Quant

SKLIZENO

A chain store of food
for healthy lifestyle

Intelligent Solution for Retail Management   Winter 2018

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When did Myfoodmarket appear and what was its vision? What were the initial types of stores and what made you look for a system for the preparation of planograms?

The first My FOOD market store was opened in May 2013 in Brno with a view to establishing a Czech concept of medium-sized stores offering a complete range of high quality food products accentuating their quality, freshness, and composition that would combine shopping experience and excellent service provided to customers.

However, at that time there were several similar concepts available on the market. In 2010, our first "Náš Grunt" opened in Prague and in 2011, the first "Sklizeno" opened in Brno. Three similar concepts, three different entrepreneurs, three similar leitmotifs: quality, freshness, fairness, support of local products and farmers and focus on the customer. On the other hand, there was a number of minor problems: incomplete assortment, high prices, supplies, ineffectiveness in many areas, a need for a better background and spatial requirements. Therefore, these three concepts were merged under one brand Sklizeno during the years 2016 and 2017.

In 2016, the aforementioned problems made us start looking for a tool that would allow us to make part of operations more effective. That was the reason why we started looking for a system for the preparation of planograms. At that time we had no idea of the number of aspects where Quant would prove itself in addition to planograms.

- 25 stores
  in the Czech Republic
  and Slovakia with
  the floor area ranging
  from 70 to 250 m^2

- 424 producers

- 15,236 products
  in database, of which
 7,117 for planograms

We were most excited at the very beginning when work operations involving assortment and store space planning became definitely more effective. In the course of the first three months Quant was filled with data and three MY FOOD stores were drawn. The stores were equipped with tablets and worked with planograms via a web interface directly on the store premises.

I clearly remember the moment when we opened our fourth store in Hradec Králové. It was the first store that opened with Quant already. When I arrived in Hradec Králové, there were seven pallets of goods waiting in front of our mini-store. I was really in doubt whether the goods on the seven pallets would fit in the small space of the store. They fitted. Without any space left. And the time needed for handling inventories reduced from the average four or five stressful and demanding days to an enjoyable day and a half!

I cannot remember that we had to deal with any problems at that time. At the beginning we of course had to work a lot to cope with data preparation, measuring all products, getting and trimming figures, setting bridges for data transfer but none of these were perceived as obstacles.

In September 2016 we upgraded the ERP system, replaced Sofix with WinShop and the change required new automatic imports of product, sale and inventory data, which was completed by the end of 2016. From the beginning we planned to use planograms also for the determination of minimum and maximum product levels for automatic orders. Until then the store manager had to check the store for missing goods several times a week, make a list of such goods and enter them manually in the purchase order in the ERP system.

With the implementation of automatic orders, work related to ordering became significantly easier. After having tuned the entire process, the stores belonging to our group have reached a state where an automatic order is generated in the store several times a week, the store manager confirms it by one click and sends it to the warehouse that picks the goods and sends a delivery note back to the store where it is again confirmed by the store manager by one click of the mouse upon takeover of the goods, by which operation the goods are received as inventories.

While the MY FOOD stores were connected from the very beginning to a single central ERP system, the original Sklizeno and Náš Grunt stores operated as autonomous units. Upon rebranding the stores we not only changed their visual style but we also had to connect the store database to the central ERP system and create corresponding planograms. It was where we met the first complications as the assortment of the original stores was rather heterogeneous and the equipment of the stores could be characterized as hotchpotch. In spite of extensive delists, the assortment, category variants and Quant management gradually expanded and became increasingly demanding.

Currently, we have more or less completed the rebranding operations. Quant includes a number of different types of stores differing both by location (shop & eat concepts in shopping centres vs. local brick-and-mortar stores) and equipment, and last but not least by size (from 70 to 250 m^2). Now our priority is to use Quant again for the optimization of assortment and space in stores, for the creation of planograms that will be more store specific and will correspond better to a given concept and expectations of customers, and for looking for opportunities related to successful local products and their distribution throughout the entire network.
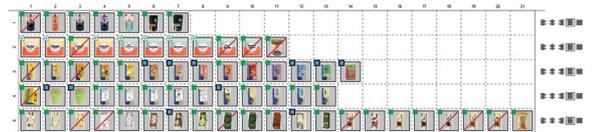
> In December 2016 we informed you that we were working on SELs in Quant. In February we started to work hard on the subject. What was the main motivation on your part? How did the implementation proceed? When did you succeed in deploying the SELs?

You literally saved us! Until then we only had four stores belonging to our group that had the same selling prices and we prepared SELs manually in an Excel sheet. At the beginning of 2017 we started preparing our first franchise store. Among the specifics of franchise stores is that they can change the recommended selling price within certain limits, which is how we deal with different locations of our stores.

When preparing SELs I was really surprised by the following two facts. First, how easy and not at all time-consuming was to fill Quant with data and figures thanks to batch imports and adjustable product properties, and second, how it was easy to create the required visual version of the SEL based on its graphic design in the editor.

