



## introduction

Woolworths Limited is a leading Australian retail company made up of a number of businesses ... all providing customers with quality, range, value and everyday low prices. Its stated mission being 'to deliver to customers the right shopping experience – each and every time'.

The company opened its first store, the Woolworths Stupendous Bargain Basement in Sydney's old Imperial Arcade, in late 1924. Today, it employs some 175,000 people and operates almost 3,000 stores, petrol sites and hotels in Australia and New Zealand. It is also involved in a consumer electronics joint retail venture with the noted Tata Group in India.

Major brands are Woolworths, Safeway, Caltex/Woolworths Petrol, Dick Smith Electronics, PowerHouse, Tandy, BWS, Dan Murphy's, BIG W, Foodtown (NZ), and Countdown (NZ).

## pallet control objectives

- Substantially minimise the time taken to reconcile pallet movements.
- Reduce the large volumes of paperwork associated with pallet management.
- Increase the accuracy of pallet control.
- Streamline processes for handling pallet transfer queries.
- Provide a valuable and practical service to vendors – particularly smaller suppliers – to assist them control their own pallet movements.

## background

Located in Brisbane's south western suburb of Larapinta, the Brisbane Regional Distribution centre BRDC is responsible for effectively supplying the 180 supermarkets, in that State, with dry goods (alone numbering in excess of 7,000 SKUs) and an extensive range of chilled products. It also provides many of those locations with their fresh produce, although that work is shared with a satellite DC at Townsville which looks after this supply for far north Queensland.

Outbound deliveries are packed into crates and roll cages as these greatly assist product handling and unpacking at individual supermarkets. However, each month the BRDC receives over 100,000 pallets and individual pallet supplier invoices that can exceed 300 pages each.

Traditionally, the DC had managed this large volume of movements using the DOS based CHEPMate and the Loscam HMS computer applications. However, as Transport ULD Supervisor Jane Moraghan notes, "this previous way of doing things meant that we were taking all month to reconcile the previous month's pallet invoices. And of principal concern was the fact that we were working with a seemingly never ending mountain of paperwork. Indeed, the then computer systems actually finished up generating more paper records than they eliminated.

"Of equal concern was the fact that we didn't have what we describe as a 'highly visible' system. That's one that enables us to see everything that we want in a single view. So we were continuously 'ticking and flicking'. Moving from computer screen to computer screen and then having to look up other things in our hardcopy documents. That was a huge time waster, was highly



error prone and made the management of queries an absolute nightmare. It also meant we were always chasing our tails to try to keep on top of things.”

Woolworths was also very conscious that a significant number of its vendors are relatively small operations which work with minimal administrative staff and often without a high level of IT assistance. Accordingly, the company wanted to ensure that its own pallet management procedures would also automatically assist such vendors in their all important pallet control and transfer work.

### the solution

Given such concerns and objectives, the BRDC elected, in September 2005, to trial and then fully implement the 2ic Pallets solution supplied by 2ic Software. With the help of this system, the organisation is now able to effectively carry out a full pallet reconciliation – and export its transfer data to CHEP and Loscam – on a daily basis. Says Ms Moraghan, “by initiating transfers on we are not waiting on other people to get around to processing these movements. When you wait you have no idea of the total number of pallets you actually have. It also means that you can be hit with substantial surprises later on. And while we will never be able to totally eliminate these surprises we have now reduced them to an absolute minimum.”

“Another key benefit of daily reconciliations is that they enable us to very easily pick up queries. In the past, we may have initially rejected a transfer on, had this questioned by our vendor, found we were in error and then had to go back through our processes and correct things. Such situations are now very rare indeed.”

“So we now find that we have many less queries and that all of these have been identified and resolved before our monthly pallet invoices arrive.”

Pivotal to such daily reconciliation work, is the automatic processing that is carried out by the 2ic system. This means that only exceptions are reported to Woolworths’ pallet management staff, who can then focus on these as opposed to having to manually work through each

and every transaction. Further, where exceptions are noted, there is no need to have to arduously plough through records manually as the software can be used to browse or search for the required trading partner information, even if only part of the docket number is known. In turn, most exception details can be automatically emailed (via system stored email addresses) to the affected trading partners, generally without the need for any telephone contact.

In fact as Ms Moraghan estimates, the work associated with reconciliations has been cut by as much as 80 percent. From a trading partner perspective, 2ic has also made a potent contribution. “Because we process transfers on each day, we are able to notify every vendor – again daily – of all of their pallets that we have received and transferred. This is handled automatically by 2ic’s email notification feature. For many of our large suppliers this is of minimal value. However, for the majority of our small trading partners, the benefits are enormous. In many cases these operations do not have substantial admin staff or IT systems. And so effectively managing pallet control can be a major issue and cost.”

“So while such vendors still need to check everything out, a very substantial part of their own workload is removed and they are saving substantial dollars for payments on pallets they no longer have. Without this assistance, many small operators would never really know their true pallet holding position.” Ms Moraghan explained.

While principally implemented to assist suppliers, Woolworths also notes that this particular vendor initiative has also reduced the time spent responding to inbound pallet queries. And where these do still arise, they can be typically resolved in the next working day, with our suppliers being able to identify queries as quickly as we can.”

While email notifications were principally implemented to assist vendors, Woolworths also notes that this initiative has also reduced the time spent on resolving their queries on inbound pallets. “And where these do still arise, they can be typically resolved in the next working day, with our vendors being able to identify queries as quickly as we can.”



A further significant advantage of 2ic Pallets lies in its ability to readily identify and resolve pallet transfer duplications. “Many of our vendors typically use two or three carriers, some of whom may then sub-contract transport assignments. As such, there can be many people claiming pallets transfers, with the ever present possibility that two or more entities will finish up duplicating the same transfer.”

“It is extremely easy to miss such situations if you do not have all the relevant information in front of you. But we can now very easily address this issue.” Says Ms Moraghan.

With responsibility for both the Larapinta and Townsville pallet reconciliations, the BRDC also notes that the ability of 2ic to work with multiple users working on multiple computers is an absolute plus.

### the 2ic contribution

- Pallet reconciliation workloads have been reduced to 20 percent of previous levels.
- Helps eliminate pallet transfer duplications.
- Substantially assists vendors control their own pallet transfer management and reduce their pallet hire costs.
- Facilitates daily reconciliation.
- Reduces transfer queries and then speeds the resolution of these.

### the final word

“The way we used to work was very laborious with lots of room for improvement. In contrast, what we now have is a really efficient system which makes my job a whole lot easier. I am really pleased to have implemented this world class system.”

**Ms Jane Moraghan**, Transport ULD Supervisor