

## THE CO-OPERATIVE GROUP STREAMLINES STORE REPLENISHMENT

**T**wo years ago, the Co-operative Group launched Store Merchandising and Replenishment Transformation (SMART) – an ambitious multi-year programme scheduled to reach full deployment by the end of 2011.

The retailer had been relying on the experience of its store managers for daily replenishment orders. However, this created unpredictable stock outages and overages that the organisation needed to reduce or eliminate. It also sought to deploy a consistent, unified set of workflow processes to underpin the technical solution.

The Co-operative Group began to look into the solution used by its 600 newly acquired Somerfield stores. Somerfield had been using Syncsort DMExpress to eliminate any overnight batch processing bottlenecks and bring greater speed and accuracy to the replenishment of its stores.

Recognising that the Somerfield system for generating planograms, which factored in historical sales figures, derived forecasts, current stocks and point-of sale data, was feasible for 600 stores in a short window, The Co-operative Group was able to deploy the same solution for its full complement of 2,800 stores – a six-fold increase in data – in a two-hour overnight processing window.

Having planogram data in each store at the start of their trading day means store

managers are continually aligned with the latest data, promotions, and trends. When the batch processing window closes, the planograms can be viewed and acted upon locally at the stores, while still being hosted centrally.

The planograms have also created agility for the Co-operative Group. For example, if there's warm weather forecast, the Co-operative group will know that it has to sell more cold drinks. It can influence the stores' orders centrally, overnight, and dictate to the stores where to place additional drinks in their individual stores the next morning as they open. The increased volumes are then delivered in line with an increased space now allocated to the soft drinks. This helps the Group capitalise on emerging opportunities far more quickly than ever before.

With Syncsort DMExpress, the Co-operative Group has seen a huge performance boost, which has enabled it to achieve efficiencies and make improvements to its central ordering solution. The anticipated return on investment derived from implementing the centralised solution is approximately £1 million per month. Without DMExpress, the Co-operative Group has said it believes it would not have been able to achieve the critical overnight batch processing that makes it all possible.