



Store Operating Procedures

Ordering

Center Store Ordering



Visuals



What

Center Store Ordering is the process in which you order all of the following product categories within the center store aisles:

- Cooler
- Dairy
- Smoked Meat
- Frozen/Bakery
- Grocery
- HBA
- Non-food

GOAL: The goal of ordering is to make sure you are meeting expected sales demand without running out of stock, while still upholding our merchandising standards



Why

- Ordering is the most controllable factor of driving sales, inventory management, and shrink
- Proper ordering will improve store sales by always having product available to meet sales demand and avoid excessive quantities that create unnecessary waste and shrink
- Utilizing center store ordering best practices and the ordering formula ensures you have the right amount of stock, delivered at the right time for your customers



When

- Truck delivery days depend on each specific store's schedule (Ask your local DC for details)
- As a best practice, it is best to order in the **afternoon** or **evening**, so all backstock product is stocked appropriately and the current day sales are nearing an end for the day
- All orders are placed **2 days** prior to the stores scheduled delivery dates
 - If a store receives deliveries on Tuesday, the store needs to place that order on Sunday
- Center Store Orders should be completed and submitted to most DCs by **10PM**, unless otherwise noted by your DC



How

Ordering Overview

- Ordering is an artform and it's important to find the balance between ordering excess stock and running out of stock
- Ensure you are ordering using the "truck-to-shelf" philosophy and to the "rate of sale"
 - Ordering below the "rate of sale" creates out of stocks and decreases sales
 - Ordering above "rate of sale" creates a back log of inventory, compromises freshness, and creates unnecessary shrink
- All DC deliveries can be ordered as an FTL (Full Truck Load) or LTL (Less Than Full Truckload), **see chart below**

- FTL's allow you to order all grocery and perishable product on one "full" truckload
- An LTL allows you to submit an order with lower weight limit and cube requirements, in which you may split the truck load with another store
- FTL
- Each load type has its own specific weight and cube limitations
- It's important to know and keep track of your weight and cube limits as you order

	min cube	max cube	min weight	max weight
LTL (formally Split)	1	850	1	21,000
FTL (formally Super Combo)	851	1,900	21,001	42,000

- It's also important to know what products you want to prioritize
- This is especially important for stores that only receive two trucks per week
- Suggested priorities in order:
 1. Produce
 2. Meat
 3. Milk/Eggs
 4. Dairy
 5. Smoked Meat/Cooler Items
 6. Survey/Ad Items
 7. Freezer
 8. Grocery/Center Store

Ordering Process Flow

- 1) Analyze & Plan
- 2) Work Backstock
- 3) Order Sales Floor
- 4) Subtract Backroom Inventory
- 5) Review & Submit Order

1) Analyze & Plan

- Managers should spend time throughout the week to plan & analyze orders based on expected sales
- Trust your sales history and averages but remember there are always exceptions!
 - It's important to keep in mind historical sales data only shows what you've sold, not necessarily what you can sell. Taking extra time to fully analyze and plan out the order you're about to place can avoid BIG mistakes!
- Sales/ID Loss Trends
 - Review *PLU Sales Report* – Review Sales Items by value for the last **30 days** weekly
 - ICL → Reports → PLU Item Reports → PLU Sales Report
 - Refer to the [ISS45 V8 User Guide](#) (Pg. 88-100) for further details
 - Review *ID Loss Store Detail Report* – Review Top ID Loss items by value for the past **7 days** weekly
 - SAL Browser → Applications → Markdown → ID Loss → Store Detail Report
 - Refer to the [SAL Browser User Guide](#) (Pg. 108-110)
- Seasonality/Weather
- Day of Week
- Schedule & Planning of Delivery Load
- Time of Month/EBT Release Schedule
- Ad Events/Item Cannibalism
 - "Item Cannibalism" is when items on sale effect a similar item's sales temporarily
 - Ex. An ad on T-Bone Steak may decrease Ribeye Steak sales
- Upcoming planogram/assortment changes
- Survey & Promotions Planning
 - Managers should analyze survey product quantities scheduled for their store on a weekly basis and adjust the quantities if necessary
 - Use the *Survey System* to fill loads with survey items and balance load schedules
 - Use the *Planning Report* to make decisions in helping plan current survey quantities on

