Case Study:

Morrisons moves to independent Pick Accuracy and Performance management systems with Prosper™

Morrisons have instigated an independent Pick Accuracy (PA) programme to the full RDC estate, the service designed and developed by RAS Supply Chain Integrity in association with the UK's major food and DIY retailers.

The RAS Supply Chain Integrity (SCI) Pick Accuracy programme is widely acknowledged by 8 of the UK's top 10 FMCG, DIY and Apparel retailers as the standard for not only ascertaining the accuracy levels of stock but also a performance management tool improving overall process and colleague accuracy.

Retailers often contract 3rd parties to manage stock pick and distribution. The challenge of stock integrity is further compounded when 3rd parties hire agency colleagues as a flexible workforce. An independent PA provision not only provides head office with a status of stock integrity throughout the supply chain but it also highlights pinch-point, root causes and a tool to manage performance.

Following an internal review and major update of the Warehouse Management Systems (WMS), Morrisons rolled out the programme with SCI to the full RDC network.

The objective was to monitor the performance of RDC's as the new WMS system is installed and then provide reasons for errors occurring and root causes, finishing with the tool to manage individual pickers.

As always, there was huge appetite for data, insight and subsequent improvements and so SCI were requested to deliver mobilisation to full deployment over a 3-month period.

Morrisons is chamber unique, each warehouse works on a different WMS but the output and reporting were required to be in the same format, containing granular level detail such as line codes, description, categories and all in real-time.

In addition to the white label offer from RAS, a bespoke profile was adapted to read and collate data from each WMS and the interpret the data into several data feeds, one for each line of command from Head Office, Depot Centre Managers through to Warehouse Managers.

Due to the business strategy and urgency to make improvements, RAS also instigated a 'Continuous Improvement Forum'. The attention from the PA service coupled with the CI forum combined has delivered an almost 50% improvement in Gross Error Rate (GER) in the first 12-months with the sample size increasing almost 2-fold due to productivity and efficiency gains.

The results of the audit are summarised and reviewed with stake holders on a weekly basis and then a detail at a Quarterly Business Review which has an audience forming the CI forum members, Loss Prevention, Shrink, Accuracy and Improvement and finance.

The PA technology created by SCI has been designed and built to manage complex WMS queries with the aim of creating simplicity. The system now conducts audits blindly and upon completion is matched against an expected source to show variances which are further checked. This provides assurance that SCI accuracy is 100% and pickers can be performance managed.

In addition, the PA provision provides significant further benefits for both retailer and 3rd party management:

- Powerful Insight, Trends and Analysis of root causes
- Reduction in both positive and negative shrinkage
- Greater ability to manage improvements, 50% in the first 12-months
- Independently validity of picker accuracy and performance
- Improves pick slot and stock integrity
- Eliminates store case claims