USING TECHNOLOGY TO HELP WITH COOP INVENTORY

November 27, 2023



By Walecia Konrad

THE PARK SLOPE FOOD COOP'S INVENTORY SYSTEM EXPLAINED

Coop shoppers may have noticed the new black-and-white electronic price tags hanging throughout the produce aisle. At first glance, they don't look all that different from the paper price tags they replaced, which are still in use on the rest of the Coop shelves. But these state-of-the-art mini-screens can be changed in an instant, reflecting a new price when, say, locally grown broccoli shows up in the summer, replacing the California crop, or Caraflex pointy cabbage hits the shelves.

$2.98
LB
$2.98
1
Rows
16 OZ
Nixtamal White Corn Tortilla 5.5"
REGACC
Prepared
1.0
05/06/23
PHOTO BY ZACH SCHULMAN

The old static labels are getting an update.
The unobtrusive tags may be the first sign visible to members of a years-long undertaking to update, digitize, share, streamline and consolidate the Coop's massive and unique inventory system.

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>
> *— COOP IT STAFF*

INTRODUCING CLOVER

The new system, called Clover, was designed by the Coop's inventory development team, which includes Coop IT staffers Jonathan Miller and Ithran Einhorn, as well as Receiving Coordinator Ken Macdonald, all led by General Coordinator Joe Szladek. Clover isn't an acronym and doesn't stand for anything; it's just a pleasant name that's easy to remember, according to its inventors.


PHOTO BY ZACH SCHULMAN



Joe Szladek (top) & Ken Macdonald

The team set out to update the inventory system and achieve four important goals.

Collect and report daily sales data. Sales data is currently aggregated on a weekly basis. Staffers use that data to determine recent sales and how much more or less of a product should be ordered. It's a delicate science that relies on the price from the supplier, anticipated shopper demand and the Coop's limited storage space. Daily sales data reports help staffers make more accurate buying decisions, Macdonald explained.

Update shelf prices. The Coop is committed to passing any change in price to members immediately, even if it's during the middle of the day. Keep in mind, no other store does that: Most grocery stores keep prices for a set period of time, maybe a week or more. Immediate price changes add to the inventory-tracking challenges at the Coop. Members can see this pricing promise happen in real time with the electron-

ic price tags in produce. (By the way, the new tags use a minuscule amount of energy.)

Streamline pricing information. Traditionally, receivers are in charge of changing prices on the shelves when new stock arrives. But it's not enough to display the new price to shoppers—it has to show up at check out too. Those two data points have been on two different systems, which causes some headaches. Clover combines the two and closes that gap, explained Macdonald.

Generate orders, invoices and supplier instructions. Buyers can use Clover to generate orders and even indicate to suppliers how to load their trucks to help the Coop with delivery and storage. With this system, a full palette could be directed into the designated basement storage space, rather than needing to be unpacked and sorted, with items manually stored in different areas.

In addition, Clover allows receiving to communicate with the accounting department. Instead of entering an invoice two times into the two systems, it can be input once, cutting down on multiple layers of paperwork.

"I've been at the Coop for 20 years and spent a lot of time in the basement," Macdonald said. "It was frustrating to not get data on what we had on the shelves, what deliveries were coming in, etc. Now we have all that at our fingertips in real-time."


Carrots- bunch
rainbow org
Locally grown
within 500 miles
Stocking notes
CARROTS FACE OUT
SMALL SPOT
$2.40bu
USDA
ORGANIC
01-A
PHOTO BY ZACH SCHULMAN

The new electronic labels can change in real time.

PRODUCE IS THE PLACE TO START

Because of its high turnover and constantly changing prices, the produce department had already followed a different inventory tracking system that allowed it to price items each day. After all, farmers may change their prices daily depending on the season, growing conditions and so on. Under the old system, produce buyers would be able to calculate new prices quickly—the cost of the most recent shipment plus the Coop's markup—but would then have to change the paper price tags on the floor manually, which was a time-consuming process.

Now, the inventory system calculates the new prices and changes the electronic signs automatically. No running upstairs with new tags. Because the produce department moves fruit and vegetables so quickly, the inventory team figured that if the new system works there, it can work anywhere. Produce is the inventory system's test kitchen.

REINVENT THE WHEEL?

The inventory team set out to implement a new system in 2018, well before the pandemic. At first, staffers researched off-the-shelf inventory systems that could potentially be adapted to the Coop's needs. Why reinvent the wheel?

But the Coop's unique inventory challenges—high turnover, limited storage, a commitment to passing on price changes—soon made it clear that a custom-made system designed internally was the right way to go. So the team set out to create its own product.

That's when Miller started talking to people. "The tech part is easy," he said, "but communicating with people and finding out what they really need is the challenge." Miller wanted to dig deep and figure out what the system could streamline to make things easier for people to get their work done on a daily basis. That also meant ac-

commodating different vendors and suppliers and trying to work with their systems and comfort level. “One vendor might like to take orders over the phone, one might want an email. One likes to be paid by the case, another by the pound. All of this has to be taken into account,” he explained.

A LITTLE HISTORY

Efficient inventory tracking has been the aim of the Coop from the very beginning, according to General Coordinator Joe Holtz. He and others were instrumental in devising the Coop’s original system, in which staffers used special cards to track what was bought and sold the week before and what price was paid for the inventory. The next team would use multiple weeks of information to make future buying decisions.

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Like now, tracking inventory back then was both an art and a science. Buyers used the data on the cards to hit the sweet spot of meeting shoppers’ needs while dealing with limited storage space. (Back then, storage space was almost non-existent.)

PHOTO BY ZACH SCHULMAN

Joe Holtz looks through the Coop's old handwritten paper records.
At its founding, it was obvious that the Coop's dedication to selling good food at low cost meant the store couldn't afford to buy more than it could sell. That said, a good price on a product will often drive demand, so when suppliers offer lower prices, buyers are tempted to buy more than previous sales may justify. That doesn't always work out.

Holtz cited an incident involving honey when the Coop first started. At one point, a member-buyer was enticed by a great price on honey from a supplier, and they ordered far more honey than the Coop had actually been selling each week. When the shipment came in, there wasn't room for all that honey in the designated storage area, so the excess was put in a different corner.

The following week, the next person taking inventory didn't see the honey in its unusual storage place and figured it had all been sold. As a result, they ordered another ten cases of honey at a much higher price.

Holtz, of course, pointed to the honey as an aberration, and a great lesson in how buying and tracking inventory is so key to the Coop's success. For the most part, the custom-made card system took into account the unique challenges of the Coop and worked well. "The Coop couldn't have grown without a good inventory system from the beginning," Holtz remarked.

Eventually, the card system was computerized and buyers could more easily access sales data and price history to make accurate purchase decisions. Now, Clover will hopefully move the original thinking and systems even further into the future.



The new price tags might not look electronic, but they are.

WHAT'S NEXT?

When asked about next steps, Miller said they are looking to continue the new system roll out in other areas of the Coop where prices change quickly. Think meat and fish. Afterward, the inventory team hopes to roll out Clover gradually to any area that wants to use it in 2024. "It's not a gigantic cliff everyone has to fall off on a certain

date," Miller said. "The two systems are working together right now, so we want people to move over to Clover when they want to."

Shoppers, keep an eye out for the new electronic price tags. Now you know what's going on behind the scenes when you drop each carefully tracked and priced item into your cart.