



Zebra TC51/56 mobile computers support Office Depot's customer-centric strategy

Retailer consolidates store, supply-chain and delivery software applications in one Android device and cuts its operating costs while improving customer satisfaction.

Challenge

Office Depot's leadership sought to adapt to the on-demand economy by implementing a new long-term retail strategy focused on the needs of small-business customers. These customers demand fast and flexible item purchase and pickup options. However, Office Depot's mobile devices were not reliable enough to empower store associates to assist customers anywhere in a store and offer such options. Also, the devices were not up to the task of raising supply-chain efficiency to an 'on-demand' level and supporting a new brand promise of more personalized service from associates. Additionally, managers of Office Depot's supply-chain facilities were not able to communicate with workers in real time.

Solutions

Office Depot adopted 7,400 Zebra® TC51 mobile computers for use with Wi-Fi networks in its 1,320 stores and distribution facilities, and a couple thousand TC56 cellular devices for delivery. The new devices run on the Android OS, a platform well-suited to new Office Depot software applications developed to enhance the work performance of associates and supply-chain workers. Office Depot also began using RS507X ring imagers to improve order-picking accuracy and productivity in its supply-chain facilities.

Results

With a smartphone-like design and long battery life, and backed by Zebra OneCare® extended technical support beyond the product warranty, the mobile computers are more reliable and easier for workers to use than the old devices. Workers now use one device to run Office Depot's Android applications. The Weston, FL Distribution Center utilizes the Workforce Connect Powered by Zebra Savanna PTT (Push to Talk) Pro solution for real-time, teamwide communications. These mobile applications and solutions have made Office Depot's store operations, supply chain and delivery services operate more efficiently. The new enterprise mobile technology has enabled Office Depot to maintain a 95% or better order pick and fulfillment rate and improve productivity in its supply-chain facilities. Its mobile technology operating costs have decreased by 9%. Last but not least, a POD application for Android gives customers visibility of their orders throughout the fulfillment process, and Office Depot's Net Promoter Score and overall customer service scores have improved significantly.

SUMMARY



Customer
Office Depot

Industry
Retail

Challenge
Upgrade mobile technology for store associates, supply-chain facilities workers and delivery drivers to give customers fast and flexible purchase and pickup options.

Solutions

- TC51 and TC56 mobile computers
- Workforce Connect Powered by Zebra® Savanna PTT Pro
- RS507X ring imager

Results

- Reduced operating costs due to device consolidation
- Quick development of enterprise applications with Android™ OS
- Better customer service from store associates
- Higher customer satisfaction
- More accurate supply-chain tracking of merchandise
- Better supply-chain communication and productivity
- More predictable order delivery timing
- Real-time proof-of-delivery (POD) verification



Combining the best of e-commerce and in-store shopping with new mobile technology

Office Depot recently embarked on an entirely new strategy designed to combine the convenience of e-commerce and the personalized service of in-store shopping. For long-term success, its leaders know the retailer must give customers choices in merchandise purchase and pickup methods—and that requires a supply chain capable of just-in-time order fulfillment. Also, when a customer visits a store, Office Depot's associates must provide better service than competitors can in order to build brand loyalty.

