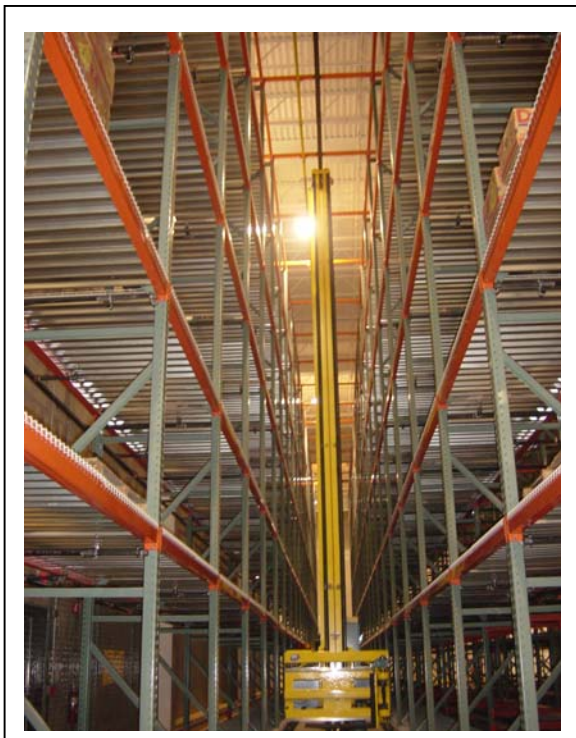


**GROCERY- MAXIMIZES SPACE
UTILIZATION, PRODUCTIVITY AND
ACCURACY . . . MINIMIZE CAPITAL
INVESTMENT****BENEFITS**

- High fulfillment productivity - - significant reduction of walk times for slow mover items
- Highly accurate order fulfillment and inventory
- Rapid receiving & dock turnaround
- Effective pick staging for order processing
- Rapid turn rate for slow mover items
- Product trace ability via Inventory Tracking & Control software
- Maximize pallet capacity by allowing for both full and partial pallets

**Wegmans Food Markets, Pottsville
Distribution Center**

Wegmans Food Markets Inc, a top 10-grocery chain located in Rochester, NY, operates 70 stores and needed a facility to service the expanded Mid Atlantic region. The organization employees over 30,000 employees and is consistently featured in the top 10 of Fortune Magazines Top 100 Companies to work for.

BACKGROUND

Wegmans Food Markets Inc., Mission statement touts the right products at the right place at the right time, and incorporates these guiding principles: Keep the solution simple, customer service focus, respect employees' abilities, preserve organizational agility and competitive strength, establish alignment with all network partners including vendors, and harness emerging technologies.

OVERVIEW

The Wegmans Food Market Inc., Pottsville Dry Grocery DC, servicing the North East Corridor, has been in operation for less than 12 months. The facility is designed to provide dry grocery, candy and spices to the majority of the Wegman's supermarkets.

Most products, fast to medium movers, are on pallets on the floor with no racks. Slow moving items are in the ASRS to eliminate long walk times. The new facility is highly organized, as a result of wireless real-time inventory tracking and control consisting of: computerized tracking, laptops and label printers on forklifts, and voice-activated selection. About 200 product deliveries (truckloads) come in every week and almost an equal number go out. Wegmans Food Market Inc. is now able to guarantee suppliers a two-hour turnaround time for unloading.

HIGHLIGHTS OF THE OPERATION

Pottsville's DC campus design, like Rochester, manages grocery categories. The dry operations DC design in Pottsville evolved from the operational success of the automated fork truck style store and

retrieve machine (SRM), used in the Rochester area Distribution Centers. Full and partial pallets of the slow mover products are stored in the AFT AS/RS. The SRM uses a reciprocating fork like a turret truck and standard rack design. The economic benefits include the ability to use:

- Any GMA pallet from low-grade white wood to CHEP, and
- Conventional pallet racks vs. precision ASRS racks translate into a lower capital, and
- Facilitate operational flexibility because the conventional racks can be adjusted to suit full and partial pallets, as business requirements dictate.

RETROTECH integrated the (8) AFT SRMs along with the feed and discharge conveyors using *Retrotech's* tracking and control software to support the slow mover operation for this facility. The DELL PC platform, running Linux operating software, handles the real-time control of the ASRS and connects to the PLCs that manage the conveyors.

LED Displays at the end of each aisle direct fork truck operators to destinations. The information is driven by the Wegmans host WMS (warehouse management system) and the material tracking and control flow, operator display management, and equipment management are all driven through the *RETROTECH* controls integration.

PICKING PROCESS

An operator picks a pallet of a SKU. The SKU is identified to the system and the system directs the operator to the first store (or "put") position and how many cases that should be put to that "store". When the "put" has been completed, the operator provides a store "check digit" to the system as well as the number of cases left on the pallet. As long as both are correct, the operator is directed to the next put position and provided a quantity to put. The process continues until all stores in that batch of stores have their requirements for the SKU fulfilled.

While the "put" process for both slow mover and fast mover items is the same, items are put to pallets in two separate areas.

When the order fulfillment is complete for the current group of stores, the pallet is returned to the AS/RS.

Given the continual update of case quantities on the "pick from" pallet, the overall accuracy within the AS/RS is extremely high - - and accurate inventory means less "short orders" and more satisfied consumers.

RETROTECH ADVANTAGE

Wegmans Food Market Inc. has exceeded their customer service goals as they are shipping to over 28 stores from the new distribution center. The new center is ergonomically devised with a rotation of job functions; workers are cross-trained to do receiving, loading and palletizing.

This solution is compelling. The price/performance ratio is extremely favorable when compared to pick to belt. This solution is far more scalable than a pick to belt system. It has the added benefit of being able to pick to store aisle far more easily than could ever be realized with a pick to belt approach.

The distribution center represents a profitable investment in dry goods ASRS using *RETROTECH's* ASRS *design* and implementation skills.

FUTURE PLANS

The ability to balance store orders from the NY and PA distribution centers has been the focus of 2000 and beyond planning and development. Ultimately the distribution center plans on computer-to-computer replenishment of products on the shelves.

The operating model currently being used by Wegmans Food Market Inc. was both creative and interesting. The integration of voice directed "put" coupled with the buffering of product in an AS/RS has broad industry application.

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