

Why Foodservice Distributors Should Invest in Technology

PROCAT
DISTRIBUTION
TECHNOLOGIES



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With technology,
everything improves.

INFRASTRUCTURE
PRODUCTIVITY *PROFITS*
ACCURACY
QUALITY DATA
EFFICIENCY
SPEED
PRECISION



Small to mid-size foodservice distribution centers have been using manual and paper-based warehouse management systems, such as Excel® spreadsheets, for decades. The hesitancy to invest in technology can be due to generational inertia, not understanding what it can do for your operation, fear of cost, fear of it not working as expected, or all of the above.

Food distribution is a highly fragmented market, with over 16,500 businesses operating in the space. Understanding that the top eight food distributors account for 41% of the U.S. market, smaller distributors need to be able to effectively compete with these industry giants. To best defend your company and customer base in this

competitive market, operators need proven technologies that will enable them to operate as efficiently as possible. That means reducing inefficiencies and waste while managing challenges such as labor shortages. Smart investments in barcode scanning and technology such as electronic picking methods can bring many immediate rewards to a company while helping future-proof the business.

For organizations still running legacy systems and contemplating updated technology, we present ProCat's Top 4 Reasons Why Foodservice Distributors Should Invest in Technology.

1

You want to improve picking quality and accuracy.



Barcode scanning and electronic picking methods help:

- **Reduce errors and customer claims.** When pickers scan item UPC barcodes as part of the picking process, management can be confident that orders are being shipped perfectly. Solutions such as PickRight, by ProCat Distribution Technologies, deliver 99.9% order accuracy and result in a 90% reduction in customer claims.
- **Track inventory expiration dates.** With scanning technology, product expiration dates can be checked and recorded as products are being received at the dock. If a product is too close to its expiration date, receivers can be alerted to refuse the item rather than receive it and essentially accept unsaleable product. This is especially important when dealing with perishable products, such as meat and dairy, which have shorter shelf lives. Technology can substantially reduce product loss and keep inventory in prime condition. If a warehouse is relying on the receiver to remember to check inbound expiration dates on certain items, inventory loss from short-coded products will likely be an ongoing challenge.
- **Enable more accurate inventory management.** Expiration dates can vary regardless of when a product is received, so perishables are not a first in, first out product category. Barcode scanning solutions can ensure products are replenished and used by expiration date, not by date received, key to minimizing waste and increasing customer satisfaction.

2

You want to improve productivity.



Technology can be a game-changing competitive advantage given the persistently tight labor market and high industry turnover. When high order accuracy is achieved through barcode scanning, management can be assured that a drive to increase productivity will not result in picking errors. Electronic order picking with barcode scanning:

- **Increases picking speed, reducing the amount of labor needed for each pick shift.** Companies who implement technology will find they are able to eliminate checkers, and decrease the number of pickers needed. Customers report picker productivity increases 20%-40% with PickRight.
- **Eliminates paper.** Paper pick tickets and pre-printed labels are history, reducing the associated labor and costs.
- **Gives managers increased visibility.** Reporting tools illustrate employee productivity and operational performance. Managers can use real-time data to understand the status of a pick shift, evaluate individual employee performance, research past customer orders and so much more. PickRight has an expansive reporting suite with over 70 reports to help supervisors manage pick shifts more effectively.
- **Enables order pickers to have two free hands while picking.** Pickers do not have to pick up and put down RF devices or pens/paper, or need to write information on paper pick tickets, further increasing picking productivity.

3

You want to improve infrastructure.



If the process you have right now is too basic, or slow, or not meeting your needs, the most recent technology geared for foodservice warehouses can:

- **Give you added functionality.** Technology helps develop the most productive picklists, analyze output, and determine the best picking method. For example, PickRight reports help you efficiently place pickers in certain areas to expedite pick shifts based on actual warehouse data.
- **Give you specific foodservice industry tools.** Technologies available today provide tools including catch weight capture, lot number capture, expiration date testing, and temperature capture. When GS1 barcodes are available, data extraction makes pickers even more productive by automating required data capturing. Additional foodservice features include product recall abilities.
- **Give you a competitive advantage.** Technology reduces labor costs and increases order accuracy, keeping your organization ahead of others. And if your competitors are already investing in technology, you don't want to be left behind.

4

You want to improve financial results.



Implementing technology is an investment, and making the right strategic decision can:

- **Reduce overall expenses.** Technology results in fewer errors, fewer expired goods, and less labor, all of which have associated costs. With PickRight, the average warehouse can decrease staffing levels by 20%, shorten warehouse hours, and save on utilities and expenses.
- **Deliver a favorable Return on Investment.** Select a technology that will give you an ROI in under 12 months. If you're spending \$5,000 per month fixing picking errors, and PickRight software costs \$2,000 per month, your company's financial performance immediately improves by \$3,000 per month.
- **Increase earnings and company value.** Technology delivers value for customers and your bottom line.

Conclusion:

You know your customers, your products and your business. But with technology evolving so rapidly, you may not be aware of how much recent advancements can help. After researching all the expenses your business incurs year after year, and adding up the savings that technology can deliver (lower labor costs, reduced customer claims, better inventory management), you may be surprised at the outcome and ready to invest.

PickRight in Action at S&L Food Sales



"We were old school, using paper sheets for picking and we struggled with mis-picks and operator error. We knew we needed to streamline and automate the picking process to reduce errors. We tried using a warehouse management system through our existing inventory management module, but it was a tedious process that wasn't robust enough for us.

"After looking into it, we decided to implement ProCat's PickRight in January 2020. It was much more appropriate for our business and would give us a big competitive advantage in a short amount of time.

"From a productivity standpoint, the interface with PickRight and our NECS food distribution software is pretty much foolproof. Another advantage is that ProCat allowed us to keep our existing software, and did not require a full system overhaul.

"We were up and running in just two months. We went from 97% to 99.7% order accuracy and improved productivity 34%. Our guys are over the moon in how much easier PickRight has made their jobs."



"PickRight is the best investment in our operation that we have ever made."

Chris Leitner

Partner & General Manager
S&L Food Sales, a family-run distributor
with \$30 million in annual sales and
approximately 5,000 SKUs

About ProCat Distribution Technologies

ProCat Distribution Technologies helps small to medium size distribution centers implement barcode scanning technology into their operations. ProCat has developed a suite of 14 modular software solutions that improve accuracy and productivity in every part of a warehouse. PickRight, ProCat's order picking solution, has proven to achieve 99.99% order accuracy and a 90% reduction in customer claims. PickRight is able to interface with any ERP and does not require any changes to your current WMS.



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