The only little bit complicated moment was when the database of the store was connected to Quant to import the amended selling prices to Quant in real time. In the case of a change, the ERP system sends the selling price to the server that is checked by Quant every five minutes. Therefore, when the store decides to change price, Quant has the SEL ready for printing within five minutes. The deployment and preparation of SELs could be implemented in an extremely short time of one month thanks to great assistance on the part of Quant.
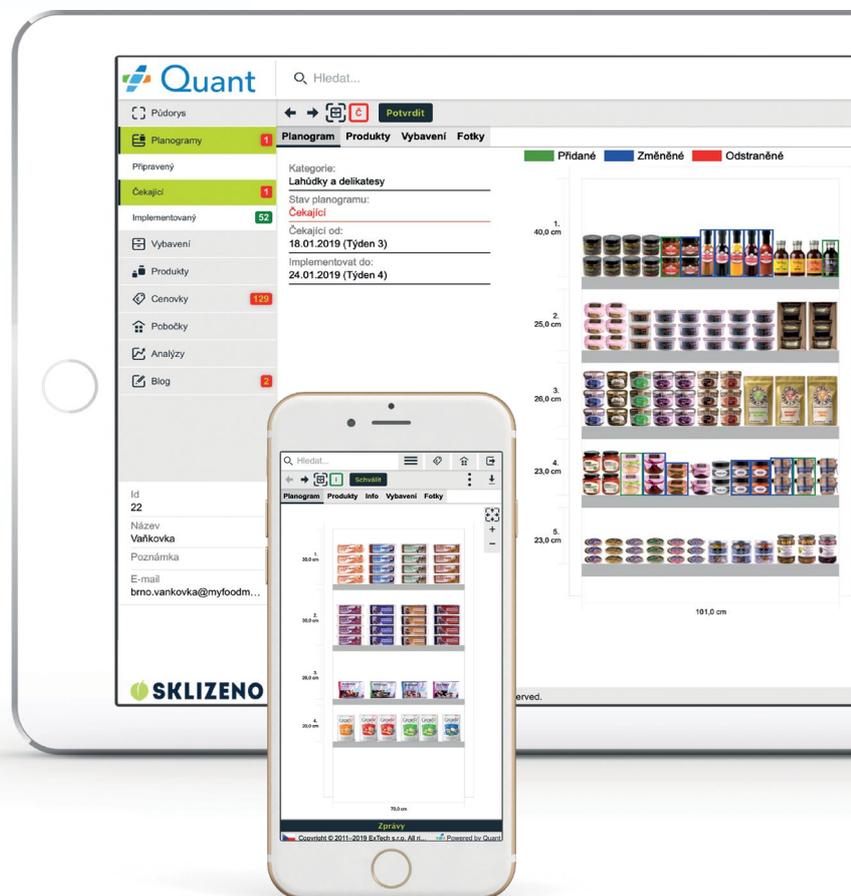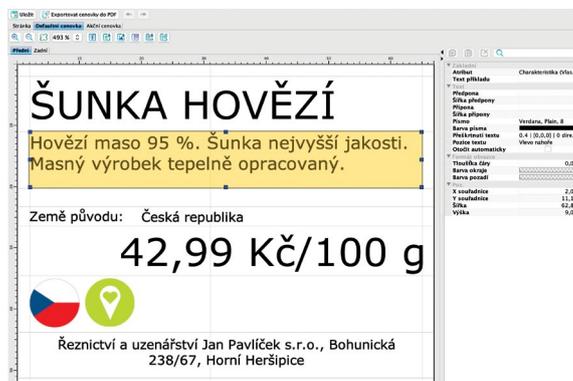
What about marketing planograms?

We started managing the marketing space of the stores in planograms more than one and a half year ago. We store marketing materials for the stores in a shared data repository from where they can download them and print. Thanks to planograms they know where exactly the poster/leaflet should be placed and when it should be replaced for a new one.

I think that from June 2018 you started using a blog in Quant. How has this activity stood the test of time?

Very well indeed. Until then any changes in planograms were perceived by the stores rather negatively. In June 2018, we introduced regular publication of planograms and we also write a blog for every published planogram. In the blog we describe the changes that we made in planograms together with reasons that made us implement the changes.

Since then, planograms have been perceived quite differently. The staffs no longer see the planogram as a necessary evil invented by the category manager in the comfort of their office to bother the staff in the store. Now, they approach the planogram as changes that may help increase the turnover of the store and also the satisfaction of customers.

In December 2018, you opened the first store in Slovakia, in Bratislava. How did you prepare Quant for a new country?

At the beginning we thought that we would be building a new Quant and connection to the Slovak ERP system. In the end, considering the fact that the Slovak ERP system is based on the Czech one, we decided to implement an easier solution and use one Quant for the preparation of both Slovak and Czech planograms.

On the part of Quant, minor changes needed to be implemented that allowed us to set, for example, store-specific automatic orders or a different currency on SELs. Thanks to the optional properties of products we then set the attributes that we needed to be localized for the Slovak market, i.e. in particular texts on SELs. Connection to the ERP system and continuous detection of changes in prices then used the same bridges as in the Czech Republic.
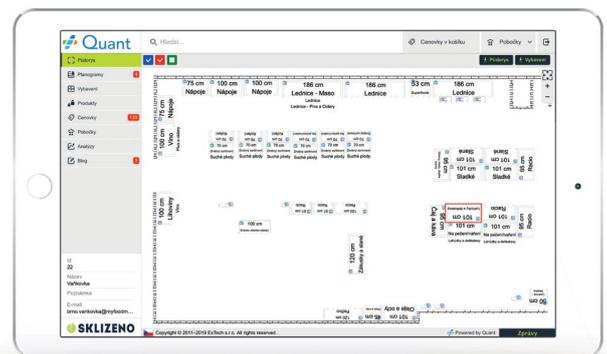
What were the pitfalls of the entire project?

For me as a person with average computer skills at user's level, the worst thing was to understand the data transfers, in particular from the franchise stores that have autonomous databases. The Automatic Tasks tool added by Quant a few months ago helped a lot — now I can track down a data transfer retrospectively as well, but in general, data transfers still remain an unknown quantity for me.

What about plans for the future?

*   Deployment of purchase orders for fresh goods that is not included in automatic orders.
*   Improvement in indication of sales items and improvement of sales items management in planograms.
*   Streamlining of category variants and reduction in assortment.

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