

# April/May Newsletter



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## Progress update



Progress will be shown through the coloring of the Flower as we move forward with more projects reaching a stage where all efforts to achieve the 2023 impact have been completed (so-called L4 approved) and of course through the project specific articles. The more projects reach L4, the more colourful our flower will become.

Since last newsletter 12 projects were approved to move to L4 (#130, 149, 185, 192, 213, 273, 287, 295, 417, 434, 460 and 4406) and another 6 projects have been submitted for approval. Below you will find more information on the L4 projects. Great progress and we anticipate approving some significant growth projects in L4 soon.



*Jasper de Gou,  
Transformation Officer*

## Flower Power achievements around the world

### *Cut Flowers – Outsourcing (Project 130)*

Project Mayflower was an outsourcing project for the rooting of Cut Chrysanthemum in the Netherlands. The outsourcing of these activities marked the end of an era. For decades we have been rooting Cut Chrysanthemum at Coldenhovelaan in de Lier. Due to an increasing cost price and a declining market we were faced with two options: investing in greenhouses and automatization or combine forces with our colleagues from Deliflor and Royal van Zanten. After an extensive process of looking at these options, the choice was made to outsource our rooting activities. We took a gradual approach in which we started phasing out our activities at Coldenhovelaan in September last year. By January this year all our rooting activities were outsourced.

Unfortunately, the outsourcing had a negative effect for a group of our colleagues. Their jobs ceased to exist. Luckily with the help of our HR department and the other operations which we have in the Netherlands, we were able to give the majority of the affected colleagues a new position within Dümmen Orange. This project is a huge success and a good example of a collaboration between multiple departments.



*Frank Wagenaar, Supply  
Chain Director Cut  
Flowers*

### *China (Project 434)*

Among the Flower Power projects for China, project 434 was our first to reach L4-Approved stage. This business project was an enabling project in which we were to draft a new growth strategy for China and in which we would change our previous business model of some direct sales and some licensing, into a 100% licensing set-up and position ourselves clearly in the Chinese market as a breeding company.

Crops for which we needed to find a new partner in China to cooperate to keep the mother plants and distribute the cuttings included kalanchoe, pot chrysanthemum and garden mums among others. Fortunately for this we could rely on our long-term partners in China and we were able to make this transfer also with the support of the growers to whom we sold directly previously. Whilst of course some technical challenges still exist and dealing with the inconvenience that our product specialists could not travel



*Henry Heish, Commercial  
Director (China & Taiwan)*

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to China due to COVID to guide our partners in person, we are very happy to share that we are now able to offer young plants to growers for all the crops we had to transfer within the project and that sales are now ongoing.

Although this project has now passed the L4 stage gate, we very much see this as another beginning, in which through attentive cooperation with our partners, we need to ensure that with continuous variety renewal and supporting our partners and growers to make a quality step-change, we can grow our business sustainably in China.

## *APP EMEA (Project 460)*

When I started at Dümmen-Orange, last year 1st of July, Paul Evers and I (Jeroen Meeder) were teamed up to make 2 business plans out of the ideation sessions. Project #460 was one of the 2 projects.

On May 11th our project #460 Grow shoulders of peaky crops has been approved to L4 status. Paul and I are responsible for this project and also for project #457 Using additional sales opportunities pot plants on the discount retail market.



*Jeroen Meeder, Sales  
Manager Benelux  
Annuals & Perennials*

As we made our first analysis from several crops, we have selected 10-13 crops. During the several sessions together with the FlowerPower Team APP EMEA led by Dominic, we came to the conclusion that for several crops we had an overlap with other projects. Taking double counting out means that we are now focusing on the PVC crops (Petunia, Verbena and Calibrachoa).

The main goal is to create extra orders in these shoulder weeks. Shoulder weeks are the weeks before and after peak delivery weeks. In production we have to build to these peak weeks. By building up our production, the cuttings in the earlier weeks we find new customers/orders in the market. This helps us not only in extra turnover but also in better margin. This is the same for the weeks after the production peak.

Paul and I are monitoring these shoulder week orders and we tag them with this project number in PAT. In this way we can easily see our progress in comparison to earlier years. We're proud that we've reached the L4 status.

## *APP NA (Project #295)*

Our APP NA team is involved in a number of FlowerPower projects. Project 295 is focused on our 3rd party brokerage business with an emphasis on our key growers and broker partnerships. Each year our Sales team builds their strategy for the next selling season. The strategy is very robust and well thought out, but silo'd as it is completed only by the sales team. As a group we saw the need to involve our peers from other groups to build a strategy as a team. This past January each of our Regional Sales Managers participated in a working strategy session with our Product Manager to develop a joint strategy. The result is a fully integrated strategy across multiple teams which allows for efficient execution and ultimately profitable growth. The 2nd part to Project 295 is partnering with our individual Broker Reps in building a joint strategy. This is typically executed with face to face meetings in which we were all challenged with this past year. As a team we resorted to Zoom meetings, Outdoor Meetings, etc.



*Pete van Grouw, Sales  
Manager*

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As the US starts to open up we will be able to execute these face to face meetings more regularly. Regional Broker Meetings, Trial Meetings, Joint Customer Visits, Etc. are examples of how we will be approaching these meetings.

As Hugo mentioned in the kickoff to FlowerPower this project is about refining our current process and strengthening our core so we can get more out of our existing partnerships. Project 295 does just that and we look forward to continued sales growth.

## *Tropicals (Project #284 - River)*

After years of considerations, FlowerPower has been an enabler to start with Project River at Tropicals NL. At Tropicals NL we produce our Anthurium which are sold across the globe. Over the years we have seen an enormous growth in both market demand and market share. To keep up with the pace Tropicals NL has been producing more and more.



*Stef Ramaker, BU  
Controller Global Tropicals*

Project River is all about being able to produce more, be cost efficient and deliver better quality to the customer. Project River automates the sorting of cuttings after being cut from its mother plant. Four cameras judge every individual cutting on various aspects, amongst others size and quality. The system will then sort them into different baskets after which they will be stuck in a plug. At Tropicals NL we have dedicated workers who are able to do this at lightning speed. However, the camera system can be even faster and at the same time increase the quality of judgement by assessing the cutting. The camera will learn based on a process called 'deep learning', which will be a continuous improvement process for its judgement of the cutting. By sorting the products faster and more accurately we will save time and have a more uniform quality in the process. Our customers will be very happy with that improvement! At the same time this automation process will enable Tropicals NL to be price competitive in the market for the years to come.



*Our Red Winner Anthurium*



*We had to build a new greenhouse to make this happen!*

*We have also taken this opportunity to improve the working conditions of our colleagues. Our 'cutters', who take the cutting from the mother plant, now no longer have to work inside the hot and humid greenhouses. We now bring the plants to the 'cutters' in a nicely air-conditioned space!*