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of a management system which could insure maintenance and continuity of programming and performance measurement.

For example, when is a case in full stock condition, how do we measure condition, etc.?

#5. Quality/Quantity Standards

1. Stocking - full case and half case by exception.

2. Case Down Standard...Up to 120 equiv. feet of case - no more than 60 cases down at 9:00 a.m. daily.

...Over 120 equiv. feet, $\frac{1}{2}$ case per equiv. foot at 9:00 a.m.

...Warehouse shorts and substitutions are not included.

3. Maximum Display Condition - M.D.S. must be attained by 11:00 a.m. daily, defined as case is full to point which will not permit addition of a stocking unit.

4. Display Height - No item displayed above case load limit or outside its assigned space allocation.

5. Square Down or Leveling - Entire department is levelled (not dummied) prior to 9:30 a.m.

6. Product Rotation - Pull date according to chart.

#6. Measurement of Stock Condition

Cases Down Schedule Per 100 Case AWM

The final step was the Scheduling Process, i.e., analysis of work load and development of a work routine.

#7. Function Description/Timing

#8. Production Work Sheet

Detailing functions and time elements by day - with a work routine establishing daily sequence of functions and completion times - modified P.I.

Results:

#9. Frozen Foods Sales Analysis

DISTRIBUTION SYSTEMS FOR CONVENIENCE STORES

by
Drayton McLane, Jr.
McLane Company, Inc.
Temple, Texas

Convenience stores have long posed a problem in grocery distribution because of small purchases per store, the mix of product, and transportation problems; but these problems must be solved because of growth of the industry. Progressive

Grocer magazine reported in their 1973 food industry study that there are now 20,300 convenience stores doing \$4,350,000,000 in sales, and they are the star performers in food retailing.

Five years ago, McLane Company began working to find the best distribution system for the convenience store industry providing the variety of product, service, merchandising controls, and cost reduction. Today our results are:

1. Number of convenience stores serviced weekly: 937
2. Average weekly sale per store: \$1,070.00.
3. Number of loads shipped per week: 67.
4. Number of delivery miles per week: 23,484.
5. Backhaul weight in relation to total receiving: 33%.
6. Average number of items supplied to most convenience stores: Grocery items - 1,114/HBA and Nonfood items - 1,070.

We have achieved these results by developing the type of grocery distribution program needed by convenience stores. Our services include:

1. Weekly delivery to all stores with scheduled arrival times. This helps stores have part-time assistance for stocking.
2. Product mix to consolidate purchases and eliminate many small deliveries.
3. For each convenience store group, we provide the following merchandising services:
 - A. A tear-strip order book with only the items approved for the stores.
 - B. Each case of product has a gum label giving product description and the individual retail price for that group.

C. Weekly computer report for each convenience group showing weekly and year-to-date purchases by items for all stores.

D. A low out-of-stock ratio that will provide the stores with better sales and eliminate back-up suppliers.

E. Each invoice gives the retail value of the merchandise purchased as well as a purchase summary showing eight categories with cost, retail, and percent of profit.

F. Hold meetings with convenience store merchandising staff to work out promotions on products that are important to this industry. On many products, we make distributions of new items and promotion items to cut down lead time in merchandising.

G. We also stock private label items when it is important to a group's merchandising program.

The consolidation of purchasing has given us an opportunity to make larger deliveries to convenience stores at a lower cost, and this saving has been passed on to our customers. We feel that our distribution program has resulted in greater sales and larger gross profit for our customers. We know our program has made us more efficient in grocery distribution.
