



CASE STUDY

Wawa: A fresh look at the Northeast's most recognized convenience store

Delivering the best customer experience day after day is an enormous task for anyone to complete, but when you have 570 stores spanning five states, you must meet that demand and provide consistent quality and service. So, when Wawa, one of the Northeast's most recognized convenience stores, needed a reliable partner as passionate about customer service as they are, they turned to Penske Logistics.

Wawa opened its first store in 1964 and expanded to food service and gasoline in the mid-90s. Penske's relationship began with Wawa in 1998 when Wawa decided to service all stores daily from a centralized bakery facility.

Looking for a reliable partner

In 2007, Wawa needed a reliable partner to help plan and implement their new Fresh Channel offer, which included daily deliveries to all 570 stores. After looking at other vendors, no one could provide a solution quite like Penske, and the historical relationship proved that – Penske and Wawa had been working together since the nineties. So, Wawa expanded the Penske relationship, to include the new area of business for Wawa, which has been a successful part of their daily operations.

Challenges

- Consistency between all stores had to be maintained
- Daily, on-time temperature-controlled delivery of the fresh food products was critical
- Collaboration among suppliers to reduce costs and provide continuous improvement

Solutions

- Penske sourced the right trucking equipment to maintain highly perishable foods that required both refrigerated and ambient temperature zones
- Penske's dispatch operation provided a centralized communication hub accessed by all suppliers to ensure products are delivered fresh and on time each day

- Penske created a new routing system which in turn reduced the amount of equipment used, helping to lower costs

Honesty and integrity is key to a good partnership

The integrity of the people at Penske – from the operations leaders to the drivers delivering the product – shined through from the start. Penske's operational leaders were very honest with Wawa during the proposal process on what they could execute, and Penske delivered what they proposed. Penske's ability to be flexible, as well as the dependability of the Penske drivers has been key to Penske's success. To this day, Penske drivers connect with Wawa customers and store associates.

"I would give Penske a grade of "A" on implementation and partnership."

- Jim Crawford, Director of Supply Chain, Wawa

Penske has fulfilled its commitment to deliver 365 days a year, despite intermittent vendor delays and schedule changes as instructed by Wawa.

Coordinating three other partners

Wawa's business demands that they deliver fresh products by 5 a.m. daily. To accomplish this task, Wawa relies on Penske to coordinate activities between three key suppliers. All communication activities between Wawa and the three supplier sites funnel through the centralized Penske dispatch operation.

Penske oversees 55 outbound routes to stores travelling across New Jersey, Pennsylvania, Maryland, Delaware and Virginia. Penske also handles some inbound deliveries of product and raw materials to help leverage the utilization of the fleet to assist in lowering overall costs to the operation.



Working together to keep things moving

Before bringing Penske on board, Wawa's food suppliers maintained their own store delivery fleets. Penske, working with Wawa's other food suppliers, was able to consolidate these three separate store delivery operations into one. With the help of Penske, Wawa was able to reduce costs, simplify the store delivery process, and increase the store delivery frequency. Wawa and Penske worked together to create a schedule that worked for both the supplying vendors and the stores. In the event that something goes wrong, the plan allows Wawa to recover without impacting the operation as a whole.

Whether it's a production problem or a truck issue, Penske works with Wawa and their food suppliers to keep things on schedule. A very controlled communications system is used between the Wawa staff, the Penske drivers and the supplying vendors. If a problem arises, the first phone call goes to Penske, and it's usually fixed before the driver hits the road. Wawa and Penske know there is only a small window everyday to focus on, and they need to deliver their product no matter what.

Making the operation work

Wawa's focus has always been on the customer. They want the best experience possible for each person that enters a Wawa store. Wawa knew that a new initiative would include start up issues. The number of vehicles, working out time restrictions and getting stores into the new process were all areas of concern. Wawa needed to be able to rely on their partners - and more importantly, their drivers - to maintain the process and relationship each day. Wawa also worked with Penske to control cost and re-deploy unnecessary equipment.

Looking ahead at what the future holds

Wawa is always looking for growth opportunities. With an average of 25 stores opening every year, Wawa constantly needs to look at ways to improve and grow their business. With Penske as a partner, Wawa's fresh food operations will continue to deliver the best customer experience, at each location, everyday.

For more information on Penske Logistics solutions, visit penskelogistics.com.