

Improving the customer experience whilst reducing shrink, operational costs and carbon footprint at Tesco

SUMMARY

Objective: The implementation of key systems to reduce shrinkage, improve on-shelf availability of products, open merchandising and enhance the consumer shopping experience across 2,400 Tesco stores.

Solution: Installation by Barron McCann of Checkpoint Systems EAS (Electronic Article Surveillance) solutions.

Deliverables: Barron McCann successfully completed the installation on behalf of Checkpoint to 2,400 UK Tesco stores in just 12 months elapsed.

Outcome: Potential energy savings of up to 75% over existing competitive solutions, enabling Tesco to reduce operational costs and carbon footprint in addition to enhancing the customer experience and driving down shrinkage.



BACKGROUND

Today's major retailers face many new challenges as their customers become more technology-savvy and demand new ways to shop at any time of day. Self checkouts, 24 hour store opening and the current economic climate are all possible reasons why major retailers are experiencing increased levels of shrinkage and are urgently driving initiatives for increased loss prevention.

As the UK's largest retailer and the 3rd largest retailer globally, Tesco employs over 500,000 people in the 14 countries in which it operates. Tesco made the decision to implement a global EAS (Electronic Article Surveillance) programme in order to improve on-shelf availability of products, open merchandising and improve the consumer shopping experience.

In 2010, Tesco awarded the contract to deploy a new solution across their entire UK estate to global market leader Checkpoint Systems. Checkpoint's EVOLVE ECO RF-EAS systems provide high performance and energy savings of up to 75 percent over solutions from competitors. Checkpoint identified the need for a reliable service partner, with proven pedigree in Retail, a reputation for quality, and a highly scalable service, in order to deliver the aggressive installation programme.

“Barron McCann were selected by Checkpoint following great references, and the successful delivery of large projects with other leading retailers including both The Co-operative Group and WH Smith. Their geographic coverage, ability to scale to the largest of projects across the country, and impeccable health and safety audits were key advantages - coupled with their ability to demonstrate the flexibility required by this demanding project”.

LEN DARNTON
Checkpoint Project Manager for Tesco



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SOLUTION

Electronic Article Surveillance (EAS) is a technology used to identify articles as they pass through a gated area in a store. This identification is used not only to reduce shoplifting – it can also help increase sales, lower labour costs, speed inventory, and improve stockroom logistics. The deployment of such technology across a retailer as large as Tesco is a mammoth undertaking, requiring specialist service partners.

The successful integration of Somerfield's 900-strong stores into The Co-operative Group estate, and impeccable references were firm endorsements of Barron McCann's ability to achieve the results that Checkpoint were looking for, as was the ability to cover the whole of the UK - using the same quality-focused engineering team.



KEY DELIVERABLES

Following extra health and safety training for night working and shadowing of the Checkpoint team, Barron McCann mobilised a large workforce who quickly scaled up activity to provide the installation service for Checkpoint and their client, Tesco. The team worked in a phased manner, to replace existing antennae, installing new antennae at all entrance and exit points in-store. In one store alone, this amounted to a total of 77 antennae across the entire shopping centre frontage.

THE TIMELINE

- May 2010** Trial installations in Northampton and London, and project planning undertaken in earnest
- Nov 2010** Phase 1 Tesco Express Store deployment commences (1400 stores)
- Apr 2011** Express deployment phase successfully completed
- Jun 2012** Phase 2 deployment commences to larger format stores – Metro's, Extra's and Superstores (940 Stores)
- Mar 2013** Successful completion of Phase 2 deployment

- ▶ Total time taken to install over 2,400 stores – 12 months elapsed
- ▶ 45,000 man hours of installation effort
- ▶ 27,000 deactivation units installed to PoS
- ▶ 9,031 antennae installed. If all the antennae installed during the project were positioned at their standard 2.1m apart, the line would stretch from Newbury to Reading!!

“ The responsive and positive attitude to overcome challenges of a complex and large scale project, and the ability to maintain large teams in the field for long periods of time - often working anti-social hours, as the majority of the project was undertaken at night, was why we had no hesitation in choosing Barron McCann to complete Phase 2 of the project, a further 940 stores, a year later”.

LEN DARNTON
Checkpoint Project Manager for Tesco

PHASE 1 DEPLOYMENT 1400 TESCO EXPRESS STORES

Barron McCann first removed and terminated existing equipment, before measuring out and verifying that there had been no changes to the store layout since the survey drawing had been completed. Next was the installation of new antennae at all doors and a link to the pre-installed CCTV solution, then the installation of deactivation units at all checkout stations.



The system requires the labels to be attached to product which are then “blown” when passed through the checkout using deactivation from underneath the till. If the product is taken out of store without passing through the checkout then the antennae will detect the EAS tag and set off an alarm. This will also trigger linked CCTV cameras to hone in on the individual in question, and automatically bookmark the relevant CCTV footage.

Engineers were issued with android tablets in order to take in-situ photographs and complete a questionnaire providing proof of completion. This information was then passed in real-time, to the Checkpoint project team, within minutes of completion of each job, via a cloud-based data management solution.

PHASE 2 DEPLOYMENT

940 LARGER FORMAT METROS, SUPERSTORES AND EXTRAS

It was Barron McCann’s ability to positively address all the challenges with which they were previously faced, that meant they were quickly engaged to undertake Phase 2 of the project, the remaining 940 larger format Metros, Superstores and Extras.

It was identified that a common challenge in Phase 2 would be to find the existing source power - often located up in the ceiling a long distance from the antennae installation. As a result Barron McCann organised additional “working at heights” training for their engineers prior to the start of the project, and their installations were regularly audited by Tesco’s health & safety representatives – successfully passing every audit.

Due to the particularly severe winter weather, there were times when engineers couldn’t get to site but the contingency plans in place ensured there was always an alternative resource assigned swiftly, to complete each task.

“ Our engineers installed up to 100 antennae and 18 stores per night. The radio frequency on which EAS operates is sensitive to large mechanical objects (e.g. sliding shop-front doors, etc.) so lots of fine tuning was required in order to successfully complete the installation.”

DAWN MARSHALL
Project Manager, Barron McCann

THE OUTCOME

In addition to the resulting reduction in shoplifting, the installations have helped Tesco to reduce its operational costs and carbon footprint. Tesco are continuing to save money on labour and energy which can then be passed onto their customers.



WHY BARRON MCCANN?

- ▶ Excellence in project management, execution and reporting
- ▶ Flexibility & adaptability
- ▶ Demonstrable delivery of large projects – specifically in Retail
- ▶ 'Can do' attitude to resolving any problems
- ▶ Out of hours support and assistance to meet the needs of the project
- ▶ Qualified, professional, highly skilled staff

“ Ultimately, the success of our partnership lies in the fact that Barron McCann have a clear and concise understanding of what we needed at every stage. They have supported us, in ensuring that the installation and ongoing maintenance of the Tesco project went smoothly and that any issues were addressed professionally and promptly. We've forged a strong relationship with the team at Barron McCann as a result and will certainly be calling on them for any similar large-scale projects that come our way in the future.”

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