

USE CASE

BOOSTING GROCERY PRODUCTIVITY AND PROFITS

Improving labor efficiency is a consistent goal for grocery and supermarket operators. In order to optimize labor efficiency, grocers need to prioritize making stores' day-to-day operations both simpler and faster. By breaking down department silos and taking a data-centric approach to identifying areas for improvement, simplifying processes, and reducing costs, grocers can achieve operational savings, improve customer experiences, and avoid margin erosion. One of the greatest challenges in improving labor efficiency and operational cost savings is identifying where inefficiencies are occurring.

Below are three examples of Agilence customers identifying and rectifying labor inefficiency.

"Associate to the Register"

Using the Agilence data analytics platform, one customer found that cross-trained associates from the Dairy and Produce departments were frequently being called to fill-in for cashiers during unexpected surges. While clerks were working the register, they couldn't service the departments they were originally intended to work. This was causing poor in-stock conditions and service levels which had nothing to do with logistics or inventory, and had everything to do with scheduling practices. With this knowledge, analysts were able to create historical sales trend reports by day and daypart (time) to identify patterns in each location's sales trends and better allocate cashier labor by location and shift.

"Price Check for a Banana, Please"

Another customer utilized the functionality of Agilence to identify the cause of enterprise-wide customer dissatisfaction and throughput issues at check-out. This grocer was experiencing an unprecedented number of Not on File (NOF) errors in their POS. After a comprehensive analysis, three major areas of improvement were identified:

- Analysts found that corporate was unaware of a weeks-long problem with a new produce item. This item had been added to the host pricing file but that information was never sent to the stores, causing cashiers to manually ring in the item.
- In an effort to be economically conscious, this grocer provides customers with free reusable bags. However, the bags had a UPC on the bottom which caused NOF errors to occur at all of their stores.
- Stickers on certain produce items like bananas were also causing unnecessary NOF errors, causing cashiers to either manually enter item information or even guess the item's price.

Once corporate was made aware of these issues, they were able to take steps to refine processes and create a more seamless customer experience. Eliminating these unnecessary productivity gaps also allowed the the grocer to increase throughput without increasing labor.

"Manager to the Counter"

Agilence allows users to compare the average order time for transactions with manager overrides to the average order time of those without overrides to determine the exact impact on the business' bottom line. One grocery operator compared these times with the average hourly rate of cashiers and determined that they were using approximately \$52,000 annually in labor dollars spent waiting for a manager to complete an override, not to mention the negative impact this wait time was having on throughput and customer experience. With this information, corporate can make better decisions regarding acceptable levels of risk, override authorizations, training, and scheduling.