

# Best Practices In Workforce Management

By Lorna Pappas, Contributing Writer

## Retailers Enrich The Customer Experience With Scheduling Optimization

Retailers are competing more aggressively on customer experience. Many are focused on workforce optimization to achieve two key goals: improve the overall customer experience, and create more efficient and competitive workforce strategies.

The results of a survey conducted by *Retail TouchPoints* and [Workforce Insight](#), titled: *Benchmark Survey: Uncovering Answers To Workforce Challenges*, disclosed the opportunities to enhance the customer experience: Almost half (46%) of the 200-plus respondents said they had quantified their customer experience and are allocating enough payroll to execute it. However, only 3% said their defined customer experience is executed consistently in every store on every day, 100% of the time. Another 19% said it is executed less than one out of every two opportunities to do so. Approximately 80% said the defined customer experience is executed more than half of the time. (For more about this survey, click [here](#).)

A recent white paper revealed the significant impact employees have on the customer experience. [Focusing Your Workforce On The Moment Of Truth](#) showed that 80% of consumers said their shopping experience is improved when staff is eager to help; and 75% will walk out of the store if they don't have access to knowledgeable associates.



“Aside from the instant gratification that comes from taking a product home after a purchase, it’s the store employee that can make the difference to the in-store experience,” noted Retail Systems Research (RSR) in a study, titled: [WFM 2013: The Store Employee in the Customer Age](#). “While most retailers agree, most have only just tapped the surface of employee education and empowerment.”

The vast majority (82%) of respondents in the RSR study declared that in the past three years, the role of the workforce in enabling customer service has become more important than ever.

Respondents also revealed their most important business challenges — which directly correspond to the increasing importance of workforce effectiveness: meeting consumer demands for better service (58%) and driving sales through a more enjoyable shopping experience (58%).

Interestingly, almost half (43%) also cited pressure to reduce labor costs as a percent of sales as a principal business challenge. “This leaves retailers pulled in exactly opposite directions,” the RSR report noted: “Make [the shopping experience] better, which has traditionally involved adding customer-facing associates in stores – and make it more efficient by reducing head count.”

A number of industry-leading retailers are controlling this bidirectional pull with advanced WFM technologies. Those retailers include: **Guitar Center**, **Dollar General** and **The Container Store**. All three retailers are focused on schedule optimization for better payroll allocation decisions that improve profitability while enhancing the customer experience.

The emphasis on scheduling is not surprising: Almost two thirds (65%) of respondents to the upcoming *Retail TouchPoints/Workforce Insights* benchmark study said current scheduling processes directly contribute to revenue growth. Most retailers (88%) said there is opportunity to improve profitability through better utilization of payroll allocation.

## Guitar Center Provides Specific Talent At Targeted Times

Guitar Center effectively gets the right music experts in front of customers with specific music interests shopping at certain times of the day. The retailer relies on a WFM solution from Ceridian Dayforce that combines historical sales analytics by department, including basket size, items per transaction, margin rates and more. The tool also “combines traffic patterns and employee analytics to generate department-specific demand curves,” Chris Salles, Director of Store Labor, Guitar Center, told *Retail TouchPoints*.



"If our acoustic guitar business spikes mid-afternoons on Thursdays, store management is armed with that knowledge and schedules their most talented acoustic guitar salespeople across that time period."

The retailer's "unique brand of customer requires more than having the appropriate numbers of point-of-sale terminals available at peak times," said Salles. "We promise our customer the best experience possible, and the key component to that incredible experience relies on our ability to schedule the best employees at integral times of each day. With valuable insight into schedule optimization, we're able to make better staffing decisions and investments at the store level that benefit not only our customers, but also our bottom line."

Store management also may make the informed decision, Salles reported, to schedule split shifts to supplement the day's schedule instead additional full-day shifts. He said labor optimization "improved substantially" following implementation of the WFM solution.

In the consumer/retail relationship, the customer experience is under attack, asserted John Orr, SVP Retail Strategy and Execution, Ceridian Dayforce. The top offenses are associate skills and knowledge, staffing levels, and problems providing the right service levels to eliminate long lines and slow checkout. As a result, "one of the current trends in WFM," reported Orr, "is a shift in focus from cost to improved engagement."

A recent PricewaterhouseCoopers (PwC) study of global CEOs brought employee engagement to light. "Almost all (92%) of the CEOs said employee engagement increases overall performance by as much as 34%," Orr said of the findings. "In addition, it results in a 20% year-over-year growth in output of 20% or more."

