



IP Power

Hannaford merges telecommunications, mobile devices and biometrics to cut costs, improve customer service

Like so many supermarket chains that are operating on thin margins while trying to stand out in a competitive and saturated marketplace, Hannaford Bros., Scarborough, Maine, is dedicated to reducing costs. However, Hannaford never allows this goal to overshadow its efforts to deliver a satisfying store-level customer experience.

By leveraging its existing wireless telecommunications network and exploiting the power of mobile devices and biometrics, Hannaford is bolstering its workforce management operation to deliver a better customer experience.

The bold 158-store New England supermarket company is often on the cutting edge of technology, however, that is not the only reason it pursues innovative projects. For example, Hannaford first merged its voice and data communications over a frame relay Asynchronous Transfer Mode (ATM) network, supplied by Cisco Systems, San Jose, Calif., back in the 1990s.

"Our motivation to route voice traffic over the high-speed network was to eliminate approximately 1,000 costly internal dial-up telephone lines," Bill Homa, CIO, Hannaford, told *Retail Technology Quarterly* during a recent press conference held at Cisco's New York City headquarters.

The chain has since augmented the network with Cisco's Intelligent Retail Network suite, which supports Cisco's routing and switching, wireless, telephony and security product features. This platform came in handy when the grocer decided to trade in traditional telephones in favor of Internet Protocol (IP) units three years ago.

Unlike traditional, often costly phone service, calls placed on IP are free—users only pay for the IP phone software and network connections. The units generally require 8KB of bandwidth.

In an effort to further enhance the IP telephone network, Hannaford plans to make the move to MPLS (Multi-Protocol Label Switching), a standards-based technology that speeds up network traffic flow and makes transmitted data easier to manage. "This is a

much more flexible and powerful architecture," Homa explained.

To date, 25 stores are outfitted with Cisco 7900 Series IP phones. Each store features between 10 and 15 units.

Two of Hannaford's five distribution centers are also outfitted with the telephones, and the chain's corporate headquarters features approximately 1,000 phones.

"We began using IP telephones simply to replace a costly operation," Homa said. "Once we saw these successes, we began to consider what else the platform could help us do."

Taking one for the team: Currently, Hannaford is using the platform to tighten its store-level operations, including workforce management processes.

In January 2006, Hannaford tapped long-time workforce management partner Kronos, Chelmsford, Mass. By transitioning its previous application to the vendor's integrated, Web-based Kronos for Retail solution, Hannaford was able to create workforce schedules for all store-level departments. Besides Hannaford stores, the solution also handles similar operations across the Delhaize America family, including stores that operate under the Sweetbay and Kash n' Karry banners, according to Kronos.

The wireless-based configuration also enables remote workers or part-time employees to check their schedules from home. "The platform has opened up a world of opportunities. This is powerful," commented Homa.

One of those opportunities prompted the grocer to merge its workforce solution, wireless network and IP telephones to gain more collaboration and consistency across its store-level fleets. Like many retail chains, "Our employees clock in and out of one of approximately five time clocks located throughout each store," Homa explained.

"Every minute associates spend walking to those clocks is lost productivity time," he said. "And the clocks can cost up to \$1,500 each. We decided to work with



Cisco and Kronos to leverage a more effective method.”

Realizing the IP phones also support XML and other Web capabilities, “We decided to use the units as wireless, thin-client terminals, not just telephones,” he added.

By integrating its Kronos workforce management and automated time-clock solutions into the IP network, Hannaford employees now “clock in” right through the IP phones. Employees can also use the telephones to view their weekly hours. (They can also clock in and manage hours through PCs.)

Since launching the combination in the summer of 2006, Hannaford eliminated four to five time clocks per location. “Each phone costs approximately \$450, so we are seeing a significant cost savings,” he explained.

Hannaford is further unleashing the power of the network by incorporating biometrics into the mix. “By integrating a biometric reader on the phones, it’s easier to validate an employee’s information,” Homa explained. “Rather than requiring employees to enter their employee ID number before punching in or out of a shift, they can just use their thumbprint. This solves issues surrounding forgotten ID cards, as well as ‘buddy punching.’”

The chain added biometrics-enabled phones during the last quarter of 2006. Hannaford continues to work with Cisco and Kronos “to perfect the installation in our pilot store,” he told *Retail Technology Quarterly* in a recent interview. He declined to share how many biometrics-based phones the store supports.

The wireless platform will also help Hannaford to improve its task-management application and ensure more consistency across the chain.

The system, from Reflexis, Dedham, Mass., already helps store associates receive and complete daily tasks. Employees typically access this information through PCs.

“It helps associates prioritize and manage their workload, and records what actions were taken,” Homa explained.

By integrating the operation into the biometrics-enabled phones, Hannaford “will add another level of security to track employee actions and create an audit trail of completed tasks,” he added.

The chain continues to test the technology, and Homa hopes to deliver this application over the biometrics-enabled IP telephones later this year or by early 2008.

“Five years ago, we started with one wireless application, and it paid for the entire wireless network. Today we have 14 wireless applications per store. I think the same thing is happening with IP telephony,” he concluded. “We’ll continue to build initial applications. As people see the power of what we can accomplish, future applications will grow quickly from there.” **RTQ**

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Hannaford continues to test its biometrics and IP telephone combination to support workforce management operations.