

Client Reference

Facilities Management

Retail



Client Background

Our client is a major player in the retail sector with a well-established footprint in the South African market. They have a proud record of business success and are expanding on a continuous basis. With a South African retail market that is becoming saturated from a supply and demand point of view, they have reconfirmed the need to optimise all areas of the business and reduce costs. Their focus is to be customer centric and to manage profitability through detailed article costing and cost reduction. A short term focus is also to minimise the impact of Eskom load shedding on the business.

Key Challenges

The impact that load shedding and potential black-outs have on the business must be managed and reduced as far as possible. Pragma has been tasked to perform an initiative to do the following for each of the 235 retail branches:

- Estimate each generator's hourly fuel consumption.
- Reduce response time for technical assistance when generators do not kick in during load shedding.
- Identify contractors to assist with re-fuelling (transport of fuel).
- Identify fuel suppliers in close proximity of each branch who are able to dispense fuel during load shedding.



Value Add

- Reduced response time to attend to generator breakdowns.
- Significant reduction in travel cost.
- Reduced events where branches have to stop trading due to power outages.
- Extended contractor base.

A significant reduction in the number of events where a branch had to close for trading due to power outages, have been achieved.

Due to the larger number of contractors, in close proximity of branches, pressure has been reduced on the core contractors to focus on preventive maintenance vs. breakdown call-outs.

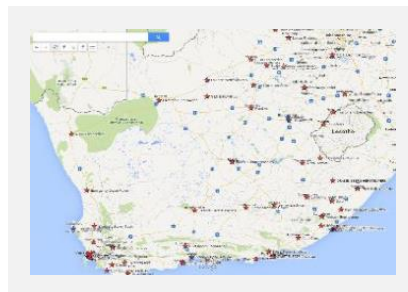
The situation has been changed around from a crisis during load shedding, to almost a non-event at this stage.

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Pragma Intervention

Four engineers were selected to run a two week generator intervention project. A visual approach was followed whereby all retail branches and all current contractors (working on generators) were plotted on Google Maps to get a visual indication of gaps in the supply chain.



All means were used to source the following contractors with the closest proximity to each branch:

- 3 x generator contractors to provide technical assistance
- 3 x re-fuelling contractors to assist with re-fuelling
- 5 x fuel suppliers.

Tools and Technology

- Google Maps
- MSSQL distance calculator between two GPS co-ordinates
- Electronic Yellow Pages
- Google street view.
- The core team of contractors are being used to focus on preventive maintenance and the extended list on breakdowns.
- The distances between contractors and branches have been calculated to be used in decision making – waiting for a contractor to respond vs dispatching another contractor that is further away.
- This data are loaded in On Key to be available for use to call centre staff. All changes to this data is also controlled via a central Supply Chain Manager.