

DOORDASH, INC.

Quality Operations Improvement for Online Grocery Delivery

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DoorDash was founded in 2013 as an on-demand prepared food delivery service. Since then, DoorDash has expanded its real-time on-demand logistics system and now has 9 main product offerings ranging from the traditional prepared food delivery service to commissary kitchen rentals. The online grocery delivery US market size is estimated at \$33 billion with a 16.5% growth in the past 5 years and faster growth expected in the future. The New Business Verticals Team is driving the efforts to build the Convenience and Grocery Marketplace offering on DoorDash.

The grocery delivery service at DoorDash consists of a new shopper system that integrates into DoorDash's greater delivery logistics system. Using two new mobile applications and several new on-the-ground operational roles, the shopper team picks a customer's grocery order and hands the completed order to DoorDash's existing pool of Dashers (drivers) to deliver. The mobile applications are expected to seamlessly integrate the grocery stores' digital catalog, their current inventory schedule, and customer orders. A high variety of the product offerings (often 20,000 plus SKU per store) paired with the immaturity of the applications, and lack of reliability on the partner's inventory schedule has led to high out of stock rates, lost sales, and therefore unsatisfied customers. Additionally, underdeveloped operational roles have led to significant cost savings opportunities by optimizing the auditing process.

To address this opportunity, the Tauber team performed a comprehensive root cause analysis on the sources of out of stock rates at one of DoorDash's high profile partners, Meijer. After narrowing down the most significant impacting sources of out of stock, the Tauber team helped optimize a real time inventory system for the shopper team to help mitigate customer dissatisfaction. Additionally the team created a feedback loop between Meijer's stocking teams and the DoorDash's catalogue team to reduce future lost sales. Lastly, the Tauber team acted as the sole Area Manager for the Chicago region, managing over 20 stores. Through this role the team was able to contribute optimizations to standard operating procedures for store launches, management, and auditing processes.

After implementing the out of stock improvement plan, DoorDash witnessed a 30% reduction in out of stock rates and a customer satisfaction increase of 12%. Similar results are expected as these cost saving procedures get rolled out to other DoorDash grocery partners. Additionally, with the optimization of standard operating procedures resulted in over 20 successful store launches in the Chicago area.