



**King Fahd University of Petroleum & Minerals  
College of Environmental Design  
CEM Department  
Project Quality Management, CEM 515**

# **Tiger Shark, Automatic Category Checking and New Cashiers' Training Projects**

**Prepared for:**

**Dr. Abdulaziz Bubshait**

**By**

**Mohammed Al-Shaikh      980739**

**January 13, 2007**

<b>Summary .....</b>	<b>3</b>
<b>TIGER SHARK PROJECT.....</b>	<b>4</b>
<b>SMARTS: .....</b>	<b>4</b>
<b>Methodology: .....</b>	<b>4</b>
<b>PRODUCTS' AVAILABILITY PROJECT.....</b>	<b>6</b>
<b>OLD WAY: .....</b>	<b>6</b>
<b>AUTOMATIC CATEGORY CHECKING:.....</b>	<b>6</b>
<b>NEW CASHIERS' TRAINING PROGRAM: .....</b>	<b>8</b>
<b>OLD WAY: .....</b>	<b>8</b>
<b>NEW WAY:.....</b>	<b>9</b>

## **Summary**

Many projects are under taken by retailers in order to derive their cultures towards Total Quality Management (TQM). In this paper, three projects done in Panda Company are discussed. These projects fall under the umbrella of deriving the company to apply quality management all over the organization and make it as a philosophy of the organization.

These projects discussed are:

- Tiger Shark Project.
- Automatic Category Checking Project.
- New Cashiers' Training Program.

## **TIGER SHARK PROJECT**

The main target of the project is to give Panda the image of having fresh products especially in the Produce Department. Generating sales in the department would derive sales to other departments as well.

### **SMARTS:**

Main Targets of the project are:

1. Increase the sales by 30%.
2. Increase the margin of the produce departments in the company to 17%.
3. Increase freshness of produce products according to the Mystery Shopper and customers evaluations.

### **Methodology:**

1. Increase the display of produce departments in all store and this included removing complete isles.
2. Change the displays of produce departments to consist of plastic baskets.



3. Have 3 check points to assure the quality of product:
  - a. The buyer.
  - b. The warehouse receivers and specialists.
  - c. Departments' managers in the stores.



4. When products are purchased by the buying teams, they're shipped to the central warehouse by vendors or by trucks of the purchasing team. After the necessary quality checking, products are shipped to the preparation rooms where they're cleaned and a further quality inspection is done during the process. Later product are put in the standardized plastic baskets and labeled with the necessary barcodes.
5. Finally, products are shipped to stores from the central warehouse in the standardized baskets cleaned and ready to be displayed directly. A final quality checking is done by departments' heads in the stores.
6. In addition to the above, some crazy promotions are designed and advertised in the weekly leaflet.

In conclusion, the project over achieved its objectives and it was a very successful plan but unfortunately it wasn't applicable for regions with small warehouses because of limitations of space and manpower.

## PRODUCTS' AVAILABILITY PROJECT

Availability is a big concern for retailers especially when the number of items you're dealing with is huge in a company like Panda. Raising the availability contributes directly to the basket size (average spending by customers) and this leads to big jumps in sales. If we could raise the basket size by one riyal and the customers' count in the store is 4000, then 4000 riyals will be automatically added to the daily to the sales. This will lead to 1,460,000 riyals yearly.