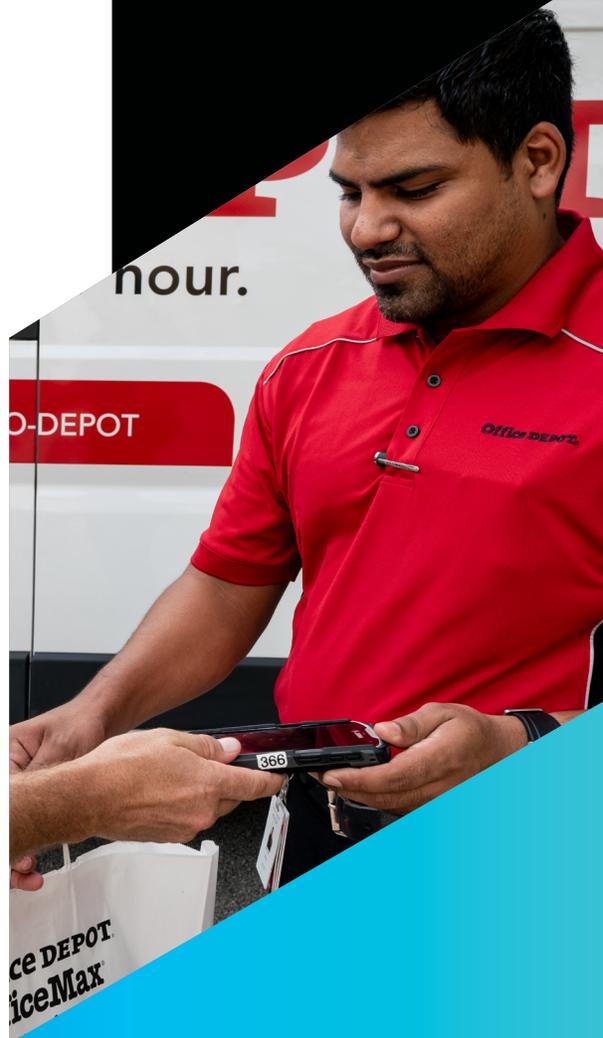
Upgrading enterprise mobile technology in its stores and supply chain with the Zebra® mobile computers was an essential part of Office Depot's strategy, which centers around the small-business customer. This customer's merchandise purchases are now likely to include, rather than solely drive, typical store visits. "We looked at the customer and said, 'How is the customer evolving? How are their shopping habits changing and what are their needs that aren't being met?'" says Ellen Bishop, Vice President of Retail Operations for Office Depot. "We developed a pretty revolutionary retail strategy around that."

This customer might visit an Office Depot store that has Workonomy™ co-working space and technology to create a client presentation without distractions and then meet with the client in a conference room. Also, they might pick up an item for their home office they bought online. As part of its buy-online, pick-up-in-store (BOPIS) service, the retailer guarantees one-hour order availability. "It has become a huge part of our business," Office Depot Director of Retail Systems Jonas Stillman reports. "Usage is growing by 30% to 40% year over year."

Mobile computing critical to new retail strategy

BOPIS requires store associates to be able to locate items in inventory faster than ever—and their previously used mobile devices lacked the reliability to support such a guarantee. "Anywhere from 35% to 40% of our previous fleet of devices was in some stage of disrepair," according to Stillman. Also, the devices' battery life was not sufficient to handle associates' need to verify prices, look up product information and check inventory throughout their shifts. Often, associates had to search their store for a device with enough battery power for these tasks.

Because relying on the old devices put Office Depot's new in-store retail strategy at risk, its retail operations leadership decided to replace all 7,400 consumer-grade devices with state-of-the-art mobile computers at its 1,320



stores and the supply chain that must supply them faster than ever. The combination of the new Zebra devices' smartphone-like size and design, Android™ operating system, fast processing speed for running Office Depot's in-store and warehouse mobile applications and Zebra® OneCare® support enables the company to follow through on such a customer-centric brand promise successfully. Office Depot is feeling the positive impacts from in-store customer service to the supply chain that feeds store inventory, BOPIS and home delivery with merchandise.

“Honestly, with the devices associates had in the past, they would be afraid to even try to assist the customer,” says South Region Divisional Vice President Janet Gray, who manages 530 stores. She adds that associates lacked much confidence in the devices' ability to locate inventory in back stock. “It would take so long to find out if we had an item that they would just go to a kiosk. Taking a customer from where they are in the store all the way over to our kiosk and looking it up is definitely not what you want to do.”

Android is well-suited to Office Depot's development of in-house mobile applications that ultimately empower associates to provide proactive omnichannel personal selling and customer service anywhere on the showroom floor. The OS enables the company to standardize application development across both the retail and supply chain with a common programming language. The development team can quickly develop the applications for specific use cases.

“Zebra has been very responsive to our needs, to any customizations we've needed, and it's gone really well,” says Senior IT Director Denise Owens. “The team has been very positive and just a pleasure to work with, really.”

Another benefit Office Depot gains from the partnership is robust security for the new devices via Zebra OneCare support. Office Depot's OneCare service agreement gives the company extended technical support and access to software updates, for five years beyond the product warranty; expert Zebra technical support via phone and email; and access to software, firmware and LifeGuard™ for Android security updates.

