


Foodstuffs embraces enterprise mobility from the warehouse to the customer

CASE STUDY

CUSTOMER PROFILE	
Company	Foodstuffs, Wellington, New Zealand 
Industry	Retail/Grocery Chain
Symbol Solution	Symbol PPT8146 Mobile Computer Symbol VRC6946 Vehicle-mounted Computer Symbol MC9000 Series Mobile Computers Symbol AP4131 Access Point Symbol Portable Shopping System Symbol Mobility Services Platform
Solution Features	Bar code scanning Mobile computing Wireless networking Mobility management software
Benefits	<ul style="list-style-type: none">• Improved visibility into supply chain operations• Customer self-service for increased satisfaction• Efficient inventory management and ordering process• Central management of IT investment

Company overview: Foodstuffs

Formed in 1922 as a buying co-operative for the Auckland Master Grocers' Association, today the Foodstuffs (Wellington) co-operative is a leading wholesaler, distributor and retailer of groceries in New Zealand. The co-operative also owns and manages extensive warehousing and transport operations, and employs more than 6,000 people.

A progressive organization, Foodstuffs continually investigates how best to service its customers, partners, suppliers and employees. One of the most successful initiatives recently was the organization's embrace of enterprise mobility.



The challenge: Automate manual processes to gain insight into operations

With over 650 retail outlets across New Zealand, Foodstuffs' supply chain is an integral part of its operations. Foodstuffs had realized that its supply chain processes were unnecessarily complex, placing a strain on resources and ultimately its bottom line.

In the warehouse, staff used a manual-paper based system to pick and pack products for distribution to Foodstuffs' outlets. Information was manually handled by numerous staff members before it was entered into the system and a packing slip produced for forklift drivers. Similarly, when goods arrived at Foodstuffs' outlets, products were manually searched for, sighted, counted and marked. Given the size of most deliveries this manual process was particularly time intensive.

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—Murray Gray
Support Manager, Foodstuffs

Foodstuffs ordering system was also affected by lengthy manual processes. Previously store staff or sales representatives would visit stores with a printout of specific products and relevant sales figures to do a manual stock-take, and then manually create the order. This process could take as long as 30 minutes per order and would be undertaken thousands of times every week.

"All these manual and paper-based systems were slowing down the distribution of goods to our outlets," explained Murray Gray, Support Manager, Foodstuffs. "They were also prone to human error because information was being handled two or even three times by different people. These inaccuracies were costing the company money."

"We needed to simplify our supply chain processes to increase accuracy and free up resources to concentrate on other tasks," said Murray.

The solution: Mobilizing the supply chain

After assessing a range of options, Foodstuffs began looking for a mobile solution to increase efficiency across its supply chain. By enabling staff to capture information at the point of activity and enter it directly into Foodstuffs' system, stock could be delivered faster and with more accuracy.

Foodstuffs made the decision to use mobile devices from Symbol based on its innovative products. Murray said, "At the time Symbol was the only company to have a robust Microsoft-based product with a built-in scanner and 802.11 RF communication capability. The ability to scan and register products would simplify our supply chain drastically, and the Microsoft-based operating system made integration with our core systems easy, so we originally purchased the PDT8146. Additionally, the devices were made rugged enough to withstand the supermarket environment."

"In the warehouse Symbol devices have reduced the amount of steps involved in picking, packing and delivering orders. Now, as soon as products are scanned they're automatically put into the database; there's no more double handling of data as it's entered into the system," Murray continued.

"We surveyed what existed internationally and there were some compelling technologies available, but Symbol's Portable Shopping System (PSS) stood out as the most mature system around. It was a proven solution with a satisfied customer base in retail overseas."

—Egon Guttke
Group Manager, Information Systems and Services, Foodstuffs

"Our forklifts have mounted units (VRC6946's) that tell drivers where to go, what to pick and allow drivers to scan products without leaving the vehicle. As products are packed, the system updates itself so that we can accurately track inventory, and this is linked to the ordering system so that buyers know if anything can't be supplied and can re-order quicker as well," said Murray.

Foodstuffs also use Symbol mobile devices for tracking goods as they arrive at outlets. Upon delivery, products are scanned and matched to the original order. This automatically creates a sheet of any overcharges/shortages and issues a credit note accordingly, speeding up the backdoor process considerably and increasing accuracy.

Murray continues, "We're now in the process of introducing the MC9000 range of Symbol devices to improve order processing by Foodstuffs' reps. Instead of doing a manual stocktake, store staff or reps use the MC9060-G to scan products on the shelf and then place an order directly. This has halved the amount of time it takes reps to place orders and drastically speeds up our supply chain."

"Introducing Symbol devices into our supply chain has helped ensure that the right products are on the shelves and alleviated the strain on our resources," said Murray.

Solution expansion: Empowering customers with self-service increases satisfaction, loyalty

Confident with the implementation of Symbol devices in its supply chain, Foodstuffs began to investigate options for speeding up its customer checkout process and again found itself looking at a solution from Symbol. Operating in the highly competitive New Zealand retail market, Foodstuffs was keen to create a point of differentiation for itself and identified the checkout process as an area for improvement.

