



**Improving  
shelf tag  
efficiencies  
— three key  
components.**

A white paper by



### Some challenges.

In the supermarket industry, retail shelf tags have been traditionally sorted, applied, spot-matched to corresponding items, and updated manually.

This labor-intensive process can consume up to 20 percent of stock clerks' hours and result in mismatched tags, expired pricing, and sluggish response to market fluctuations. Barcode technology alone has not eliminated human error, as evidenced by FDA-enforced scan audits that have, in severe cases, resulted in class-action suits.

In short, many supermarket chains face enormous waste in labor costs, possible litigation, and lost opportunities to respond to market conditions “on a dime.” Without a totally integrated approach that fully exploits data technology, unnecessary manual steps — and their related shortfalls — will remain.

### A recommendation.

An integrated, data-driven solution can transform dozens of manual touchpoints, saving countless labor hours, reducing human error, and maximizing profits.

On the following pages, we will illustrate how Bacompt can harness information already in your possession and utilize it to its full potential. Specifically, you will learn the benefits of:

- Digital shelf sequencing
- Duplicate cleanse
- Exception reporting, including tear-away listing and Yellow Page

Depending on your specific business criteria, you might consider these components à la carte. But used in tandem, Bacompt's Shelf Edge Program can help you realize significant labor and material savings, as well as achieve optimum data integrity and compliance.

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## Improving Shelf Tag Efficiencies – Key Components

### Digital shelf sequencing

Leverages store information to print all similarly formatted tags in shelf sequence. Saves labor by eliminating sorting time and reducing application of tags to one pass.

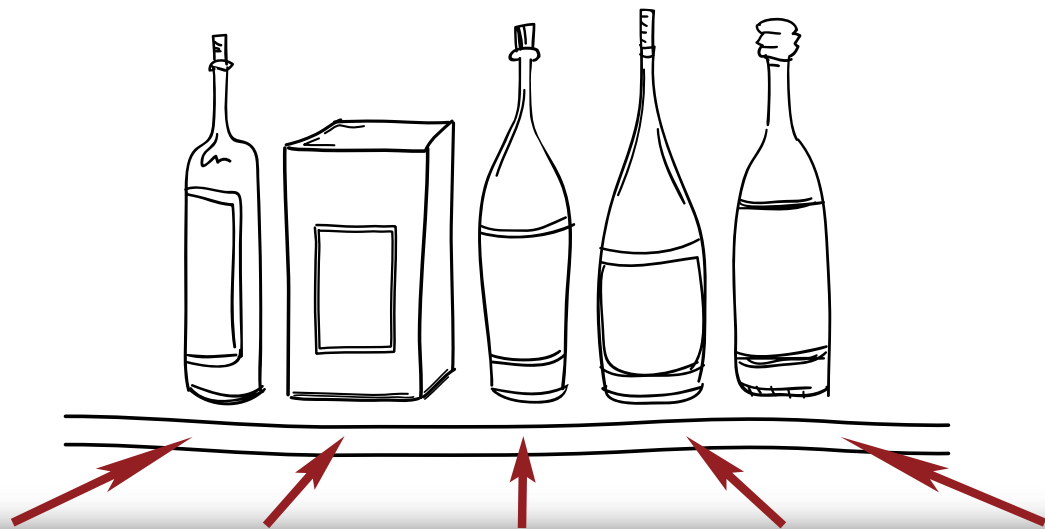
Bacompt can provide shelf tags by plan-o-gram order. Stores without a fully developed plan-o-gram can also be mapped by completing a store-specific commodity location survey (survey takes approximately 15 minutes for each store manager to complete). Encompassing all areas, including deli, pharmacy, end cap, or aisle, the completed survey indicates where each item is located per store.

Bacompt then builds and maintains a database from this information, which can be updated at any time. Based on this database, Bacompt sorts shelf tags by each store location and follows a defined pre-sort sequence prior to processing the store's commodity location sort.

Shelf tags arrive at the store sorted by tag type, effective date (up to 10 days), event type, aisle/side/section location, and "natural sort." Tags are also usually provided in some type of sequence such as UPC number, commodity number, etc. If a store does not give a location for a particular item, the sort reverts to the "natural sort" (the way it was received), appearing at the end of the pre-sorted tags.

Header labels are also supplied every time an item location and/or batch number changes. Information on header labels can vary by company but usually include effective date, location, and batch number.

By automating several steps prior to the sort order, digital shelf sequencing eliminates the manual decollation and hand sorting of tags that occur prior to shelf tag hanging. Store personnel can save up to eight hours per week, at the rate of one hour per 1,000 shelf tags. This, along with reducing the number of trips to the aisle, could result in a **20 percent labor cost savings**.



