



SOLUTION GUIDE:

## Optimizing the Supply Chain, Enhancing Customer Relationships and Reducing the Cost to Serve





# EMPOWERING THE FRONT LINE OF DISTRIBUTION

Direct store delivery workers are on the front lines of customer retention and satisfaction. In the field, they represent the brand and ensure that products are stocked correctly on shelves and displays. Enterprises are arming their teams with tools to manage inventory, up-sell and cross-sell products and ultimately increase the number of stops per day. Time is of the essence for both the worker and the retailer and an effective DSD system can help expedite services, increase sales and improve operational efficiencies.

Direct store delivery (DSD) is a business process employed by consumer goods manufacturers to distribute their products directly to retail locations bypassing third-party, retailer distribution centers. It is an ideal solution for industries that deal in products with a short shelf-life, such as consumer packaged goods, grocery items, bakery goods, beverages and greeting cards.

Quick replenishment of goods on store shelves is essential to sales and customer satisfaction. According to the Grocery Manufacturers Association, the global market value of the food, beverage and consumer packaged goods industry is \$2 trillion. In the grocery channel alone, DSD represents 24% of retail unit sales and contributes 52% of retail profits.\*

An automated DSD system can help suppliers understand inventory needs and significantly reduce waste from perishable goods, accurately project sales, ensure planogram compliance and enhance operating efficiencies. In fact, a DSD

system can reduce out-of-stock conditions and improve shelf replenishment by fivefold.\*

Companies that lack an automated DSD system lose a competitive edge since backdoor deliveries can take longer, encroaching on both DSD representatives' and retailers' time. In short, anywhere time is saved in this process, more services can be delivered – from making more stops on a route to spending more quality time with customers to ultimately realizing more sales.

Paperwork and government regulations for food safety and product traceability can slow down deliveries. Manually creating invoices and tracking inventory in the field can reduce the number of stops per worker, creating a need for more DSD representatives. Finally, when a DSD system isn't connected to the back office, extra staff is required to enter paperwork into the backend systems.

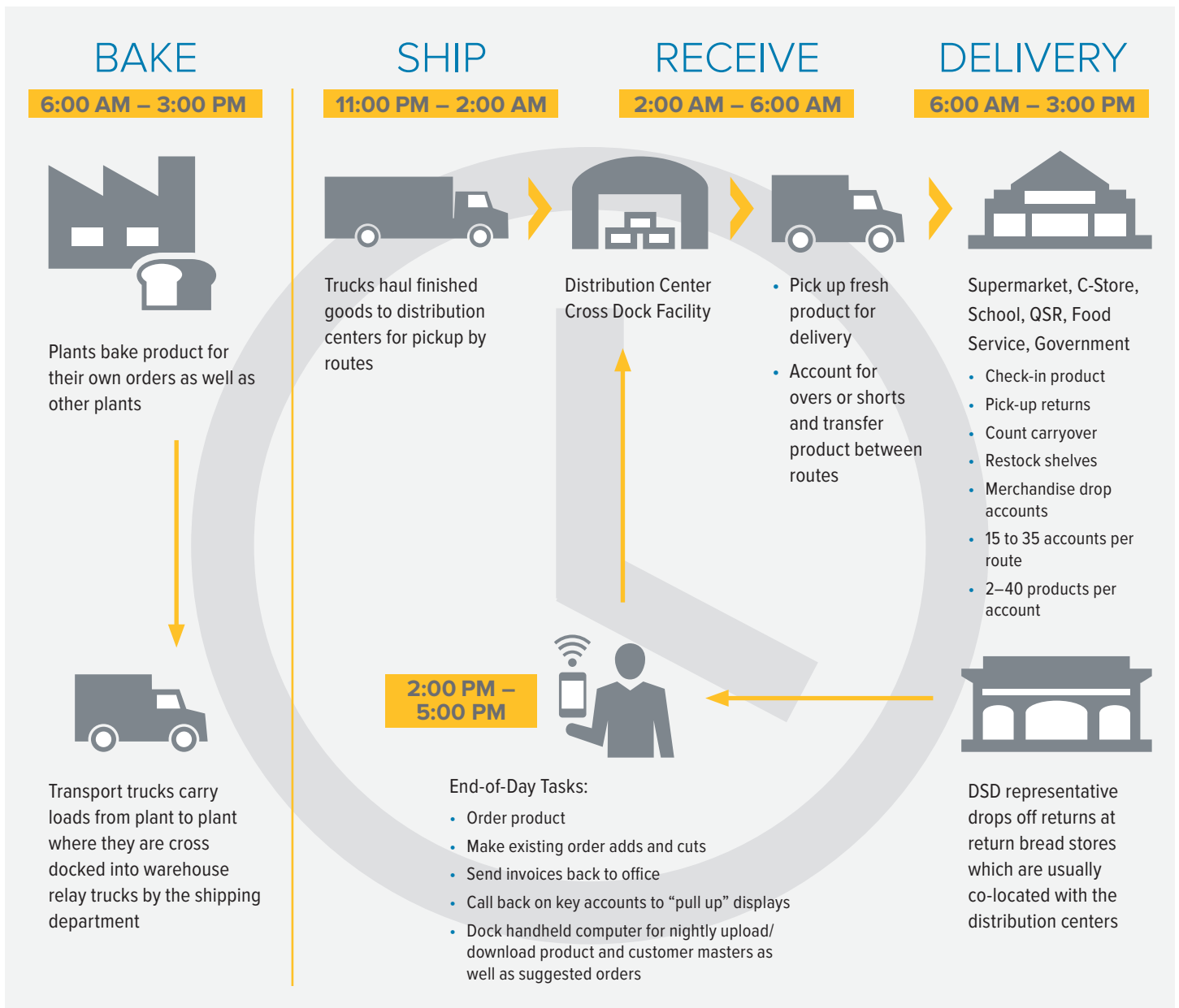
\*Powering Growth Through DSD: The Impact of DSD, The Grocery Manufacturers Association, AMR Research, Clarkston Consulting and The Nielsen Company



