Grocery wholesaler fixes internal process to increase efficiency.

Client:

A leading wholesale grocery distributor.

Challenge:

When grocery store customers want the freshest ingredients and meals, the stores' owners turn to wholesale food distributors who can deliver products quickly and accurately. But as one wholesaler learned the hard way, small inefficiencies in the ordering process led to a cornucopia of issues down the line.

Customer service employees found that their Enterprise Resource Planning (ERP) software was slow and confusing leading to lengthy sale times resulting in lost time and grocery store clients. The lack of a standardized order entry process created inconsistencies in ordering and confusion in the warehouse. As a result the logistics teams had difficulty fulfilling orders since they were confusing and they didn't have access to all of the ordering data.

Process:

We focused our attention on the order flow to encourage the highest level of proficiency from the moment the customer service representatives hang up the phone to the minute the products reach the customer.

Solution 1: Order Placement
Our clients ERP software wasn't up to the standards of the employees using it. In conjunction with their staff, we established a requirements list that satisfied the company's unique needs and then reached out to software developers to construct a complete new system.

Once we jointly solved their ordering dilemma, they began implementing the software with the help of their IT team. Standardizing the order process greatly limited complexity and potential shipping delays.

Our client also sought out better methods for managing the orders it received. Even though its ERP software was sufficient at cross-referencing logs to account for lost orders, employees still manually keyed in data and had to open multiple documents to corroborate information. Thanks to the ERP software enhancements, our client was able to utilize dashboards and other visual tools that centralized data onto a single screen

and directed the user's attention directly to lost orders. This injected even more speed into the whole operation.

Solution 2: Enhancing Order Flow at the Warehouse
As supplier trucks pulled into the company's warehouse, workers didn't know which were the highest priority. The staff had no idea which vehicles contained products for storage and those that needed to be sent to customers that very day.
To make this process more transparent we worked with their IT dept. to create a time-sensitive automated email generator. This tool would send reports to warehouse staff over the course of the day, updating them on the status of any missing or late freight. Workers could then take a proactive approach to tracking down unaccounted fleet, which in turn, improved logistical operations going forward.

Additionally, warehouse staff sought to rectify discrepancies in customer add-ons. If customers placed their orders then called back to add more items, after the order was dropped into the system, this generated multiple invoices. Not only did this confuse customers and result in unbalanced payments, it created more work for the clients accounting team. Even worse, this system complicated matters for warehouse pickers charged with placing deliveries on outgoing trucks.

After studying add-on data, we drew two conclusions:
*   Nearly 80% of all add-ons occurred during one half-hour window.
*   Most add-ons occurred 30 minutes after the order was dropped.
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In conjunction with our findings, the company restructured its picking schedule to align better with customer add-on habits, potentially optimizing shipping punctuality with more time and less hassle.

Performance Results:

*   Estimated 50% reduction in order placement times
*   Estimated 62% drop in add-on orders
*   Huge gains in overall efficiency and productivity
*   Increase in customer satisfaction and retention

Conclusion:

With our guidance, the client has seen remarkable changes in the efficiency of its order flow. After full implementation of its new Order Entry system, the company estimates its order placement times will reduce by 50 percent. After reconfiguring how order changes impacted warehouse operations, the company also saw a 62 percent drop in add-ons. These slight modifications to internal processes yielded tremendous savings in time and resources, not to mention a strengthening of customer retention.