

Route to Prophet

Any independent operator hoping to increase its market share in the foodservice sector will be aware of the need to deliver better quality and service at the right price. Technology has a key role to play in helping independents deliver, says Prophet plc

Prophet plc has been a leading player in providing completely integrated software solutions for many of the UK's leading supermarket suppliers over the last decade, investing heavily in Microsoft technology for its Prophet Pr2 software applications. Three years ago, the company decided to turn its attention – together with considerable investment – towards foodservice.

Paul Walker, Prophet's design director, says: "After some initial discussion with a number of leading foodservice companies, it became obvious that most believed they had a lot to learn from the practices in the supermarket supply sector. We were lucky enough to share our views with the owners of Fresh Direct early on and we could not have found a better partner."

Fresh Direct is known for leading trends – the branding of its businesses into the Inspiration and Innovation divisions captures the spirit of the company, adds Walker. "Fresh Direct knew where they wanted to go with their business and the kind of software functionality they wanted to help them deliver their targets. At the heart of this lay a belief that they needed to get control – control of their live stock, their product availability, the live processes in their business and their



Paul Walker

profitability. They wanted to know where and how they were making and losing money."

Prophet and Fresh Direct worked through the software and practices developed in other sectors and a new foodservice model began to emerge. Here, Walker walks through a 10-point plan for FPJ readers.

• Solving product identity to enhance stock control:

"To provide a stock control mechanism in foodservice, you have to deal with the problem of complex identity – product arrives in boxes,

bags etc, and goes out in these, but also by the unit, and in weighed bags by the kilo. At the same time, the need to deliver product to chefs who are serving lunch and dinner that day means product substitution is critical – you have to supply a suitable product even if it is not the first product you looked for or took the order for.

"Prophet has a very powerful product-coding structure, based around common products and units of measure. This feature allows users to establish how different product identities work together so that they can buy and sell in whatever identity they need to and maintain a tight stock-management system at the centre. The product bought as a box can be sold as a box, by the kilo, or as individual parts at the same time."

• Automating stock selection to fulfil orders and ensure traceability:

"When using product to fulfil picking requirements, the software gives you great assistance. Prophet has embedded Visual Basic into our forms, in order that it is simple to automate complex tasks like allocating stock to sales orders so that the correct product is picked for the correct order at the right time. The script allows the user to establish complex rules as to what products to match, what substitution to make when product is short – in fact anything that the



user needs to ensure order fulfilment.”

• Powerful pricing – the pricing cube:

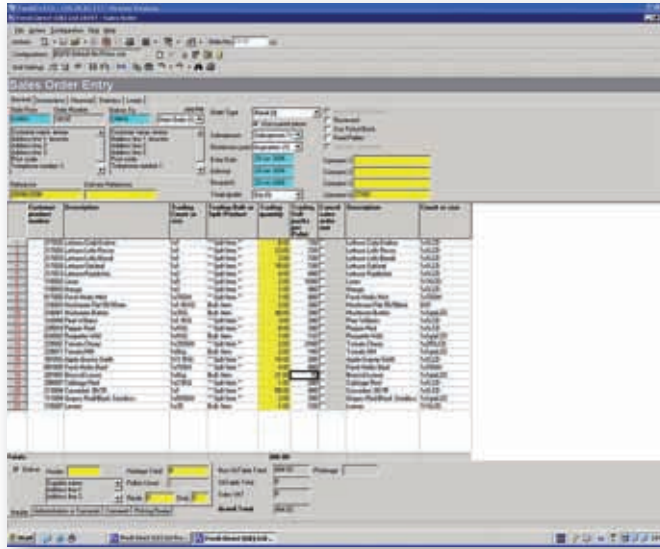
“This idea even extends into the management of prices where Prophet has the pricing cube. Unlike most systems, where a customer will be grouped (say, by head office) and pointed at a price list for a period, Prophet customers are grouped together into pricing hierarchies and pointed at one or more price lists. A customer can be in one group for one set of products, but a different group for a different set.

“The individual products have date-range-based prices which allows a contract, for example, to be fries for a whole year, but tomatoes weekly for the same customer. It also allows power pricing, for instance, a branch within a head office (a single customer) can have a single product with a different price even though they are part of a pricing group.

Finally the mechanism provides powerful formula and product-linked pricing, using the unit of measure feature to enter the kilo or unit price of a product. The software

then automatically prices any other selling identity (such as boxes) with the appropriate percentage discount or surcharge.

“Pricing for foodservice companies is a key challenge. To maximise their margin they have



to get the right price on the right product for the right customer on any given day. Prophet takes all the pain out of this, making the task very fast and reliable.”

• Easy sales order management – from telesales to emails:

“One of the critical aspects of the sector is managing sales orders. A large part of any company’s orders come in over the phone and fast and easy-to-use telesales screens are crucial. Prophet’s easily configured screens come into their own, allowing the presentation of telesales call sheets, product price lists as order sheets, providing fast product code searching and giving the user easy access to the configurable data forms that can be used to prompt display stock availability, alternative products and the order history of the client.