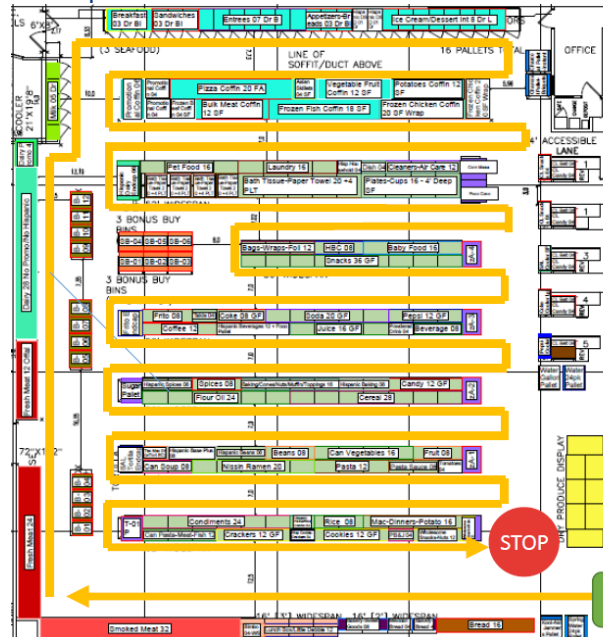
- orders over the next two or six weeks
 - Use the “Review Promotions” Screen on the SAL Browser to quickly review pre-surveyed product to which you have committed quantities
 - Refer to the [SAL Browser User Guide](#) (Pg. 206 & 233-245) for more details
- Top 50 Grocery & Top 10 Frozen Sales Items
 - Utilize the PLU Sales Reporting in ICL to produce this data for your store
 - Refer to the [ISS45 V8 User Guide](#) via the Document Repository for more details
 - Additional care should be taken when ordering these items to ensure you are never OOS
 - To raise awareness when placing an order of these top sellers, mark the price labels of these items with a method of your choice
 - As a best practice, you could place a “Blue Dot” on the Price Tag just above the pack size and below the item description
 - Ensure to replace/update the markings when:
 - ⇒ Price Changes Occur and a new tag is required
 - ⇒ Replacing worn Price Tags
 - ⇒ When a new report is run and products change on the Top 50/Top 10
 - ⇒ Store Resets

2) Work Backstock

- Working backstock prior to completing any order helps ensure that all inventory is accounted for when an order is written and keeps the store aware of what extra inventory they have on hand, so that no excess inventory is ordered
- It's also imperative that the store team has a good close on the evening prior to an order day. This includes tasks such as:
 - Box down/Store Conditioning
 - Boxing Back
 - SAL Edge
 - Recording ID Loss of damaged/out of date product
- Doing this helps making the process of counting sales floor inventory to the nearest case easier and helps you quickly go through the entire store making sure you don't miss reviewing an item to order

3) Order Sales Floor

- When starting an order, ensure your walking pattern starts and stops at the same location for every order at each, unique, individual, store
 - This creates consistency and an efficient flow during the process as well as makes sure nothing is missed
- The best practice is to start at perimeter departments first, then inner aisles in a “snake like” pattern to reduce footsteps



