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LABOR PRODUCTION AND TRANSPORTATION

by

Fred Walker

The Great Atlantic & Pacific Tea Company

Fellow members of the Food Distribution Research Society - it is indeed a pleasure to address you on the subject of transportation, planning, and productivity. This topic will reflect my current activities in the area of distribution at the Atlantic & Pacific Tea Company.

I am responsible for a contract carrier operation, which services over 300 supermarkets, consisting of many small, antiquated units, along with large ultra-modern units.

During my tenure at the A&P, our focus has been directed toward optimum service to all of the units in our region. However, our focal point has been directed toward our antiquated units in order to provide optimum service to the urban areas - at the lowest possible cost.

Our equipment fleet consists of 324 tractors and 795 trailers, of which 305 are refrigerated units. This in-house fleet transports an average of 1350 loads of perishable and dry groceries per week to the metro region. Therefore, in my tenure at our company, we have developed several methods to provide optimum service, while improving productivity and reducing our overall cost.

A. We have instituted a cart delivery system which has shown a 70 percent saving in service cost to our antiquated units. Our advantages have been reflected in added utilization of our

equipment and driver man-hours along with a reduction in unloading man-hours at store level.

B. We have installed, and are continuing to install, a low-cost freight lift conveyor system within our antiquated stores to improve the material handling flow from the trailer to the basement of the store, which has generated a 42 percent return on our investment.

C. We have implemented an aggressive, on-time delivery schedule to provide our retail units with an estimated time of arrival to compliment labor scheduling in each store's operation.

D. Past practices developed a credibility gap between distribution and store operations. In an effort to narrow that gap, we have installed a material wrapping system, which utilizes both the platform wrapping machine and the mobile wrapping machine to secure palletized product, which also has improved distribution and retail productivity while closing the credibility gap.

E. We have embarked on the development of an emergency weather plan, which will predict daily weather conditions in our tri-state operating area. This plan will be tailored to the specific needs of our operation. Its function is to forewarn us of inclement weather conditions, which will allow advance shipments of product to our retail units for consumer availability after the inclement weather conditions have subsided.

Time will not allow extreme detail concerning the aforementioned points. However, I have outlined five crucial areas in our distribution network. The metropolitan area, which we service, is unique, and we must be ever aware of any, and all, new systems which will enhance optimum service and at the same time, reduce operating cost.