

Vocollect by Honeywell Case Study

London Drugs

Nobody does it better®



Voice Results

Objectives

- Increase accuracy
- Improve productivity
- Reduce training time
- Reduce operating costs
- Increase customer satisfaction

Application

- Order Selection

Installation

- Vocollect Voice seamlessly integrated with London Drug's IBM AS/400 WMS
- Vocollect SL-14, SR - 20 Series Wired Headsets and SRX Series Headsets
- Vocollect Talkman® T5 Mobile Computing Appliances
- Vocollect VoiceDirect® Enterprise Connector
- Vocollect VoiceClient® and VoiceConsole® Software

Results

- Order errors reduced by 70%
- Improved productivity and throughput by 10%
- Training time reduced significantly

ROI

- Achieved within 15 months

Future Plans

- Replenishment
- Conveyor Case Picking
- Put-Away

Vocollect Voice® Helps London Drugs Build Trust with Retailers and Customers

London Drugs is one of Canada's largest retail chains. Founded in 1945, the company has grown from a simple, single storefront pharmacy into a variety retailer supplying a wide range of products, including pharmaceuticals, cameras, televisions and refrigerators. Operating in 35 major markets across western Canada, London Drugs supplies its growing pharmaceutical and retail network through two distribution centers (DCs) with a combined floor space of 585,000 square feet. Because having products in stock can literally be a matter of life and death for London Drugs' customers, the company runs three picking shifts per day for continuous, 24-hour distribution.

London Drugs began investigating voice technology improvement options for its DC to help curtail accuracy issues to retail locations several years ago. Management tested the products and services of three voice solutions in a small section of its warehouse under real-life operating conditions. Vocollect came out on top, offering proven solutions that would help drive the highest level of performance. In consultation with its technology partner Vitech, London Drugs moved forward with Vocollect Voice.

The Challenge Convenience Shopping Better be Convenient

In a market like variety retailing where customers face shopping options at nearly every street corner, building trusted relationships with customers and maintaining their loyalty is the recipe for success. And the only way to earn that trust and keep customers coming back for more is to have the right products on its shelves at the right time, every time.

Management at London Drugs realized that less-than-perfect accuracy from its DC was eroding trusted relationships with its retail locations – and ultimately with its customers. Accuracy issues, combined with the rising cost of printing and distributing pick instructions on paper peel-and-stick labels, led the company to consider implementing voice technology for its case-picking and split-case picking operations.

Vocollect Voice has been essential to helping London Drugs generate trust among its retailers and customers. The technology has helped the company reduce handling costs and improve accuracy, satisfying the "just-in-time" needs of the business to help keep costs low and customers happy.

"Our greatest surprise was how quickly our employees embraced the Vocollect system. Even workers who are not as comfortable with technology have caught on quickly and enjoy using Vocollect because it helps them do their job more effectively."

Brian Best
Director Transportation
Warehousing Distribution
London Drugs

The Solution

Voice Arrives 'Just in Time'

London Drugs' commitment to continual improvement and technology has helped the homegrown Canadian retailer compete with the international behemoths of variety and convenience retailing. Shipments from the company's DCs include more than 240 regular store orders per week, with over 1,000 lines per order, and more than 70 prescription orders shipped each day of the work week. In order to maintain this frenetic pace, the company must pick and ship products around the clock – it employs three shifts of 30 to 35 pickers each day.

Today, London Drugs uses Vocollect Voice for picking of both full and split cases instead of its previous paper-based system, which was cumbersome and error-prone. The technology supports, via Vocollect Voice software, the company's internally developed IBM AS/400 warehouse management system (WMS). With Vocollect, employees can start working within minutes of their assignment being processed by the WMS, rather than waiting for thousands of pick labels to be printed, split and distributed to various pick sections.

The Results

Satisfying Customers and Gaining Insights

In addition to efficiency gains, the new voice system has built-in checks and balances to help ensure shipping accuracy. Prior to the implementation of Vocollect Voice, the paper-based order fulfillment system was prone to human error at several stages. With the old system, employees needed to verify location, description and quantity details for each pick assignment. Now, Vocollect Voice talks employees through their orders, telling them which products to select and requiring them to use a series of check digits to verify details like location and quantity.

"I can't overstate the importance of a quick and accurate shipping system in variety retailing," says Clint Mahlman,

Senior Vice President of Retail Operations, Distribution and E-Commerce. "With Vocollect Voice, our stores can maintain an 'in-stock' position for customers while reducing the costs and headaches associated with picking errors. Furthermore, voice technology has streamlined operations at our DCs, increased the production of our staff, and reduced printing costs and waste."

He continues, "Nearly 80 percent of our customers routinely visit our store every two weeks. If we want them to keep coming back, they must be able to trust that we'll have the products they need on the shelf when they come in. Voice technology has helped us earn that trust, by making sure we are replenishing our stores with the products they need. The DC is the lifeblood of our company; because fulfillment and replenishment are everything when it comes to earning the trust of our retail locations and their customers. With Vocollect Voice, we know that our stores and customers are going to get the products they need, when they need them. That's priceless."

According to Lothar Breuers, Manager of Systems Integration, the management screens and work-flow visibility available through Vocollect Voice software have greatly improved the ability of the operations management team to deploy the right staff to the right tasks, ensuring deadlines are maintained. The company has cut printing and paper costs, by avoiding the production and distribution of printed instructions.

Says Brian Best, Director, Transportation Warehousing and Distribution, "Our greatest surprise was how quickly our employees embraced the Vocollect system. Even workers who are not as comfortable with technology have caught on quickly and say they enjoy using Vocollect because it helps them do their job more effectively."



Vocollect by Honeywell Global Contact Information

Region	Phone	Email
North America:	+1.412.829.8145	info@vocollect.com
EMEA:	+44 (0) 1628 55 2900	voc_emea@vocollect.com
Asia Pacific:	Hong Kong: +852 3915 7000 China: +86 10 5957 4817 Australia: +61 409 527 201	apac@vocollect.com
Latin America:	North: +52 55 5241 4800 ext. 4915 South: +1.412.349.2477	latin_america@vocollect.com
Japan:	+81 (0)3 3769 5601	japan@vocollect.com
Singapore:	Singapore: +65 6305 2369 India: +91 124480 6738	singapore@vocollect.com

About Vocollect by Honeywell

Vocollect by Honeywell is the leading provider of innovative voice technology solutions that help companies with mobile workers run a better business. Together with a global team of over 2,000 Vocollect Certified Professionals, Vocollect enables companies to save more than \$20 billion annually through further optimization of operations, improving business decision capabilities, and delivering the industry's premier worker experience in challenging industrial environments to nearly one million mobile workers who move in excess of \$5 billion of products every day.

Vocollect integrates with all major WMS and ERP systems and supports the industry's leading handheld computing devices. Visit us at www.vocollectvoice.com.