

Britain's favourite fresh produce magazine since 1895



By Luisa Cheshire

Monday 8th March 2021, 17:48 GMT

Retail revolutionary

Mel Smith, CEO of Ocado Retail, reflects on an extraordinary year which saw Ocado.com become the UK's fastest-growing supermarket and Smith receive a CBE from the Queen



Mel Smith, Ocado Retail CEO

Mel Smith's career in retail started young. The CEO of Ocado Retail got her first job at the tender age of 11 in her local corner shop where, she confesses, she spent most days struggling to get the crisp packets to stand up. Nevertheless, she was hooked. Today – two bachelor's degrees, a masters, and a glittering résumé in global management later – at 47, New Zealand-born Smith heads up the world's largest online-only supermarket at a time of unprecedented growth for the company, and indeed the entire e-commerce grocery sector.

Formerly group strategy director for M&S, Smith was appointed in 2019 to lead Ocado Retail, a £1.5bn joint venture between Ocado Group and M&S (responsible for Ocado.com and Ocado Zoom) created to serve Ocado's new food partnership – the group's biggest undertaking in 20 years. Then, coronavirus struck.

On top of the immediate staffing challenges, lockdown restrictions sparked a massive spike in online grocery demand, putting a huge strain on Ocado services. Unfazed, Smith not only ensured that as many customers as possible were able to use Ocado.com at the height of lockdown by doubling its capacity within the first six weeks, she also prioritised vulnerable households – all the while touring the UK to make sure frontline colleagues were safe and well. Smith's herculean efforts to keep the nation fed safely were recognised in the Queen's New Year 2021 Honours List, and, just over a year into the Ocado job, she was awarded a CBE for services to retail.

"I couldn't have done any of this without my Ocado family," says Smith, with characteristic humility. "It was a big year. We actually worked out that we sold enough toilet paper last year that, if we rolled it all out and laid it end to end, could reach the moon and back!"

Despite the colossal Covid challenges, Ocado maintained its best customer experience throughout lockdown and beyond – delivering 96 per cent of a total 177m orders on time, while at the same time overcoming supply chain issues to keep its rate of substitutions below four per cent.

"Covid has undeniably made the last 12 months incredibly challenging," says Smith, a proud Maori from the Ngapuhi tribe, who left her native Auckland for London 20 years ago, via spells in Singapore, Australia, Spain, France and the US. "But we sold every single unit of capacity that we had last year, and as a result, we were the fastest-growing grocery retailer in the UK."

Ocado Retail, in Smith's view, has an unbeatable consumer proposition. "We have the widest range of products at more than 58,000 – double the size of our competitors, set at great prices," she says. "We have the freshest food, because

<http://www.fruitnet.com/americafruit/article/1474/parts-of-san-diego-quarantined-as-psyllid-count-mounts>

© Copyright Market Intelligence Ltd - Fruitnet.com 2014. The copyright on this article and all content published on Market Intelligence Ltd - Fruitnet.com is held by Market Intelligence Ltd - Fruitnet.com Limited, a joint venture between Market Intelligence Limited and Dr Rolf M Wolf Media GmbH. All rights reserved. Neither this article nor any part of it may be reproduced, stored or transmitted in any form, including print-outs, screen grabs and information retrieval systems, without the prior permission of the copyright owners.

FRUITNET.COM

we have the shortest supply chain from our suppliers to our customers. We're also the most sustainable grocer in the UK with almost zero per cent (0.04 per cent) food waste – the lowest of any other retailer. All this while keeping every aspect of sustainability at the forefront of our focus.”

The key to Ocado's success is the cutting-edge technology and automation, created by Ocado Group, that it uses throughout its supply chain, she says. Technology that has transformed the online grocery space both in the UK, and with Ocado Group partners overseas.

“We have the widest range in the market due to our automated customer fulfilment centres (CFCs), which can hold much more stock in a much smaller space than traditional retailers,” Smith explains. Orders are ‘picked’ by robots that whizz around CFCs at four metres per second, then delivered down chutes to human packers. The entire process is carried out at a speed of about 170 units per hour, meaning one picker can select an order in about 15 minutes.

Ocado's technology not only benefits its customers, but also makes its model the most profitable in the industry by reducing costs throughout the supply chain, Smith adds. Its automated robot ‘picking’ system currently allows Ocado to fulfil online orders four times faster, and at a lower cost per pick, than a human in store.

Because Ocado has a near-perfect

view of what customers want to buy, sometimes 28 days in advance, it can accurately predict what it needs to source from suppliers, minimising over-stocking. At the same time, its technology monitors food shelf-life in its CFCs, ensuring items for delivery exceed their minimum life span, and enabling the company to donate anything left to food banks.

Meanwhile, its driver-routing technology calculates the optimum number of deliveries per trip, and the order in which they should be completed – meaning efficient and effective transportation. “Our fastest-ever Zoom delivery was only eight minutes,” Smith says. “It actually frightened the customer that we'd managed to deliver it that fast!”

Committed to its pledge to be the UK's most sustainable grocery retailer, Ocado Retail will be operating over 72 electric vehicles and running on 100 per cent renewable electricity across its entire customer fulfilment centre network by the end of this year, Smith reveals.

“Our award-winning customer proposition and first-to-market technology is an incredible combination, which means we'll be able to serve even more customers and to grow our market share in 2021 and beyond,” she says, with palpable pride. Indeed, Ocado is expanding its capacity by 40 per cent this year by opening three new customer fulfilment centres in Bristol, Purfleet and Andover in a bid to meet growing demand. Meanwhile, the online retailer is

constantly working to improve its offer to ensure customers receive the widest range at competitive prices.

“We are proud to provide entry to the market for brilliant small suppliers, which provides customers with interesting products they might not be able to get elsewhere,” says Smith, adding that this is particularly helpful when, like her, you have a foodie French husband.

2021, she believes, will be a “big year” for Ocado. This can only mean another eventful term at the helm for the indefatigable Smith, who thrives on the fast pace and capricious nature of the online retail sector. “I love everything about my job,” she says. “You never know what the day is going to bring. Online retail is pure adrenaline.”

It's certainly a far cry from her formative days at the local corner shop. Does she have any advice for other budding 11-year-old retail leaders? “You are responsible for your own destiny,” says Smith. “Don't wait for anyone else to map out your path for you – go after whatever it is you want.” For Smith, at least, the sky's the limit.

Enjoyed this free article from Fresh Produce Journal and its team of editors? Don't miss out on even more in-depth analysis, plus all the latest news from the fresh produce business. Subscribe now to [Fresh Produce Journal](#).