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## Improving Shelf Tag Efficiencies – Key Components

### Duplicate cleanse

*Extracts duplicate shelf tags prior to printing, reducing print costs and unnecessary handling.*

On a typical print run, as many as 10 percent of shelf tag files are either duplicate or unnecessary. Examples are:

1. Tag requests generated late for a print run. This can be due to different database processing times where a UPL (unit price label) request misses the processing cut-off time and is, therefore, not included in the corresponding "label file" build program. This request will typically be retained and processed with the next run. However, in an effort to ensure a UPL match to the transaction file, there will often be an additional request for an immediate UPL. This immediate request does not cancel out the standing, original request and generates a duplicate tag. This example can comprise up to two percent of the total tag file.

2. Tags generated from an extended sales contract. When a sale item is extended, the system will typically generate a new, yet redundant, tag with the same information. This example can comprise up to five percent of the total tag file.

3. Check-lane candy tags. These unnecessary tags comprise up to three percent of the total tag file.

From the store-specific database we build and maintain for each location, Bacompt can identify and extract duplicate or unnecessary tags prior to printing. This database allows us to compare the current tag order data to prior orders to determine which tag files are duplicate or unnecessary. These records are then extracted from the file before printing. We are also able to determine the exact number of check-lane candy merchandisers per store.

Our duplicate cleanse program can save approximately **10 percent of printing costs and another 10 percent of associated handling costs.**

#### \*\*\* DUPLICATE TAGS EXTRACTED PRIOR TO PRINT \*\*\*

S	UPC NUMBER	DESCRIPTION	OEN#	DL	PRICE	DUPE DATE	EFF DATE
<b>BACK DATED RTLS 1021</b>							
L	31254662357	HALLS DEF MULTIBLEND 25S	1857663	01	1.89	08/26/09	09/20/09
<b>BACK DATED RTLS 1021</b>							
L	01200001661	MOUNTAIN DEW THROWBACK	D S D	01	1.99	09/19/09	09/21/09
L	05320000164	OCELO SCRUB & WIPE	2747376	01	.99	09/19/09	09/21/09
<b>QUALITY CHOICE 1021</b>							
L	011111106560	DOVE FACE SS ESS DAY CRM	1807775	01	5.00	09/11/09	09/24/09
L	011111126290	DOVE FACE DAY CREAM SPF15	1841154	01	5.00	09/11/09	09/24/09
L	011111172950	DOVE FACE DAY LTN SPF 15	1841204	01	5.00	09/11/09	09/24/09
L	03500074320	COLGATE SIMPLY WHITE NGT	1831486	01	5.99	09/14/09	09/24/09

## Improving Shelf Tag Efficiencies — Key Components

### Exception reporting

*Comprehensive report compares store's tag file to the transaction file. Saves batch execution data research and tag-matching research time.*

- Summary of batch execution data
- Eliminates transaction file research and printing
- Eliminates tag matching
- Faster problem recognition
- Report is store-specific

Bacompt can provide a comprehensive report comparing each store's tag file to the transaction file. This lists all the pertinent data that file clerks use to execute shelf tag batches and reveals any discrepancies between the two files, eliminating the need for tag matching at store level.

**Tear-away listing** — a feature of exception reporting. Provides a list of expiring sale tags needing to be torn off, leaving only the regular price portion of the tag on the shelf.

- Allows stores choice of not printing expiration dates
- Assures file integrity
- Formatted by aisle and side of aisle
- Eliminates confusion at the store and office

Bacompt builds and maintains store-specific databases of all sale items and their expiration dates. (We also archive a print history of all sale tags for future reference). For each shelf tag print run, sale tags about to expire are listed in the exception report as those to be torn away.

Because the tear-away listing is store-specific and formatted by aisle and side of aisle, it eliminates visual searching of expiration dates, saving significant labor hours. It is essential to compliance and file integrity, ensuring that expired pricing is readily known, easily identified, and quickly removed. The tear-away listing is also vital to companies choosing not to print expiration dates.

**Yellow Page** — a feature of exception reporting. A summary of all the information necessary to execute tag batches.

- Saves labor time associated with researching the transaction file

In all, exception reporting can save approximately eight hours per week of transaction file research and usage time, resulting in a **20 percent labor cost savings**. A company with 20 stores can also save **\$25,000 in direct printing costs** per year.

