A GUIDE TO BEST PRACTICES & KEY TECHNOLOGIES FOR

OPERATING MODERN SUPERMARKET

AND GROCERY CHAINS

STATE OF THE SUPERMARKET AND GROCERY CHAIN INDUSTRY

Any industry competing in the *Digital Economy* is undergoing fundamental change of its business and operating models. Supermarket and grocery chains are certainly no exception as new technologies and shifting consumer preferences are forcing chains to adapt or fall further behind all the competitive options increasingly available.

There are hundreds of issues that can keep operators "up at night" such as:

CUSTOMERS	COMPLIANCE	COMPETITION	SUSTAINABILITY
• Requests for more natural, healthier shopping options ('fresh is better') • Demands for more value-add services (in-store dining) • Omni-channel grocery shopping options for maximum convenience	• OSHA (federal), state and local safety requirements • Retail Food Protection (FDA) and state and local health codes • EPA Section 608 Refrigerant Management (2019 updates) and state requirements	• Thin profit margins stressing business fundamentals • Resurgence of online grocery shopping and delivery • Large-scale market consolidation (M&A) with broadening of competitors	• Power and energy efficiency regulations for facilities and equipment • Demands for more renewable building materials and for more natural light • Need to improve waste disposal ('less is more')

KEY QUESTIONS
FOR FMs, STORE MANAGERS & OPERATING EXECS

Facilities and store managers along with other operating executives at supermarket and grocery chains play an integral role in addressing and solving many of these key issues. To be successful, they need to put the most modern operational techniques and technologies in place. But to address these issues, they need to be able to handle a range of tasks and responsibilities.

On the following pages, let's review the key questions every facilities and store operations team needs to answer, with the related responsibilities – and challenges – that are tied to each:

How are you maintaining high levels of health and safety for customers and employees?

TOP RESPONSIBILITIES	MAJOR CHALLENGES
• Keep food quality standards high and prevent spoilage • Conduct major inspections and audits of facilities and assets • Clean up spills and broken items quickly • Secure the store and the location's perimeter	• Maintaining equipment uptime, e.g., refrigeration systems • Volume and complexity of audits and inspections • Meeting regulatory standards and requirements • Maintaining brand image, e.g., proper cleanliness, positive customer experience

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How do you ensure timely repair and maintenance of facilities issues?

TOP RESPONSIBILITIES	MAJOR CHALLENGES
• Initiate emergency, on-demand work orders • Schedule planned maintenance work orders • Conduct regular site audits and inspections • Keep track of costs and vendor / service provider performance • Continue to modernize operations including use of emerging technologies, e.g. , connected devices and the Internet of Things (IoT)	• High costs of resolving emergency work orders • Lack of visibility and control into work order status • Work order data difficult to acquire and analyze • Managing a broad/diverse contractor base

How do you source outside contractors for all locations?

TOP RESPONSIBILITIES	MAJOR CHALLENGES
• Ensure that all key trades are covered at every location	• Highly variable quality of service providers from location to location
• Maintain the proper balance of work between your internal workforce and external contractors	• Holding providers accountable based on data, facts
• Vet service providers for quality of work, comparable experience, competitive pricing, corporate compliance (e.g., insurance levels)	• Tedious invoicing and payment process
	• Hassle of tracking compliance documents (e.g., licenses, financial statements, insurance) for each provider
• Manage the performance of service providers over time to retain top performers	• Validating proper billing for services rendered

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How do you tag and manage all of the store's critical assets and equipment?

TOP RESPONSIBILITIES	MAJOR CHALLENGES
• Compile asset inventories and keep them current • Modernize asset tagging and management with digital tools and systems • Manage the asset lifecycle such as service histories, costs over time, etc. • Take advantage of equipment warranty coverage	• Variety and complexities of assets to manage • Difficulty of tracking assets as they are moved from one location to another • Difficulty in tracking repair costs, service history and other important data for each asset including model info, serial number, warranty expiration, etc. • Cost overruns due to unused asset warranties

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How do you keep track of your refrigerant systems for regulatory compliance?