Connected associates serve customers with confidence

Associates use the Android applications to complete traditional tasks quickly and accurately, freeing up more time so they can provide more personalized customer service.

“Just processing inventory and getting it on the shelves was taking as much as 40, 50 hours a week—now, they spend half that time,” says



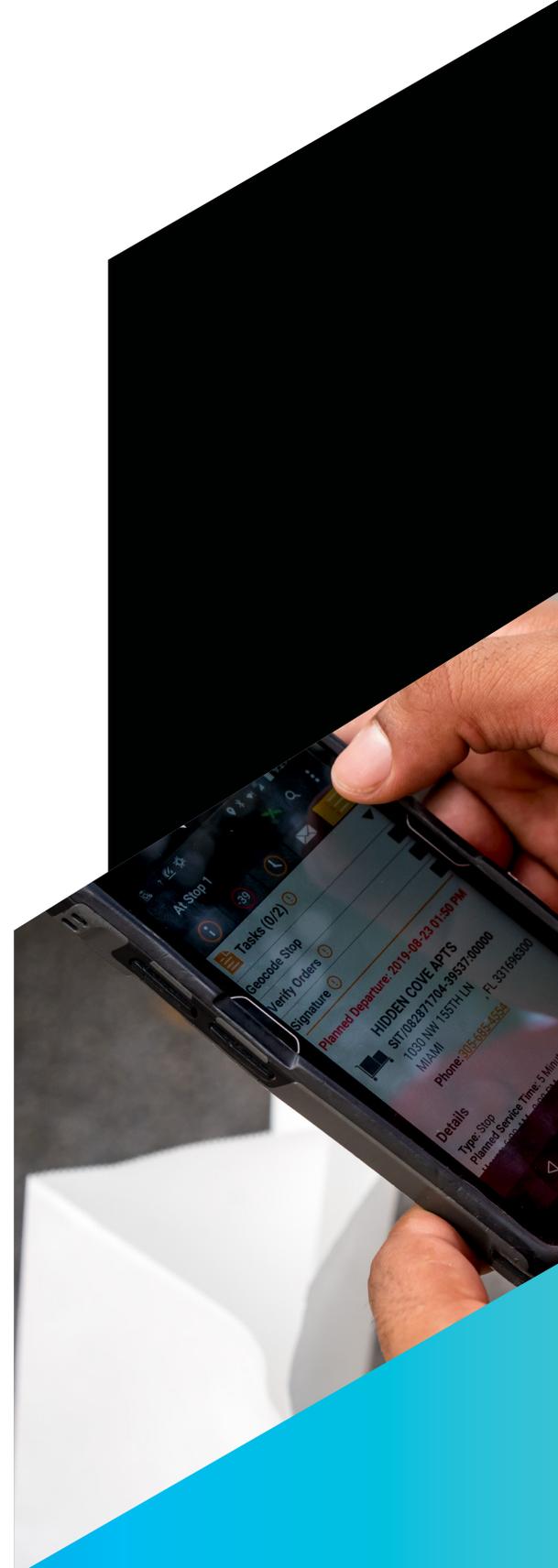
Senior Director for Retail Systems and Process Excellence Deb Roth. “We’ve gone from a paper-based process to a technology-based process that saves a tremendous amount of time. We have leveraged our technology to where we can reduce non-value-added activities so we can support face-to-face time with our customers and develop a closer client relationship.”

Gray indicates that the Android-powered applications and the devices’ design have transformed the way associates work. “They feel comfortable with them and they’re easy to use,” she says. “They’re not big and bulky like the old devices. They really make the associate feel very confident when they’re engaging with a client on the sales floor—that’s probably the biggest win with Zebra.”

Roth, whose group works closely with the supply chain to ensure that Office Depot can support customers’ varying purchase and pickup choices, reports that the retailer’s new enterprise technology is helping it fulfill its BOPIS brand promise. “We can pick inventory much more accurately to support buy online, pick up in store and ship from store,” she says. “We can ensure that our customers get the product they want, when they want it. The applications we built for the Zebra devices have really helped us to ensure we maintain a 95% or better pick and fulfillment rate.”

