

## **SUPERMARKET RETAILER ADOPTS MANPOWER-SAVING SOLUTIONS TO IMPROVE EFFICIENCY AND RAISE PRODUCTIVITY**

The National Productivity Council (NPC) Chairman, Deputy Prime Minister Tharman Shanmugaratnam, visited Cold Storage at Sime Darby Centre today to experience first hand the store's new Smart Shopping Technologies. The new store, which opened in June this year, has implemented several productivity initiatives which led to significant manpower savings and productivity improvement of more than 60%.

2. Some of the key initiatives include an integrated storefront and back-end cash management system to simplify the cash handling process, electronic shelf labelling and enhanced self checkout (SCO) systems that accept both cash and card payment.

### ***Automated cash management system improves productivity, accuracy, security and customer satisfaction***

3. The new cash management system is able to automatically calculate and dispense change when the cashier inserts money into the machines installed at the Point of Sales (POS). Cashiers can then focus on scanning, packing and up-selling grocery items, enabling the checkout process to take only 10 seconds per transaction, 60% shorter than the manual process.

4. At the back-end, the cash management system also automates several cash-related processes. The new cash reconciliation process takes only one minute, and overall, each cashier will save at least 49 minutes daily, increasing the productivity of the POS checkout process by 45%.

5. With the new system in place, new cashiers can now be trained and ready to work independently in half a day, compared to three days in the past where they had to learn the different processes and standard operating procedures.

### ***First integrated self checkout counters***

6. Cold Storage also launched the first integrated SCO counters at the Sime Darby store that enable both cash and card payment. The integrated SCO terminals allow shoppers to scan, pack and pay their grocery items at the counters. The flexibility of payment options enhances the user experience for shoppers.

7. SCO counters also enable retailers to boost productivity while raising service levels. They help to alleviate queues at traditional cashier counters, reducing queuing time by 20% to 30%.

8. Another initiative – electronic shelf labels are used to prompt staff to replenish low-stock items automatically in the recommended quantity. With this technology, staff

no longer have to manually update the paper labels. This has resulted in an overall time savings of about 19 hours per week per store.

9. Currently, 27 out of 60 Cold Storage stores are equipped with SCO counters. Through SCOs, Cold Storage has reduced the number of cashiers needed per mid-sized store by about 44%, and customer waiting time is reduced by 40%. On average, about 20% of all transactions are paid through SCO. Cold Storage is planning to roll out more integrated SCOs to 2 stores within the next few months, and has plans to implement SCOs in all stores.

**Factsheet – Cold Storage’s cash management system and self checkout counters**

**National Productivity Council**  
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**About the National Productivity Council (NPC)**

The National Productivity Council (NPC) comprises representatives from the public and private sector as well as the unions. Chaired by Deputy Prime Minister Tharman Shanmugaratnam, the NPC oversees and drives national productivity efforts, so as to achieve a productivity growth of 2 to 3 per cent per annum (2009 to 2019). It adopts a two-pronged approach by developing sector-specific productivity improvement strategies, and supporting broad capabilities and programmes across all sectors. The Council oversees the work of the different government agencies and promotes close collaboration between the private and public sectors in order to entrench a strong productivity culture in Singapore.

## **Factsheet: Cold Storage's cash management system and self checkout counters**

### **Cold Storage's Cash Management System**

- In Dec 2014, SPRING Singapore supported Dairy Farm Singapore Group to pilot a cash management system across one Giant Hypermart, two Cold Storage and ten 7-Eleven stores. Under the Cold Storage banner, Sime Darby was the first store to pilot this automated system.
- With the new system, cashiers only need to insert money into the machines installed at the Point of Sales (POS), and change is returned automatically. At the back-end, a safe contains cash that is deposited from each POS cassette.
- In collaboration with the Singapore Productivity Centre and National University of Singapore, a study was performed to measure the productivity gains and manpower savings from using cash management at the Sime Darby store. The key benefits are summarized below:
  - a) Topping Up of Cash: With the automated system, the chief cashier only needs to monitor the cash level and top up the cassettes when cash balances are low. The time required for cashiers, the supervisor and deputy manager to top up the cash at the beginning of each day is reduced from 20 minutes to zero.
  - b) Replenishing of Cash: Instead of replenishing cash twice or thrice a day, the cash management system only needs one person to replenish cash once a week by replacing the cassettes. The supervisor and deputy manager saves 30 minutes of replenishing the notes and coins on a typical day.
  - c) Reconciliation Process: With the new system, only one step is required for reconciliation – printing of cash inventory report for all counters by the chief cashier at the end of the day. The daily reconciliation time of 30 minutes for cashiers and 4 hours for the chief cashier is reduced to zero.
  - d) Training Time: Traditionally it takes three days to train new cashiers on SOPs. At the Sime Darby store, new cashiers are only trained for half a day to be able to work independently as the cashiering process has become more straightforward.

## **Cold Storage's Self-Checkout System**

- In Dec 2014, SPRING Singapore supported the Dairy Farm Singapore Group to pilot an enhanced self-checkout (SCO) system across five Cold Storage and 44 7-Eleven stores. Under the Cold Storage banner, Cold Storage Sime Darby was the first store to pilot the enhanced SCO system that can accept both card and cash payment.
- Currently, 27 out of 60 Cold Storage stores are equipped with SCO counters. Through SCO, Cold Storage has reduced the number of cashiers needed per mid-sized store by about 44%<sup>1</sup>.
- For stores that experience low SCO usage, the common feedback from non-users revealed that mature customers are reluctant to use technology due to unfamiliarity and fear of failure. To mitigate this from a technical perspective, SPRING Singapore has supported Cold Storage to enhance the functionality of its SCO counters, by making the interface more user-friendly and payment mode more flexible with cash and card payment options available.

## **About Cold Storage**

Established in 1903, Cold Storage Supermarket has established itself as a popular household name trusted by consumers in Singapore. Cold Storage Supermarket is amongst the leading supermarket chains in Singapore with 60 stores islandwide. To date, the group operates 52 Cold Storage supermarkets, and 8 specialty supermarkets namely: Katong Market Place, Paragon Market Place, Tanglin Market Place, Raffles City Market Place, Hillview Market Place and Jasons Orchard Tower, ION Orchard and Quayside.

Billed as "The Fresh Food People" Cold Storage Supermarket is committed to delivering value and variety based on ethnic mix, freshness, innovative food ideas, superior customer service and a pleasant shopping environment that enhance consumers' lifestyles. Cold Storage Supermarket is part of public-listed Dairy Farm Group, a leading pan-Asian retailer.

Visit [www.coldstorage.com.sg](http://www.coldstorage.com.sg) for full store addresses.

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<sup>1</sup> For a typical mid-sized store, CSS will typically need 9 cashiers to man traditional checkout counters. With SCO, CSS will only have 4 traditional cashiers and 1 SCO attendant. Therefore, the number of cashiers needed has dropped from 9 to 5 (44%), with the implementation of SCO.