

5 STEPS

on how to 'bake' Al into your foodservice business



A look at how AI can be used by foodservice distributors

You've probably heard the buzz about AI revolutionising economies and becoming a game-changer for process innovation and strategic differentiation. The impact of AI on the foodservice sector, particularly foodservice distributors, is still in its early stages. However, it is already making significant strides in logistics, introducing innovative solutions for warehouse management and transportation.

But how can foodservice distributors put AI to work?

Where do we even start? How do we go about collecting the right data to make AI truly beneficial? Knowing about AI's potential is one thing; understanding the practical steps to harness its benefits is another. In this guide, we're offering a fresh perspective on integrating artificial intelligence into your foodservice distribution business. While the concept of AI may seem daunting at first, we're going to think of it as akin to baking a scrumptious loaf of bread. Let's explore the step-by-step process of 'baking' AI into your business, from finding the recipe to savouring the results.









Finding the correct recipe

So, you've decided to bake a loaf of bread, wholemeal to be precise... but where do you even start?

You search for a recipe that lists all the ingredients you need and provides clear instructions telling you step-by-step what to do. Similarly, with Al, you need to decide what you want to analyse, see, and report on.

Only once you've determined the desired outcome can you start the process and figure out how to achieve it. Just like you choose what to bake before buying the ingredients, you need to know what you want to achieve with AI to collect the right data.

What are you trying to achieve?

Which specific problems are you aiming to solve with AI? What areas of the business can benefit most from AI integration?

By assessing business needs and goals, you can better understand what the business aims to achieve with Al. For Al to be effective, it's not just about having a lot of data; it's about having the right data. It needs a solid foundation to work. Without the correct recipe, you might end up baking a sourdough bread when you really wanted a wholemeal one.





Get all the ingredients you need

The ingredients aren't going to appear out of nowhere. Whether you like it or not you will probably need to get yourself to the supermarket, scouring the aisles for the ingredients and cursing the fact that you picked a trolley with a wonky wheel. But without this crucial step, there's no cake, no cookies, and no bread in your future. In our Al analogy, this is the part where you gather the data.

Review your data

Before you even set foot in the supermarket, you'll probably peek in your cupboard to see if you already have some of the ingredients. Similarly, once you've decided what you want to achieve with Al, you need to figure out what data you already have and what you still need to collect. This means asking questions like:

- What data do you need to track process flows?
- Do you need to look deeper into task efficiency and employee performance?
- · Where is this data being captured?
- Can your current system handle it?

Reviewing your data will help determine the resources you'll need to gather any missing information.

Why is getting the right ingredients important?

If for example your goal is to improve picking and putting away performance in your warehouse, you'll need detailed data on every movement involved: times, dates, and employee actions. Your warehouse management system needs to log every interaction and touchpoint to analyse individual movements, employee efficiency, and overall travel within the warehouse. When the data is ready, you can dive into a real-time analysis of your warehouse operations.







Mix the ingredients

With all the ingredients, you're set to roll up your sleeves, pre-heat the oven and mix (incorporate) all the ingredients (data) together.

How are you going to do it? With your hands? Professional tools? You will still end up with bread regardless. But will it be the perfect bread without helpful tools? In the world of AI, to get the perfect dough, Business Intelligence (BI) is the tool to turn to.

What makes Business Intelligence (BI) so valuable?

BI is the foundation that AI builds its advanced analytical capabilities on and gives visibility on the available data. Although AI can be implemented without the use of BI, it helps to ensure the data used for AI implementation is clean, accurate, and well-managed. High-quality data is necessary for the effectiveness of AI models, as poor data quality can lead to incorrect predictions and insights. BI can gather, store and analyse historical data. This comprehensive dataset is needed for training AI models, as AI needs extensive data to learn from past patterns and behaviours. BI, therefore, sets the stage for AI's enhanced functionalities.

BI provides the foundation and initial work in comprehending historical business data and performance. Fundamentally, accessibility and an understanding of this historical data is always of importance.

How does this apply to AI?

Think of AI as the compliment to BI—your dough is ready (that's your BI), and AI steps in to help it reach its full potential (like an oven turning that dough into bread). AI takes the historical data from BI and dives deeper, offering a more nuanced understanding of past performance and future possibilities. AI can aid in spotting patterns, predicting trends, and finding innovative paths forward based on the data you've provided.





