



# HIGH'S OF BALTIMORE, INC.

*PDI Case Study #11*

## *Executive Overview*

High's of Baltimore was founded in 1947, and currently operates 75 convenience stores throughout Maryland and Delaware. The name High's has been around since the early 1900's and is still recognized as a legendary ice cream company that grew to more than 500 stores. Today they are known for being a family business serving small, rural communities. Ben Jatlow, Director of Information Technology at High's, shares a journey of refined processes, cultural changes, and automation that transformed their company.

## *Business Challenge*

Though successful for more than half a century, in 2006 High's decided to take the company to the next level. They focused their efforts on improving three key areas. First, High's realized they needed a clear picture of daily operations. Their processes were outdated, 100% manual, and they provided little visibility into store operations.

Second, High's corporate processes needed to be more efficient. Specifically, twelve clerical staff entered all paperwork at the corporate office for their 75 stores approximately two weeks after the fact. They did not have the bandwidth or the technology in place to "catch up." Accordingly, delayed reporting meant operations could not react to issues in a timely manner.

Finally, High's wanted to improve the customer experience in their stores with more accurate pricing and consistent

inventories. The High's team knew the answer was automation. This was determined to include an updated POS solution, an integrated back office, a centralized pricebook, and a handheld solution to keep unauthorized items out of the store and accurate inventories throughout the chain.

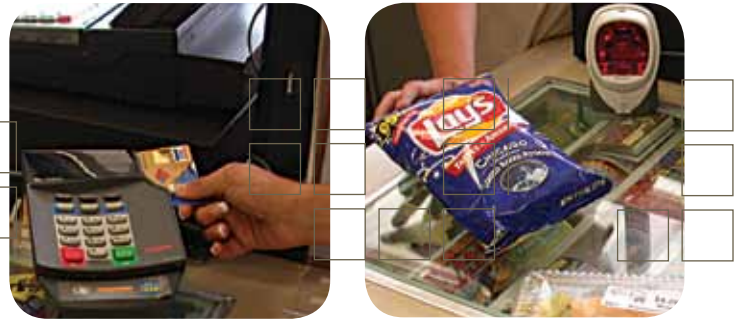
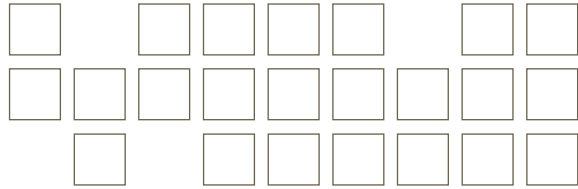
## *PDI Solution*

High's tackled five major initiatives over the course of a year. Jatlow's team implemented a wide-area network (WAN), workstations in every store, a full scanning pricebook, store-level handhelds, and a new POS. Changing from manual processes to complete automation is a cultural change that impacts the entire organization. Jatlow says, "There is really no way to accurately quantify all the benefits we have derived from the implementation of PDI/Enterprise, but there are plenty of examples; it's completely changed our company." Besides daily paperwork activities, High's began scanning merchandise in and out; transforming their 100% manual processes to 95% automated. Ben explains, "With stores scanning and entering paperwork daily, the management team achieved the desired operational visibility at the corporate office as each store came onboard. Things like bank deposits and payouts account for the 5% of manual entry and have reduced an hour long store process to a mere 3 minutes for our managers."

The introduction of a corporate pricebook, supported by scanning, changed the entire customer experience. Jatlow shares, "Clerks now focus on customer service, and our systems control unauthorized items, vendor invoice reconciliations, and inventory control. When we first built our pricebook and started

**"With PDI, we're positioned to strengthen our company through automation, and continue to advance in the marketplace."**

**— Ben Jatlow, Director of Information Technology**



scanning, our PDI consultant told us a good scan rate (accurate prices) is anything over 98%. We were very pleased to report our average scan rate started at 99% and continues to average 99-99.5% for all 75 stores." Every trade vendor delivery is scanned in using PDI's Store Assistant handheld, which results in an accurate inventory and pricebook. "In the past, keying errors were common; managers forgot or lost invoices, and vendors left unauthorized items. We've adopted the saying 'if it doesn't scan, it goes back in the van', which has dramatically reduced unauthorized items on our shelves. It also makes it possible to have accurate inventory counts and keeps our pricebook current." The system gives High's daily visibility into margins, movement, and potential out-of-stocks. Manual count sheets that tracked promotional sales are a thing of the past, as stores account for everything as it enters and exits the store via handheld and POS scanning.

After completing the store automation, Jatlow shares how High's achieved their operational visibility goals with the implementation of PDI's business intelligence systems. "Using PDI/Enterprise Daily Reporting Alerts and PDI/FocalPoint, we've automated reports throughout our entire company. For example, each day our owners get high-level reports with drill-down capabilities while our fuel manager receives a daily margin report that allows him to track seven-day trends and adjust pricing to stay competitive in every store. District managers receive immediate alerts for occurrences like cash shortages which enable them to react to issues within minutes of receiving the alert. PDI's architecture enables us to create custom reports which are delivered to end users via report scheduling tools built into the application. This process saves an enormous amount of time and allows us to stay on top of things." Achieving this level of transparency for current and prior day activity has taken High's to a new level. They can confidently compete in every market they serve.

### Customer Results

Corporate efficiencies were immediately realized as the 12

clerical staff who previously entered two-week-old store data was reduced to three who review and validate information from the prior day. Jatlow is excited to report, "We eliminated 100% of the corporate store paperwork entry. While some store managers were frightened and intimidated with all the changes, when asked today, they would never go back to the way things were. We took away the task of crunching numbers and sorting paperwork and asked them to focus on running their stores more effectively."

When you undertake such a large project, good training is essential. Jatlow says, "PDI's training was scalable and flexible. We trained people at various levels, with focus on their specific needs. We were able to offer one-on-one training with a PDI consultant for corporate staff, as well as immersion training for our controller at PDI's User's Conference. In addition, we delivered store manager training in a group setting, so they could learn from each other. Jatlow also provided insight into store support. He said, "a centralized database, with the ability to view exactly what the site level views, makes it a breeze to support our stores. Our help desk reviews screens with store managers and helps answer questions, instead of constantly reacting to issues."

WAN implementation and Internet exposure has the potential to create issues, but Jatlow states that their IT department loves the security and control PDI/Desktop offers. "Controlling store systems without complicated policies make our jobs much easier. PDI/Desktop allows us to lock down the workstation. The security is invaluable, as it keeps our users focused and our equipment secure."

Jatlow exclaims, "PDI/Enterprise has revolutionized our organization. We went from an environment where we were lucky to see data weeks after the fact, to seeing it the next day. Timely data allows us to be responsive to problems and capitalize on opportunities."

