Retail Replenishment Flow

PICTURES BEFORE

Invest (▲) or Disinves▼( ) when at a peak		% Customers	% Sales
Accurate	I want a product like…	10%	Average
▼ Price Reader	How much?	20%	Low
▼ GPS	Where is it?	20%	Low
▼ Service	Can you cut the price?	10%	Average
▲ "For Dummies"	I do not really know what I need but…	15%	High
▼ Social	Ever since my daughter left home…	10%	Low
▲ Technician	What is the difference between…	15%	High

Source: Project team workshop

Replenishment Cycle of 30 mins for one pallet

Warehouses with lack of visual management

Types of customer service and respective % of customer/sales

PICTURES AFTER

Warehouse Layout

Solution Principle

Problem

- **High pallet return rate** to the warehouse: **27%**
- **83% of the time of the replenishment team** allocated to **non-value-added** tasks
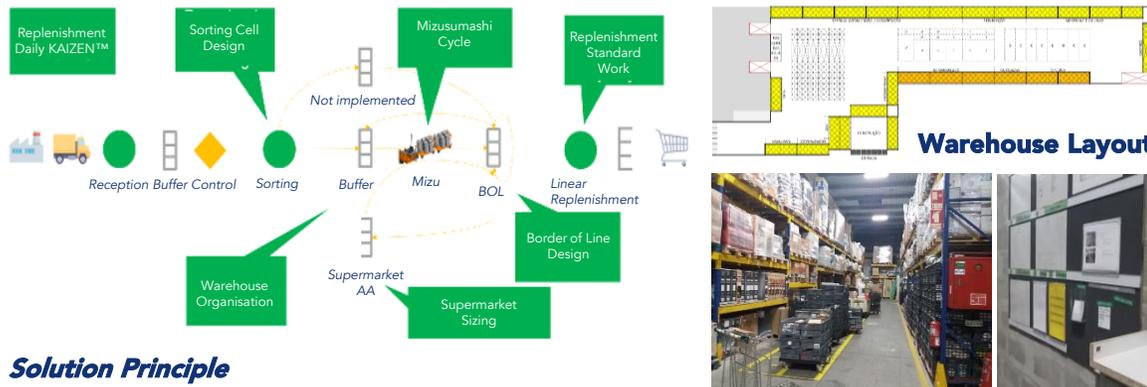- Customers leave the store after prolonged periods **waiting** for support from a salesperson

Root cause

- **Goods received not organised by store category,** resulting in significant movements
- **Several failed attempts to replenish the same article,** due to inaccuracies with the store planogram
- **Items that do not have a defined location are replenished,** causing entropy in the operation
- **Team of busy salespeople replenishing during the day,** as opposed to selling

Solution

- **Sorting cell** to reorganise incoming goods, minimising redundant storage movements
- **Creation of an accessible area for goods to be brought close to the shelves** to reduce the replenishment time. Dedication of the replenishment team to this task
- **Easy-access area for easy replenishment of high turnover items**
- **Daily team meetings** for replenishment and sales
- **Receipt of goods 5 days per week,** rather than 3, reducing the stock level in the store

Benefits

Stock reduction and sales increase

£12m/year

+33% Productivity

-70% Pallet return rate