

Super Store Industries: A Distribution Business in the Grocery Business

Super Store Industries (SSI) was formed more than a decade ago for the express purpose of supplying the grocery stores of its two founding partners: Raley's and SaveMart. Today, counting the smaller format stores that have come under the banners of both companies, SSI serves nearly 250 stores throughout California and Nevada. As a third-party distributor, its lifework is moving product in and out of its doors — and serving customers in the most efficient, cost-effective manner possible. That takes hard-working systems and innovative solutions, including voice-directed distribution.

The Challenge:

Serve All Interests – “Yours, Mine and Ours”

Super Store Industries was created to enable its partner businesses to buy, distribute and ship in larger volumes. The objective: take advantage of back-end economies of scale and gain the “buying power” and market clout of larger competitors. The key: drive distribution costs down, to succeed in the highly competitive grocery business.

That strategy is as valid today as the day SSI was founded as a private, third-party distributor. But serving strictly its own “internal” customers doesn't make SSI's challenges any less daunting. In fact, being solely and completely responsible for stocking its partners' entire network of stores is as challenging as it gets.



What's more, as SSI is structured, not only must it help hundreds of stores succeed, it must succeed in its own right. That means operating as efficiently as possible and driving down fixed costs for handling and receiving. That's how SSI gets the income it needs to invest in its own operations — plus provide a financial return to its partners every month.

SSI handles all of these responsibilities from its headquarters in Lathrop, CA, where it operates an 850,000 sq. ft. warehouse. The facility runs the gamut from dry grocery to refrigerator/freezer, stocks in excess of 12,000 SKUs, and works 24/7, with just one exception: Christmas. On average, workers pick 155,000 cases or each-items per day — a whopping 55 million per year, give or take a few.

Given that extraordinary volume, in addition to its business responsibilities, SSI must continually scrutinize processes and systems to make sure they're up to the job. When a project team took a particularly close look at the paper-based system being used for order selection, they concluded it was time for a better solution.

“Faster picking, rapid replenishment, quick put-away... Motek and Vocollect put it all together for SSI.”

Pete Blasquez
Operations Manager
Super Store Industries

Voice Results

Objectives

- Increase accuracy
- Improve productivity
- Reduce cost per case

Voice Application

- Order selection: case- and each-picking

Installation

- Priya® WMS by Motek
- 100 Vocollect Talkman® T2 units
- Spread spectrum, 802.11b networking backbone

Results

- Pick errors reduced by 90%
- Inventory accuracy up 300%
- Picking productivity up 50%
- \$90,000 per year saved on tickets and labels alone

ROI

- Payback achieved in 9 months — on productivity gains alone

“We’re moving product more efficiently now, and were improving our inventory turns. Those are solid results for us – and our bottom line.”

Pete Blasquez

Operations Manager
Super Store Industries

The Solution:

A Wireless Warehouse

For SSI, the solution meant replacing its AS/400 legacy system. To do so, SSI turned to Motek, the Windows® WMS experts and to Priya®, Motek’s award-winning Smart Warehouse Software. SSI also opted for radio frequency (RF) communication, which Motek enabled via a 2.4 GHz spread spectrum networking backbone.

To take advantage of voice technology, Motek integrated Priya directly to Vocollect’s wearable Talkman® computers. Priya sends instructions over the WLAN to the Talkman, where the onboard voice application converts them into a “dialog” that directs the worker to each action, then receives his spoken responses — all in natural language. Each time the worker confirms an action, the transaction is sent to Priya for real-time input.

Real-time reporting delivers exceptional visibility; managers are aware of operational issues as they occur, not after the fact. And real-time visibility enables them to respond to adhoc situations such as rush orders, changes in available labor and other challenges in a fast-paced DC, all in a seamless manner.

The switch-over to the new system, including the voice-directed application, occurred in one day. According to SSI, it was immediately apparent that voice is the most accurate, most efficient way to pick orders. Check digits, built-in safeguards that ensure the selector is at the right slot, have virtually eliminated mistakes. And, although some long-time employees had wondered if voice could “keep up with them,” they’ve learned: “You can’t out-pick the system.”

SSI also saw benefits quickly in other vital areas: productivity and safety. With voice, people’s hands are free for lifting and carrying, and their eyes are free to watch for equipment and other possible hazards. Workers are more focused on the job — and able to do it faster, safer, *better*.

The Result:

Millions Saved – Every Year

With Priya and Talkman on the job, SSI has increased picker productivity by 8%. At 350,000 man-hours per year, the labor savings for pickers add up to well over \$500,000 annually.

More numbers that speak volumes:

- Inventory accuracy up 300%
- Pick errors slashed from 1 in 300 to 1 in 3,000
- Pick accuracy improved to 99.97%
- Let-down productivity up over 20%
- Overall productivity up 8%

Another area where SSI saves time and money is label printing. The process used to require two to three hours every day, plus additional time to handle and distribute labels. It also took a dedicated person (and wage package), plus \$90,000 in paper and other related costs. Those recurring expenses have now been eliminated.

So have high administrative costs. Invoices, for example, are correct from the start, thanks to having a real-time system in place. Before, changes had to be caught and made manually. Training time and costs have also been reduced, and employee turnover is lower than ever, due to improved morale. Speaking of its workforce, SSI points out that, with voice, there’s greater accountability, as well as greater accessibility to help people do their jobs better.

With the new system in place, SSI is in a position to provide all of its stores with same-day order transmission and delivery — a huge benefit for them and their customers.

In these and other ways, SSI’s new system adds up to better service for customers *and* lower operating costs. 🚩



www.vocollect.com

Vocollect North America:
info@vocollect.com

Vocollect Europe:
voc_emea@vocollect.com

Vocollect. Voice-Directed Distribution.

Since pioneering voice recognition for industry in 1987, Vocollect has set the standard for warehouses and other business settings. Together, its market-leading Talkman® wearable mobile computer and integrated software suite cut operating costs by eliminating errors and improving worker productivity shift after shift.

Leading WMS providers, material handling integrators and specialty voice solution providers around the world choose the performance and reliability of Vocollect to deliver integrated voice-directed distribution solutions. And every day, over 60,000 workers around the globe rely on Vocollect’s integrated voice solution to help improve their operations.