TOP RESPONSIBILITIES	MAJOR CHALLENGES
• Manage refrigerated assets, racks • Track refrigerant usage per asset • Perform EPA leak calculations and maintain required documentation • Create and manage retrofit and retirement plans • Ensure qualified technicians perform service • Ensure asset uptime	• Keeping ahead of all of the local, state, federal regulations • Identifying leaks and equipment failures quickly • Inventorying refrigerated assets • Capturing asset use

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BEST PRACTICES
FOR FMs, STORE MANAGERS & OPERATING EXECS

The advent of modern technologies are helping facilities and store managers, and operating executives at supermarket and grocery chains answer these questions and take these challenges head-on, with the goal of becoming a more operationally efficient enterprise.

Here are three technology-enabled best practices that facilities and store managers can implement to make sure their supermarket and grocery chain stores are maintaining compliance and operating at peak efficiency and cost-effectiveness.

Best Practice #1: Integrate Asset Tagging & Management with Service Automation

Asset tagging & management and service automation typically have been procured independently for specific use cases. Integrating asset tagging & management as another function of a service automation platform can help supermarket and grocery chains gain holistic visibility into assets they have in any of their locations, and better understand the costs associated with repair and maintenance of these assets.

BENEFITS	ENABLING TECHNOLOGIES
• Know where key assets are at all times, even when they're moved • Highly responsive repair & maintenance process for quicker resolution of service issues • Service history data tracked consistently by asset/equipment • Automated warranty tracking and enforcement to reduce warranty leakage and repair costs • Improved regulatory compliance and equipment uptime through refrigerant tracking automation	• Service Automation Platform (primary work order management system + data & analytics repository) • Digital Asset Tagging & Management Tools (bar/QR codes, RFID tags, dynamic inventories, automated warranty trackers, refrigerant tracking & alert systems) • Mobile App (work order and asset management on-the-go via iOS and Android devices)

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USE CASE

Supermarket chain digitizes asset inventories and accelerates repair and maintenance with service automation

Situation Overview: A large regional supermarket chain with operations of 30 stores across five states was managing the inventory of key assets (e.g., major appliances, refrigerated units and food processing equipment) via cumbersome spreadsheets, specific to each store. The chain did not mandate a consistent process to create and maintain the spreadsheet data, meaning that some stores had better information than others such as warranty data, service history, and even the proper model and serial numbers. Much of the data was outdated and inconsistent.

As a result, the executive team's visibility and control into the chain's overall asset management profile, which it relied on for operations and budget decisions was nearly nonexistent.

Solution: The chain evaluated its options and chose to standardize its asset management as well as its repair and maintenance processes. It ultimately chose an integrated software solution that combined digital asset tagging and asset management with a service automation work order management system.

As a result, each location's facilities and store managers could easily tag and track all key assets via mobile devices and upload all the data in the service automation platform's central database. This automatically tracked each asset's service history, repair costs, available warranties, and even its current location (as certain assets often moved).

If any of the assets required repair or maintenance, the FM or store manager could easily identify the proper asset (to ensure the proper asset was serviced), initiate a work order at any time, and dispatch it for service to either an internal tech or third party contractor as applicable, even over a mobile device at any time. Comprehensive data (costs, service history, etc.) was available for each asset to ensure optimal decisions.

Best Practice #2: Make data-driven 'repair or replace' decisions through analytics & artificial intelligence

Supermarkets & grocery chains regularly face the difficult decision to repair or replace an asset or equipment based on a number of factors such as return on investment, cost of downtime and even the quality of the service providers available. These decisions are nearly impossible without the data that can guide the decision maker down the right path. Having the data can also help decision makers make proactive and planned repair-or-replace decisions, which can further mitigate costs and risks.

The emergence of data analytics & reporting as well as artificial intelligence (AI) / machine learning is improving the decision-making process significantly by helping companies make more informed decisions, faster.

BENEFITS	ENABLING TECHNOLOGIES
• Save money wasted on unnecessary repairs • Maintain high levels of equipment uptime to boost store operating performance • Easily identify outliers (frequently recurring failures, cost overruns) • Leverage insights and learnings for future build-outs or for remodeling	• Service Automation Platform • Analytics & Reporting Tools (for collecting and processing historic and real-time data) • AI & Machine Learning (computerized input for key decisions based on all available data sets) • GreenChill reporting (support for annual reporting requirement for store certification)

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KPIs & METRICS

Top Five '*Must Have*' Operations Reports for Facilities and Store Managers

❶ **Total Repair and Maintenance Costs by Location:**
Which stores are racking up the most repair and maintenance bills and why?

