

CASE STUDY SPOTLIGHT

Reducing Grocery Out-of-Stocks

Increasing On-Time and In-Full Performance through Better Collaboration

One of the largest grocery retailers in the United States, with nearly 500 locations, sought to improve its performance, particularly regarding out-of-stocks and OTIF performance. As in other grocery supply chains, reducing out-of-stocks is paramount to both grocer and vendor success, but difficult to do without a single version of the truth. Without a system in place to facilitate collaboration, both the grocer and its vendors were losing out on sales opportunities, and the former, inventory turns. That's when the company decided to use the Traverse Systems platform.

By using the platform, the grocer was able to more seamlessly and effectively collaborate with its vendors, increasing On-Time performance by 4-8%, In-Full performance by 2-6%, and reducing overall out-of-stocks. The result is a higher-performing and more profitable supply chain.

THE CHALLENGE

Without a system to facilitate collaboration, the grocer and its vendors could not share and work from a single version of the truth. This affected on-time and in-full (OTIF) performance, negatively affecting out-of-stocks and hindering the company's ability to deliver the best customer experience possible.

REAL-WORLD RESULTS

Leveraging the Traverse platform, the grocer:

- Gained complete visibility into every part of the purchase order lifecycle
- Increased On-Time performance by 4-8%, depending on commodity
- Increased In-Full by 2-6%
- Decreased late ship violations by 52%
- Decreased SKU short shipment violations by 30%
- Reduced overall out-of-stocks

On-Time and In-Full Challenges

The grocer and its vendors worked together to improve their performance, but without a system of collaboration, their efforts were constrained. Core business data and metrics, from fill rate and OTIF to ASN accuracy, were locked away in core execution systems requiring significant time and effort to navigate. By the time stakeholders had worked through the phone calls, emails, and spreadsheets required to get the answers to their questions, the data was out of date.

Without a single version of the truth, the grocer and its vendors struggled to increase inventory turns, which are critical to success in grocery. Out-of-stocks cost North American retailers over \$349B in 2022 alone. And research shows that [75% of customers](#) leave a grocery store without purchasing due to empty shelves alone.

That's when the grocer brought in Traverse Systems. Using the Traverse Systems Platform, the grocer could aggregate data from disparate systems to develop a unified understanding of their supply chain and share it with their vendors. That shared truth helped the grocer and its vendors become true partners, and improve each's success. Over the course of a year, the company was able to increase On-Time performance by 4-8% and In-Full by 2-6%.

In addition to facilitating improved vendor relationships and communication, the Traverse Systems platform helped to accelerate inventory turns, and — most importantly — gain a comprehensive understanding of their entire supply chain that got all stakeholders on the same page.

Unlocking Increased Performance through Better Collaboration

Traditionally, vendor coordination requires navigating phone calls, emails, and spreadsheets to get even the most basic information. Not anymore.

With the Traverse Systems platform, the grocer leveraged communication tools that helped them and their vendors seamlessly share information critical to both businesses' success. Through their customized vendor portal, the grocer's vendors could access vendor requirements, training documents, videos, and vendor scorecards.

With everyone on the same page, the grocer and its vendors improved performance. Over the previous year, the company decreased late ship violations by 52%, short shipment violations by 30%, and OTIF violations by 33%.

Greater Visibility. Greater Speed. Greater Performance.

It's all possible with a unified understanding of your supply chain.

✓ Accelerate inventory turns, increase on-time and in-full (OTIF) performance, and reduce out-of-stocks

With full visibility across your entire supply chain, you can identify the root causes of poor performance and implement targeted solutions so you can rapidly turn inventory without fear of out-of-stocks.

✓ Increase speed-to-shelf

In today's competitive landscape, speed-to-shelf is more important than ever. Increased performance results in an increased ability to beat the competition.

✓ Locate your stuff in real-time

When you have immediate access to the movement and location of your purchase orders, group of purchase orders, or items, you'll always have an answer to "Where's my stuff?"

✓ Rapidly onboard vendors and seize new market opportunities

Capitalize on emerging market trends with confidence that your vendor onboarding process won't slow you down. Automate the steps and get all stakeholders on the same page.

✓ Increase promotional effectiveness

When you have a real-time understanding of incoming products and can manage deals and rebates in a single place, you can easily time promotions for maximum impact.

✓ Spend far less time data wrangling across disparate systems

Spend your time and effort on improving performance – not digging through multiple systems to understand why yesterday’s PO did not come in. With our solution, you get the data you need, all in one place.



Build a more consistent, predictable, and profitable supply chain.

Contact Barry Garvin for more information at barry@traversesystems.com, or 281-340-2034

ABOUT TRAVERSE SYSTEMS

Traverse Systems is an interdisciplinary team of supply chain professionals. Traverse Systems was founded by former retail practitioners who understand the unique challenges of the supply chain industry. Since 2000, we have served some of the world’s most respected brands, including CVS, Burlington Stores, Michaels, Tractor Supply, Kohl’s, and more. Our solutions aggregate data from disparate systems and provide a holistic understanding of your operations so that nothing is left to chance.

By helping customers optimize their business partner relationships and drive a unified view of their supply chain, the Traverse suite of solutions offers a higher level of supply chain performance. Our suite of solutions includes the Traverse Platform (track, measure, and report vendor performance), Rivet (Business process management solution), and Vision (Supply Chain Visibility).

To learn more, please visit www.traversesystems.com.