

Experience unrivaled flexibility in DSD

Peet's Coffee: DSD implementation improves distribution



Grind to Streamlined: K.Motion Direct Store Delivery scales, future-proofs Peet's Coffee

Company profile

You could almost say that Alfred Peet had coffee in his blood. From humble beginnings working with his father in coffee wholesale and for various coffee importers, Peet's Coffee and Tea Company has become a billion-dollar enterprise built on a hill of beans. Since cutting the ribbon on Alfred's first coffee shop in 1966, Peet's Coffee has grown rapidly. This includes:

- A steadily growing network of 250 coffee bars that also feature specialty teas and bakery products. This includes expansion to Shanghai, China in 2017.
- Bottled cold-brewed coffee is widely available in retail stores, major grocery chains and coffee bars.
- Packaged products available in 17,000 grocery outlets (including gourmet bagged coffee beans and packaged teas).
- A distribution network spanning 700 routes that are serviced by a combined fleet of company and independent delivery trucks.

Quick facts: Peet's Coffee

- **Distribution network:** 700 routes
- **Distribution outlets:** 1,700 grocery outlets
- **Headquarters:** Berkeley, CA
- **Solution:** K.Motion Direct Store Delivery, K.Sight Pulse



To scale its distribution capabilities and fuel its growth, Peet's Coffee needed more robust distribution capabilities for its supply chain. This was the beginning of a decades-long partnership with Körber.

Opportunity and challenge

In the early 2000s, Peet's Coffee chose K.Motion Direct Store Delivery (DSD), leading software for delivery route management and distribution networks, to improve distribution. The DSD platform enabled route drivers to eliminate the pen/pencil paperwork involved in the order-taking/stocking/adjustment processes. With Körber, they capitalized on handheld and portable computing devices. On returning to their distribution points, drivers offloaded their saved data to the in-house computer – a vast improvement to error-prone manual transcribing. The result was enhanced visibility and planning around its operations.

Fast forward 20 years. Alongside Peet's rapid growth, the industry also evolved. There were significant new device opportunities, as well as major advances in software and communications capabilities, key to Peet's continued success. It was time to assess and upgrade its system.

Along with Körber, Mike Clavet, senior manager of operations, explored alternative solutions from companies like AT&T®, MIT and Microsoft®. After comprehensive evaluation and meeting with the Körber team to discuss the challenges of the current DSD system, it was clear Körber was still the right fit. With core values of flexible, future-proofed solutions, Körber's investments in innovation put its DSD platform in position to scale with Peet's growing needs. Peet's Coffee decided to trust Körber to help them make another leap forward with their supply chain. The process of upgrading to the latest features and functionalities from Körber began.

“Körber DSD's breadth of capability, coupled with the fact that the company had enjoyed a very satisfactory experience with Körber over many years was key to our decision,” Clavet says. “We valued our long-term relationship with the company and the way that its people listened to our concerns.”

K.Motion Direct Store Delivery to the rescue, again

K.Motion Direct Store Delivery provides route drivers and route sales personnel with unrivaled flexibility in taking, submitting, and modifying retailer orders on-site during the delivery. Deployable on laptop, tablet, and handheld computers, the solutions are device, and operating system agnostic, allowing them

to work within any computing environment and communicate directly with warehouse systems via landline or wireless.

Key capabilities for Peet's Coffee included:

- Robust route scheduling and management
- Easy management of expanding product lines
- Easy management of promotions and special offers
- Automatic support for stock and lot tracking
- Precision management of recalls and compliance issues

In the field, K.Motion Direct Store Delivery provides distributor/wholesaler field personnel with realtime access to comprehensive information on pricing, promotions, and inventory levels. The company also takes advantage of DSD's direct communication with in-house data processing resources while sales call are in process. From any mobile device, users gain direct access to incentive programs, up-sell opportunities, and information on product availability in the warehouse. Real-time analytics allow sales personnel and customers to examine, evaluate, and adjust initial sales, returns, and profit impact in real time.

“When we spelled out our new requirements, Körber took ownership; often anticipating and already working on them,” says Clavet. “We discovered that Körber had become a bigger and more sophisticated company over the years, and we were impressed with the extent of their capabilities.”

DSD implementation

Given a green light for the project, Körber prepared an action plan and timetable for upgrading Peet's DSD software to the K.Motion OmniTech platform. With a dedicated development team working with Peet's, the pilot version was ready in only three months. The K.Motion OmniTech enabled Peet's to utilize new hardware, with the company choosing a custom, semi-rugged cellphone-like device running on the Android operating system. This promised to be a significant improvement over the previous, fully-ruggedized hardware.

Full rollout of the new solution followed, with all of the company's routes utilizing the new software and hardware within 12 months. A critical component to the success of the implementation was Körber's long-standing partnership that had been so pivotal to Peet's supply chain success.

“We were having a problem with downloads and we mentioned this to a member of the Körber support team,” Clavet says. “He asked us a few questions and volunteered to be on the server as we worked on the



problem, even as early as four o'clock in the morning. He was able to identify the failure, he wrote up a report and we were able to move forward quickly because he took our problem personally.”

Körber and Peet's worked together to grind any challenges to dust. According to Clavet, operating the new systems required additional training to unlock the full potential of the technology and enable its users. Körber and Peet's quickly developed a training program to onboard 800 users. This program helped resolve any hardware issues and made the new DSD solution fully operational – making a significant contribution to the company's operations. “We never worry about exchanging data with our route people, which is an extremely valuable factor in direct store distribution operations,” says Clavet.

Results

Clavet noted that users find the K.Motion Direct Store Delivery to be exceptionally reliable and dependable, with particular emphasis on the integration between the mobile field units and server. The software applications are not only easy to use but flexible. The team implements modifications to streamline operations without affecting the underlying software system.

Capitalizing on the latest features and functionality of K.Motion Direct Store Delivery has led to a near elimination of downtime. K.Motion OmniTech Administrator contributes strongly to more effective route management as well as the deployment of field personnel and equipment. Overall, Clavet says Peet's Coffee is extremely happy with K.Motion Direct Store Delivery, stating that the company can do more than he had ever imagined given the system's intrinsic power and the accommodating nature of Körber's personnel.”

Looking ahead

Peet's continues to work with Körber both to extend the system's current capabilities and to explore future possibilities. For example, while the system offers an extensive selection of standard reports, Körber is also helping to upgrade the company's reporting structure by assisting with development of additional, task-specific reports. It is also using K.Sight Pulse, Körber's application for supply chain analytics, to develop more and varied ways to extract and present valuable, actionable metrics.

“Körber has been instrumental in the company's capacity for continued growth,” Clavet says, “and with their continuing support we feel we have gotten ahead of our competitors in accommodating what our customers and their customers want. In general, I think that any company needing a DSD solution that's not looking hard at Körber is making a big mistake.”

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