

# SATURDAY MORNING SESSION

October 17, 1964

FIELD TRIP TO OKI NURSERIES, INC., SACRAMENTO.  
Group Leader — George C. Dobbins.

## IBM: INVENTORY AND ACCOUNTING

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Oki Nursery, in the fall of 1963, was approached by IBM concerning the possible installation of data processing equipment. After many hours of consultation and research into the operation of our wholesale nursery business, IBM determined that an installation would be economically realistic. The actual installation of IBM equipment was made in late December 1963 with a date of January 10, 1964 set as the target date to be operational.

IBM designs and builds each system to the needs of each customer. For this reason, installation can be painful until the 'bugs' are worked out of a system. We did suffer such a period and did not become fully operational until February 10, 1964.

As part of the research prior to the installation, it was determined that one of the areas of information most lacking in the nursery industry was sales analysis. It is from sales analysis that you are able to program production from propagation to finished product. With this in mind, the accumulation of information for sales analysis became an important by-product of our projected operation. As it has turned out, most of our hopes and expectations for our system have been realized, although more time has been needed to make conversions than we had anticipated.

This gives you some history of our system and the fundamental reason why we converted to IBM. In this afternoon's presentation by Mr. John Parr of IBM, you will hear of our future hopes and expectations for automating accounting and inventory procedures. From here on, I will only be concerned with what we have done and are doing, with data processing with regards to accounting and inventory.

Before proceeding to specific jobs and how we are doing them, let me explain that data processing uses as an entry method into the system, an IBM card. This card with its numerous, small, rectangular punched holes, is familiar to most of you. These cards are a basis for all transactions recorded by the machine and actually become history of what transpired. Each hole in the card represents either an alphabetic or numeric

character. To process these cards, we have installed three pieces of equipment:

1. #403 Accounting Machine — This is the brains and the heart of the operation, doing all of the actual accounting and calculation.
2. #82 Card Sorter — This piece of equipment allows us to sort the IBM cards into any numerical or alphabetical sequence.
3. #526 Printing Summary Card Punch — This machine is our entry to the system by punching the holes in the cards. It is also hooked up to the #403 to automatically punch summary cards.

In establishing our system, it was essential to set up two sets of files from which to work.

1. Name and Address File — Each account was assigned a number and a set of cards punched with information concerning that account.
2. Item File — Each item in our inventory was assigned a number and a stack of cards punched with this information.

We are presently performing the following operations on our equipment:

1. Order Writing — A hand written order is received from our salesmen on our IBM numerical order sheet and a deck of IBM cards is pulled from the file to correspond with this order. From these cards, the #403 writes an order copy.
2. Label Writing — A rerun of these same cards produces labels which we use in our fields to assemble orders.
3. Invoice Writing — After delivery of the order, another rerun of the same deck of cards produces a completed and fully extended invoice. Also produced is a summary punched, accounts receivable card.
4. Accounts Receivable Accounting — An accumulation of the accounts receivable summary punched cards is made, and these as a group, make up our accounts receivable. As payments are made, cards are removed from this file and only outstanding items are kept in this file.
5. Inventory Updating — By processing the item cards after they've been used for invoicing, we are able to keep an up to date inventory of what we have in stock.
6. Sales Analysis — By again processing the item cards we are able to break down our sales in any manner we wish; by salesmen, by area, by type of account, by item, by location or any other conceivable way.

All of these jobs mentioned are inter-related and are a result of sales. They are all dependent on the individual item card. Presently, we are performing all of these jobs with the exception of inventory updating. We currently are setting up files for this operation and should be in full operation with this

by October 30. One side light of this is that we've just completed a fiscal inventory and used the #403 to do the calculating involved. I estimate that we have saved 40 to 50 hours of labor in doing our inventory in this manner.

In the planning stage for November, is a conversion of payroll to the machine. When this is done, we will not only be able to do payroll much faster and more accurately, but we will have a good set of labor costs. Also in the planning stage, but some months away, is machine-operated accounts payable.

What are our conclusions regarding IBM data processing for the nursery industry?

1. We are no different than other industries — we have a product to produce and sell, and our accounting and related chores can be done with data-processing.

2. Our present size of operation is such that we feel we are approximately breaking even, cost wise, comparing manual operation to data processing. The advantage is that we have ample room for expansion without increasing our machine or labor costs. Further growth of our company will be the payoff.

3. The accuracy of the equipment is 100%. There is no error. This has made each of us at Oki Nursery increase our own accuracy and efficiency.

We at Oki have found the last year most challenging and interesting in making this conversion to IBM. It has made us change our thinking and to come up with new concepts of operation. In doing so, we are proud that we are the first nursery to entirely convert to IBM data-processing.

### **PROPAGATION PROCEDURES USED BY OKI NURSERY PROPAGATION DEPARTMENT**

EDWIN S. KUBO  
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#### *Collection of Cuttings*

1. Use sharp shears
2. Use clean polyethylene sheets to collect cutting material.
3. Protect the cutting wood against direct sunlight when working in the open.
4. Take cutting wood to propagation shed as often as necessary to prevent desiccation.

#### *Cutting Procedures*

1. Wash cutting wood on rack as soon as it is brought in from the field.
2. Keep cutting wood moist with mist until time of use.
3. Use sharp shears or knife to make the cuttings.
4. Length of cuttings are 3 - 4 inches long.
5. Dip finished cuttings for 10 minutes with Morton's Soil Drench C at the rate of 1 tsp. per 5 gallons of water.