

## A Laurel and Hearty Handshake

Kentucky grocery wholesaler gives warehouse, ERP systems high marks for service and driving growth.

By Leonard Klie

**G**eorge Griffin and W.J. Chestnutt founded Laurel Grocery Co. LLC in 1922. Today, third-generation family members still run the London, KY-based food distributorship that prides itself on being the alternative full-line grocery wholesaler of choice for independent retailers that want the advantages of a large wholesaler and the personal touch and flexibility of a family-owned company. It is not interested in serving large, company-owned chain stores.

But, despite these small beginnings and present aspirations, the company has grown about 30 percent in the last five years, and expects to continue growing its business at that pace for the next five years. To support that growth, it needed a reliable, scalable warehouse management and accounting system, and turned to Integrated Distribution Solutions LLC (IDS) in Omaha, NE, to provide them.

Laurel Grocery implemented IDS Power Enterprise, an enterprise resource planning (ERP) program that handles all accounting and financial functions, in 1994. In 2000, it rolled out the IDS Power Warehouse management system to handle all receiving, stocking, inventory control, date rotation and picking within its two warehouses.

“Those two products have really driven our growth and allowed us to handle it efficiently. They now run this company,” says Bill Baker, vice president of information systems for Laurel Grocery.

The rollout of IDS Power Warehouse coincided with the grocery wholesaler’s selection in May 2000 as a supplier of choice for 30 independent supermarkets in Indiana, Kentucky



**MOVING UP: IDS Power Warehouse guides forklift operations for Laurel Grocery.**

### **Laurel Grocery Co. LLC- AT A GLANCE:**

- 2 warehouses (300,000 square feet and 100,000 square feet) in London, KY
- 8,000 SKUs
- 425 customers
- 400 employees
- 25 fleet vehicles
- 25 dock doors
- 45 inbound shipments per day
- 45 outbound shipments per day

and Ohio unified under the IGA Hometown Proud Supermarkets banner. Laurel Grocery was honored in 2003 with IGA’s President’s Cup for Greatest IGA Development and received either a four-star or five-star operational assessment rating in 48 of its 68 IGA store accounts.

Laurel now distributes a full line of mainstream, gourmet and specialty products, as well as 3,000 IGA private-label products and other private-label brands such as Shurfine and Saver’s Choice, to 175 supermarkets and 350 convenience stores in Georgia, Kentucky, Indiana, Ohio, Tennessee and West Virginia. In 2003, sales topped out at \$285 million. Laurel Grocery also supports its retailers with pricing programs, advertising services and in-store promotions.

Laurel Grocery also runs its own trucking company, with a fleet of 25 trucks that it uses not only to make its own deliver-

ies but also to make deliveries for other companies in the area. On any given day, between 30 and 50 truckloads of product come into the warehouses, and 40 to 50 truckloads go out.

### Powering Up

Laurel Grocery supports its businesses from two warehouses, both located in London, KY. The main warehouse is currently being expanded to about 300,000 square feet; the secondary facility measures about 100,000 square feet. Products are picked at the smaller facility and cross-docked at the larger one.

In the two distribution centers, “everything that has to do with getting inventory into our warehouses and out to our customers is done through IDS Power Warehouse,” says Baker.

IDS Power Warehouse directs the receipt scheduling, receiving, picking, replenishment, shipping, truck loading, order selection, inventory control, split and repack operations, returns processing and forklift operations, among other functions. Under the IDS Power Warehouse-guided system, receiving is handled using pallet-level bar-code scanning and wireless radio-frequency technology from Symbol Technologies Inc. Laurel Grocery has 25 Symbol RF scanners for each of its 25 dock doors.

Twenty-five more Symbol RF scanners are mounted to forklifts inside the warehouses and direct the drivers in picking and replenishment. IDS Power Warehouse tells the warehouse workers where to put the pallets. When a pick slot is empty, IDS Power Warehouse tells employees where to go to get a pallet to fill it.

“The entire system tells us what we have, where it is in the warehouse and how much of it to pick for each order,” according to Baker.

And because of the way the system is set up, the identities of all workers who touched the products are recorded. “We can tell who received it, who picked it and who put it away. All our employees’ identities stay with the product from the time it comes in to the time it goes out,” Baker says. “If something is put away wrong, we can identify who was responsible. It enables us to hold people accountable.”

As a result, both worker productivity and picking accuracy have gone up. “Our inventory control is more accurate now than it’s ever been,” Baker says.

The success of IDS Power Warehouse has prompted Laurel Grocery to look to the software provider for additional warehouse applications. Among them is voice picking, according to Lawrence Mills, operations manager for Laurel Grocery. “It’s a very expensive program, but if it does what it’s supposed to



**KEEPING TRACK:** Inventory control is a key function of IDS technology being used at Laurel Grocery.

and what everyone says it will, I’m sure it will more than pay for itself,” he says.

### Tying It All Together

IDS Power Warehouse and IDS Power Enterprise work together so that Laurel Grocery can track and trace products all the way out to its customers’ locations. “We can know what we have and who received and picked it, including dates and times, what truck it was put onto, and who received it at the customer’s site,” Baker explains.

Laurel Grocery also uses IDS Power Enterprise to keep track of its financial information. IDS

Power Enterprise, which was designed specifically for food distributors, also maintains information on pricing, vendor rebates, billing, invoicing, routing, inventory, accounts payable and receivable, sales commissions, sales analysis and much more. It also processes orders that are received either electronically or over traditional methods.

The company’s previous home-grown ERP system was paper-based and batch-oriented. “We had to put a bunch of different things together at the end of each quarter to put our financial statements together, and it took forever,” Baker says. “Now, we can put together whole statements in a few days. Everything happens immediately, when an invoice is paid or a bill is sent out, and it does it automatically with very little paper involved.”

Laurel Grocery found it rather easy to roll into the IDS systems, despite some early challenges created by its previous system. “It took several months for us to make the switch because we made several modifications when we brought IDS on board,” Baker notes. “Our system wasn’t strong in the retail area with regard to pricing, etc., and IDS put a lot of enhancements into it when we went live.”

At the time, IDS came to Laurel’s operations and trained employees on the new systems. They have been back several times since to update systems and retrain staff as program enhancements and updates have become available.

“IDS provided all the training and the installation went well, with no major problems,” Baker explains. “They stayed with us for two weeks to make sure everything was up and running.”

For Baker, a big selling point to the IDS Power Enterprise and Power Warehouse has been the on-going support. “They have some very good trainers,” he says, “and they are available if we have questions or problems. We can make a phone call and we know they will handle it for us.”

“We’re not really using IDS to its full capabilities right now, but for what they have done, we’ve gotten the best product and the most from it,” Mills adds.

**For more information, contact IDS at 402-697-8757; [www.ids-world.com](http://www.ids-world.com)**

