## Food City Distribution Center

### The Food Experts



## Voice Results

### 💬 Objectives

- Increase accuracy
- Improve productivity
- Cut 'pick and stick' time

### 💬 Application

- Order selection

### 💬 Installation

- Vocollect Voice seamlessly integrated with EXE Technologies WMS
- Vocollect Talkman® T2 Mobile Computing Devices

### 💬 Results

- Accuracy improved to 99.97%
- Reduced errors by as much as 90%
- Increased productivity by 10-12%

### 💬 ROI

- Payback in less than 12 months

## The Food Experts and the Voice Experts Work Together to Reach Almost Virtual Perfection

Food City Distribution Center (formerly known as Mid-Mountain Foods) is the 1.1 million square-foot DC that supports K-VA-T Food Stores, Inc., the corporate name of a supermarket chain operating in three states under the name Food City. This privately held, family-owned company has grown over the years by expansion and acquisition. With 11 units in southeastern Kentucky, 21 units in southwest Virginia and 61 units in northeast Tennessee, K-VA-T is an acronym of its trade area: Kentucky, Virginia, Tennessee. The 93-store chain serves a current trade area population of over 2.5 million people and over 980,000 households. The company also operates nine Super Dollar Discount Foods limited assortment locations in the same states.

K-VA-T's growth has resulted in being ranked 40th on the latest (2008) Progressive Grocer's list of America's 50 Largest Supermarket Chains, 55th on Supermarket News "Top 75 North American Food Retailers" (January, 2008) with over 1.6 billion dollars in sales and 269th on Forbes Magazine's "List of the largest privately-held companies in 2007". It is the kind of growth that got a big boost from voice-directed picking.

### The Challenge
#### Do It All, Do It All Better

It's a big job providing every type of product for scores of Food City supermarkets: everything from frozen foods and perishables to dry grocery, plus health and beauty items, cigarettes and other products that shoppers expect to find in their favorite stores today.

And it's an even bigger responsibility: Food City Distribution Center has to run at peak performance to support all those stores fully — and help boost the company's bottom line. The volume of products that have to move on a daily basis has made it the largest grocery distribution center in its geographic area. It takes 500 people, including 150 order selectors, and an operation that runs round the clock, seven days a week, to keep the shelves stocked and customers shopping at Food City.

It also takes four warehouses in Abingdon, VA, totaling 1.1 million square feet: four warehouses with conditions ranging from -20° F (X°C) freezer rooms to summertime heat south of the Mason-Dixon line, and operations ranging from pallet- and piece-picking to repack. Plus each area has its own, special requirements. The "cigarette room," for example, is a limited-access area with strict controls for state and local tax stamps.

> "We banked ROI on improved accuracy. Talkman exceeded our expectations and brought us a 10-12% increase in productivity."

**Paul Widener**
Distribution Systems Manager
K-VA-T Food Stores

Each order has to be matched with the proper tax stamps from three states and/or 14 different municipalities, and the cartons have to be set up properly to run through the stamping machinery.

Given the accounting nightmare it is to deal with tax errors, let alone the wrath of smokers who can't find their favorite brand at the check-out, this operation must be virtually perfect.

## The Solution
### Voice Does It All

K-VA-T installed the Talkman® system after a 60-day pilot in which Talkman clearly demonstrated what a difference itwould make operationally.

The installation included 100 Talkman terminals running Vocollect Voice which provided the interface required to push data down to the selectors. QuickPick™ software added capabilities for real-time picking, and Print Manager gave selectors convenient access to labels for tagging pallets by customer and loading dock.

Vocollect Voice was integrated with their existing warehouse management system, EXceed® by EXE Technologies, and Proxim's RangeLAN2 wireless LAN, running on an Intermec backbone. One custom function for Talkman is informing selectors of base picks. As specified for this installation, the Talkman system does not alter the sequence of picks that has been optimized by the WMS. However, selectors are alerted to large, bulky items, so that they can save room on the pallet.

To complete the installation, the Vocollect site team created voice templates and supervised training for all 150 selectors. Within three weeks, all picking was being done by voice in the dry grocery, perishable and deli warehouses, which comprise the vast majority of footage.

The cigarette/tobacco area added 800- 1,000 SKUs: nearly every brand in every variety, running down a 125' aisle of flow racks.

## The Results
### Accuracy and Productivity

According to K-VA-T, the Talkman system won people over immediately and gave them a clear sense of ownership and pride in voice technology. Work processes have benefited in many ways; when Talkman makes jobs easier physically, it makes them easier mentally too.

For example, without having to hold onto a pick list, cigarette selectors are pulling cartons by the double handfuls, scooping up as many as 700-1,000 cartons per hour. And, according to the checker/stampers — people who cannot and will not allow errors to get by them — selectors are working much more accurately. Even people who had problems in the past with accuracy are going days without a single error. That's tens of thousands of perfect picks!

Elsewhere, the results are just as impressive. In the perishable warehouse, the rate of mispicks has dropped to .0005 — an improvement of nearly 78 percent. In the dry warehouse, where pickers are generally less experienced, improvement has been even more dramatic: accuracy is up 90 percent.

There's still more, including major benefits for HR, a huge concern for labor-intensive businesses. For "starters," K-VA-T, has cut a full day, if not two, from its training program; that's a big savings on indirect labor costs and another boost for productivity.