

CASE STUDY: AUNT MILLIE'S BAKERIES

ON A ROLL WITH SUCCESSFUL SCALING OF SCAN BASED TRADING



With seven baking operations located in Indiana, Michigan, and Ohio, family-owned Aunt Millie's Bakeries Inc. produces baked goods such as bread, rolls, English muffins, donuts, and bagels. The company's products are distributed throughout the US, primarily in the Great Lakes region of the Midwest.

This is a story about how Aunt Millie's successfully scaled their SBT program from 35 stores to 400+ stores with a major Ohio-based grocery retailer.

www.auntmillies.com



CLIENT:

"We recognize the time savings scan based trading affords our route drivers, especially at delivery. We've been able to increase service to our retail customers and we enjoy a single process in managing our scan based retailers by using Park City Group's Enterprise SBT Solution."

-Donna Gross, Manager
Aunt Millie's Bakeries

To find out more about Park City Group solutions, call us at 435-645-2000 or visit us on the web at www.parkcitygroup.com.

CHALLENGE: SBT AT A 'STALE'MATE?

Aunt Millie's was asked to participate in Scan Based Trading (SBT) with a major Ohio-based grocery retailer. SBT is a commerce model where the bakery maintains ownership of its inventory until it scans at point of sale. The grocery retailer offered attractive payment terms, including payment by EFT vs. check, as an incentive to participate in SBT. Even though Aunt Millie's has been a successful Park City Group customer since 2001, they thought a roadblock might exist in conducting SBT with a grocery chain that was not a member of the Park City Group SBT community.



Not true -- with Park City Group SBT Simulation functionality, Aunt Millie's can conduct SBT with any retailer, whether they are within the Park City Group SBT community or not. The Park City Group application allows Aunt Millie's to use the same business process as well as data exchange, making the SBT program easily expandable. Additionally, SBT Simulation enables the grocery retailer to transmit Aunt Millie's point of sale data directly to Park City Group as if they were sending it directly to the supplier. Easy as pie.

SOLUTION: THE BEST THING SINCE SLICED BREAD

In October 2007, SBT rolled out to 35 stores in the Great Lakes region. Aunt Millie's monitored shrink, cost discrepancies and scan sales reports for the first few weeks to ensure there weren't any hiccups in the process and that the roll-out was going smoothly. With built in reports and alerts, they were comfortable with the SBT monitoring system and the results they were seeing in the initial rollout.

Within six months, backed by strong results, Aunt Millie's began rolling out SBT to three additional mid-west divisions of the grocery retailer, including a new banner. At the current pace of rollout, Aunt Millie's will have over 400 stores on SBT with this major retailer by the end of June 2008.

RESULTS: RISING TO THE TOP

Aunt Millie's most recent results with this retailer show a great improvement in shrink, which is now at .03%. This is due in large part to Park City Group's SBT reporting which has given them visibility into product activity, down to the store level. That level of visibility led to the discovery that some route drivers were not properly invoicing or crediting, impacting sales and inventory. With SBT reporting, invoicing and crediting can now be monitored and, when necessary, corrected easily.

Aunt Millie's sees future potential and hopes to decrease their number of routes through the SBT process. With wider receiving windows and the elimination of product check-in, Aunt Millie's is able to more efficiently schedule their routes. In an industry where time and transportation costs are at a premium, the SBT rollout has provided tremendous tangible benefit.

Aunt Millie's is a dynamic business, responding to both the consumer and retail partner needs. New item introductions and price changes are part of everyday practice. Through the SBT process, data is synchronized between the retailer and supplier and regular item and price reviews are conducted by Aunt Millie's. As a result, cost discrepancies can be recognized quickly and corrected, ultimately reducing invoice deductions that cost time and money for both partners to resolve.

Rapid implementation and rollout has allowed Aunt Millie's to experience substantial operating benefits in their recent SBT program expansion. Park City Group provides an enterprise solution of SBT and SBT Simulation that provides the foundation for performing SBT with any retail trading partner. Aunt Millie's can continue to grow the program with this grocery chain and any other retail partners in support of their business objectives.