Better device reliability is a welcome change, too. “They’re stable, they’re made for our environment and they’re enterprise-grade,” Stillman says, adding that the failure rate has been below 1% since the original 2018 pilot. “Associates don’t have to worry about battery life and they don’t have to worry about the device dropping off the network. These devices have opened up endless possibilities when it comes to mobile application development and what we can do as far as taking legacy tasks and digitizing them, automating them or eliminating them completely.”

Office Depot District Sales Manager Steve McMurtrie, who makes sure an associate gets matched up with every customer who walks in the door, says better-connected associates change the in-store shopping experience. “If associates are too busy fiddling with technology that has a dying battery or is not working, it makes it hard for them to perform their jobs,” he says. “One of the best features of the new mobile computer is that it shows our associates the in-store price and the online price. I remember our CEO asked me, ‘What is the one thing we need in the stores?’ It was new mobile devices. This mobile computer absolutely helps us fulfill our company vision, which is to take care of every client that comes to the door, and find a way to grow the business.”



With real-time tracking, 'supply chain as a service' emerges

Office Depot can't successfully execute its new retail strategy without increasing its supply chain efficiency. With that in mind, the retailer has transformed its supply-chain operations with the new mobile computers, RS507X cordless Bluetooth ring imagers for order picking, a voice-guided picking application and Workforce Connect PTT (Push to Talk) Pro.

Owens says, eventually, the state-of-the-art enterprise technology will make it possible for Office Depot to offer its customers 'supply chain as a service'—another key pillar of its new retail strategy. "Real-time delivery tracking is essential for us as we build that business model out and we share our supply chain services with customers," she says. "With our e-commerce model, we can offer services such as buy online, pickup in store that have really made us change the way we handle supply chain, dynamic routing and inventory management. These mobile devices are doing all that."

Office Depot developed an Android voice-guided mobile application for use with the new devices in its supply-chain facilities, eliminating the need for a separate picking device. "That's very exciting for us because it enables us to take that same device and use it in the picking module without having to buy a separate device," says Office Depot Senior Manager of IT Support and Deployment Norman Parker. "We're using them for all the different areas within our operation." The RS507X ring imagers give order pickers highly accurate, hands-free omnidirectional 1D and 2D barcode scanning capability without the need to align barcodes and the device, further boosting operational efficiency.

The use of Workforce Connect through the mobile computers has improved collaboration among managers and front-line workers with its one-to-one and one-to-many communication capability. Mobile computing made it possible for Office Depot to enhance its enterprise supply-chain technology and reduce the number of devices its workers need. The company has discontinued the use of two-way radios in favor of a solution with much more flexibility, explains Office Depot's Weston, FL Distribution Center General Manager Tom Morton.

The previously used technology "had limitations based on distance," he says. "It also had limitations based upon the fact that one person could talk and everybody else had to wait. Workforce Connect breaks those barriers down and allows you to do one-on-one communication or group communication. We don't have to worry about waiting our turn—you can have many conversations at once or group conversations. The flexibility of being able to talk to every employee is a huge win where management sees more of a communication breakthrough rather than a communication hurdle."



Also, “Say the manager is in one part of the building and needs to have everybody go on break,” he continues. “Sometimes, workers are in a high-noise area and the intercom system is not loud enough. With Workforce Connect, the device is on their arm and they can hear everything clearly.

“Instead of having to stop and get down off their machine and find their supervisor, now they can reach out and communicate directly with that person if they have a question or concern about a situation they’ve encountered,” Morton says.

