

7-ELEVEN Finds LXE is The Right Fit for In-Store Productivity

CASE STUDY

7-ELEVEN - The famous 7-Eleven name is actually shared by two different convenience store chains: the multi-national Southland conglomerate and a 106-store privately owned convenience chain in Oklahoma that shares its brand through a long-standing licensing agreement. President Ron Brown leads the family-run, Oklahoma City-based retailer, whose history stretches back more than 50 years. Oklahoma 7-Eleven stores specialize in understanding and meeting the needs of each neighborhood in the four counties where they operate, offering a varying mix of food, fuel and fast service.



Whether it's a 31,600-store chain or one a fraction of that size, accurate in-store inventory is key to controlling costs while always being in stock with the items customers demand. So when 7-Eleven of Oklahoma decided the time was right to implement handheld computers in stores to better track inventory, they wanted a brand that would stand up to the job – and a vendor that would stand behind them. LXE fit the bill on both counts, enabling the chain to implement its first automated in-store receiving and ordering solution and lower its overall inventory carrying costs.

No More Manual Inventory

"It's quite a change for us," says Gayle Crouch, director of IT for Oklahoma 7-Eleven. "We've been using a manual system, but with this system we can reduce inventory and do a better job in ordering, basing it on inventory and historical data."

Oklahoma 7-Eleven does not operate a warehouse, so inventory shipments are delivered right to its stores. The company had developed standard stock orders for each location, so each store received a location-specific list of the same items in the same quantities, no matter what had actually sold. That meant too little of some items and an excess of others – a real challenge in store locations with no backroom storage, and a source of frustration for customers when their favorite product was out of stock.

To address this issue, the company chose Retailix DemandAnalytX software. The application manages the receiving process for each store, and then uses historical POS and ordering data plus in-store inventory levels to calculate the right quantities for each store at each delivery.

Accurate data is the lifeblood of the system. 7-Eleven needed a handheld computing terminal that would offer ease of use, lightweight, and reliable performance. A color screen was important to properly display all of the Retailix software features. The retailer tested several brands in a pilot at headquarters to determine the best fit for the organization.

Brighter Screen & Vibration Alerts

"We compared LXE with a couple of other products, and chose LXE because we liked the brighter screen, and the fact that it vibrates when it has correctly read a bar code," says Crouch. "The store can be noisy, and the associate may not hear a beep."

With varied lighting intensity around the store, the brighter screen was important to ensure the associate could clearly read the screen no matter where the terminal was in use. A user-friendly, intuitive keyboard layout was also useful, particularly in helping associates transition from manual to automated receiving processes.



Recommended in the Industry

LXE was also highly recommended by One Network, the solution provider handling the Retailix project, which also included installation of an Aerohive access point in each store to establish wireless communications. Those networks are connected via a Cox Cable high speed Internet connection back to headquarters in Oklahoma City.

"We've known One Network a long time, and we took their recommendation," says Crouch. "They said this company will help support you. We also liked the fact that LXEs are made in the US."

7-Eleven selected the MX7, LXE's flagship rugged handheld computer, designed to be comfortable for



store associates to use, while tough enough to stand up to the rigors of the store environment. The terminal is certified by Retailix for its DemandAnalytX and is driven by a Windows® CE operating system and an Intel® XScale® processor, and uses an 802.11b/g radio.

7-Eleven ordered 145 terminals and began the rollout in seven stores, implementing the remainder over a 45-day period. Each store uses one MX7 terminal, with spares available at headquarters.

Reducing Inventory

Associates use the MX7s to receive deliveries in the store, scanning each bar coded item into inventory using the Retailix software on the handheld terminal. Each day, headquarters asks store associates to cycle count a few selected departments in the store, so the host software can attain accurate current inventory counts to create the most accurate orders possible.

Reducing inventory – correctly -- is a major goal for the project – the key is to lower the chain's overall carrying costs while enhancing their ability to have the right product, in the right quantities, in the right locations. Crouch and his colleagues are pleased with the progress so far. LXE has proven to be the right choice to enhance accuracy and productivity in the store environment.

7-Eleven purchased a service contract to ensure continuous, quality support of the terminals that enable the chain's new approach to managing store inventory. "LXE has been great," says Crouch. "They have bent over backwards to not only get the product set up and tested, but if there are problems, they are eager to help."



About LXE Inc. LXE Inc. improves supply chain performance by applying 38 years of experience developing wireless products and solutions. From wireless computers, advanced auto-ID technologies, and wireless network infrastructure, to our award-winning customer support - LXE's easy-to-use products are as reliable as the people who install and support them.

Based in Norcross, Georgia, LXE also offers a full range of turnkey services, including radio integration, project and installation management, network design, technical support, and repair services. LXE is a wholly-owned subsidiary of EMS Technologies, Inc. (NASDAQ: ELMG), and has offices worldwide. For more information, visit www.lxe.com.