The report showed talent management to be a top-three concern among CEOs. While retailers such as Guitar Center are addressing talent utilization in their WFM processes, "trillions of dollars of benefit are lost annually," said Orr, "as a result of not managing talent."

**"With valuable insight into schedule optimization, we're able to make better staffing decisions and investments at the store level that benefit not only our customers, but also our bottom line."**

Chris Salles  
Guitar Center

## Dollar General Creates Real-Time Exception Actions

Among the statistics reported for year-end 2012 by Dollar General, retail labor expenses increased at a rate lower than the increase in sales. This and other successes are due in part to the retailer's WFM implementation, according to Ryan Boone, SVP and CIO of Dollar General. The 10,000-store retailer uses a suite of labor scheduling, task management and time and attendance solutions from Reflexis Systems.

"Our focus is always on how to best serve our customers," said Boone. "Therefore, the technologies we leverage to improve the workforce management processes are designed to help the store manager be better prepared for the customer. They help us effectively prioritize work, properly staffing the stores during peak hours and reduce the time required for scheduling so managers can spend more time directly supervising employees and interacting with customers."

In January 2013, Dollar General announced it would open 635 new stores and create approximately 6,000 new jobs in 2013. This will bring the total number of jobs created by Dollar General to roughly 30,000 in the last six years.

The current strategies taking place at Dollar General "center on creating real-time exception actions out of any retail system, including workforce management technologies, and integrating these conditions into real-time tasks," Boone reported. "We are also working on improvements to integrate task planners into schedules to better match the work to the skill sets of our employees."

## WFM Is "A Way Of Life" At The Container Store

The Container Store is a long-time user of WFM solutions from Kronos. The initial implementation coincided with the "Great Recession" in 2008, said Paul de Freitas, Store Systems and Business Development Director for The Container Store, in an interview with *Retail TouchPoints*. "The system enabled us to reduce payroll by 7.5% while increasing payroll productivity by 10% — all without laying off a single employee."

"The technologies we leverage to improve the workforce management processes are designed to help the store manager be better prepared for the customer. They help us effectively prioritize work, properly staffing the stores during peak hours and reduce the time required for scheduling so managers can spend more time directly supervising employees and interacting with customers."

Ryan Boone  
Dollar General

Recently The Container Store revitalized and optimized its scheduling capabilities to drive better customer service. The “most impressive benefits” of the advanced WFM scheduling module include “having the ability to forecast our business metrics with a high degree of accuracy then use that forecast to schedule employees to be available when we predict increases in customer traffic,” said de Freitas. “Being able to leverage the WFM data to provide near real-time actionable metrics also has been a big benefit.”

“Workforce management is not a project — it’s a way of life. You simply cannot install a WFM system, walk away and believe your work is done.”

Paul de Freitas  
The Container Store

The 60-store organization and storage retail chain sells sophisticated, component-based storage systems and other complex solutions that require a higher level of interaction with customers to explain features and benefits, and provide demonstrations when necessary. Enhanced WFM solutions help the retailer improve the customer experience by “scheduling the most accurate number of employees needed during times we expect our customers to be shopping,” de Freitas stated, “so the experience is the same for every shopper, no matter how busy the store is.”

“Integrated forecasting and scheduling solutions allow retailers like The Container Store to achieve a myriad of benefits by effectively staffing their stores to meet customer demand,” said Liz Moughan, Director, Retail and Hospitality Practice Group, Kronos. “Retailers find this allows them to drive average transaction value, increase conversion rates, improve customer loyalty and, ultimately, achieve a competitive advantage.”

The Container Store continues to build on the capabilities of the Kronos scheduling module. One of the items on the improvement roadmap, according to de Freitas, is looking at additional business drivers that can help with scheduling in different parts of the business. For example, the retailer’s “Go Shop! Click & Pickup!” service — which



allows customers to schedule pick-ups from their nearest store, for free — continues to grow. As it does, the increased demand is changing the need for labor required to pull and prepare customer orders so they are ready for pick-up when customers arrive.

“Workforce management is not a project — it’s a way of life,” said de Freitas. “You simply cannot install a WFM system, walk away and believe your work is done.”

## Mobile Workforce Management Engages Next-Generation Associates

Mobile workforce management strategies are at the forefront for retailers focused on a more efficient, digitally savvy workforce, which is now better equipped to improve the customer experience.

"Making the move to mobile" is vital to streamlining WFM processes and staffing decisions today, according to an Aberdeen Group report, titled: [Workforce Management: The Key to Retail Customer Service](#). In order to maintain customer intimacy, as well as improve employee productivity, the study explained: "Retailers need to transition to more open, integrated and mobile solutions that [allow them] to optimize their workforce management initiatives and also create engaging and valuable customer experiences."

