



Grocery Distribution: Solutions From Soup To Nuts

Situation: One of the country's largest grocery retail chains needed to gain efficiency, lower cost and improve quality. To accomplish all three goals, a restructuring of its current logistics network was in order – and Verst was the first choice for outsourcing the job.

After being awarded a long-term contract to operate the grocer's distribution facilities in Cincinnati and Indianapolis, Verst formed their Zenith Logistics division in 1998 to implement it. In 2007, Zenith added the Louisville Distribution Center.

Solution: Collectively, the distribution centers had an annual throughput of approximately 100 million cases of dry groceries, perishables and frozen products. What's more, all centers were located 100 miles from each other and totaled almost 2 million square feet combined. Facing these challenges, Zenith knew reaching the customer's goals would be no easy task.

Fortunately, Zenith succeeded by utilizing the customer's proprietary technology integrated with innovative approaches to the business. This significantly improved utilization of the labor force as they added real time inventory control, upgraded to advanced pick technologies and realigned the facilities for better customer service. This quickly resulted in improved inventory accuracy, store service and reduced cost. Additionally, each facility also benefited from:

- Automated warehouse management systems
- Streamlined Internet-based inbound freight management
- More robust labor management and scheduling technology
- Tighter shrink management applications

Outcomes: Implementing these new systems has helped the national grocery retailer realize vast improvements in productivity. It has also given Zenith the opportunity to assume transportation responsibility for many of these stores, requiring more than 150 pieces of road equipment and an on-site facility to meet the fleet's ongoing maintenance requirements.

Even more important, Zenith's efficient systems have helped develop a culture driven by excellent labor relations – leading to increased productivity, decreased costs to the customer, and improved overall satisfaction in the retail stores.



Locations

Indianapolis, Indiana

- 425,000 square foot facility
- Serving Indiana, Illinois and Michigan

Cincinnati, Ohio

- 430,000 square foot facility
- Serving Ohio, Indiana and Kentucky

Louisville, Kentucky

- 900,000 square foot facility
- Serving Kentucky, Indiana and Tennessee

Industry

Foodservice