a key focus for Overland Nurseries, which has managed to nearly double its turn over in the past six years.

"We've really had to change our thinking and move with the market. The business was stagnant, and with the increasing cost of land and margins becoming smaller, we knew there was a need to supply more stock using the same amount of land," Brent said.

"As a starting point, we made the decision to invest in two more full time staff and implement new systems that would enable us to increase our volume of nursery stock. Six years down the track, our annual turnover is over \$1.5 million, up from \$800,000 previously.

"Next we looked at one of the most costly areas of the business – logistics and freight setup – including how new orders are processed right through to dispatch and the delivery of stock in store.

"Mechanisation has been key. On the logistics side, nursery trolleys have made it easier to load and unload. Before this, plants were loaded by hand onto shelves in cardboard boxes instead of plastic trays that are used today.



## **Case Study**

"Today, our trolley shelves are adjustable to hold a range of different plant sizes. Once plants are ready for dispatch, trolleys are lifted straight onto the truck with a hydraulic tailgate system.



"A job that took us 2 hours, now only takes 20 minutes. On top of that, the plants arrive at the retailer in better condition and are unloaded closer to garden beds, which saves time and double handling and, in turn, minimises plant damage.

"As growers know, systems such as trolleys and shelves can differ depending on who you supply to, but making the right investment for your business will pay you back over time."

Large retailers usually have their own freight systems that nurseries need to comply with and in the case of Overland Nurseries, it's provided the business with increased flexibility in terms of the number of deliveries each week.

"Having up to four pick-ups a week has provided us with more flexibility. If we receive an order later in the week, we can still supply the majority of our customers. Spreading our pick-ups over the week has worked really well for us."

Brent's message to growers is to take a closer look at transportation and decide if owning or leasing a fleet, working with freight companies, or having a combination of both is best suited to the needs of the business.

"Owning or leasing a truck works well when it's on the road and delivering every plant," he said.

"Trucks aren't free to run and if they're not delivering plants, they're not increasing your profits. We previously ran two trucks and a van, and we just couldn't fill them up: we were paying for 52 weeks of expenses but only utilising them for about 30 weeks a year.

"We also narrowed down the number of freight companies we used and decreased our contracts from five to three, which gave way to more volume and more leverage in terms of flexible picks ups, especially if bills are paid on time and plants are ready to send.

"Once the plant leaves the nursery, we know its in good hands. Contractors handle break downs and with better care and procedures at the end point, it's reduced stock damage and the liability on us."

Brent says that in addition to his freight and logistics review, a range of other innovations have occurred in the business, from automatic potting machines right through to bulk barcode printers, leading to incremental changes that have boosted profitability.



## **Case Study**

To learn more, watch Brent's video: https://www.youtube.com/watch?v=bUSfHHkp1FA&t=18s

To find out more about logistics and freight, and other ways to boost your productivity, see the comprehensive <u>online</u> library of Nursery Papers.

\*Nursery Industry Accreditation Scheme, Australia (NIASA) is the national nursery industry Best Management Practice (BMP) program for production nurseries, growing media manufacturers and greenlife markets: www.nurseryproductionfms.com.au.



\*\*\*\*ENDS\*\*\*\*

For further information, please contact Sophie Keatinge, Cox Inall Communications, on 0430 938 515 or sophie.keatinge@coxinall.com.au

This communication was funded by Hort Innovation using the nursery research and development levy and funds from the Australian Government.