- Minimum/Maximum Case Order Quantity
 - During unique circumstances, such as vendor shortages, it's possible some items may have a Minimum/Maximum Case Order Quantity attached to them
 - This is because Save A Lot wants to ensure these limited availability items can be made accessible to all stores, fairly
 - It's important to realize that these limitations will affect the ordering process, so it's important to plan accordingly and take that into consideration when placing orders for these items
 - In some scenarios, a detailed analysis of core items, average planograms per store, and case movement has resulted in Merchandising setting Minimum Case Order Quantity (MCOQ) for some of Save A Lot's core items
- Order Formula: **Expected Sales – Inventory = Order Quantity**
 - A. Expected Sales is the total combined sales of an order period:
 - a. Day After the Order Day THROUGH the NEXT Scheduled Truck
 - Ex. If ordering on Monday for a Wednesday delivery and the next scheduled truck is on Friday, the order period needed to calculate is Monday THROUGH Friday (**5 days** of expected sales)
 - B. Inventory is the total inventory stock on hand in case quantity in the backroom, sales floor, and product In-Transit (if applicable)
 - C. Order Quantity is the number of cases to be ordered after calculation of the formula is completed (any survey quantities need to be subtracted from the result, if applicable)
 - After the formula is calculated, it is recommended to round up to the nearest case



- Item Statistics Tool
 - Utilize the “Stats” button, inside the ordering gun, to pull up the Item Statistics on each item to assist you in determining the estimated forecasted sales for that particular product you’re ordering
 - Doing this while physically on the sales floor ordering, will be important; not only for an accurate order, but to save steps and time

4) Subtract Backroom Inventory

- After ordering, you need to review backstock and subtract these items from your order quantity you just placed
- As a best practice, go through all the items in the backroom (Grocery backstock pallets, freezer, cooler, etc.)
- Scan the items and simply subtract the amount of cases the store currently has in backstock from the order quantity you inputted on the handheld
- This is one reason why backroom organization standards are imperative to the success and accuracy of an order

5) Review & Submit Order

- At the end of the ordering process, review your order to ensure that all orders are accurate (no input errors on order quantities, no item codes incorrectly keyed, etc.)
 - A best practice is to sort by Qty. and look for any “mis-keys” inputted
- At this time, it's also a good idea to double-check promotional and survey items that are locked and coming in that delivery day and which ones you would like to add to the truck, if any
- Utilize the error messages and ordering suggestions on the “Check Order” screen on the PC to make any last-minute adjustments
- After ensuring the accuracy of the order, ensure that the order is properly submitted to the Distribution Center for fulfillment
 - The deadline for Center Store orders is **10PM**, unless otherwise noted by your DC



Top Tips

- SM or ASM should review and input **all** orders
- Take the time to properly prioritize, balance, and plan your loads based on the truck type you are ordering (FTL or LTL)
 - The goal is to maximize each load type to increase efficiency
 - What size truck should you order for? What about the next truck?
 - Ex: current order equals 1400 cube, max FTL load equals 1900 cube, add an additional 500 cube to maximize delivery
- Review Survey & Promo Planning Reports EVERY week:
 - Utilize the *Survey System*
 - Utilize the *Planning Report*
- Keep a close eye on product shelf life when bringing in large quantities
 - Utilize the *Perishable Store Receiving & Shelf Guidelines* on the document repository to assist with ordering and request credit on closed dated products that were delivered, if needed
- Managers should stock out a truck they ordered two days prior and see how they did:
 - Walk the sales floor; take note of low/out of stock (OOS) items
 - Review Stock Outs list from the e-invoice
 - Adjust subsequent orders to accommodate any findings (ie. Rate of sale changes)
 - Use this practice as a learning tool to improve ordering accuracy on the next order



Tool Kit

- Handheld
- SAL Browser
- Black/Blue Pen
- Calculator
- *PLU Sales Report*
- *ID Loss Store Detail Report*
- *Survey System/Planning Report*
- *Perishable Store Receiving & Shelf Guidelines*

Reference Material in the Document Repository:

- Ordering – Training PPT
- Ordering Formula Guide T, F
- Ordering Formula Guide Su,Th
- Ordering Formula Guide M, W, F
- Ordering Formula Guide – Blank
- [SAL Browser User Guide](#)
- [ISS45 V8 User Guide](#)