Visible order status, timely deliveries, real-time POD

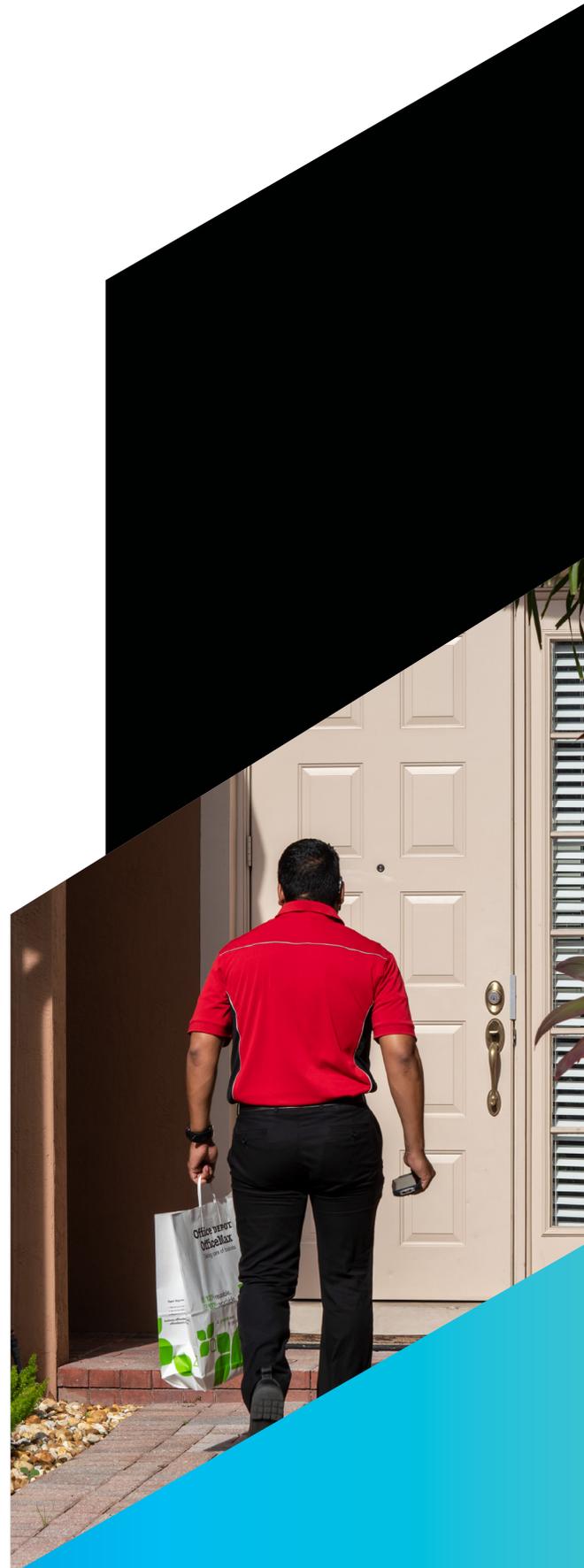
Office Depot also counts on the TC56 and the Android fleet management and proof-of-delivery (POD) applications it runs to meet anticipated delivery timeframes and confirm the deliveries more reliably than ever, whether items are shipped to a store or a small-business customer’s home office.

The Omnitracs fleet management application’s route optimization solution is helping drivers safely minimize delivery times. The solution also gives fleet managers visibility into order delivery timing they did not previously have. Owens says this route-mapping capability has had the most significant positive impact on Office Depot’s delivery operations in the Android migration. “It helps tremendously because some of these routes have weight restrictions or product sizes,” she says. “This allows us to map products to routes and gives real-time delivery updates. That’s been a big change for us—the real-time communication and ability to see where our deliveries are.

“Drivers used to have to use another mobile device—their personal phones, a lot of times—to look up their routes on Google Maps™,” Owens continues. “They would look at the map and then they would look at the order information on their other device. Now they can do all of that on one device.”

The Omnitracs POD solution gives both Office Depot and its customers real-time visibility into order delivery status, a major improvement over the former paper record-based POD system. “There was no tracking,” Parker says of the old system. “When a customer order was delivered, no one in the store or supply chain knew it. They’d have to wait until the driver came back and uploaded all the details into the system.

“With the TC56, now all that is done in real time,” Parker adds. “That’s key for us because we can guarantee that when the customer expects that order to be there, it is—and we have the signature to prove it. Android has been instrumental in our ability to utilize the Omnitracs application in our delivery process. One of the nice things about the Omnitracs Proof of Delivery solution is the capability to capture the



customer's signature. The driver then can come back to the truck, plug the device into the truck and load the signature back into the application. We're able to track that almost in real time.

"The customer then can go back into the application into our website, look at the order and see that it was delivered," Parker says. If the driver notices something wrong with the package, they can take a photo with the device's 13-megapixel, ultra-high-resolution camera and bring the package back to the store or supply-chain facility.

Thanks to the use of state-of-the-art enterprise mobile technology in Office Depot stores and the supply chain, customers enjoy unprecedented visibility into their orders. "Before, they were unaware of when they were going to get them," Parker says. "Now, with real-time tracking, they are able to see that their delivery is at 2 in the afternoon. You're not holding the customer hostage, waiting for a box to be delivered."