**\*\*\* OFF SALE TAGS TO TEAR BY EFFECTIVE DATE \*\*\***

DESCRIPTION	SIZE	RETAIL	UPC	OEN
<b>096 AISLE: RX EFFECTIVE: 101305</b>				
CLRTN ALLRGY 24HR 10M-10 CT		\$8.99	04110008016	1820489
<b>097 AISLE: RX EFFECTIVE: 101305</b>				
CENTRUM SILVER -100 CT		\$7.99	30005417723	1838184
CENTRUM COMBO TABS -130 CT		\$7.99	30005423930	2770386
TYLENOL ES COOL CAPLE-24 CT		\$1.99	30045044424	1851948
ALCON ICAPS MULTIV-50 COUNT		\$9.99	30065804082	1867019
<b>14 AISLE: EFFECTIVE: 101305</b>				
HON-8.45 FL OZ		\$4.99	71722650532	1806520

**\*\*\* YELLOW PAGE \*\*\***

BATCH	DESCRIPTION	EFF DATE	LABELS
289/08	BACK DATED RTLS		0
290/01	BACK DATED RTLS		0
291/21	BACK DATED RTLS		4
292/08	BACK DATED RTLS		0
TOTAL =			
293/05	NEW ITEMS		0
294/08	REGULARS		13
295/05	LINK/RETAIL CORRECTIONS	08/17/09	NO LBL
296/08	QUALITY CHOICE - ON SALE	08/17/09	NO LBL
297/01	NEW ITEMS	08/17/09	NO LBL
298/99	NEW ITEMS	08/17/09	NO LBL
299/21	NEW ITEMS	08/17/09	NO LBL
300/05	NEW ITEMS	08/18/09	NO LBL

**\*\*\* PRICE DISCREPANCIES \*\*\***

S	BATCH	UPC	NUMBER	TYPE	DESCRIPTION	OEN#	DL	PRICE	SIZE	PACK
<b>EVERDAY LOW PRICE</b>										
T	010	01230025913		A	CAMEL FILTER BOX 99S	1101369	01	46.49	CARTON	1
L		01230025913			CAMEL FILTER BOX 99S	1101369	01	54.99	CARTON	1
T	010	01230026013		A	CAMEL LT BOX 100S	1101427	01	46.49	CTN	1
L		01230026013			CAMEL LT BOX 100S	1101427	01	54.99	CTN	1

## Improving Shelf Tag Efficiencies — Case Study

### Supermarket chain incorporates key components of Bacompt's Shelf Edge Program.

**The situation:** As a response to the recent economic downturn, a chain of 18 stores headquartered in the Midwest set out to identify areas that could be improved and made more profitable. After pinpointing waste in tag print orders, they put their tag printing out for bid and contacted Bacompt to participate. Our representative performed a full audit of the grocery chain's tag processes, including:

- Tag file data handling and management
- Labor hours associated with tag sorting, handling, and updating
- Direct printing costs

**The solution:** While we understood that the grocery chain's initial concern was to reduce printing costs, we illustrated potential savings that would result from an all-encompassing solution. Bacompt's recommendation included:

- Digital shelf sequencing, eliminating sorting time and reducing tag application time
- Duplicate cleanse, eliminating duplicate tag printing and the associated handling time
- Exception reporting, including tear-away listing and Yellow Page, reducing labor and printing costs

**The result:** Our client immediately realized the impact on their bottom line, in terms of hard printing costs and savings in labor hours. After one year, this chain of 18 stores saved:

- **\$36,450 in direct printing costs**
- **\$258,300 in labor costs**



### In conclusion

Traditional shelf tag processes are encumbered with time-consuming and error-producing manual steps. Without a totally integrated solution that fully exploits data technology, this outdated approach will continue to drain your human and financial resources.

Bacompt's Shelf Edge Program eliminates mismatched tags, hand sorting, expired pricing, and needless duplication, helping you realize significant labor and material savings, as well as achieve optimum data integrity and compliance.

### Typical savings for a chain of 20 stores:

Digital shelf sequencing saves **over 20 percent** in associated tag labor costs per year.

Duplicate cleanse saves **up to 10 percent** in associated tag labor costs and **another 10 percent** in direct tag printing costs, per year.

Exception reporting saves approximately **\$25,000** in direct printing costs and **\$100,000** in labor costs, per year.

### Total savings opportunity for a chain of 20 stores:

- **\$40,000** in direct printing costs per year (approx)
- **\$285,000** in labor costs per year (approx)

*Without a totally integrated solution that fully exploits data technology, this outdated approach will continue to drain your human and financial resources.*

## About Bacompt

### Data. Driven. Results.

Bacompt has been blazing the technology trail in business-to-business and business-to-consumer communications for over three decades. As one of the first providers of high-volume digital printing, we've consistently pushed the boundaries of not only what we offer, but also what is possible.

While we have developed some very unique and creative applications, everything we provide rests on our ability to manipulate and process data. Data that gives you more information about your customer, saves your company labor costs, and puts you in front of your customer more effectively.

### Value-added services

- Full-service design
- Full panoply of printing, including POS signage
- Data services, including barcodes and QR codes
- Custom applications
- 24-hour turn, direct store delivery

### Marketing programs

- Quick-response marketing
- Integrated wine marketing
- Guiding Star program
- Historically low pricing program
- QuickShopper™



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