

Task Management Speeds Up Recalls at Hannaford

By MICHAEL GARRY

RANCHO MIRAGE, Calif. — Hannaford Bros. has been able to cut the time it takes to remove recalled products from the shelves in its 165 stores from as many as five days down to three hours or less, thanks to a task management system that gives the chain better oversight of store activities.

The task management system enables Hannaford's headquarters instructions to be executed with greater compliance at the store level, triggering alerts when standard procedures are not followed. Overall, the system, implemented in July 2006, has improved the execution rate of store tasks to an average of 95% from 65%, said Kevin Carleton, director of retail automation at Hannaford Bros., which is based in Scarborough, Maine.

Carleton described the system during a session at the Food Marketing Institute's Supply Chain Conference, held here March 30 to April 2. **The system is provided by Reflexis Systems, Dedham, Mass.**

The system enables Hannaford to "make sure recalls are off the shelf," said Carleton. "We can see which stores are in compliance." By contrast, the former manual system required calls to every store.

Besides recalls, functions at Hannaford stores under the direction of the system include weekly merchan-

dising messages for fresh departments; shrink management; store manager walks with employees; and projects such as promotions and new product introductions. The system has had the biggest impact on recalls and shrink management, said Carleton.

Next week, the chain plans to begin piloting the system at a distribution center in South Portland, Maine, one of three DCs operated by Hannaford. The DC will apply it to such tasks as the orientation process for new product selectors, Sarbanes-Oxley audits and food safety checks, among other activities.

Task management addresses the tendency of corporate departments to "inundate stores with all kinds of communications," said Carleton. "Business areas at corporate don't check with one another before they send tasks, and the store manager doesn't know what to act on. It's just spray and pray."

The task management processes sets up a "gatekeeper" team of three corporate executives — one familiar with Center Store and one with Fresh Market — who filter all tasks going to stores. Moreover, tasks are assigned not to individuals, but to the appropriate position or role. "It's person-independent," said Carleton.

Carleton noted that it was a "cultural shift" for merchandising, operations, and marketing departments to go through a filter in order to

disseminate information to stores. "They didn't like it at first, but once they saw that their tasks were being acted upon more than 90% of the time, they didn't mind as much."

The system also allows store personnel to send a message back to the author of the task at corporate indicating that there may be a "missing rack for a promotion or a product that didn't arrive," said Carleton.

In addition to managing tasks sent down from headquarters, the Reflexis system oversees standard store procedures via "exception-based reporting," which issues alerts if certain tasks haven't been completed or goals have not been attained. If a produce manager misses his shrink target for some subcategories, for example, the systems will direct to standard practices for shrink management. It will also alert the store manager to take the produce manager on a store walk to review best practices.

At the distribution center, the task management system will be used to ensure that all 36 tasks associated with orienting a new product selector to his job are completed within three months. This is expected to reduce turnover and training costs, said Carleton.

The system "will remind people in the [DC] management team what they have to do with each associate, so no associate will slip through

the cracks," said Ward Malmquist, operations manager for distribution at Hannaford's South Portland, Maine facility.

The task management system uses an internal communications network called "my task," rather than email to disseminate messages. "Our goal is to eliminate email and use this instead," said Carleton.

Carleton declined to cite the cost of the system, but he said that it offered **"one of the quickest payback periods I've seen."** That is based in part on a three-hour per week reduction in training time at each store, as well as a four-hour per-week reduction in time spent reading email per store.

Task management is part of a four-year strategy at Hannaford to upgrade internal communications and networking. The next piece will be the implementation of an IBM portal system, beginning in the third quarter of this year. The portal will incorporate an IBM knowledge management system.