### **OLD WAY:**

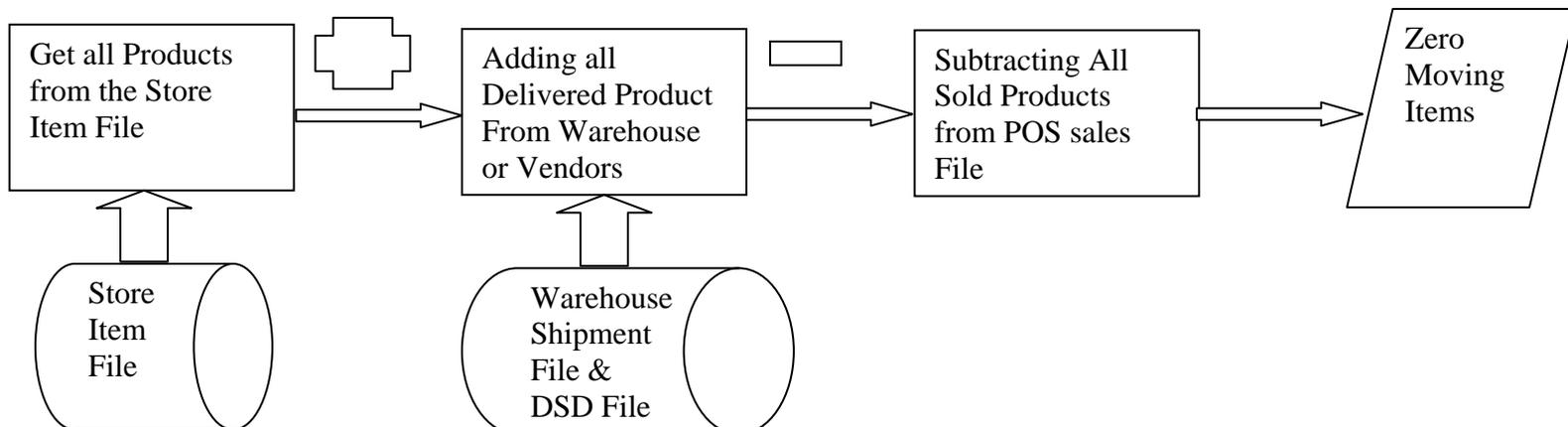
One way to assure the availability is to do continuous category checking for the different sections in the stores. To do category checking, the stocker takes a print out from the system of all active products available in his section and checks the items physically and order the missing ones.

### **AUTOMATIC CATEGORY CHECKING:**

The new system used now to assure the availability goes as follows:

1. Every store has a different master file containing all the active SKU's (Key of Products), these SKU's carry out the positive sign.
2. We add to the master file mentioned in the first step all the products that were lately shipped to the store from the central warehouse or directly to the store by vendors.
3. Next, we deduct from the resulting file in the second step all the products that were sold using POS's in the stores.

The resulting file will contain all the products that didn't show any movement in the store and not shipped by the warehouse or vendors.



In conclusion, raising the availability in Panda added a lot to the basket size this year and the results are good but still there is something better to be done. The best system to be applied is called Automatic Ordering System, it is completely computerized and all orders are replaced automatically when the level of stock reaches a certain level set by the company. This system will also allow vendors to access our systems and know what levels of stock we carry for their products to help them maintain the necessary level.

## **NEW CASHIERS' TRAINING PROGRAM:**

The new cashiers' training program was a big jump in the customer service level and knowledge in the front-end area. It showed clearly that giving the proper behavioral training side by side with the technical training gives effect.

## **OLD WAY:**

Previously, cashiers were trained mainly on technical skills and after that sent to the stores to start the on-job training for about three months which is the probationary period. Managers were required to watch the behavior of cashiers and correct any mistakes but no clear standard of customer service was set. The previously off-job training contained the following:

- One day company induction
- 3 days POS training in Mini Panda
- Evaluation of technical skills
- Posting to store

After doing many surveys to stores managers the following problems with cashiers were identified:

- Cashiers have wrong attitude:
  - High level of absenteeism, reporting to work late.
  - Bad attitude in dealing with managers and coworkers. (refusing to bag, clean...etc)
  - Wrong attitude towards customers.
  - Treating people based on nationality.
  - Claim they don't know company policy
  
- Low level of customer service.
  - Not helping customers in bagging
  - No apology for delays
  - No smile, greeting...etc
  - Telling customers "I don't know"
  - Personal appearance and uniforms.
  - Sometimes causing delays by not being prepared properly before shift.
  - Forcing customers to accept damaged currency notes
  
- Technical problems:

- Wrong scanning, wrong PLUs for cases, produce, mixing flavors ..etc
- Too many voids and refunds.
- Mistakes in Span and credit transactions (sometimes processing declined transactions)
  
- Causing stock loss:
  - Mistakes in scanning
  - Ignoring to scan some items altogether
  - Not scanning items in order, leading to excessive use of bags.
  - Using items from shelf to clean work station.
  - Not caring to return items left by customers.
  