A flagship brand for Foodstuffs is the Pak'n Save range of supermarkets. A high-volume bulk-purchase focused supermarket, Pak'n Save has 36 stores throughout New Zealand. Along with sister brands, New World and Write Price, it accounts for 56 percent of the national supermarket business.

Egon Guttke, Group Manager Information Systems and Services, Foodstuffs said, "Our research showed that the number one issue for supermarket customers is waiting at the checkout. Traditionally, only customers who buy a small number of items are catered for with specially designed express lane checkouts. We wanted to address the imbalance of service between high and low value customers. It made sense that our higher spending customers should benefit as much if not more than those purchasing less items."

"By addressing this imbalance we could reward our higher spending customers and create our own competitive advantage."

"We surveyed what existed internationally and there were some compelling technologies available, but Symbol's Portable Shopping System (PSS) stood out as the most mature system around. It was a proven solution with a satisfied customer base in retail overseas," explained Egon.

Symbol's end-to-end PSS is based on a handheld rugged mobile computer that lets customers scan products as they add them to their shopping trolley. The mobile handset is connected to retail point-of-sale systems via an IEEE 802.11 wireless LAN. The system is also fully integrated with POS, and at the checkout customers will rapidly finalize and complete purchase transactions.

Each store carries approximately 100 PSS handheld units connected to a Symbol supplied radio frequency infrastructure. "Our stores are approximately 5000sqm in size and we use between 10-12 Symbol AP4131 access points per store to create a wireless network which is sufficient to provide coverage and manage data flow throughout the store," said Egon.

After initial trials in one Pak'n Save store, Foodstuffs is rolling out the solution to all its Pak'n Save stores. "Take-up from our higher spending customers within the trial period was rapid. More important than acceptance, was the fact that feedback suggested customers became attracted to the system almost immediately and would strongly resist giving it up."

"Enrolling and training Pak'n Save's new PSS customers is a simple process. Customers need to provide name and address details and spend two minutes learning how to use the system. The customer is then given an identification card, and can use the system immediately," said Egon.

"MSP gives us visibility into where each unit is at any given time... because we can pre-empt device failures, we can maximize uptime and ensure that staff have the tools they need to continue working at maximum efficiency. Devices can't walk out the door either, which also saves us significant costs."

—Murray Gray
Support Manager, Foodstuffs

"The system has improved customer retention significantly, and we've noticed PSS users spend a greater proportion of their overall grocery budget with us rather than going from store to store, which is what customers tend to do. Increased loyalty is probably the most significant outcome of this implementation."

"The core benefit is greater throughput at the checkouts for our higher spending customers. This delivers a point of differentiation in a highly competitive market which was our core objective. Additionally, PSS users pass through the checkout quicker, which helps move all remaining customers through. We used to see long queues during seasonal periods such as Easter and Christmas. However, with the PSS system improving customer throughput, we've seen queues reduce noticeably," said Egon.

"Symbol has constantly provided us with knowledgeable people to talk us through implementations and help us through any pitfalls, and the devices have been valuable additions to our work processes."

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Managing the enterprise mobility solution

With several hundred devices and access points across the organization, Foodstuffs required a simple yet effective process to manage and maintain its fleet. Recently it installed Symbol's Mobility Services Platform (MSP) which enables IT staff to monitor the health and location of its units.

"With many different store locations, as well as warehouse operations, it can be a difficult to keep track of all the devices we have," said Murray Gray. "MSP gives us visibility into where each unit is at any given time. For our newer devices like the MC9000s, we can monitor battery status and send out warning e-mails when the battery begins running low."

"It also allows us to monitor the performance of our access points. If an access point goes offline for some reason our helpdesk system is automatically alerted and the problem actioned. Because we can pre-empt device failures, we can maximize uptime and ensure that staff have the tools they need to continue working at maximum efficiency. Devices can't walk out the door either, which also saves us significant costs."

Continued partnership for future success

"We're very satisfied with the return on investment we've seen after rolling out mobile devices from Symbol," continued Murray. "We're slowly replacing our older devices with the MC9000 which has added features such as voice recognition, which could potentially have applications in the warehouse. We're also building a new cool store and mobile devices will be being used to monitor stock in there."

"In the near future, we plan to begin using the MSP's rapid deployment function, which allows us to create barcodes which staff can scan to configure new MC9000s. This means that staff will be able to begin using the devices as soon as they arrive instead of waiting for the IT department to configure them. This will be particularly useful if we decide to start moving units between sites."

"Symbol has constantly provided us with knowledgeable people to talk us through implementations and help us through any pitfalls, and the devices have been valuable additions to our work processes. I look forward to continuing our relationship with Symbol for some time to come," concluded Murray.

About Symbol Technologies

Symbol Technologies, Inc., The Enterprise Mobility Company™, is a recognized worldwide leader in enterprise mobility, delivering products and solutions that capture, move and manage information in real time to and from the point of business activity. Symbol mobility solutions integrate advanced data capture products, radio frequency identification technology, mobile computing platforms, wireless infrastructure, mobility software and world-class services programs. Symbol enterprise mobility products and solutions are proven to increase workforce productivity, reduce operating costs, drive operational efficiencies and realize competitive advantages for the world's leading companies. More information is available at www.symbol.com



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