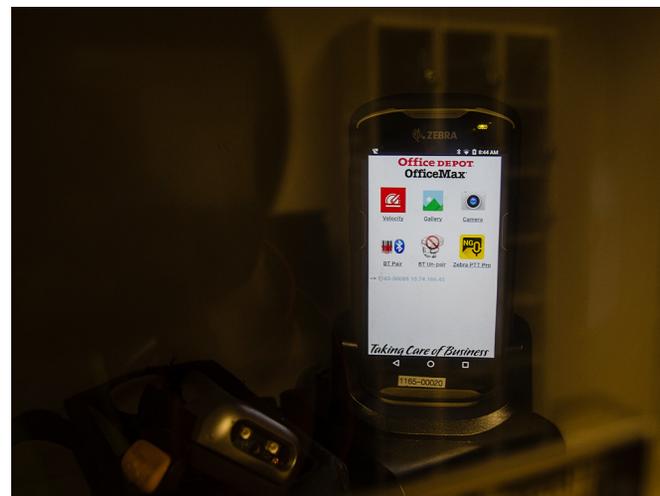
Rapid training and ramp-up

The new mobile computers' Android application development platform and familiar touch-screen interface have streamlined and expedited their implementation across Office Depot's business units.

As part of its hardware roadmap implementation work in 2019, Parker's group prioritized the TC51/TC56 rollout, installing mobile device management software for remote software management in addition to installing the Omnitrac application on the devices. "We've had a lot of positive feedback from not only the transportation side, but also the supply-chain operations side just because of the new technology that's being introduced with the Android operating system," Parker says, adding that many Office Depot employees' familiarity with Android is a plus. "It cuts down on the training time. People are very comfortable with these devices."

"We've seen reduced training periods with this simple touch-screen device," says Office Depot Global IT Infrastructure Senior Systems Engineer Robbie Ayers. "If training time is reduced, either your customer experience is enhanced, your customer face time increases or you get more order-picking time."

"I'm a fan of the Android device for a lot of reasons," Morton adds. "The devices that we had previously were heavier—I call them bricks that were on your wrist. This is much lighter, simpler to train with, simpler to use, easier to read, more flexible and versatile and durable in our work environments. We have only scratched the surface of the things we can do with this device."



Positive tangible impacts on operations

Most importantly, the new mobile devices are having positive tangible impacts on Office Depot's operating metrics and costs, and customer satisfaction:

- Owens: "We've been able to consolidate all our devices into one mobile device. I think the single device is a game-changer. We see a lot less breakage of these devices as well. A lot of management features come with the Android platform, which give us geofencing capability and geographical device management. We've seen a 9% decrease in our ongoing operational costs associated with those devices. Also, our maintenance costs have gone down 9%, which doesn't seem like a whole lot, but when you have 10,000 devices, that adds up pretty quickly."
- Parker: "From a maintenance perspective, the return on investment has been very, very good because we no longer have to keep separate maintenance contracts for multiple devices. That's huge—one device for everything."
- Morton: "We're seeing definite improvement in our overall building productivity index metric, which is one of the key performance indicators we use to manage performance. The uptime on this device has been pretty high. As long as I'm not having to constantly change out devices, that's going to make people more productive."
- Stillman: "When working on the sales floor, our store associates used to be very tunnel-visioned. They spent a lot of time focused on stocking the shelves and making price changes. We've been able to eliminate and automate a whole host of those manual functions to where the store associate can now focus on the client." Recently, Office Depot adopted the Net Promoter Score to measure its customer service in alignment with the new customer-centric, connected-associate strategy, Stillman adds. "We've seen our Net Promoter Scores and our customer service scores overall improve substantially in the past 18 to 24 months. The Net Promoter Score also has allowed us to identify the root causes of some of our customer-service issues."



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NA and Corporate Headquarters
+1 800 423 0442
inquiry4@zebra.com

Asia-Pacific Headquarters
+65 6858 0722
contact.apac@zebra.com

EMEA Headquarters
zebra.com/locations
contact.emea@zebra.com

Latin America Headquarters
+1 786 245 3934
la.contactme@zebra.com

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