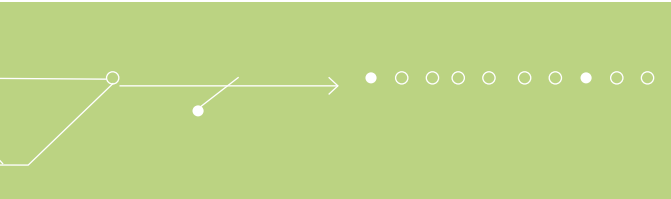
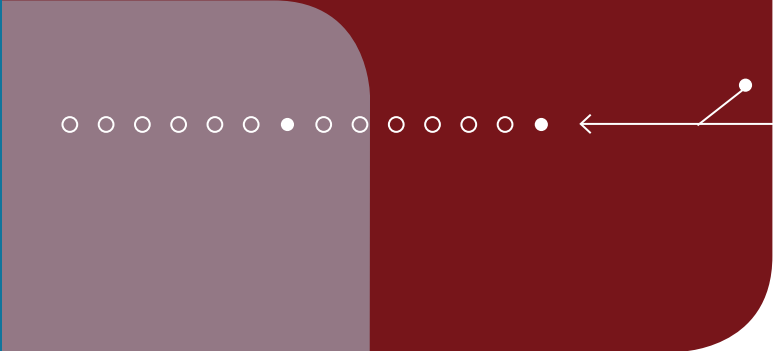


Whitepaper



4 Secrets of Best-In-Class Direct Store Delivery Providers



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Stories from the highest profit-earners in the DSD industry

As a direct store delivery provider, you're keenly aware that gaining customer loyalty is a battle won or lost on the store shelf. Your business depends on having the right products on the shelf when the mood strikes the customer. However,



it's not as simple as stocking the right type of product for your customer's cravings. It needs to be just the right flavor, in the right size and at the right price-point – and of course freshness is essential. Juggling all this data and answering to the manufacturer, retailer and the customer is a monumental task. But do it right and everyone is happy – your products are in stock and easily found by the customer; the retailer captures a larger share of the consumer's wallet and you drive sales growth and profitability.

The best in the direct store delivery business take technology beyond expected tasks such as GPS route mapping, handheld scanning and printing invoices on-site. They're able to go above and beyond to actually shape customer demand, eliminate stock-outs and waste, win customer loyalty and ultimately increase profitability.

In this report you'll learn four ways forward-thinking companies in the DSD industry gain a true competitive advantage through the creative use of technology.

1 Eliminating Stock-outs and Minimizing Waste with Customer Profile Analytics

Capturing competitive and customer information is playing a more important role than ever. The data can give you a significant competitive advantage by alerting you to what's happening in the field as it happens, giving you the ability to proactively address opportunities. The result: you drive sales rather than simply reacting. Data, combined with the right technology to help you decipher it, gives you the ability to sense shelf movement and translate the information into true demand.

A key example is a well-known sandwich supplier. To maintain their reputation for the highest quality, freshest products, the sandwiches are delivered to the store one day, and any stock that hasn't sold is removed from the retailer's shelves the next day at the distributor's expense. Having detailed customer data is essential in order for this company to forecast demand – otherwise they're stuck picking up the tab for the unsold inventory, and those leftover sandwiches can quickly eat away profit.

The company employs very creative salespeople who work in a highly competitive environment – and it arms its people with the real-time, custom-tailored information they need to maximize sales and eliminate stock-outs for each stop on their route.

Sandwiches are delivered once in the early morning and once after lunch. Stores can place orders until 10 p.m. to receive inventory at 6 a.m. the next day. The hitch lies in the fact that the sandwiches were produced and put on a truck before the customer ever placed the late order. That's where customer profile analytics come in. Using suggested order capabilities, the company assesses sales history, inventory turnover and current stock on-hand to determine what to deliver to each outlet. Suggested order ensures that reserve stock is placed on trucks to meet last-minute demand. The information on which trucks have extra stock is available in real-time, and the stock can be allocated to the store in need while the truck is already en-route.

Changing demographics and localized assortments? Not a problem, because true demand is being captured and assessed in real-time. The system provides a shopping list for each customer based on history and supplier importance, and the salesperson has the information needed to up-sell *and* provide the best customer service.

There is a fine line between putting out too much inventory and running into stock-outs. The data provided by in-depth customer

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analytics helps this sandwich provider to eliminate stocks-outs, deliver the freshest products to the customers and keep its waste level to two percent or less.

2 Optimizing Route Efficiency to Increase Sales

Maximizing the effectiveness of GPS (Global Positioning System) technology means more than finding the fastest route for drivers. There is an art to optimizing sales opportunities that goes much deeper than simply calculating the shortest distance between deliveries. You can take your GPS technology to the next level by integrating it with your wireless solution to gain actionable, real-time data that will help you increase revenue and cut operations cost. You'll gain visibility into your drivers' location, their productivity, route capacity and stop performance – plus have the power to dynamically change the current route schedule based on up-to-the-minute requests.

