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# Increasing challenges for Essential Food Distribution Businesses

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# BUSINESS RESILIENCE

## RESPONDING TO NEW CUSTOMER BEHAVIOUR

Food distribution facilities and essential food retailers have been responding rapidly and acting around the clock to meet changing customer needs in response to new consumer behaviour amid the COVID-19 pandemic.

While it's getting harder to remember a time when going to the grocery store didn't mean two metres of social distancing and wearing a mask, consumers continue to stockpile staple items or opt for online ordering and delivery. Either scenario quickly results in difficulties with maintaining accurate stock availability and speed of delivery, which simply means greater cost pressures, shortages, and strained supply chains. Plus, all food service facilities must now work to protect employee health and safety, prioritise cleanliness, and contend with the ensuing operational mayhem that comes from unprecedented surges in demand.





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## NEW THINKING IN THE FOOD INDUSTRY

It's critical for foodservice distribution companies to protect the well-being of both their employees and customers while managing demand, and at the same time to start re-imagining the 'new normal' with a business model for the longer term. Here are some interesting examples:



### PREPARING FOR A CHANGING WORKFORCE

- ▶ Aldi announced it was looking to fill 5,000 new temporary posts and take on 4,000 permanent new workers for jobs in all its stores and distribution centres. And Lidl is also expanding outside of Germany with 800 new stores in the UK. Source: BBC



### EVOLVING THE BUSINESS MODEL

- ▶ E-commerce has been a disruptive force in grocery retailing, taking market share from traditional bricks-and-mortar retailers. According to recent research from IGD, the ten leading global online grocery markets are expected to generate combined sales of almost €200 billion, at an annual growth rate of 20%, by 2023. Four of these markets are in Europe: the UK, France, Germany and Spain. Source: Food Navigator.com
- ▶ Technological advances are also set to change how people shop for groceries in store. Throughout the coming years, experts expect physical stores will increasingly offer more digital experiences, with consumer-facing technology employed to make it easier for shoppers to find, research and buy food. Source: Food Navigator.com
- ▶ Data is also transforming consumer expectations around traceability. 2018 saw a number of retailers, including Carrefour and Auchan, adopt block chain technology to provide consumers with access to detailed information on the origin of food products via QR codes. We can expect these programs to continue at pace. Source: Food Navigator.com





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# SURVEY FINDINGS

## TOP CHALLENGES IN FOOD INDUSTRY DISTRIBUTION

We conducted research to understand business' greatest material handling challenges in the food industry:

39%

### **SHORTAGE OF SKILLED LABOUR**

is the leading challenge in material handling with 39% of all respondents admitting this to be their #1 concern

20%

### **RENTAL FLEET AVAILABILITY**

20% identified needing more equipment to handle the surge in demands as their top concern

15%

### **HIGH COST TO OPERATE AND MAINTAIN THE CURRENT FLEET**

was a priority to 15% of respondents

12%

### **AVAILABILITY OR LEAD TIME OF NEW TRUCKS**

concerned 12% of respondents who need equipment to get the job done now

11%

### **UNDERUTILISED EQUIPMENT**

11% cited they have too many trucks and not enough demand

3%

### **PRODUCTIVITY CONCERNS**

3% identified that their current fleet cannot keep up



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# ARE YOU PREPARED TO MEET THESE CHALLENGES?

1

## QUALIFIED LABOUR RETENTION – KEEPING YOUR TOP PERFORMERS

Finding **qualified operators** has become increasingly difficult in the food industry, while low unemployment is no longer a concern, finding skilled, high performing operators remains a challenge. Employers have been enhancing efforts towards cleaner, safer workplace environments even more so during the pandemic.



## SOLUTION

Ergonomics and operator comfort are central to our philosophy. Features such as heated cabins with double glazing and double skin insulation are offered on Hyster trucks, providing operators with a warm and comfortable workspace.



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2

## PRODUCTIVITY TRENDS – SURPASSING THE BENCHMARK

Top performing operators take pride in their work and want to achieve at higher levels. Whether picking in the warehouse or direct store delivery, your operators work against the clock to meet ever increasing consumer demands.



### SOLUTION

Improve **operator productivity** with greater visibility to help shave seconds off each cycle allows for enhanced precision and load placement accuracy. Additionally, equipment designed for simple and straightforward routine maintenance helps increase uptime and allows your operators to move more pallets, both in the facility and on the delivery route.

3

## MANAGING A WORKFORCE

Winning the battle to attract and retain good talent means putting strategies in place to effectively manage a workforce. Additionally, employers have increased fringe benefits to retain their high performing operators and every effort is made to provide the most comfortable work environments, to include workstations.



### SOLUTION

Enhance **ergonomic solutions** to help alleviate pains associated with muscular or skeletal problems to help improve case per hour metrics meeting the daily challenges of increasing demands moving products to retailers and in the hand of customer.



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Hyster® supplies a complete range of warehouse equipment, IC and electric counterbalanced trucks, container handlers and reach stackers. Hyster® is committed to being much more than a lift truck supplier.

Our aim is to offer a complete partnership capable of responding to the full spectrum of material handling issues: whether you need professional consultancy on your fleet management, fully qualified service support, or reliable parts supply, you can depend on Hyster®.



Our network of highly trained dealers provides expert, responsive local support. They can offer cost-effective finance packages and introduce effectively managed maintenance programmes to ensure that you get the best possible value. Our business is dealing with your material handling needs so you can focus on the success of your business today and in the future.



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