Aberdeen underscored the value of mobile apps that allow both employees and supervisors to manage schedules, view timesheets and time-off requests, approve payroll, review holiday and sick leave, and more. The result is "a more engaging workforce that is untethered from desktops."

In another study, [IDC Retail Insights](#) concurred, stating that: To best focus on customers' needs, retailers must "reinvent their WFM tools for a digitally savvy workforce." IDC noted that many retail employees "are much more likely to interact with peers and employers if communications are digitally delivered to their mobile devices." In addition, modern WFM tools engage employees and enable them to serve the customer better, "which, by the way, creates a more satisfying work environment."

While mobile WFM continues to grab headlines and analysts' attention, most retailers have not yet engaged. In the white paper, titled: [Focusing Your Workforce On The Moment Of Truth](#), 76% of retailer respondents said their stores were not running WFM applications on mobile devices or tablets.

But a number of forward-thinking retailers — including **The Container Store**, **Aeropostale**, **Bob Evans Farms** and **The Home Depot Mexico** — are engaging in mobile WFM and other innovative WFM strategies.



## The Container Store Implements Mobile Chain-wide

Among the retailers allowing mobile applications for workforce management, The Container Store is implementing a chain-wide strategy for all levels of staff. An app for employees desiring mobile access to their schedules and timecard information is under development, said de Freitas. That capability “is one piece of our mobile employee strategy and will be a huge benefit to our associates.”

The Container Store adopted a phased approach to mobility: The retailer delivered a mobile WFM capability to directors and managers last year, and plans to complete the associate module by mid-2013.

“We have launched a mobile reporting dashboard app for all of our general managers and regional and area directors, which focuses on delivering metrics in nearly real-time,” said de Freitas. “A payroll dashboard is a part of that app and is driven by the schedules our stores post in the system,” and by employee time-punch data resident in the WFM application.

“A workforce management system and the data that flows from it,” remarked de Freitas, “is the foundation for a lot of really interesting and actionable metrics.”

Mobility is a next-generation WFM tool that helps retailers “empower their ultimate competitive advantage — their workforce,” added Moughan. “Today’s mobile workforce management solutions provide anytime, anywhere access to built-in workflows and the critical information employees need to stay on the floor, not buried in a back office, and remain focused on the customer.”

## Aeropostale Empowers Thousands Of Millennial Associates

Few demographic groups are more mobile and digitally empowered than *Millennials* (those born between 1980 and 2000). **Aeropostale**, a fashion retailer targeting girls and boys ages 12 to 17, primarily employs Millennial store associates. In fact, of the retailer’s 25,450 store employees, more than 90% are Millennials.

To reach those employees, Aeropostale has deployed mobile technologies that “enable our employees to communicate, collaborate and manage their ‘worklife’ as efficiently and independently as possible,” according to Julie Sedlock, Group VP of Store Operations for Aeropostale. As a result, Aeropostale was selected as a 2012 winner of the [Retail TouchPoints Store Operations Superstar Awards](#) for workforce management.

"To maintain our culture and retain top talent, we are committed to deploying mobile technologies," Sedlock continued. Millennial associates value flexibility and instant communications, "and feel valued because they are empowered to take ownership of their world of after school."

For example, previously associates had to go to their store locations to manage their schedules. "Imagine those logistics in our Times Square [New York City] store, where we employ more than 1,000 kids," noted Sedlock in an [April 2013 WFM technology newsletter](#). "Now they can access the portal from anywhere."

The mall-based fashion retailer uses a SaaS-based mobile WFM application from Ceridian Dayforce. The tool is designed to improve performance of a modern-day workforce, reduce labor costs and help retailers align the workforce with corporate goals. Sedlock noted that the success of the implementation played a role in Aeropostale being named in 2011 by *Fortune* magazine as one of the best places to work in the U.S.

Mobile WFM is improving communications between managers and employees, noted Kathy Gentilozzi, SVP of HR for Aeropostale, in a session at the annual [HR Technology Conference](#). "For managers, this means receiving data so better decisions can be made," she explained. The initiative includes payroll in the form of pay cards preloaded with compensation, ideal for a younger, mobile-equipped workforce. Associates get instant and flexible access to funds, and can use their mobile phones to check card balances."

They also can use their mobile devices for "shift swapping," Gentilozzi added. Swaps must be made 24 hours in advance, and managers must be alerted, a process streamlined with mobile capabilities.





