

Cold Storage Threats: How to Be Better Prepared



By: **ERIC JOHNSON**

As technology advances, the threats to our businesses have begun to arise in multiple formats. Security risks are on the rise in many industries, and the cold storage industry is not immune. Recently, many cold storage giants have fallen victim to cyber-attacks which have left them vulnerable. Notably, two global biotech firms were hit in late 2020 with malware and cybersecurity incidents. It is critical to your cyber health that you are prepared with business continuity plans and strengthened security systems to prevent this from happening to your company.

A full review of your cybersecurity policies and processes will provide the best level of preparation and can be done with a cybersecurity consultant. These consultants per-

form a 360-degree review of your systems and subsequent vulnerabilities within the company. These may seem daunting and expensive to perform, however, the lost revenue and assets in the future far outweigh the initial time and financial implications involved.

Cybersecurity does not just stop with your data. A well-planned attack from a hacker will often involve your facilities and equipment at a deeper level. As an example, you may be subject to a loss of power supply to critical equipment such as digital refrigeration and cooling systems.

Backup generators have been the solution for preservation of perishable items for decades and have become commonplace for both residential and commercial use across the country. While the ownership of backup generator systems may provide some peace of mind, these

are not always foolproof.

Additionally, the increase in weather related power outages found millions unprepared in 2020 but provided a necessary and eye-opening view for the future. This is especially important in the cold storage industry as an unforeseen event can mean big financial losses and waste if you are unprepared.

Preparedness is key in lessening damage claims during these power outages. Companies have deployed valuable emergency plans to help combat loss, such as a complete audit of power usage. This will showcase which areas you may be able to ramp down to increase power flow to higher priority areas. A secondary safety measure is the addition of solar power to your facilities and could be a valuable addition to business continuity.

Spoilage coverage may be part of

your insurance policy and generally covers claims from system breakdown, contamination, or power outage. There is also equipment breakdown coverage on some policies, but this may not cover losses of spoiled items. It is important to know and stay on top of policy information to ensure you do not suffer additional issues with coverage when these occur.

Although you may be prepared, there are hackers who are committed to penetrating systems and will go to great lengths to ensure their success. No company is invincible but being proactive in your approach will lessen the impact should such an event occur.

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The 3 Benefits of Micro-Fulfillment in the Grocery Industry



By: **PETE ZIMMERMAN**

Micro-fulfillment centers, or small-scale warehouse facilities placed near end consumers, gained popularity throughout the past decade as consumers' expectations shifted to wanting local, quicker, and more convenient ways to shop for groceries. With more companies integrating advanced technology into their systems – even tiny urban warehouses are using high-end automated systems to complete online orders with greater efficiency to meet their demand.

Now, due to a sharp increase in demand and with grocery sales on the rise, supermarkets are increasing their inventories and turning to micro-fulfillment technology even more than usual to prepare for the highest anticipated cost increase in recent years. For brands eager to adopt micro-fulfillment centers and implement its technologies, here are several ways grocers can benefit:

1. AUTOMATED CAPABILITIES

For grocers and merchandise retailers, as well as their manufacturing and distributing partners, automated technology and micro-fulfillment has allowed stores to reduce human error and streamline purchasing with automated inventory tracking and real-time updates. Including automated capabilities within the store and throughout the supply chain, strategies like cashier-less checkout and buy online, pick up in store (BOPIS) are more feasible connecting the in-person shopping experience at the front end to tech-enabled fulfillment centers at the back end.

2. CONVENIENCE FOR ALL

By 2030, it is anticipated that there will be one micro-fulfillment center for every 10 grocery stores in the U.S. This is largely due to the convenience of having smaller stores in more densely populated areas and to meet the consumer demand of local suppliers. The integration of micro-fulfillment centers as a part of grocers' long-term

strategies also improves convenience for distributors and transport, allowing chains to hire more workers within a specific area and zoom in on certain areas. Micro-fulfillment centers also allow companies to reduce transportation costs and enable faster delivery times, which is especially convenient for shoppers who prefer options like BOPIS and curbside pickup.

3. EFFICIENCY & COST REDUCTION

Research shows that micro-fulfillment centers can cut costs associated with orders by up to 75%. Cutting manufacturing and delivery costs not only helps companies offset the increase in prices, but it also allows grocers to focus on improving e-commerce practices like fulfilling online and curbside deliveries, implementing cashless checkout, launching new products, and more.

As the grocery industry continues to evolve, grocers are tasked with implementing technology to help meet consumer expectations. In-

roducing micro-fulfillment centers can reduce costs and connect digital strategies to the in-person experience. Ultimately, brands will be able to streamline purchasing processes and improve operational efficiencies and therefore, meet demand, which sets themselves up for a successful future.

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