❷ **Repair and Maintenance Costs by Asset:**
Which type of asset or equipment is costliest to maintain? Are certain models more prone to breakdowns than others?

❸ **Repair and Maintenance Costs by Trade:**
Are your store's HVAC costs running hotter than usual? How do your plumbing costs compare to industry benchmarks?

❹ **Real-Time Open Work Order Status:**
How many facilities and asset R&M work orders are still outstanding and at which stores? Are the work orders taking longer to close than they should?

❺ **Best and Worst Performing Contractors by KPI:**
Which service providers consistently show up on time and perform the work right the first time? Who are the keepers and those you need to cut loose?

Best Practice #3: Standardize service provider performance management for consistent results everywhere

Performance management through regular reviews and consistent feedback can be beneficial for both supermarket & grocery chains *and* their service providers. However, for too long contractor performance management was more art (based on arbitrary, "gut feel" factors) than science (based on data-based key performance indicators) — if it was in place at all. If contractor performance management is not implemented as part of a standardized, enterprise-wide process, it can lead to inconsistent service results by location and even poor communications and relationships between companies and service providers.

The real-time and historic data sets that are easily accessed with service automation platforms can be the foundation to build a highly effective service provider performance management program.

BENEFITS	ENABLING TECHNOLOGIES
• Manage by KPI at all locations provides important benchmarks • Hold service providers and companies accountable through facts and data, not feelings • Service providers have actionable information to improve performance and better manage their own workforce • Accelerate invoicing & payment process — paid providers lead to happier and more effective, higher performing providers	• Service Automation Platform (provides history of vendor-specific data) • Service Provider and Contractor Scorecards (with a checklist of key performance indicators) • Machine Learning (leverages data to review contractor proposals, establish not-to-exceed pricing benchmarks) • Electronic Invoice Processing and Payment Systems (stand-alone or integrated into corporate accounting and financial platforms)

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WHAT TO DO

A Call to Action for Supermarket & Grocery Chain Operators

Adapting to digital consumer trends is yet the latest major change that supermarket and grocery chain operators have to deal with today. FMs and store managers in this industry are exceedingly busy and likely stressed due to the operational complexity of managing a diverse number of assets across scores to hundreds of locations that they have to account for and keep working at all times.

The best way for supermarket and grocery chains to deal with this level of complexity is by simplifying how their managers work and on what they rely. This can be achieved by combining the latest asset and work order management systems to give FMs and store managers better command-and-control of their overall operations and business processes through more data, visibility and importantly, actionable insights.

Technology today is moving beyond simply collecting and tracking data; it's helping operators and management make more informed business decisions and driving real business results. With the level of rapid changes and technical innovations impacting this industry, the time to start evaluating and deploying these new solutions is now. If you're not prepared to handle everything that's being added to your plate, you risk being left behind.

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Facilities Management

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8 Financial Reports Every
Facilities Manager Needs
(and Every CFO Loves)

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About ServiceChannel

ServiceChannel provides facilities managers with a single platform to source, procure, manage and pay for repair and maintenance services from commercial contractors across their enterprise. By delivering unprecedented transparency and data-driven analytics of service quality, across all trades, locations and contractors, facilities managers drive significant brand equity and ROI for their organizations without outsourcing or investing in new infrastructure.

The world's leading global brands use ServiceChannel solutions daily to help optimize millions of transactions and billions of dollars of spend annually.

ServiceChannel was named a GAP Inc. Strategic Partner, awarded two Nike Vendor Excellence Awards, and named Vendor of the Year by The Professional Retail Store Maintenance Association (PRSM).

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Transparency Drives Performance

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Learn how you can
boost performance and reduce costs across your locations

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From Sourcing to Settlement,
Manage all Repair & Maintenance activities from a Single Dashboard

Work Order Management
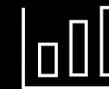
Proposal Management

Planned Maintenance

Asset Management

Invoice Management

Contractor Sourcing Directory

Contractor Risk & Compliance

Real-Time Data & Analytics

For more information,
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