Harvesting Bigger Savings

Henderson, a Leading U.K. Grocery Retailer and Wholesaler, Achieves 20% Savings, Reduces Wastage by 10% and Improves Service Levels with JDA Software

Henderson Group Ltd.
Fast Facts

Industry
Grocery Retailer and Wholesaler

Headquarters
London, England, United Kingdom

Description
Henderson Group Ltd., a Northern Ireland-based food wholesaler and retailer, distributes food and grocery-related products to the convenience retail sector. The company operates the SPAR®, VG® and VIVO® franchises, managing more than 53 stores and providing full-support service to its retail partner network of 400 stores.

Revenues
£376 million

Number of Employees
1,900

Business Challenge
Henderson wanted to more efficiently and cost effectively manage 4,500 ambient grocery lines, 1,100 fresh food lines, 500 frozen food lines and a large selection of non-food lines in its three warehouses. Additionally, the company needed to better align decisions with its retail operations and provide best-available, exception-based information so that buyers could focus on profit-driving initiatives. Henderson realized that it needed to leverage technology that would enable it to meet these business objectives.

Business Solution
• JDA® Advanced Warehouse Replenishment

Business Benefits
• Greater productivity across the organization
• Improved product availability in retail locations
• Enhanced supply chain visibility from warehouse to store
• Increased in-stocks and reduced overstocks
• Improved safety-stock levels
• More efficient promotions planning through increased visibility and decision making support

Quantifiable Benefits
• Achieved 20-percent savings
• Reduced wastage by 10 percent
• Improved service levels by 1 percent
• Increased availability of products at the warehouse level by 1 percent
• Exceeded ROI target of reducing inventory and freeing-up warehouse space by 10 percent

“Our return on investment with AWR has exceeded our expectations. The JDA Software solution has certainly contributed to the increased performance of Henderson.”
- Andrew Logan, group IT director, Henderson Group
Henderson Group Ltd., a Northern Ireland-based food wholesaler and retailer, has been distributing food and grocery-related products to the convenience retail sector for more than 100 years. Owning the SPAR®, VG® and VIVO® franchises, Henderson operates more than 53 stores and provides full support service to its retail partner network of 400 stores. As it continues to grow its store count and introduce larger store formats, Henderson wanted to more efficiently and cost effectively manage 4,500 ambient grocery lines, 1,100 fresh food lines, 500 frozen food lines and a large selection of non-food lines in its three warehouses. Additionally, the company needed to better align decisions with its retail operations and provide best-available, exception-based information so that buyers could focus on profit-driving initiatives.

To help achieve these goals, Henderson implemented JDA® Advanced Warehouse Replenishment. Utilizing AWR to manage its grocery and non-food lines, the company has exceeded its ROI target of reducing inventory and freeing-up warehouse space by approximately 10 percent.

“We’ve experienced a savings as high as 20 percent since using AWR,” said Andrew Logan, Henderson’s group IT director. “In fact, AWR has enabled us to reduce our wastage by 10 percent and increase service levels by 1 percent. We’ve also seen a 1-percent increase in availability of products at the warehouse level, which has had a positive effect at the retail level, too.”

Empowering Buyers Results in Operational Savings

Since automating its replenishment process with AWR, Henderson’s buyers have access to current information and more accurate figures. As a result, buyers can plan promotions more effectively, which helps Henderson’s operations team plan loads more efficiently. This has enabled the company to increase in-stocks, reduce overstocks and improve safety-stock levels.

Additionally, Henderson has achieved greater productivity across its organization, improved product availability in retail locations and enhanced supply chain visibility from the warehouses to the stores.

“Previously, our buyers did everything manually. We have achieved significant time savings so our buyers have more time to focus on the profitability of product lines,” Logan said. “It also allows them to sleep better at night, knowing that the technology is ensuring that the right products are destined for the right store.”

“AWR is a best-of-breed replenishment solution and it’s excellent for both retail and wholesale, which complements Henderson’s business model perfectly,” added Logan.

Setting Sights on Store Replenishment, Space Planning

Based on its current success with AWR, Henderson will start using the JDA solution to manage the complex replenishment needs of its fresh and frozen food lines. Logan explained that Henderson will also look to JDA to help it improve other operations such as store replenishment and space planning.

“Our return on investment with AWR has exceeded our expectations,” Logan said. “The JDA Software solution has certainly contributed to the increased performance of Henderson.”

About JDA Software Group, Inc.

JDA® Software Group, Inc. (NASDAQ: JDAS), The Supply Chain Company®, is the leading provider of innovative supply chain management, merchandising and pricing excellence solutions worldwide. JDA empowers more than 6,000 companies of all sizes to make optimal decisions that improve profitability and achieve real results in the discrete and process manufacturing, wholesale distribution, transportation, retail and services industries. With an integrated solutions offering that spans the entire supply chain from materials to the consumer, JDA leverages the powerful heritage and knowledge capital of acquired market leaders including i2 Technologies®, Manugistics®, E3®, Intactix® and Arthur®. JDA’s multiple service options provide customers with flexible configurations, rapid time-to-value, lower total cost of ownership and 24/7 functional and technical support and expertise. To learn more, visit www.jda.com or e-mail info@jda.com.