



CASE STUDY 6

LEAN BUSINESS PROCESS DESIGN FOR INTERNATIONAL AGRICULTURE FIRM

SITUATION

Agriculture firm headquartered in Oxnard, California with locations in Northern California, Oregon, Florida, Mexico, Baja and Europe had grown from a small family farm to the largest berry grower in North America. Their organization included wholly owned ranches, variety of partnerships with family owned ranches and contracts with growers. This was a very complex corporate structure and as the company grew they needed to locate offices close to all the ranches with accountants to support the financial requirements.

The contracts between the company and the partners require that the company maintain a general expense ratio of 4% of revenue. This was beginning to be more difficult the larger the company became.

The CFO had received numerous different ideas about how to control costs and he was not sure what if any of the solutions would be effective in the company. The new CIO had also suggested that the company should invest in a new ERP system. The CFO and corporate management were not sure what a new ERP system would do to reduce the expense costs.

SOLUTION

The company contracted with LJR Consulting Services (LJRCS) and Lynda Roth to perform an assessment in the following areas:

- identify the potential business process modifications that could help the company reduce FTE requirements
- identify technology solutions that could help the company eliminate manual processes
- identify the benefits of a new state of the art ERP systems
- evaluate the current internal IT department.

LJRCS identified numerous new business processes and technology solutions that could be implemented in the company that would significantly reduce the time required to perform routine business processes. In addition, LJRCS provided the justification for a new ERP system and a new field data capture system.

When the assessment was completed, LJRCS was asked to continue to work with the company to redesign their business processes and define the business requirements for the new ERP system. LJRCS built teams with representatives from all major departments



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including operations and IT. LJRCs worked with the teams to train them to redefine business processes based on lean process techniques and to select technology solutions to enable the new processes. The teams also provided the IT department with requirements for the new ERP system based on the revised business processes.

BENEFITS

As part of the lean business process project, the teams identified several new processes that could be implemented immediately without the new ERP system and save the company time and money immediately.

The IT department identified the ERP system finalists based on the newly defined business processes and system requirements. The accounting department then selected the system to be implemented. Once the system and the new processes are implemented, the CFO estimates they will be able to reduce the accounting staff by 50% while supporting the planned growth of the company over the next 5 years.

In addition, one of controllers had become very proficient in the lean business process design and was promoted to be the project manager of the lean business process project and the ERP implementation.