

Technology Toolkit

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In these uncertain economic times, retailers continue to value technology that can help them cut costs or burnish sales prospects

For just about every business challenge retailers face, there is a technology solution. For example, Price Chopper Supermarkets, Schenectady, N.Y., has found that e-procurement services that conduct reverse auctions are able to drive down the cost of food products and store equipment. In Hawaii, Foodland Super Market has been able address store performance issues via the insights provided by a business intelligence system.

For Family Dollar, technology has turned the 7,000-store chain from a vanilla operation to one that delivers store-specific merchandising. Other retailers are bolstering service in service departments with advanced queuing systems.

Cut Product Costs via Reverse Auctions

REVERSE AUCTIONS have long been a staple of the Internet, allowing fast and efficient bidding exercises resulting in lower prices for products and services. Price Chopper Supermarkets, Schenectady, N.Y., is among the retailers that have employed this e-procurement process to drive down the cost of products resold in their stores as well as equipment used to run their stores.

For the past three years, the chain, which operates 128 stores in the Northeast, has tapped the reverse auction and aggregation capabilities of TopSource, Braintree, Mass., a division of Topco Associates, and a reverse auction service from Intesource, Phoenix. This year, the chain will do as many as 200 reverse auctions between the two services, the majority through Intesource.

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Price Chopper has used Intesource to procure not-for-resale items, such as office supplies, refrigeration equipment, shopping bags, transportation services, and HR software. Intesource is also a source of for-resale perishable products including bakery, produce, seafood, meat and floral.

Price Chopper also leverages TopSource’s reverse auction capabilities, which are part of their aggregated buying efforts consolidating the buying power of multiple Topco-member food retailers. Through TopSource, Price Chopper has been able to procure such not-for-resale items as IT equipment, walk-in coolers, packaging, gloves, food trays, cups and lids.

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