

COMPANY: UNITED CO-OPERATIVES LTD
INDUSTRY: GROCERY

VOICE POWERED RESULTS:

OBJECTIVES

- ▄ **Increased Accuracy**
- ▄ **Increased Productivity**
- ▄ **Increased Warehouse Throughput**

RESULTS

- ▄ **Picking errors decreased five fold**
- ▄ **20% productivity gain**
- ▄ **£25,000 saved on labelling annually**
- ▄ **Administration staff moved to more productive tasks**

ROI

- ▄ **Payback achieved within 13 weeks**



Return on investment in record time

Established for more than 150 years, Co-op is one of the UK's most trusted brands. United Co-op is one of the largest co-operatives in Europe, with a turnover in excess of £1.5bn and over 15,000 staff employed from the Midlands to Cumbria and from Northern Ireland to the East Coast of Yorkshire. The Society offers a wide range of services, which include food stores, department stores, travel, pharmacies, funeral homes, motor dealerships and a number of other subsidiaries.

"The Talkman® system delivers on its promises and the successful operation we have at Talke is a great demonstration of just how effective it can be."

Paul Cross,
General Manager of Logistics
United Co-operatives Ltd

THE CHALLENGE:

Supporting success and enhancing service

The Talke facility manages supplies to UCL's award winning chain of 'Late Shop' convenience stores. With 353 outlets across the north of England, the business has an annual turnover in excess of £600m. The Late Shop concept - a high quality local store, trading every day with long opening hours - calls for a fast, reactive distribution service as a critical factor in its success. When investing in technology to improve their supply chain processes, UCL's management had three fundamental questions:

1. Will voice technology deliver on its promises?
2. What will be the rate of return on the investment?
3. How long will it take to achieve?

THE SOLUTION:

Adding voice to further enhance

Keen to build on the efficiency of its distribution operation, in April 2003 UCL introduced *Talkman* voice technology to enhance all picking functions. The *Talkman* system was installed to work with the Triceps WMS by VoiteQ, a partner of OMI and Vocollect. By August 2003, after just a few weeks of testing and training, the distribution centre was picking 100% of products using *Talkman*. The warehouse is split into three zones: cigarettes, bottled alcohol and other high value goods; fast moving grocery and non-food; slow moving grocery and non-food. Picking is at both full pack and single item level and the TRICEPS WMS automatically splits incoming orders from the stores into zonal assignments. These are then allocated to pickers working in each zone in a sequence determined by delivery and loading priorities. Triceps then combines the picks from all three zones for each order in the final dispatch lane.

"Voice recognition technology able to operate within the demands of the warehouse environment is one of the most significant innovations to the distribution industry in the last ten years."

Paul Cross,
General Manager of Logistics UCL branch

THE RESULTS:

Costs covered in just 13 weeks

The benefits delivered to UCL by the *Talkman* system are impressive. Errors have decreased five fold from 10 per 1000 to 2 per 1000, effectively removing 2400 errors from the operation every week. High levels of accuracy have also eradicated the need for labels saving £25,000 annually and creating a much tidier working environment. The average pick speed has increased from 120 per hour to 145 per hour, representing a 20% productivity gain and labour saving of 430 hours per week. Rewards for increased productivity mean that less staff deliver more picks and are better motivated. Enthusiasm for the technology has reduced staff turnover and eliminated the need for agency personnel.

The real-time stock environment created between *Talkman* and OMI's warehouse management system has reduced incidences of product unavailability from between 1.0% and 1.5% of picks, to just 0.2%. Any shortages encountered in a picking task are automatically prioritised and the worker is sent back to the pick location at the end of the run. This has removed the need for two extra staff previously required to rectify product shortages after replenishment. Before deployment of the *Talkman* system, picking was organised by eight administration staff. Elimination of manual processes has enabled the team to be moved to other duties within UCL's growing business. Invoicing is now made "as picked" due to the accuracy of the operation and store claims for missing products have fallen by 80%. Paul Cross, general manager of logistics at UCL, was the driving force behind the *Talkman* project. "Voice recognition technology able to operate within the demands of the warehouse environment is one of the most significant innovations to the distribution industry in the last ten years. The *Talkman* system delivers on its promises and the successful operation we have at Talke is a great demonstration of just how effective it can be."



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