

Summary

Drakes Supermarkets is Australia's largest independent and family-owned supermarket retailer based in South Australia, founded by Roger Drake in 1974. Since then, Drakes has grown to operate over 70 stores across South Australia and Queensland, employing over 5,500 people with an annual turnover of over \$1billion.

The company's strengths lie in operating on the principles of a family business and a commitment to supporting local manufacturers and suppliers. Drakes has kept its focus on the important aspects of the business, which concentrates heavily on consumers and their shopping experience.

After significant growth, Drakes became independent of previous distribution partner Metcash in late 2019 in its South Australian operations, in an effort to re-brand its position within the retail grocery market and to construct a self-sufficient supply chain. The new 100,000 square metre development site has a large scale 55,000 square metre distribution centre that employs over 80 full-time team members.





Background

During the process of becoming Australia's first truly independent supermarket chain, Drakes restructured its business and moved its supply chain operations in-house, which resulted in the launch of its own distribution centre in Edinburgh North, South Australia. The new distribution centre was built from the ground up, in a bid to ensure Drakes was installing the most advanced supply chain system that would be fit for purpose now and into the future.

Having decided that WCS was their Warehouse
Management System partner of choice, Drakes wanted
to integrate a WMS that would streamline its operations,
optimise store fulfilment and service levels and achieve a
positive return on investment through an increased level of
productivity. It was also important that in switching to its
own supply chain, the company could be confident that its
operations and systems would be highly reliable and able
to achieve maximum efficiency, so that the service delivered
exceeded the needs and expectations of the Drakes customer.



Technology creating the framework of success

The project with WCS leveraged technology to future proof the site, and also to create maximum efficiencies. A key part of the implementation was WCS' best-in-breed warehouse and Labour management system CSnx.

WCS CSnx delivered embedded voice directed warehouse processes for order assembly, forklift and loading operations. This system delivers seamlessly voice-based transactions allowing for real-time maintenance of inventory levels and better synchronisation of replenishment activities. Pickers are allocated the best next picking assignment to drive efficient DC operations.

"The voice technology is a very important aspect of the WMS, and has a huge part to play in the success of the system as a whole. Management runs tests themselves at Drakes on any technology systems the employees are destined to use, and I believe the CSnx voice module is the best I've used. It truly is a great product."

Glenn Sutcliffe, Logistics Manager at Drakes

Joshila Makan, CEO at WCS said, "Accuracy and productivity are critical in modern distribution centres and the use of voice technology delivers this by utilising hands-free, eyes-free communications. Voice operation is particularly suitable for picking frozen and chilled foods, where gloves hamper the handling of paper or the use of radio data terminals."

WCS also worked closely with Drakes on implementing a wider programme of technology, Labour Management, an inbound supplier portal incorporating CSnx Inbound Booking with Crossdock functionality, a new integration with their supermarkets, complex interfaces between M3, Dematic automated goods to person system and Cubiscan, and hardware to run the whole operation.





In addition to the significant productivity benefits already being achieved by voice the CSnx Labour Management module improves productivity further by calculating a fair, unbiased, real-time, industrial engineered standard time for the warehouse work. This standard time is communicated to the employees in real time along with immediate feedback on their performance, and provides the management team with real time information.

Drakes required a clocking system to help understand their daily tasks in relation to the daily throughput to assist in target setting, budgeting and overall warehouse performance. They worked with CSnx to design, develop and implement the CSnx TimeClock for Labour Management module ensures all work direct and indirect is being tracked in the warehouse. This information is then utilized for the calculation of over 100 KPIs and metrics that drive the management and planning processes of the operation.

Sutcliffe commented, "The use of the performance management tool and the timeclock has given us the ability to better plan and manage the daily operation. Less down time hours, clearer reasonable performance targets and the ability to know where we should be at any time of the day. Since the implementation of the clocking system we have seen a 14% bottom line improvement and DIFOT is at 99% over the last 12 months, even throughout the pandemic."

The WCS CSnx Inbound Portal is used by Drake's suppliers to create crossdock orders. Where a supplier does not range all their items in the distribution centre, they can still create a crossdock order for a customer supplied out of the warehouse and deliver the goods into the warehouse. Creating orders in the portal allows them to be efficiently planned, received, stored, and consolidated and delivered with the next scheduled delivery to the store.

The Inbound Portal also provides suppliers and transportation partners with the ability to schedule deliveries into the warehouse. Drakes defines their receiving calendar with available capacity and booking slots which is combined with intelligence on the supplier's product mix and receiving history to ensure the most accurate inbound plan possible.

With COR in Australia, it was imperative that Drakes had a product solution that helped its suppliers and transport companies deliver efficiently to ensure drivers were not put under additional pressure. They log onto the Drakes system and book a time that suits them. Without too much detail, the portal does all the work so Drakes can ensure it manages labour for faster turnarounds on site. Most importantly, the organisation has an alert system that monitors time on site. Where a vehicle is getting close or exceeding its forecasted time, all key personnel receive an alert via text and the vehicle is then prioritised.

"Since the implementation of the clocking system we have seen a 14% bottom line improvement and DIFOT is at 99% over the last 12 months"

Glenn Sutcliffe Logistics Manager Drakes



CSnx coped well under pandemic pressure

On the 21 July 2021 the South Australian Government announced an immediate lockdown in response to a large COVID outbreak traced back to a winery in the Adelaide Hills which resulted in panic buying in supermarkets across the State.

In a few hours, stores were stripped of all fresh food, grocery staples (i.e. rice, pasta, etc) and toilet paper. The Drakes Distribution Centre which usually serves 42 stores and normally despatches about 40,000 cartons of stock per day, was under pressure to get even more stock to stores to fill empty shelves.

The business was able to leverage the technology that had recently been implemented quickly and efficiently, and in total on 21 July the operation picked 61,382 cartons; 60,020 cartons on Thursday, July 22 and 55,575 cartons on Friday, July 23.

This intense week saw an increase in 32% of pallets leaving the DC. and three successive days with over 50% more picks than usual.

The efficiency and accuracy of the technology implemented, and the robustness of WCS's CSnx WMS was able to support Drakes during this very challenging time, with no outages.

Sutcliffe concluded, "Accuracy and productivity, as well as overall performance are critical in a modern distribution centre. This WMS and technological solution is leading edge in our industry, and supported us through one of the most challenging times in our history. We are extremely happy with the output we are delivering through the use of WCS CSnx and are looking forward to the next stage in our evolution."

Next phase of our journey

Since the implementation Drakes has been able to recoup its initial investment, and has made considerable savings in both accuracy and efficiency. With the goal of being the most respected wholesaler in Australia, Drakes next stage of evolution is to grow the business further to support the independent businesses in Australia as much as it can. Drakes plan to build its next warehouse in Queensland and will continue to explore the use of technology for more improved productivity and efficiencies as its relationship with WCS continues to grow.

"Our suppliers are now hugely complimentary about our booking system, we regularly receive comments from logistics suppliers who visit our DC about how it's one of the best booking systems they've come across."

> Glenn Sutcliffe Logistics Manager Drakes

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