

Tech Tactics For Grocers

Best-practice deployments heat up the grocery vertical
By Alexis H. Ott, Assistant Editor

Individual grocer technology tactics vary depending on where grocers are focusing for operational and systems improvement and competitive advantage. The technology prowess of Wal-Mart also figures in the picture. According to a recent Grocery Manufacturers of America report, supermarkets have contributed heavily to the growth of Wal-Mart supercenters. To fight back, grocery chains throughout America are turning to the latest technologies to reach their strategic goals, from the supply chain and POS to employee management.

Albertsons Revs Revenue

Boise's Albertsons, operating about 2,300 retail stores in 31 states, is implementing KhiMetrics' retail revenue management (RRM) solution to develop and execute promotion and pricing strategies its supermarkets and drugstores. "Management of our retail revenues is a critical element as we proceed in a highly competitive marketplace," says Bob Dunst, executive vice president and chief technology officer of Albertsons.

After conducting an analysis of its retail revenue management options, Albertsons chose the KhiMetrics RRM suite to support its retail business processes for pricing, promotions and demand forecasting through modeling customer demand.

"RRM gives us increased capability to manage our pricing and improve our business performance across multiple categories while we simultaneously focus on dedication to providing the ultimate shopping atmosphere and making life easier for our customers," says Dunst.

Fresh Brands Talks ROI

Fresh Brands, a \$620 million grocer headquartered in Sheboygan, Wisconsin, implemented a new warehouse management system (WMS) from OMI International, and an integrated voice technology solution from Vocollect, which specializes in voice-directed distribution systems. With the reconfiguration of two existing distribution facilities and the addition of a third, the solution is supporting Fresh Brands' store expansion and increase in SKU and product lines, while providing additional capability and order accuracy. Overall, more than 70 Vocollect Talkman voice computers are being used throughout the three distribution centers (DCs).

"Based on our original ROI analysis, Fresh Brands has met its expectations for voice ROI, and is now experiencing a 15 percent increase in selection productivity over what we were achieving with the use of our previous locator and labor standards technology," said Mark Grasse, director of logistics. "We've also seen a 300 percent increase in order accuracy and a reduction in training time."

Giant Eagle's DC Efficiency

Giant Eagle, the Pittsburgh-based supermarket retailer with 214 stores in four states, has a commitment to Radio Frequency Identification (RFID) and intends to use it to reach even greater operational efficiency within its five DCs and across the broader supply chain. As a result, the company decided to partner with Manhattan Associates to provide its supply chain execution (SCE) solutions. "We selected Manhattan Associates as a result of its comprehensive solutions, providing us with the real-time supply chain visibility we need to manage our business successfully," said Giant Eagle senior vice president of distribution, Larry Baldauf. "We are also impressed with Manhattan Associates' early commitment to RFID."

Manhattan's WMS and trading partner management (TPM) system combined with its business intelligence, slotting optimization and labor management tools, will assist Giant Eagle with streamlining its distribution processes, reducing inventory levels and gaining real-time visibility across its supply chain. "The SCE software will help us achieve three major objectives," says Baldauf, "more efficiently meeting our customer's needs and demands, reducing inventory levels across the supply chain and improving communications with our supplier base."

Centralizing Gigante USA

Gigante USA, a subsidiary of the Mexican supermarket chain Grupo Gigante, installed TCI's Retail HQ foundation, integration and price management solutions to centrally control and automate pricing.

TCI HQ is interfaced to Gigante's POS and scale management systems, delivering a single point of control, centralized process and seamless connection across the grocer's entire enterprise. "The TCI HQ is a great product," said Victor Gutierrez, information technology manager for Gigante. "We are saving time on labor with automatic procedures, reports and information. Everything has come together for integrated sales, purchase orders and POS." Gutierrez explained the project has been implemented for almost one year and about 90 percent of all previous issues have been resolved.

Marsh Fights Fraud

Marsh Supermarkets has found a way to offer enhanced customer service and reduce fraud using Paycheck Secure from BioPay at nine of its locations. Marsh is using the biometric technology to electronically capture a finger image, store a template of the image and record check transactions associated with that customer.

When a subsequent check is presented, the customer places their finger on the biometric reader. The technology searches for a match, identifies the customer and then delivers a history of transactions associated with that person to a Marsh clerk. If negative transactions appear with any other BioPay merchant in the country, advanced alert mechanisms warn the clerk, enabling the transaction to be declined before it is processed.

Marsh is anticipating a solid ROI on the technology. To date, more than 4.5 million transactions, totaling more than \$2 billion, have been completed by the use of BioPay's Paycheck Secure. Activity-wide results for the technology indicate that check fraud is reduced by at least 90 percent and overall check cashing increases.

Minyard Trains Faster

Minyard Food Stores, a privately owned grocery chain in Texas, has recently installed the IBM SurePOS Application Client/Server Environment (ACE) to improve checkout processes and reduce training time. IBM ACE is a grocery application software to improve the process at checkout, increase profitability and maximize reliability.

Minyard will be using a new touch-screen SureVision interface for its operators and the ACE SureVision feature that supports dual displays. Minyard's future plans call for adding flat panel displays that will allow it to deliver more information to Minyard's shoppers and provide additional advertising and promotional opportunities at POS.

The dual POS display feature allows Minyard Food employees to run an easy-to-use, touchscreen graphical user interface for operators and a separate graphical display to keep shoppers engaged, promote special items and enable in-line advertising.

Shaw's Forecasts Accuracy

Shaw's Supermarkets, the northeastern grocery retailer with over 190 locations, selected SmartOps to enhance supply chain performance and provide forecasting that can be based on POS information. The SmartOps applications set inventory targets and make replenishment decisions to result in the lowest net landed cost of supply.

Shaws is using the technology to generate accurate sales forecasts at the item/store/day level. The technology also allows Shaws to produce an overview of expected demand on the warehouses, and identify the impact associated with different factors like trends, seasonality, promotions and events. The SmartOps Supply Planning and Optimization (SPO) module lets Shaws identify the optimal delivery methods and delivery equipment for each "lane" of jointly restocked items.