

# Food for thought

Ukrop's Super Markets bags competitive advantage by consolidating data marts into an enterprise data warehouse.

by Scott Ford

Ukrop's Super Markets are refreshingly down to earth in an age of mega super-store chains. With more than 29 stores in central Virginia, this family-owned business still adheres to founder Joe Ukrop's guiding principles of providing good products, outstanding value and friendly, helpful service.

Today's highly competitive retail environment means grocers operate on razor-thin margins. To increase customer value and maximize profitability, Ukrop's must make informed purchasing, pricing and promotional decisions. In addition, this progressive retailer must understand customer behavior and preferences better than its competition.

In 2001, Chellam Manickam, Ukrop's vice president of IT, noticed a serious barrier standing between Ukrop's and its vision. "Too many data sources were creating multiple versions of the truth." At the time, the company was attempting to maintain five separate data marts. Rather than effectively using data, Ukrop's employees were spending much of their time cross-checking and

validating results. "It was clear to me that Ukrop's needed one central data repository—an enterprise data warehouse [EDW]," recalls Manickam.

Through this new architecture, the company could improve data accuracy, gain faster access to relevant information and reduce system administration expense. Manickam planned to use this integration initiative to refine business processes and improve corporate-wide accountability.

Ukrop's purchased a single-node Teradata Warehouse system running on a 4455 Server with four Intel Pentium III Xeon 700 MHz processors. The original configuration included 2GB of memory and 160GB of storage.

Ease of administration was a major consideration in choosing Teradata. Before the data warehouse consolidation, Ukrop's estimates it took four employees to manage and support its various data marts. Today, two people keep everything running smoothly.

According to Chris Costa, Ukrop's senior category analyst, the Teradata Warehouse's first noticeable effect was a significant performance

improvement. "Our queries were a lot quicker with Teradata. Similar queries on the previous system were complex, time-consuming tasks."

Ukrop's effectively uses technology to give its managers the information they need to make informed and timely decisions. Although its marketing initiatives are far ahead of other retailers its size, the company continues its aggressive use of database technology to deliver greater customer value and secure remarkable levels of customer loyalty in today's competitive grocery industry.

## More food for thought

Among other improvements, Ukrop's also used Teradata technology and Professional Services to:

- > Improve timeliness and relevance of data by accessing daily transactions rather than weekly data.
- > Strengthen corporate-wide accountability, tying store, departmental and employee performances to metrics in the EDW.
- > Decrease redundant administration resulting in a 50% decrease in head count dedicated to data mart management.

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## Detailed data keeps vendor honest

Things weren't adding up at one of Ukrop's stores. In fact, the finance staff suspected they were not receiving everything for which they were being invoiced. "Using the data warehouse, we were able to track unit movement of items that were being delivered and cross-reference them to the vendor's invoice," recalls John Zeheb, Ukrop's director of finance. "Without question, the items weren't being delivered." This investigation took only minutes yet allowed the company to recover almost \$19,000 in fraudulent charges. Equally important, it helped Ukrop's expel a crooked supplier from its vendor list.

—S.F.