“Increasingly though, data is electronic, and Prophet’s XML data interfaces make any kind of data exchange simple and automatic. At Fresh Direct, one of the key requirements was to take many e-mails from the hundreds of different brewery outlets, consolidate them into a single depot delivery sales order, and upload this directly into Prophet. Prophet XSL style sheets functionality coupled again to its scripting

Fresh Direct - Leading the Way with Prophet



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Prophet - software solutions that integrate sales and procurement planning with real time trading and inventory, calculating production schedules, product availability and buying requirements

- Microsoft .Net Technology
- Accounting
- Planning
- Procurement
- Warehouse Management
- Processing and Manufacturing
- Distribution
- Quality Control
- Web Applications
- XML and EDI Solutions



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made this easy to deliver.

“Prophet also provides real-time data entry web applications, allowing customers to enter sales orders directly themselves.”

• Managing picking and deliveries:

“To assist with picking, once sales orders are processed and product allocated, picking and vehicle loading can be pre-organised into route/drop patterns that can then be dynamically adjusted according to what arises that day. Paper pick and delivery notes in the correct route drop order can be produced, as can bulk and split product documentation. Or the user can use the hand-held applications to scan-pick and scan-load the product onto the correct vehicles using bar code technology.

“Fresh Direct (like most operators) loads its splits through a different process into separate “buffet” boxes mixing part products together. Prophet helps here too, with a powerful script that selects which products go into which boxes, minimising the number of boxes used for split deliveries by printing box-end labels for the split-picking process. Any product that requires packing also passes through packing software which controls ingredients requirements, usage and packing out-turn control.”

• Making buying simpler:

“Because Prophet’s tight stock management is integrated to all of the other functions in the business, the buyer is very well provided for. The system has a powerful engine that calculates the product the business requires the buyer to purchase, the correct quantities and (when taking account of the various product identities) to report the buying requirement in the common buying product identity, any packing and any shelf-life expiry.

“This allows the buyer to be assisted with creating his purchase orders and to know instantaneously where and when there is a problem and whether it is covered. All of this is integrated to the live stock which is reconciled using hand-held stock taking applications. That live stock is also updated by sales orders for given products where stock is not allocated and by the stock statuses affected by picking and packing processes.

“One of the advantages of the buyer requirements engine is that where long-term contract suppliers are involved, they can see this data through the internet web pages. This can do the work of creating the purchase order or confirming a purchase order, and deliver the goods into the warehouse with the correct barcode labels without any substantial intervention from the buyer outside of approving the purchase order generated by

the supplier.”

• Integrated quality control:

“Prophet’s fully integrated comprehensive quality-assurance application allows the quality-control team to set its known score sheets, test and then apply them when and how it sees fit throughout the process. The data builds a statistical history of quality and interacts with the rest of the system, allowing automatic emails to be sent to suppliers for rejected or questionable product, controlling release of the product for packing or picking, as well as automatically monitoring the shelf-life usage of the product.”



• Powerful profitability by customer, product and route:

“One of the key benefits of managing Prophet as an integrated system is its lot accounting – it ties the sale to the goods that were used to fulfil that sale and it ties any direct costs to the goods or the sales order.

“We can see the transport costs as part of the gross margin along with rebates, volume discounts etc. And Prophet stores both expected and actual ledger values so you get the financial account down to the level of sales order line and purchase order line, allowing you to view immediate profitability by customer, product, route, buyer, sales person – in fact, just about anything you can think of.

“It is this which gives us our return – analysing customer margin, waste of product in the business through poor quality, empty vehicle space, inefficient packing processes – these can all be seen through the profitability

engine on a daily basis. And the analysis of trading and operations for the weekly and monthly management and financial accounts are produced by the push of a button.”

• Pay attention to the detail when implementing:

“Implementing a tightly managed stock control system is not easy and it is made harder by the fact that foodservice businesses can be operational 24/7,” says Walker.

Colin Harris, Fresh Direct director emphasises the need to get things right: “We knew we had the right product but we spent a great deal of time testing and proving the

solution, using parts of it on a daily basis to make sure we knew the business would not be disrupted. Above everything else, we had to get our own people used to the responsibility of capturing what they were doing and getting things right.

“When we finally switched to Prophet, the process was very simple. The main complaint was from people who had to use our old system for a short period as we insisted on a short period of running both to guarantee no disasters. This may not always be the best strategy, but we needed to guarantee our continuity.”

• Think about the future:

Harris adds: “We can just keep expanding our horizons with Prophet. This year Prophet is taking its product forwards into the next generation of Microsoft. Net technology starting with a full integration into Microsoft’s CRM 3.0 and the full range of Business Intelligence software being released in 2007. Business Intelligence will be a big move forward in allowing us to easily see what is happening in the business through simple data

dashboards.

“And I know the research and development is already looking into voice-activated picking. That is the beauty of the Prophet upgrade philosophy – you achieve your current goals and you can keep developing your ideas.”

Walker adds: “Prophet is software that has been built for its purpose – not generically developed for release every five years. The Prophet technology allows us to release upgraded software every month for use when the users are ready. This allows us to keep on improving our functionality every month, every quarter, every year – and we have been doing this for more than 10 years, with every user getting the benefit of every development. As a result, the functionality in our product is very rich and very configurable. We really can provide the exact functionality required to let the user do the best they can to make more money.” □