# A Day in the Life of a Direct Store Delivery Representative

When field representatives arrive at the warehouse in the morning, they have a full day ahead of them. It starts with systematically loading the truck with all the goods they must deliver that day. Workers often take extra stock to upsell customers along his route. Each representative must sign for all the inventory he takes for the day and leaves the warehouse to begin his route stopping at multiple stops during the day.

Once at a store, the representative must unload and account for the goods being delivered. In some cases, he will stock the shelves and discuss company promotions, new products and in-store placement of goods with the customer. Frequently, field representatives upsell and cross sell products. When the delivery is complete, the customer signs for goods received. Sometimes, the DSD representative will need to provide an invoice or collect payment. If this is the case, the sale information is sent to the office and accounting department, so they have a record of the transaction.



## Direct Store Delivery Challenges



While many enterprises rely on DSD to get their goods into stores quickly, there are still plenty of challenges that can impede the process. Field workers are responsible for so many business elements that any single issue that arises during the day can drastically disrupt service and negatively impact the bottom line and customer service. That's why it's imperative to have an automated direct store delivery system that alleviates many of these obstacles.

**50–  
70%**

of potential service revenue is lost because of poor record keeping and management

Source: *Improving Route Accounting with Mobile Printing Applications*, AMR Research

**\$1  
Billion**

Average revenue lost each year by consumer packaged goods companies due to out-of-stock conditions on the retail shelf

Source: *A Comprehensive Guide To Retail Out-of-Stock Reduction In the Fast-Moving Consumer Goods Industry*, P&G

**OUT OF STOCK ITEMS:** When goods don't get replenished promptly, it's a loss of sales for your brand. Additionally, the lack of your stock in the store gives your competition the opportunity to encroach on your shelf space.

**ANTIQUATED FIELD TECHNOLOGY:** When DSD representatives must rely on paper-based systems or outdated technology to collect payments and track inventory it reduces the amount of stops they can make. Representatives who aren't equipped with the latest enterprise mobile solutions spend 60 percent more time at a check-in.

**RECONCILIATION ISSUES:** A lack of automation can cause discrepancies in invoicing when the the field representatives' delivery report differs from the retailers' receiving records.

**OVERSTOCKS:** When there is poor management of stock demand or an excess of seasonal items it can result in overstocks. Excessive inventory can lead to the loss of revenue and increase company expenditures by spending capital on goods that won't be sold.

