

CASE STUDY

Retail Grocery Chain

New Financial, HR, and Payroll Systems Executed within Seven Months

Challenge

This \$2 billion retail grocer needed to integrate its financial, human resources and payroll systems to replace antiquated, homegrown systems within a seven-month timeframe.

Solution

Implemented an ERP system to accommodate the organization's growth.

Benefits

Streamlined corporate business functions benefit the company through:

- Ability to easily add or delete stores from the system
- Payroll automation, which decreases overhead costs and reduces errors
- Compliance with federally mandated HR regulations
- Capability to take applicant information over the phone using an interactive voice response system linked to the HR system, resulting in increased employee productivity

Challenge

A grocery chain in the southeast started with one store in the early 1960s and grew to approximately 200 stores generating \$2 billion in sales. The company's systems, however, did not keep pace with the growth, and were inflexible and difficult to maintain. This was especially true of the financial and human resources (HR) systems. For example, adding or deleting stores to the system was extremely cumbersome because the data was hard-coded.

The HR system was inadequate—especially for a retail grocery chain that typically experiences annual employee turnover of 200 to 300 percent due to the transient nature of many grocery workers. The company had major challenges managing their applicant tracking process, the promotion process and transactions for organizational changes (job changes, reorganizations, etc.). These issues limited the company's ability to effectively meet its manpower objectives, and caused high error rates and rework.

To address these problems and position itself for further growth, the company decided to implement the SAP® financial and human resources modules to replace its homegrown versions. The decision, however, was made at the eleventh hour when the need had become critical; the new systems had to be up and running smoothly and all procedures and training completed in seven months.

Solution

The grocery chain had limited internal resources to devote to the project. The company demonstrated its trust and confidence in Clarkston Consulting by relying heavily on the consultants to take the project and run with it. The pressure to implement the system correctly the first time was intense—there was no room for error.

Clarkston implemented SAP's financial and HR systems and developed additional features to handle the requirements unique to a grocery chain. For example, one of the most challenging aspects of Clarkston's customization was interfacing the time card system with SAP. The consultants built an inbound interface from the time card

system to SAP that automatically populated all payroll portions of the system. This custom interface included edit checks to ensure that payroll ran with as few errors as possible.

Benefits

The financial system was implemented in approximately four months, and the HR and payroll systems in seven months. All processes, including weekly payroll, ran from the moment they went live. Clarkston accomplished this with minimal client participation in the project.

The project provided this grocery chain with comprehensive financial and HR systems that streamlined company operations and facilitated company growth. Benefits included:

- Stores can easily be added or deleted from the system.
- The company now more easily complies with federally mandated HR regulatory requirements. The system automatically collects data and produces the necessary Equal Employment Opportunity reports on open positions.
- Applicant information can be taken over the phone with an interactive voice response system linked to the HR system. Considering the volume of applicants, this feature especially improves employee productivity.

Automatic loading of payroll information from time clocks to the HR system dramatically decreases associated overhead costs, and the edits reduce errors.

Company Profile

The grocery chain strives to provide a one-stop shopping convenience to its customers by offering a wide variety of nationally advertised food products, and non-food products, including health and beauty care products and general merchandise, as well as quality private label items. The company recently began adding fuel centers, pharmacies and self-checkout at select store locations.

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