Bake the loaf

After all the time and effort spent gathering and mixing the ingredients, it's finally time to pop your hard work into the oven. Let the oven do its thing while you kick back, and eagerly await the results.

But don't get too relaxed. As the bread is baking, Keep an eye on it to make sure it rises as it should and see for yourself the magic happens. Likewise, with AI, it's not just about the result - it's also about understanding the process and how it arrives at those insights.

How does this work in the real world?

How can this improve the pick and put-away process in your warehouse? If the Al is supplied with the right data - it will open a treasure trove of possibilities. Just imagine, with the appropriate information at its fingertips, Al could revolutionise various aspects of warehouse management! Such as:

Layout optimisation

By analysing data on product demand, frequency of movement, and spatial constraints - Al could suggest more efficient warehouse layouts.

Inventory management

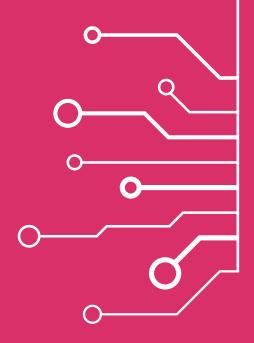
You could get AI to crunch numbers on sales forecasts and seasonal trends to optimise inventory levels. This means you have just the right amount of inventory on hand at any given time, minimising costs whilst maximising customer satisfaction.

In essence, providing the right data to AI doesn't just improve one aspect of the pick and put-away process - it can make the entire warehouse operate more efficiently.









Eat the bread

It's finally time to savour the fruits of your labour and enjoy a slice of bread. So, what are you going to eat with the bread? I mean it's great as it is but imagine adding butter... or jam...or both!

Having insights is great but the magic really happens when applying the insights and results gleaned from AI into your business, turning these insights into action. Without action, those insights are like bread without yeast - no rising potential and certainly not fulfilling their purpose in creating a delicious outcome.

Global companies relishing the benefits of Al

Just as you might enjoy your bread with a smear of butter, companies globally have relished the benefits of AI with a dollop of savings and a sprinkle of demand forecasting.

UPS utilised AI to optimise delivery routes, saving the company 10 million gallons of fuel each year. Amazon, on the other hand, employed AI to predict product demand, ensuring inventory levels remained just right, avoiding the pitfalls of over or under purchasing. And Walmart? They put AI to work detecting fraud in shipments, ensuring what leaves the warehouse matches what's unloaded from the delivery trucks.

Can I make changes?

Yes you can! Just like a recipe that can be tweaked and improved, your AI strategy is no different. Maybe the bread didn't rise as expected, indicating a need for more yeast (more data), or perhaps a different mixing method to activate the raising agent (better BI integration). But fear not! Like a dedicated baker experimenting with different techniques, you can edit and refine your approach until you're satisfied with the results. This might require a significant investment of time and resources—but the payoff will be worth it when you finally achieve that perfect loaf.



In a Nutshell

When deciding whether to implement AI or not, rather than getting swept up in the AI buzz, it's essential to set a goal. Establish what it is you want to achieve and identify the steps to reach this goal. AI has the potential to streamline logistics operations and make warehouse management more adaptable, predictable, and efficient. But you still need to identify your craving, have a clear strategy how to satisfy this craving and some human intervention to make sure it's perfect.

CSD works hand in hand with AI

So, what craving were we looking to satisfy? The buzz around AI has been a topic of discussion with some of our current customers for some time. With over 30 years of experience collaborating with foodservice distributors, we understand the challenges foodservice businesses encounter. Given these insights, and with the challenges our customers faced, we wanted to explore how AI could be used alongside our system to bring even more value to our customers.

Our system, Qnetex, is a smart straightforward ERP that offers complete visibility of your operations within a single platform. It enables you to efficiently manage everything from order processing and stock management to warehouse organisation and delivery coordination.

You don't need to be an IT whizz to get our system working for you, and you shouldn't have to be a tech expert to understand the steps for implementing AI into your business. And by leveraging AI, you can improve operations and efficiency based on the data you have available.

So, what's your craving? Let's bake that perfect loaf together!