**INCONSISTENT CUSTOMER SERVICE:** In many cases, the DSD representative is the primary connection to customers. The time they spend in their store and the service they provide directly impacts customer satisfaction, retention and perceptions of a manufacturer's brand.

**OPERATIONAL EFFICIENCY:** The field representative delivering your goods is responsible for managing and maintaining the route, creating invoices and reducing the order-to-cash cycle. DSD representatives must be able to accurately capture data in the field and send it back to the office in real-time. Without this efficiency in the field, it negatively impacts other parts of the business including accounting, manufacturing and sales.

**VEHICLE COSTS:** Businesses need to monitor the real-time location of representatives and their vehicles to ensure that the route is on schedule. When routes aren't run efficiently, more trucks are required which increases labor costs and the operational expense of maintaining a fleet including fuel, tires, repair and maintenance.

**LOW ASSET UTILIZATION:** Less than peak efficiency can translate into the need for a larger workforce to maintain current business needs, instead of focusing on growing sales and customers.

# Zebra's Direct Store Delivery Solution Improves Efficiencies



## MOBILE COMPUTERS

Durable handhelds with a familiar user interface that seamlessly integrates into backend systems.



## MOBILE PRINTERS

Lightweight, compact printers for producing receipts, labels, and invoices in the field.



## APPLICATIONS

Improve employee, network and data security performance with software designed to connect, protect and enhance your IT infrastructure, customer data and mobile device solutions.



## SUPPORT & VISIBILITY SERVICES

Maximize uptime, performance and ROI with asset and operational visibility of your Zebra devices in the field. Also, avoid unexpected repair expenses with service levels and options to meet your needs.

The right automated direct store delivery solution can provide a competitive edge for your DSD representatives. It can also expedite critical business processes such as accounting, inventory management and customer service. A properly integrated DSD provides visibility into stock needs and fleet management. Zebra was the first company to introduce a GPS, modularity, short form factor, and dual cellular connectivity into DSD mobile products in the field. Our products make inventory visible and traceable both in the warehouse and on the road, which reduces out-of-stocks and makes inventory replenishment to the shelf occur five times faster.

### IMPROVE DRIVER PRODUCTIVITY

Outfitting field representatives with enterprise grade mobile devices eliminates the need for handling extraneous paperwork while in the field. By giving workers an always-on connection to the back office, they can seamlessly update inventory and sales data in real-time.

### REDUCE INVOICE ERRORS

When field representatives are connected to the back-end accounting systems while in the field, it reduces the possibility of errors that are often introduced either by writing them by hand or when they are input into the system by an office member conducting back-end reconciliation. Providing correct invoices helps reduce customer frustrations.

### AUTOMATED DATA CAPTURE

When data is captured automatically either through using scanning features on mobile devices or by selecting options already in the system it significantly increases data accuracy.

### ENABLE UPSELL OPPORTUNITIES

The DSD representative is often the main connection between the retailer and the product manufacturer. It is often during delivery times that the DSD representative can effectively upsell goods to the retailer. To be successful, however, they require real-time access to information from their back-end office systems to ensure there is enough stock available to complete the sale.

### REDUCE FLEET COSTS

The goal of any DSD system is to maximize efficiency. Providing GPS information and access to real-time traffic conditions can minimize delays. By reducing the amount of time spent at stops or traveling between stops, driver's gain minutes in their day that can be used to make more deliveries. When a fleet is running efficiently, it reduces overall delivery costs by minimizing mileage, fuel costs, maintenance and repairs.



# DRIVING GROWTH. POWERING INNOVATION. SIMPLY VISIONARY.

When it comes to direct store delivery, only Zebra delivers true end-to-end solutions – from the enterprise-grade mobile devices in the hands of your supplier representatives to the unparalleled network access that enables your team to access critical inventory and sales data no matter where they are located. Our DSD solutions are designed to drive growth and improve supply chain efficiencies by providing visibility when and where it's needed most.

For more information on how Zebra can help you improve efficiencies and visibility for direct store delivery, visit [www.zebra.com/direct-store-delivery](http://www.zebra.com/direct-store-delivery)



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