



Maximizing Meat Department Performance

Leading grocers are generating compelling reasons to shop their fresh meat departments. Is yours breaking new ground?

The meat department is essentially a value-added service that provides appeal, variety and freshness to your customers. It increases customer traffic, and ultimately, the bottom line. Unfortunately, the benefits may be negated by high costs and low productivity. Rather than boosting your business, your meat department may actually be harming it.

Meat department sales typically represent an average of 10.7 % of total store sales. Supermarkets do exist, however, where the meat department achieves 18 % of total store sales. How are these supermarkets achieving such results? Many are evaluating production planning techniques, merchandising strategy, inventory movement, and store staffing. They are also refining the profitability of value-added product varieties, such as prepared entrees, marinated meats, etc.

Industry Benchmarks:

Industry Average / Best for Meat Department

- % Shrink 3.1% / .5%
- Days of Inv on-hand 4.7 / 2.3
- Sales-Floor Inv % of Weekly Sales 32 / 21
- % of Cust Shopping Meat Dept 19 / 34

Results You Can Achieve

In order to accomplish this type of result you will need to analyze key performance indicators, such as labor dollars associated with shrink and compare core processes including store-level work methods, staffing processes and inventory management issues to industry best practices and benchmarks. Improvements should be implemented when they are warranted. Involving the store team is also key to improvement. The people initiating any improvements must be at the heart of the operation to perpetuate any long-term benefit. To best accomplish this we suggest that you assemble "Action Teams". These teams, which consist of key individuals representing the meat department, should meet regularly to share ideas and new concepts, develop initiatives and drive the implementation of new procedures.

To ensure implementation of key improvement ideas, you should provide training materials and change management workshops to all stores in the company. More specifically, we suggest the following:

- An evaluation of production planning techniques, merchandising strategy, inventory movement, and staffing
- A profitability assessment of all task activities
- A customer satisfaction survey to evaluate the effectiveness and profitability of "value-added" product varieties offered, i.e., prepared entrees, marinated meats, specialty grinds, etc.
- A refined work schedule to more closely respond to fluctuations in customer traffic
- An enhanced display case layout and customer flow-through the department
- Fully automated production planning software which ties together your scales and the P.O.S. system. This system should be able to forecast product need and assist in labor scheduling and supply ordering, substantially improving department productivity.

Throughout the meat department improvement process we suggest that all store associates be informed about what is changing - and their involvement should be encouraged. This approach leads to associates who were more receptive to and feel more ownership of improvement initiatives.

Organizations that have successfully implemented these concepts have realized significant productivity improvement. Customers had a more pleasant shopping experience with a refined product offering and "value-added" items available at competitive, yet profitable prices. Sales of variety items increased by enhancing production to reflect late evening customer traffic.



**FIND US ON THE WEB AT:
WWW.ATLANTARETAILCONSULTING.COM**



Atlanta Retail Consulting provides strategic insight, innovative customized business analysis and operational improvement to retail and consumer products clients, permitting them to *increase sales revenue, decrease operating cost, and increase operating margin.*

A key practice differentiator we possess is the breadth and depth of experience that our retail consultant team has accumulated while working in virtually every retail format. Our retail consultant team collectively boasts over two full centuries of successful retail consulting and retail leadership expertise. We assist our clients to properly implement our recommendations to insure they achieve the results they expected and experience a positive ROI from our consulting services.

The Approach You Should Employ

If your meat department is not performing at the desired level, it may be time to analyze and reengineer your activities with some of the Best Practices mentioned below:

- Install a workable program to deliver noticeable department sales floor customer service
- Develop Customer Satisfaction Index
- Measure labor incurred from over-production and set goals to reduce it
- Fully automate labor scheduling
- Eliminate service meat/ fish/ poultry / sushi counter downtime
- Automate and implement a production planning process
- Arrange department equipment to optimize work flow
- Develop a reasonable expectancy (R.E.) labor productivity standard for each task and activity
- Regularly evaluate true product profitability through Activity Based Management techniques
- Implement an automatic replenishment process
- Standardize optimal best production techniques throughout the company
- Centralize as much meat department production as possible
- Establish customer cooking classes to expose new items and preparation techniques

Patrick Fitzpatrick, President
Atlanta Retail Consulting
345 Woods Lane
Alpharetta, GA 30005

Phone: 770-754-5008
E-mail:
PCF@AtlantaRetailConsulting.com

**Your focus is running your business.
Our focus is to help you to REFINE IT.**

**Contact us to find out how your grocery
business can generate more profit.**