A good example of optimizing route efficiency can be found with a leading ice cream supplier that wanted to use real-time data to improve sales effectiveness. The business faced high turnover rates with drivers and wanted to be able to better manage performance, with the expectation that they could see a 20 percent productivity improvement per route.

With a GPS solution combined with real-time data, the company gained insight into the field and had information on where the drivers were, how long they were spending at each stop and the amount of time between stops. The stop performance information included sales amounts, missed stops, service time and unscheduled stops. By analyzing historical and real-time data, the company quickly found several areas where productivity could be improved, including the fact that too much time was being spent between stops.

Technology became a good training tool and gave the company the information it needed to set up clearly defined, realistic performance expectations. The company set goals and objectives and easily manages progress against the targets.

In addition to increasing productivity with the route efficiency software, the ice cream supplier attained the additional bonus of improved customer service. The real-time data gave the company the ability to fill last-minute requests by dispatching a truck that has the stock and is close to the customer. Plus, with less time wasted, service personnel have more time to interact with the customer, building relationships and increasing sales.

3 Leveraging Customer-Specific Trends to Increase Sales

New technology options can bring you an entirely new level of customer service, resulting in a significant competitive advantage for your business. Many companies are seeing the need to increase their forecasting and responsiveness to meet instant service requirements. Wireless operations tie the mobile representative into the back office and enable them to manage situations in real-time rather than reading reports when it is too late to respond. The data allows businesses to plan for spikes in demand as they happen and shorten the time for delivery by beginning to pick and pack an order as it is placed.

Consider a beer, wine and spirits distributor with hundreds of accounts and thousands of products to sell. To provide better customer service and to increase sales, the company wanted to give the salespeople an in-hand tool that would enable them to examine customer-specific product information and trends.

Using in-depth filtering tools, the sales representatives now have the ability to delve deep into product information to drive sales for the retailer. They can also analyze sales history and shelf stock to tell a customer that a specific type of product is selling particularly well. Perhaps it is red wine that comes from California vineyards and is priced in the \$15 per bottle range. The representative can inform the retailer that this is the type of wine with the strongest sales, and can recommend options for wines that meet these criteria. Plus, the representative has access to real-time inventory data of what products are on-hand at the warehouse, so he can instantly check product availability.

The result: the retailer is happy because he knows he is ordering what consumers want to buy right now, and he places an order on-the-spot for ten cases. The sales representative knows the product is available at the warehouse and enters the order. The order is accepted immediately at the warehouse, and personnel can immediately begin fulfilling the order – dramatically improving productivity in the warehouse and the timeliness of order processing.

The customer has placed the order for the ten cases of California red wine, along with other good-selling beer and spirits and would like the shipment the next day in anticipation of a busy weekend. The sales representative enters the products and the system will automatically apply any promotional pricing and calculate the exact total cost for the entire delivery. This way, the customer can accurately budget and can have a check ready for the delivery when it arrives the following day.

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4 Gaining a Competitive Edge – for You and the Retailer

Shoppers want convenience and the ability to quickly locate products. To gain and maintain shelf space, you are responsible for getting product to the store and for ensuring the right pricing and promotions have been applied. Multi-layered pricing strategies add complexity, including mix and match, surcharge items, group discount, promotion codes and reward points. You have to be able to affix price schedules to groups or individual products as appropriate, to ensure discounts are applied.

Precision in the field is important, and so is being able to analyze the data to give you and your customers a real competitive edge. Take a look at a beer distributor in Texas that was losing sales. The company started using a business intelligence tool tailored for beverage distributors in order to provide its mobile representatives with a powerful handheld that gives them in-depth information on all their accounts. The representative can analyze and drill down into product information by territory, store type and specific outlet.

The beer distributor identifies the SKUs that historically perform

well at a particular retail site. The mobile representative then identifies which products sell well in a nearby competitor's store – products the retailer is not capitalizing on. By having access to exact year-over-year sales, trends and data on what is moving and what is not, the representative can give the retailer a typical example of what sales would be for a solidly performing product based on a competing retailer's statistics. The representative can even suggest the type of presentation and promotions that work well for other sites, presenting new sales opportunities for both his company and the retailer.



New tools are available that can take competitive analysis to another level. Survey tools help capture customer and competitive information for specific customers or products. Mobile representatives can capture competing product information on-site and can build a custom short-answer survey that can be conducted to provide valuable management information on your operations and your competitive situation.

Conclusion

The top-performing businesses in the DSD industry are utilizing the latest analytic and mobile technology to increase profitability and improve shelf share in this highly-competitive market. Now you know their secrets... how could these new technologies boost your own business?