

## EDUCATION AND RESEARCH

### BATCH PICKING CONVENIENCE STORES AND DELIVERING CARTS

by

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I would like to talk to you a few minutes today about some of the things that Certified Grocers of Florida is doing in order to cut operation cost and for a more efficient operation.

Certified is enjoying a new home that we have been in for a little over a year. The size of the complex is approximately 850,000 sq. ft., sitting on 200 acres. At Certified we have some automated equipment, some mechanized and some conventional. We have approximately 800 employees.

Certified Grocers is probably unique with our type operation, but I believe we all have basically the same problems, and as managers it is our responsibility to find better ways to serve our customers, and I know of no better way than with meetings like this one.

Certified Grocers is a cooperative that serves approximately 1800 stores, 1600 of them are convenience stores, and 200 are supermarkets. The 1600 convenience stores contribute about 25% of the dry grocery volume, and 75% of our candy and tobacco volume.

All supermarkets are selected and delivered on unicarts, and all supermarkets

have hydraulic lifts at the rear of the store to handle unloading of the carts.

This is a very efficient system to handle supermarket orders, but we knew that we were not doing as good a job as we should with the convenience stores.

We gave it a lot of thought, asked ourselves, how could we do a better job handling these small stores.

The first thing we did was to reset our warehouse with all the convenience store items as the first items in our warehouse to be selected. This prevents the order selector from traveling the entire warehouse to fill an order.

We carry a total of 4500 dry grocery items and the convenience stores carry only 1200 of these items.

The only drawback to this setup is that it does throw some items out of family grouping when filling a supermarket order.

Another thing that we are doing is batch picking.

We are experimenting with the Barrett Electronic Tugger. The advantage of using this Tugger is that the order selector

can move the Tugger and carts down the aisle without having to jump on and off the Tugger so many times. Of course this saves time and time is money. The order selector has the electronic controls strapped to him for easy operation of the Tugger. The controls have three (3) control buttons on it. The order selector can make the tugger go forward, or to the left or right. When he has a long distance to travel he cuts the electronic device off and operates the Tugger with the manual controls. Each Tugger has a different frequency in the controls, so that only the Tugger the operator is using will move when he is operating it. This Electronic Tugger costs around \$5,000.00 vs. around \$2,800.00 for the manual control Tugger. Before we make the final decision about the Electronic Tugger we must know if there is really a true savings. How much can we save? What is the pay back time on the investment?

At this time I can't tell you if this would be a good investment or not.

We are batch picking the hard way at the present time, but we already have enough information that we believe we have a good labor saving system.

At the present time the order selector is reading four (4) different store invoices at one time and placing the four (4) stores' orders on different carts.

He has to remember which cart the case of groceries goes on and this leaves too much chance for error, so our data processing is in the process of writing programs that will simplify reading the picking documents.

We allow our order selectors to pull four (4) carts through the warehouse at one time. All of our runs are

assigned to run number and data processing will bill four (4) orders together on the picking document in sequence the way they are to be loaded on the truck. The system is programmed to bill 200 cubes or less on each picking document.

Each case of groceries has a separate picking label with the store number, item description, quantity, code number and the cart the case of groceries is to be placed on.

While the order selector is at a warehouse slot he selects the merchandise for all four (4) stores if all four (4) order that item.

The four (4) carts that the order selector is pulling is designated A, B, C and D. Since the average size of a convenience store order is 43 cubes, that means that you can get one order on each of the four (4) carts. The picking document tells the order selector which cart to place each case of groceries on, and when the order selector finishes selecting the four (4) orders each stores' order is all together on one cart.

The order selector is only concerned with three (3) pieces of information on the picking document, (the slot No. first), (the quantity second), and (the cart it goes on third).

If you have a store that orders over 50 cubes which is what one cart will hold, the system is programmed so that only three (3) orders are batched. The order selector still has four (4) carts and the extra cart takes care of the store that ordered over 50 cubes.

By using this system you cut down on the number of trips the order selector makes through the warehouse. Our employees like the system and they are making it work.

Before we went to this system our man hour production filling convenience stores was around 176 cases per man hour. It is now running a little over 200 cases per man hour. This is a 15% increase in production and certainly a worthwhile savings.

Another thing we are testing is delivering convenience stores on uni-carts. After the orders have been selected we mesh the tobacco and candy and health and beauty aids merchandise with the groceries and roll the carts into the trailer.

We load the frozen food and dairy products in an insulated container and place it on the back of the trailer. We are using Maxam tailgates, 6000 pound capacity, mounted on a 40 foot trailer.

Since the average frozen food and dairy order is only 5 to 10 pieces per store, we do not unload the insulated container at the store. We just take the frozen food and dairy out of the box at each store.

One thing we found out was, that not all convenience stores are compatible to cart delivery. Stores that are built on the side of hills where the parking lot is not level gives you a lot of problems. Also stores that have a canopy sticking out 15 to 20 feet prevent you from getting the truck close enough to lay the tailgate down on the cement slab.

Another problem that we encountered was that some stores are just too tight inside to be able to maneuver the cart around.

If your stores are compatible you can most definitely save time making your deliveries.

At the present time we are delivering two (2) convenience store runs in the Ocala, Florida area on carts. Before we started delivering on carts it took our driver six (6) hours to make his run. It now takes him four (4) hours to make the same run, delivering on carts. It not only saves on delivery time it also cuts down on the loading time at the warehouse.

In order for this system to work you must use folding carts, because when you deliver an order to the store you have to pick up the empty cart. If you used rigid carts you would block the merchandise when you got to your next store.

We use load locks and straps making our deliveries. The load locks are used to hold the loaded carts in place and the straps are used to hold the frozen food and dairy container and empty carts in place.

Another advantage we have found is that we have less damaged merchandise delivering on carts.

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