



Coop Switzerland: digitalisation brings competitive advantages

The Coop Group is one of Ergon's biggest clients and our first project came to pass 12 years ago, when Ergon was commissioned by the group to revamp its staff time-keeping; "Jazz" is now the personnel deployment tool used for some 47,000 Coop employees.

The second major Ergon project came in 2013, when Ergo, our mobile branch stock control system, was introduced in 1,000 Coop sales outlets. This bespoke software solution, which comprises inventory management, scheduling and goods acceptance monitoring, also ensures that stock information is always kept up to date for staff in every branch; each transaction is processed with mobile data capture devices in near-real time.

In addition to ongoing expansion and optimisation of these two software systems, Ergon began preliminary work on a track & trace system for Coop in 2016; this will include all of Coop's eShops and is due to be implemented in 2017.

The factor common to all these projects is that they bring Coop decisive competitive advantages in a fiercely contested market, thanks to the efficiency gains created when complexity can be reduced and processes automated, and because information is more quickly available.

In the branch

The Coop branch in Zumikon is a pioneer of its kind: it was the first branch in Switzerland to be entirely fitted out using Coop's new shop format. There is a total of more than 1,200,000 items on sale in Coop's approximately 2,500 Swiss branches, and making sure that appropriate amounts of goods are available at the right place is just one of the jobs of Coop sales staff. However, support is at hand from Ergo, the mobile stock control system that Coop commissioned Ergon to design; this tier 1 core system has to be stable and fault-free – even tiny erroneous orders can result in high costs.

Core work tool for the branches

Coop uses "sales-based ordering" for almost all its product groups; that is to say, stock orders are generated automatically on the basis of the previous year's sales and other variables such as public holidays. Ergo has a key role to play here – branch staff use it to identify gaps on the shelves, retrieve stock levels for items defined in the sys-



tem and check suggested orders that require manual submission. Sales, special offers and even shoplifting and write-offs are all recorded in the Ergo system and transmitted in near-real time to Coop's central SAP system.

From distribution centre to branch

Some 900,000 packages leave Coop distribution centres every day – all ordered with Ergo software. Coop's largest distribution centre is in Schafisheim and the company's central logistics system is operated with SAP. Ergo has a wide range of interfaces with Coop's peripheral systems and is incorporated into the existing SAP landscape.

The lorry carrying the order for the Coop branch in Zumikon is also being loaded in Schafisheim and the order was triggered by a staff member at the branch: Ergo displayed the suggested order defined by the sales-based ordering system and began processing the order once it had been filled in.

Staff deployment planning

Varying availability of part-time staff, night or weekend shifts, overtime and break regulations, salary weighting, clocking-on regulations and holiday entitlement – all these details and many more besides make staff deployment planning for Coop's 47,000 employees complex and demanding. Ergon's Zebra software solution maps all these requirements and ensures that no one is overloaded with work or underpaid. Besides Coop, Zebra is also used by Migros and other Swiss retailers and has become a favoured standard solution.

Ergon produced a monitoring software package for Zebra in 2016 and this graphics-based solution makes it possible to track software problems back to their source and to fix their root causes, enabling major performance improvements.



AUGUST HARDER
CIO Coop Switzerland

An interview with August Harder, CIO, Coop Switzerland

What do you think will be important for Coop five years down the road?

Omnichannel commerce will continue to play an ever more significant role, and here, it's important that customers are able to use the Coop touchpoint that is right for them at that particular time and place. Switching between different touchpoints should be as seamless as possible.

For what kinds of challenges can Ergon offer you added value?

As a rule, we use off-the-shelf software at Coop, but there can be gaps in standard solutions, especially with horizontal processes and where legal requirements are involved, and Ergon helps us bridge these gaps. With Zebra and Ergo, they've successfully managed not once but twice to get up and running in completely unfamiliar fields and work with us to develop systems that we have now been using for years with great success.

What factors are important in such a collaboration?

For us, it's important that commissions are completed in accordance with our specification and by the agreed deadline, of course, but we would also like a partner who is on the same page as us and throws in their own ideas and input. Sooner or later every project hits a bumpy patch, and here it's important if you can sit down with a partner, find a solution and ultimately bring the project to a successful conclusion. This is certainly the case with Ergon. Ergon also has a distinctly entrepreneurial attitude to such undertakings and shoulders a portion of the project risks.

 www.ergon.ch/coop