

**Retail Solutions
developed by a
Retailer for Retail**

Our aim is to provide the most cost effective solutions to all sizes of retailer.

We understand retail from the perspective of the retailer and the solution provider and have over 30 years experience in delivering and installing retail solutions.

Home Bargains implements VBX FMCG Replenishment solution



Benefits to T J Morris:

- Smoothed orders provide improved Distribution centre and Store Staff planning, reducing costs
- Improved stock availability due to more accurate and timely order production
- Out of stocks reduced
- Stores receiving more of the faster moving lines
- Using Real time Sales data gives purchasing advantages for clearance lines. Buyers can see sales quicker and buy more (before stock is sold elsewhere) or cancel existing orders.
- Faster throughput in the distribution centre and new lines getting to stores quicker

Even though T J Morris, who trade as Home Bargains, are a very successful and profitable retailer there is always room for improvement.

TJ Morris was established over 30 years ago by Tom Morris. Since opening his first store in Liverpool Tom has grown the business organically to become one of the biggest privately owned companies the UK (Number one in the Sunday Times Top Track 250, 2011).

The company now boasts over 300 stores and employs over 10,000 staff. It is widely regarded as the largest business in Merseyside and is the second largest independent grocer in the country. The business operates one key principle, to sell branded goods at the lowest prices possible.

The original store replenishment system was developed in house and had served the company well over the years, but however successful there is always room for improvement.

3X Software and Verbatrans have combined their knowledge and experience to deliver the VBX Replenishment solution. The team members each have over 30 years of retail knowledge and experience so knew we could provide an improved service.

The majority of replenishment systems base calculations on the previous day's closing sales and Home Bargains were no different. In reality, by the time the next order is produced, picked and ready for delivery up to 48 hours could have passed and the data is then out of date.

The other issue Home Bargains experienced were fluctuations in order sizes. Generally the order sizes were much larger the first part of the week than the mid/end of week due to the customer demand. The fluctuation in order sizes is a headache to plan and manage for both the Distribution centre manager and the store managers having to handle orders delivered to store.

When forecasting and producing the store order the system uses:

- Previous week's sales data up to the current hour
- takes into account the same week in the previous year
- forecasts the sales expected to be made prior to the current order being delivered
- takes into account products that have gone out of stock and predicts what they could have sold if they had had the stock in the store.



Fast Moving Consumer Goods (FMCG) also has its quirks, and Home Bargains is no exception. They have to be fast and responsive to the deals they have in the market place so we also wanted to ensure that the solution gave an advantage and was fast and responsive to the customer needs.

The solution now in place is based around real time sales data, when we say real time we really do mean 'real time'.

All transactions are collected on a central server as each sale transaction completes at the store, this allows the business to make quick buying decisions.

As Home Bargains generally don't retain any back stock in their stores it is essential that stock levels are maintained and out of stocks minimised, the margin for error is very limited. To do this we use order factors that determine the number of days stock that is to be held in the store between orders. This does mean that the store stock levels do fluctuate a little but this is necessary to maintain smoothing of the orders.

The distribution centre handles over 2 million cases per week, so to help with managing the workload the system produces a forecast for the distribution centre 48 hours in advance. We also introduced smooth orders, this basically means that for each store a forecast is produced for the week ahead, then the orders are forecast to produce an even size order for the store each day. This helps the Distribution centre manager with staff planning. This also helps the staff management at the stores, meaning a reduction in overtime costs due to unexpected large orders being delivered to the store. Overall Staff planning has been made easier as it removes the peaks and troughs in the delivery schedule producing even size loads.

The Store replenishment orders are produced when the order is ready to be picked in the distribution centre, this again ensures that the most up to date Store stock and warehouse data is being used (as opposed to the previous days stock levels) giving a more accurate pick.

We can leave the processing to run at pick time as the store order takes just seconds to produce an order for over 1000 cases. The process is undertaken using what we consider to be the best possible computer to manage critical operations, that being an IBM POWER7 Server running IBM i with Solid state (SSD) disks.

The VBX replenishment solution uses sales figures going back for 13 months (this can be increased if required), this is particularly useful for season lines.

VBX Replenishment is just one of the fantastic offerings from Retail Solutions from VBX.

Coming Soon, New Warehouse picking solution and New EPOS solution

For more information about what we can offer at Retail Solutions from VBX contact us.

Retail Solutions from VBX

A trading name of 3X Software Ltd and Verbatrans Ltd working together to deliver solutions



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