



## CASE STUDY

**OBJECTIVES** Create shelf to shelf edge traceability across the supply chain

**SOLUTIONS** Zetes Voice, Medea warehouse management system, electronic Proof of Delivery

**RESULTS**

- Cut shrinkage by over 50%
- Improved customer service levels
- 15% rise in productivity
- Saved £175,000 in asset losses

## FULL TRACEABILITY ACROSS THE SUPPLY CHAIN

**“Technology has completely overhauled our business and we can now measure everything” says Pat McGarry, Logistics Director, Hendersons.**

Family-owned Henderson Group are the owners of the SPAR, EUROSPAR, VIVO and VIVOXTRA franchises in Northern Ireland and have been distributing food and grocery-related products to the convenience retail sector for over 100 years. The company faced a range of supply chain optimisation issues before it began working in partnership with Zetes in 2006 to update manual picking processes and implement voice picking into its ambient warehouse. In just three years, Zetes has implemented real time systems to control every stage of Hendersons’ supply chain processes, from goods receipt to picking to the final arrival of groceries with the independent retailer.

As an organisation, Hendersons strives to differentiate itself by offering superior quality products and customer service excellence, whilst still maintaining very competitive pricing. Central to achieving these goals is the strategic use of technology - and specifically wireless and data capture technology - which Hendersons has now integrated across its supply chain. The result of its investments has given Hendersons full, “shelf to shelf edge” visibility of goods in their supply chain. From the moment products arrive at their depots, to their arrival with the retailer; every stage is fully traced, providing real time information to management back at head office of stock movement around their business operation.

The initial integration of a voice picking system in the ambient warehouse delivered an immediate return on investment, seen within just 2 months, and marked the start of a wider project to transform the company’s use of technology in the warehouse. Picking by voice saw error rates drop from occurring 1 in every 1000 cases to less than 1 in every 10,000. In addition to enhancing accuracy, productivity is higher because workers are able to pick stock far more quickly and with both hands free. Operator training times have been halved and a new warehouse employee can be operational within a day, compared with up to 2 weeks which was previously the case. As a result of the successful integration of voice picking into the ambient warehouse, it was also introduced into the fresh foods warehouse where similar investment returns have been seen.

As a major employer in the local area, Hendersons prides itself on achieving high levels of employee engagement, and has seen a very positive response to the introduction of technology into the supply chain from its workforce. For instance, because picking speeds using voice are so much faster, Hendersons has implemented a performance related pay scale for all order pickers, who can now earn productivity bonuses which also simultaneously delivers much greater operational value for the business. And because voice creates a better working environment,



Hendersons has seen employee turnover decrease, particularly for the night shift in their chilled warehouse, again creating cost savings by lowering business disruption and recruitment costs.

The second phase of the supply chain integration project included implementing Medea, a 'light touch' WMS solution developed by Zetes, which allows Hendersons to perform all inclusive product acceptance checks and also alerts warehouse operators to reject goods which are not fresh to within acceptable limits, thereby helping to maximise product quality for the customer. Integrated directly to the voice picking system, Medea also ensures product weights are as displayed on packaging and includes pre-set parameters for managing temperature controls for certain items.

To conclude, Zetes has integrated an ePOD (electronic proof of delivery) solution onto Hendersons' WMS system as the final stage in giving the company full, "shelf to shelf edge traceability" in their ambient warehouse with dramatically improved stock and asset management. Following the addition of ePOD into the ambient warehouse, Hendersons has achieved a 50% reduction in shrinkage as a result of better asset and stock traceability. "In monetary terms this has equated to a £125,000 saving from better stock management and an additional £50,000 saved through improved asset tracking of roller cages, which illustrates the very rapid investment returns achievable with such systems," adds Pat McGarry, Logistics Director at Hendersons.

"Technology has completely overhauled our business and we can now measure everything" says Pat McGarry. "Working with Zetes has helped Hendersons improve its customer service both in terms of the quality of the products sold through Spar stores, the accuracy of

stock deliveries and overall delivery service provided to retailers, and in addition, helped improve profitability by enabling greater operational efficiencies."

Zetes was chosen as the strategic supply chain integration partner for Hendersons because of their reputation and industry experience in the area of voice directed working. The company had developed a strong working relationship with Zetes and felt they had very credible customer references and sound technical capabilities, backed up by strong local skills and support.

Hendersons' voice system is based on 3iV voice application software from Zetes and the Vocollect Talkman voice devices. Using Zetes 3iV software has enabled Hendersons to greatly improve the system accuracy and in particular, to overcome the problem of pickers remembering the original 3 digit check codes and applying them when products may have been picked incorrectly. Unlike other systems, 3iV supports the use of 4 digit codes and reverse coding which limits the capability of operators to remember digits and introduce errors into the system.

"We are very pleased to have been selected by Hendersons as their technology partner and delighted by the immediate impact the solution has had on improving their business," says James Hannay, Senior VP of Northern Europe for Zetes. "Over the coming months we will be commencing the next stages of this project, implementing voice picking into the frozen and food service parts of the business."

**FOR FURTHER INFORMATION PLEASE CONTACT:**  
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**5 FINANCIAL METRICS FOR HENDERSON FROM IMPLEMENTING ZETES SOLUTIONS**

BUSINESS BENEFIT	ROI / KPI	ENABLING TECHNOLOGY
Improved service to customers through better pick and final order accuracy	Pick errors 1 in 10,000 cases in the past the frequency was 1 in 1000 50% reduction in incorrect or mis-deliveries	Voice
Faster order picking, workers able to work flexibly in native language	15% rise in productivity	Voice
Improved stock management, lower in house shrinkage	Saved £125,000 from stock losses	Medea WMS
Improved asset tracking and delivery management	Saved £50,000 from reduced container losses	ePOD (proof of delivery)
Lower training costs	Training takes less than a quarter of time previously required for a fully operational and trained picker	Voice

