



Stock At Namdhari's Fresh

Just Got Fresher, Thanks to IT

Namdhari's Fresh, a fruit and vegetable retail chain, deployed the retail intelligence solution to scale new heights.

Vanisha Joseph,
BenefIT Bureau

A healthy diet results in a healthy mind and body! This is what Namdhari's Fresh, a Bangalore-based fruit and vegetable grocery store chain, has been trying to achieve for its customers since 2000 through the healthy, hygienic and the rare fruits and vegetables offered at its stores. Starting with a single store in Bidadi, today Namdhari's Fresh has 20 outlets spread across Bangalore, apart from a store in Chandigarh and in Ludhiana. Growing at a rate of 11 per cent over the last two years with a topline of Rs 30 crore, the chain handles more than thousand tonnes of fresh vegetables and fruits, even exporting to Europe, Australia and the Middle East. However, this growth wouldn't have been possible without the use of technology-enabled business intelligence.

"Technology plays a significant role in retail operations which have multiple stock keeping units (SKUs). It helps retail chains in inventory management as well as from the cost control point of view. Real time visibility of sales data, availability of timely reports and information on customer behaviour are crucial to take timely decisions," says Praveen Dwivedi, CEO, Namdhari's Fresh. Speaking from personal experience, he says: "As we are growing, technology is becoming indispensable to us. Ours is a dispersed business where remote management and linking the dispersed stores to a central location is crucial. We also needed timely and accurate data to avoid any bottlenecks in purchase, sales, etc. Technology was the sole route we found to make this

happen. Today, it is an integral part of our business.”

Initial IT implementation

Namdhari's first encounter with technology was a home-grown point of sale solution integrated into the accounting software. But as the firm grew, this solution was inadequate. “The old IT infrastructure wasn't equipped to handle the business challenges that came with growth. It was a standalone system that worked fine in the past to manage store level operations but when we planned to integrate all 20 stores into a central organisation for procurement, purchase, etc, the system began falling apart,” says Dwivedi.

Thumbs up for GoFrugal

Having faced numerous hurdles running operations on the home-grown IT system, the management team decided to quickly shift to a retail solution ideal for a mid-sized retail operation and one that was conducive to growth. The RayMedi range of products by GoFrugal Technologies was the perfect match. It could handle the firm's current needs and had the potential to scale up in the future. “The company wanted a complete solution capable of feeding intelligence into its system to help it stride along the growth path. We took on the challenge and implemented the solution in four days giving them instant control and timely information. This solution also promised to reduce cost and increase ROI in the longer run,” says Kumar Vembu, founder and CEO, GoFrugal Technologies. In September 2009, Namdhari's Fresh opted for the RayMedi retail solution that comprised the RayMedi Retail Point Of Sale solution that handles trading, inventory management,

accounts and business intelligence; NetTrade, another component of the solution, facilitates easy uploading of transactions to enable timely availability of data; while RayMedi HQ enables the online management of retail outlets with centralised control.

Namdhari choose GoFrugal's retail solution because it offered a perfect fit. “We see ourselves as a mid-sized organisation with great potential to grow. To match our growth aspirations, we needed smart software tuned to our current size of operations but with potential to



Kumar Vembu, founder and CEO, GoFrugal Technologies

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scale up in the future. We consulted many vendors like IBM but they were beyond our budget and kept insisting on SAP's ERP solution, which wasn't ideal for us considering the size of our operations. Then, we discovered GoFrugal's approach to developing technology at www.gofrugal.com and the chemistry between the two firms was perfect. The cost of RayMedi wasn't too high and it looked simple. With the technical talent levels at our retail stores being limited, we saw GoFrugal's retail solution as easy to implement,” says Dwivedi.

The returns

The implementation of GoFrugal's retail solutions offered Namdhari's immediate returns. Timely availability of data, smart reports, speedy implementation, greater customer satisfaction, centralised control and increased ROI were some instant benefits availed by Namdhari's.

Timely information: GoFrugal Technologies made the impossible possible for Namdhari's. In a retail chain, lack of timely information can destroy the ability to take timely decisions to improve bottom lines. “The home-grown IT system gave me information about my sales three days later. Further, to check the daily sales information I had to be present in the office. Using RayMedi's NetTrade and RPOS, I can now get the information from wherever I am at the click of the mouse, the same day of the sale. The information is given in a comprehensive and smart manner,” says Dwivedi. The business intelligence provided exceptional reports on bill cancellation; audit reports; analysis of buying trends, correct inventory replenishment, fast moving and slow moving goods, etc. “Such timely point of sales data can help keep the shelves full of the right products on a timely basis, apart from saving transaction costs for the customer. This gives the retailer a competitive advantage and strengthens customer relationships. Further, it helped Namdhari's in the remote monitoring and management of domestic operations reducing the time taken to respond and resolve a problem in a remote store,” says Vembu.

Speedy implementation: Implementing the retail solution in four days was a tough target miraculously achieved by GoFrugal. When we decided to go in for smart

retail software, we were clear that we couldn't run two systems in parallel. We wanted to completely cut off from the old home-grown IT system and have the new system up and going a day after," says Dwivedi. And GoFrugal completed this Herculean task. "The firm successfully accomplished the mammoth task of arranging the hardware parallel to the old system, integrating the data, cutting off from the old system and putting the new system in place a day after the cut off," adds Dwivedi.

Improved customer satisfaction:

The RayMedi RPOS also helped Namdhari's collect information on customer behaviour based on which it could provide interesting offers. "The system has brilliant options available in terms of schemes and offers for customers like 'buy one get one free', availing discounts on the purchase of a certain quantity of a commodity, etc. The best part of the offer enhancement features of the software is that it pops up on the screen for the cashier to inform the customer. Such well-drawn out system features have induced us to run sale schemes that have been very successful, like a recent offer we had for apples. The retail solution has ensured that the IT system is geared to handle what we need to do to improve customer satisfaction," says Dwivedi.

Centralised control: Further, the RayMedi retail solution has been able to establish centralised control over operations for Namdhari's Fresh. "The RPOS solution allows session management with approval from the Head Office (HO) to track short or excess collection for each session. There are also security enhancement features that prevent item deletion or decreasing item quantities once the bill is entered. It also has a



▲ A look into the store operated by Namdhari's Fresh and inset a store boy making bills



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stringent stock transfer discrepancy measuring process with item locking, a centralised replenishment option from HO, and an option to seek change after approval from HO, etc, all of which has helped in centralised control over individual stores and warehouse," says Vembu.

Increased ROI: The retail solution also offers intelligent features that can help Namdhari's track lost sales opportunities. "The system can track items that have been searched for but

not sold. We are soon to implement this feature," says Dwivedi. Adding to the subject, Vembu, says: "The tracking of commodities not being sold can help increase your ROI. After identifying non-moving stock across the chain, one can transfer them to locations where they are selling. This can result in effective and timely stock transfers." GoFrugal gave Namdhari's the option to track physical inventory phase-wise and based on product categories, helping it to achieve complete inventory control in a few days. Further, the flexibility of RayMedi as a software and GoFrugal as a team helped Namdhari's bring new disciplines into the chain. "Negative stock is held by a lot of retailers but I wasn't for it. GoFrugal saw the logic behind my anxiety and helped me handle the negative stock issue using its RPOS solution."

Looking ahead

Thanks to GoFrugal Technologies, Namdhari's hopes to implement more technology solutions. "With implementation under way, we plan to explore more features of the retail solution to manage delivery and inventory," says Dwivedi. ■