

2. Heung, Shi-Luh, Rosa and John J. McGuire 1973. Effect of formulation on uptake of 3-indoleacetic acid in cuttings. *Proc. Int. Pl. Prop. Soc.* 23:296-304.
3. Henrietta, J.G. 1974. Rhododendron propagation. *Proc. Int. Pl. Prop. Soc.* 24:396-401.
4. Hartmann, H.T. and D.E. Kester, 1968. *Plant Propagation: Principles and Practices*, 2nd ed. p.262.
5. Wells, Jeremy 1974. Use of fungicides in rooting compounds. *Proc. Int. Pl. Prop. Soc.* 24:353-395.
6. Wain, R.L. 1974. Plant growth substances. *Proc. Int. Pl. Prop. Soc.* 138-143.
7. Whalley, D.N. 1969. Effect of growth regulators on rooting of gooseberry cuttings. *Comm. Gr.* 3811,83.

COSTING AS A MOTIVATIONAL TOOL

EARL H. ROBINSON

American Garden Cole

Hamilton, Mississippi 39746

Can costs be effectively tracked in the nursery business? How can tracking costs help you on an everyday basis? How often do you take a look at costs? How about your supervisors? Why budget? Who creates your budget?

These are some questions I want to deal with here today. I have had the privilege of working side by side for the past two years with a CPA. He has devoted the last 8 years to developing and refining a cost accounting system that is simple enough to give daily information in running a nursery business and motivating supervisors in a positive way.

At American Garden Cole, budgeting and reporting are a way of life. If no useful benefit comes from this effort at the branch level and by the people reporting, this becomes a burdensome task.

American Garden Cole (Hamilton) is a container growing facility that has been developing over the past five years. The *motivational* aspect of costing actually begins with the preparing of a budget for the next fiscal year. Our budget is prepared by the people actually responsible for the work. For example, the pesticide budget is prepared by the man in charge of all spraying, the herbicide budget by the man in charge of weed control. Labor is budgeted by comparing past performance and looking at new methods and changes in procedures. With all these "numbers" in and budget approved, we begin to track our costs on a daily or weekly basis and compare with what we said we would do.

Now of course, you have other benefits from budgeting, too. For example, cash flow requirements are easily determined. But

from a production standpoint the greatest aid is in knowing what costs are running compared with a given goal in regard to labor. We now have a sound basis for praise, bonus incentives, or looking into problem areas before they get out of hand. We use the following forms to record field information:

1. Foreman's Daily Report — gives time spent on the various activities, each of which is given a simple code.
2. Secretary's Summary — hourly rates are computed to each cost, or operation.
3. Secretary's Weekly Summary — hours and dollars are summarized.
4. Secretary's Weekly Comparison of Actuals to Budget — face the music.
5. Secretary's Daily Comparison of Unit Cost for Production — costs are given for cuttings, potting and canning.
6. Month End Reports — the overall status of our operation is summarized.

As you can see the only demand on our skilled men is on the daily report. This form, as well as all others, has been designed by Bill Yarbrough, our comptroller (CPA), for simplicity and ease of using them.

Seldom are we right on target. The variances are discussed to see what is causing the difference, particularly when unfavorable, as we need to make changes at once.

All our supervisors enjoy helping to "build" the budget and are eager to see the results when we start comparing our "actuals" to what we said we would do.

Our system is such that we do not spend a great deal of time in hunting this information; it flows rather smoothly as long as everyone follows through. Actually the management and control of spending is transferred to more people. In this way the people in control are on the firing line and can make needed adjustments as they go.

As you no doubt have gathered, we have been dealing primarily with costing labor, and the reason for this is that labor is our biggest cost and where the most savings can be realized. The cost of containers, soil mix amendments, pesticides and fertilizers are all generally fixed. We do need to use them efficiently and effectively, and buy right, but this will not affect cost to the same extent as efficient management of labor.

Now, let's answer the questions:

1. Can you effectively track costs in the nursery business? Yes, by using simple systems and an uncomplicated means of reporting what is happening.

2. How can tracking costs help you on an everyday basis? I think that by keeping up with unit costs of production on a daily basis it is possible to know the status of your operation at all times. It certainly aids supervisors to assist in the control of these costs as they work with you.

3. How often do you take a look at costs? How about your supervisors? I will answer this from my experience. We look at unit costs of production daily; that is cuttings, potting and canning. All other costs for labor we examine weekly. Monthly we study over-all performance, which includes purchases of supplies and services.

4. Why budget? Who creates your budget? Again, from my standpoint, we budget to have some idea where we are going and what it *should* cost to get there. Budgeting also gives a measure with which to compare our performance as we go. Our budget is prepared by all supervisors contributing from their vantage point.

The objective from a motivational standpoint for budgeting and costing is to get everybody involved that is going to participate in controlling costs. Objectives established by responsible people are as effective a motivational tool as I have found. They will make every effort to accomplish the goals they have helped establish.

Bonus incentives, if desired by management, can be based on reaching these goals at year end or throughout the year at definite time intervals.

PRODUCTION OF LINERS FOR FIELD CULTURE

DENNIS V. McCLOSKEY

Windmill Nurseries, Inc.

Franklinton, Louisiana 70438

There are numerous ways to root cuttings and germinate seed — most of you have selected a method that is most productive and profitable for your business.

This morning I would like to explain the method we use at Windmill Nurseries to produce liners and to transplant these to our field. All of our broadleaf liner production for the field is handled as follows:

First: The cuttings are rooted in metal flats or seed is germinated in flats. Our medium is composed of 17 4-cubic foot bags of perlite and one 6-cubic foot bale of peat moss. Depending on cultivar, from 150 to 500 cuttings are placed in each flat. Women do all of this work on an hourly wage basis. They take, strip and stick the cuttings. I am satisfied with a 2000 per day