

Retail Self-Checkout Systems

Best Practices



FUJITSU

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Best Practice

Self-checkout has quickly become an important retail front-end technology, processing transactions worth \$161 billion in 2005, according to a recent study by IHL Consulting Group. Sales through self-checkout are forecasted to reach as high as \$450 billion by 2008.

Given this potential level of shopper acceptance, many retailers are focused on enticing more customers to use self-checkout solutions in order to achieve a higher return on their investment (ROI). Their objective is to demonstrate to shoppers that self-checkout is a comparable or better option than traditional cashiered lanes. Already, IHL has reported 37% of shoppers in the 18 to 34 age bracket see the control and privacy of self-checkout as an added customer service and prefer to shop in stores with a self-checkout option.

Need for Self-Checkout Best Practices

While shopper and retailer acceptance of self-checkout has achieved mainstream status in supermarkets, super centers and home improvement centers, some retailers are experiencing much better results than others. Even within a chain, there are widespread differences in usage and subsequent ROI. Clearly, some retailers and stores are managing self-checkout better than others.

By working with store operations within the U-Scan® user community, Fujitsu has identified a set of *Self-Checkout Best Practices* and industry performance benchmarks. These Best Practices are intended to help U-Scan users optimize the ROI of their existing investment by increasing shopper usage and lowering TCO. In addition, Fujitsu's *Self-Checkout Best Practices* can help any retailer that is new to self-checkout maximize its ROI.

Learning From Our Customers' Experience

We observed self-checkout shopper acceptance and usage varying by as much as 100% from one retailer to another, and up to 50% from store to store in the same chain. Other key success indicators, such as intervention rates, varied as widely. After extensive efforts working with successful self-checkout retailers, Fujitsu created two deliverables for retailers:

1. Performance benchmarks for retailers to assess enterprise and individual store self-checkout performance.
2. Self-checkout best practices and implementation tools to increase performance.

The focus of Fujitsu Best Practices is to improve ROI through increased shopper usage and lower TCO. *Self-Checkout Best Practices* is a "turn key" offering that includes not only analysis, recommendations and implementation services, but also post-implementation results measurement.



Self-Checkout Best Practices

Outlined below are the eight categories of *Self-Checkout Best Practices*.

- Attendant Certification
- Managing and Reducing Interventions
- Reducing Maintenance Costs
- Determining and Optimizing U-Scan Configurations
- Store Operations and Manager Training
- Selecting and Prioritizing Stores for Installation
- Facilities Planning
- Measuring and Managing Performance

Attendant Certification – The most important success factor in any self-checkout installation is the quality and knowledge of the attendant. *Self-Checkout Best Practices* provides a Web-based formal certification process to ensure attendants have the skills and knowledge to effectively operate a U-Scan installation.

Managing and Reducing Interventions – While some interventions are unavoidable, reducing manageable interventions leads to greater throughput and higher customer satisfaction levels. *Self-Checkout Best Practices* includes proven methods to reduce interventions without increasing the loss prevention exposure.

Reducing Maintenance Costs – By applying the proven principles of Fujitsu's RetainerPlus lifecycle services business model, U-Scan service calls and associated costs can be reduced by up to 35%.

Determining and Optimizing U-Scan Configurations – U-Scan comes in several different models and can be installed in numerous configurations. *Self-Checkout Best Practices* provides the tools and guidelines to make a store-by-store determination of which models and configurations optimize customer service and ROI.

Store Operations and Manager Training – Successful U-Scan users have developed numerous best practices related to attendant selection, cash management, opening/closing procedures, etc. that have been identified and incorporated into a training module for front-end managers.





Selecting and Prioritizing Stores for Installation – Self-checkout is a significant investment. *Self-Checkout Best Practices* provides the tools and guidelines to determine which stores can support a business case for self-checkout and rank stores by potential ROI.

Facilities Planning – It has been proven that in-store promotion and U-Scan’s front-end location can improve customer acceptance and ROI. *Facilities Planning Best Practices* makes those guidelines available to store planners for new U-Scan installations and store remodels.

Measuring and Managing Performance – Well-managed retailers constantly monitor U-Scan performance. They both reward outstanding performance and address poor performance. *Self-Checkout Best Practices* provides a single performance measurement report card to compare stores against each other and industry benchmarks. In addition, an audit checklist is provided to help build a store-by-store performance improvement action plan.

Fujitsu’s Self-Checkout Experience

Fujitsu purchased the U-Scan self-checkout business from Optimal Robotics in May 2004. At that time, Optimal Robotics was the leading installer of self-checkout systems with more than five years of experience. After the acquisition, Fujitsu made a conscious decision to preserve the existing skilled Optimal Robotics team and added seasoned staff with an extensive retail operations background. Today, with thousands of self-checkout installations completed, the Fujitsu U-Scan team has the most hands-on experience in the industry.

Fujitsu’s Methodology for Self-Checkout Best Practices

Fujitsu *Self-Checkout Best Practices* involves a two-phased approach: assessment and implementation. The graph below highlights the key activities that constitute each phase.

Implementing Fujitsu’s *Self-Checkout Best Practices* with a proven methodology can significantly increase customer acceptance of self-checkout, strengthen the retailer’s self-checkout model, and ultimately, improve the retailer’s return on investment.

U-Scan retailers have already proven the value of implementing *Self-Checkout Best Practices*. Now Fujitsu is offering consulting services to make these benefits available to all retailers.

To learn how the Fujitsu *Self-Checkout Best Practices* Team can benefit your business, contact Fujitsu at 800-340-4425.

Project Methodology

Phase I			Phase II	
Plan	Assess	Recommend	Implement	Review
<ul style="list-style-type: none"> Establish project infrastructure Mobilize the team Project orientation Schedule store visits and meetings Define key success criteria and metrics 	<ul style="list-style-type: none"> Review business objectives SCO Location review Operational practice review Baseline performance 	<ul style="list-style-type: none"> Present findings ROI Analysis Recommendations and implementation plans Business case 	<ul style="list-style-type: none"> Implement the identified recommendations Transfer skills to customers Closely monitor the progress/cost 	<ul style="list-style-type: none"> Review identified key performance indicators Audit the process Re-validate ROI analysis Measure the overall results