- Dishonesty
  - Suggestions to show them examples of real cases and how they were caught.
  - Cashiers not aware of effect on profitability.
  - Ethical issues.

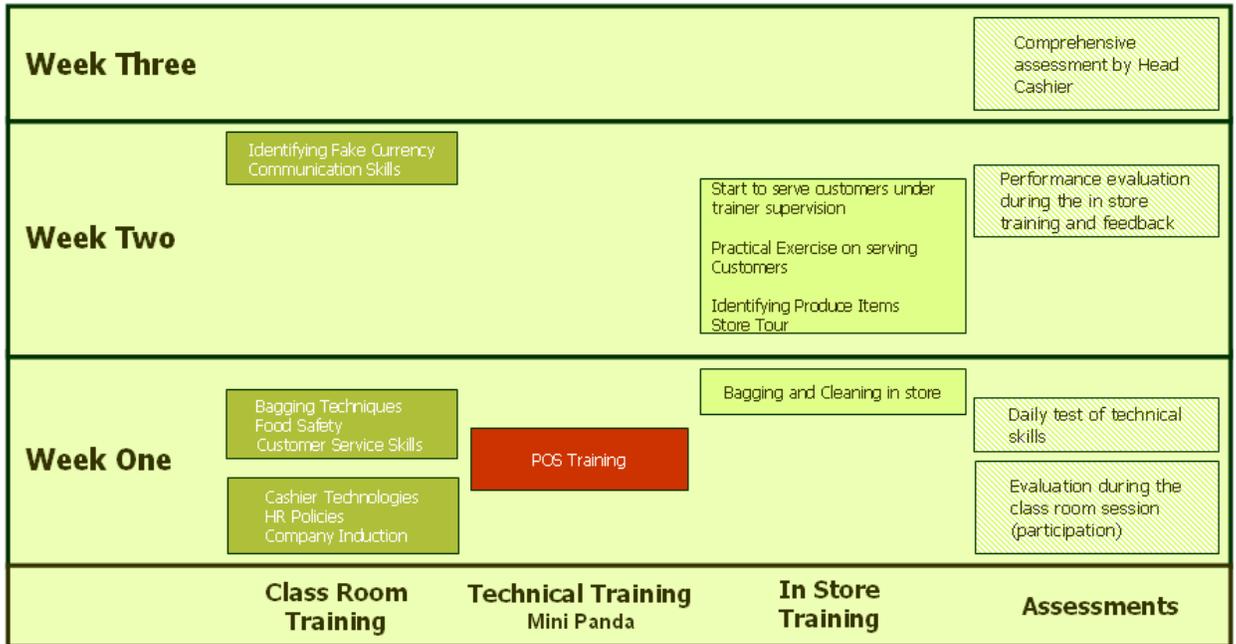
The main reasons behind the problems above are:

- Problems of coordinating between Organization Development and Training (ODT) and Stores.
  - Posting on Thursday when no one has time to pay attention.
  - No specific time for reporting to stores after training.
  - Filtering out poor performers.
  - Do cashiers know company policy?
  - What they are told in training. (communication between us)
  
- Lack of follow up in implementing what they have been trained to do.
  - Need to create a more simulating environment in training.
  - Their first days in store.
  - Effect of existing people on new comers.
  - Follow up on training in store.

### **NEW WAY:**

The new training program included many skills to be taught to cashiers in addition to the technical as follows:

1. Emphasizing soft skills (customer service, communication, technology, stock loss knowledge ...etc)
2. Make it more interactive and involving
3. Filter out poor performers and people with wrong attitude
4. Training in store (to follow up on implementation)



Above is a figure containing the steps cashiers go through to complete the new training program. As can be seen it has a mixture of technical and soft skills as needed.

In conclusion, this new cashiers training program showed great results and improved the customer service in the front-end a great deal. This is clear from the Mystery Shopper reports done monthly.