## A Two-Year Journey To Next-Generation Labor Solutions

JDA Software is among the retail technology vendors fortifying solution portfolios with mobile WFM applications. The provider now offers JDA Mobile Shift Connect, JDA Mobile Employee Connect and JDA Mobile Manager Connect. **Bob Evans Farms**, the restaurant chain and retail food company, is the newest customer of these solutions. The goal of the implementation, announced April 2013, is to help improve labor forecasting and scheduling, and drive proper placement of staff across all 565 Bob Evans locations in 19 states.

The retailer's journey to "next-generation labor management solutions" started in May 2011 with "a cross functional team tasked with identifying a solution that could deliver a balanced approach to managing labor," said **Harvey Brownlee, EVP of Bob Evans Farms**. "Our goals were to drive strong guest satisfaction, improve ease of operation, and improve the team member experience while delivering shareholder value."

A mobilized retail workforce is bettered prepared to respond to shoppers' needs, confirmed Scott Welty, VP, Retail Industry Strategy, JDA Software. "Mobilization amplifies visibility, customer service and administrative efficiencies," he noted. "With hand-held access to data that enables real-time and optimized service and staffing decisions, managers are 'unchained' from the back office. For employees, a mobile workforce solution can have a number of advantages, including on-demand access to their schedules, the ability to pick-up open shifts, and enhanced communication and collaboration with their managers."



## The Home Depot Mexico Cuts Tardiness And Absenteeism Of Outsourced Employees

While mobile applications are in the WFM limelight, time and attendance and cloud-based task management are highly effectual tools being leveraged for managing a workforce — both internal and external.

External, outsourced personnel, such as security and overnight maintenance crews, must be monitored and managed as efficiently as the internal staff. Third-party team members are valuable and necessary payroll resources whose work directly impacts customer-facing retail functions and in turn, the overall shopping experience.

At **The Home Depot Mexico**, third-party hires account for more than 2,750 merchandising service providers, janitors, security guards and other essential personnel across the retailer's 100-store chain. To best manage this external payroll commitment, The Home Depot Mexico leverages a WFM time and attendance application from Reflexis. The solution supports time entry and costing, human resource and payroll applications, labor tracking and more. It also provides a variety of reports, including alerts to impending violations.

Since implementing the time and attendance tool, The Home Depot Mexico has "streamlined and decreased billable hours for outsourced personnel, and reduced absenteeism by almost 60%," said José Del Angel, Senior Manager of Merchandising Support at The Home Depot Mexico. The retailer also has "reduced tardiness incidents by 30%."

Many of the DIY retailer's workforce partners use the same Reflexis system and management reports, and "third-party use of the system is expanding," said Del Angel. "Our partners value the visibility they are gaining into their employees' offsite performance metrics."

The Home Depot Mexico also implemented a cloud-based task management tool from Reflexis for more consistent communications and task execution across all stores. In addition, the retailer uses Reflexis StoreWalk to better monitor in-store operations, conduct audits and store walk-throughs, and manage automatically flagged corrective tasks. Together the WFM solutions provide "enhanced organizational alignment and more timely execution," said Del Angel, "as well as standardized feedback for better analysis — all supporting our goal of superior customer service.

Since implementing the time and attendance tool, The Home Depot Mexico has "streamlined and decreased billable hours for outsourced personnel, and reduced absenteeism by almost 60%." The retailer also has "reduced tardiness incidents by 30%."

Jose Del Angel,  
The Home Depot Mexico



411 State Route 17 South,  
Suite 410  
Hasbrouck Heights, NJ 07604

P: 201.257.8528  
F: 201.426.0181  
[info@retailtouchpoints.com](mailto:info@retailtouchpoints.com)

## About Retail TouchPoints

Retail TouchPoints is an online publishing network for retail executives, with content focused on optimizing the customer experience across all channels. The Retail TouchPoints network is comprised of a weekly newsletter, special reports, web seminars, exclusive benchmark research, an insightful editorial blog, and a content-rich web site featuring daily news updates and multi-media interviews at [www.retailtouchpoints.com](http://www.retailtouchpoints.com). The Retail TouchPoints team also interacts with social media communities via Facebook, Twitter and LinkedIn.



## You May Also Like...

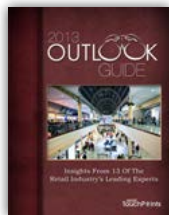
click to view



Store Operations  
Superstar Awards



Customer  
Engagement Awards



2013 Outlook Guide



Advances In Store  
Operations Survey