

Right on Time

Retailers can increase service levels and grow sales by using workforce management technology.

By Jenny McTaggart

Sticky-note scheduling is now a thing of the past at Scarborough, Maine-based Hannaford Bros. Co., a regional grocery banner belonging to the recently merged retail conglomerate Ahold Delhaize. Over the past decade, Hannaford has revolutionized its workforce management procedures, thanks in large part to technology from Kronos Inc., based in Chelmsford, Mass.

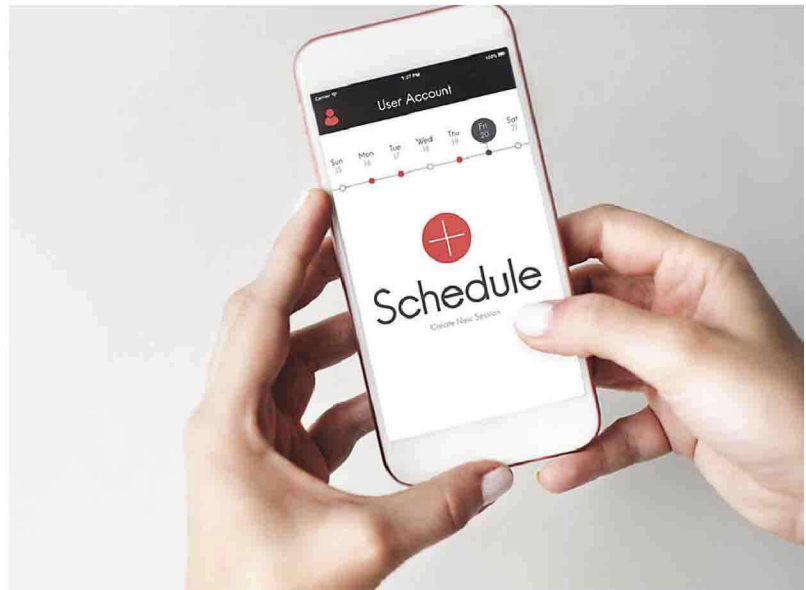
Not only has scheduling become easier, but customer service has benefited, too, according to Jeremy Stevens, Hannaford's manager of labor productivity. "This workforce management solution has enabled us to use more information and make more informed schedules than ever before, and the 'associates at the right time' capability has enabled us to increase our service levels to customers and grow our sales," he tells *Progressive Grocer*.

In this post-recession economy, more grocers are likely to follow in Hannaford's footsteps and increasingly rely on workforce management systems as they earnestly seek competitive differentiation through better customer service and improved employee engagement.

A Study in Scheduling

Hannaford, which today operates 179 stores in the Northeast, first used Kronos' scheduling solution, Workforce Scheduler, back in 2004. At that time, the grocer was interested in improving the customer service experience in its front end and deli departments, so it decided to invest in optimized scheduling.

"At our deli counter, it was critical that we had the right associates available to assist customers," explains Stevens. "Kronos' solution helped us think



about customer-facing service counter associates and production associates separately. In addition, we were able to take advantage of department-specific customer traffic patterns and the ability to define when certain fixed activities occur, to ensure that we had the associates we needed to meet all the demands in this department."

Pleased with the initial results, Hannaford deployed the solution to all of the departments in its stores over the next several years.

One of the greatest differences that the scheduling solution has made at Hannaford is improved accuracy, says Stevens. "Our workforce management solution has allowed our schedules to be more customer- and associate-focused than we could ever have managed with paper," he notes. "We use dozens of data streams to feed volume and traffic information into Kronos. This allows us to consider more inputs more accurately than we ever could have reasonably managed on paper. Using the forecasting engine, we can easily schedule registers day by day and hour by hour, always considering the right mix of customers and items."

So, for instance, the retailer can schedule associates in its deli, seafood and meat departments specifically based on service counter traffic. In addition,



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its merchandising teams are able to plan activities around the times when traffic will be heaviest.

On the associate side, Hannaford can now manage any number of associate preferences and requests, adds Stevens. “The scheduling tool enables us to easily manage associate availability and time-off requests. When we scheduled on paper, this was typically managed with a pile of sticky notes — which was not the most reliable method. Now associates can check their schedules from home or from a mobile device without the need to call the store and wait for someone to walk to the back room to check the schedule.”

The grocer is currently piloting schedule generation that would give employees an extra week in advance to know their schedules, he says.

According to Charlie DeWitt, VP of business development at Kronos, these employee-friendly methods are rapidly gaining ground in the retail industry, particularly as a new generation of Millennials seeks more flexibility in the workplace. “We’re seeing much broader adaption of mobile technology,” he asserts. “Retailers are realizing that their employees want to be able to check their schedules and swap shifts, or even check their paystubs, from home or on the go.”

In fact, the overall concept of employee engagement is generating a lot of buzz in retailing circles, notes DeWitt. “In the early 2000s, I think people invested in workforce management and scheduling because they wanted to control labor costs, and they were worried about compliance risk. But in the last four or five years, really since the recession, the question that I get over and over again is, ‘OK, we’re doing a great job in controlling our labor costs and handling compliance risk, but can you do anything on the customer satisfaction side and on the employee side?’ Because people are fundamental to everything the industry does. So if you have empowered, engaged workers, they’re going to drive same-store sales, conversion, average transaction value, and so forth.”

Staying in Compliance

In addition to its employee-friendly features, another bonus to workforce management technology is that it helps retailers maintain records for employee compliance. Hannaford’s Stevens notes that by using Kronos’ Workforce Timekeeper, the company has been able to “easily evaluate associate hours over the look-back period defined in the Affordable Care Act and maintain compliance with this and other legislation.”

He adds that the retailer recently completed the deployment of Kronos InTouch time clocks in all of its stores. “We will likely use the integration of timeclocks, time and attendance, and scheduling to assist with compliance schedule rules for minors,” he explains.

Avoiding Implementation Pitfalls

Charlie DeWitt, VP of business development at Chelmsford, Mass.-based Kronos Inc., has seen his share of missteps as retailers implement workforce management solutions. Here are a few tips he offers to help make things go more smoothly, and ultimately help companies get their return on investment:

To run a good forecast, you have to put forth some effort:

“Algorithms are smart, but they’re not that smart; you have to maintain the forecast,” he notes. “So, for instance, if you have a snow day in February, you don’t want that data polluting your forecast for the next year. Or if you’re running a promotion and it’s not exactly the same day of the promotion last year, you want to make sure you account for that. Don’t forget that Easter is a floating holiday.”

Focus on change management: “With an information technology-driven project, you have to make sure that the end users — the store managers and employees — can use the system,” he advises. “Otherwise, it’s useless. It can’t be an afterthought. You have to involve those people upfront.”

Start simply: In the past, DeWitt says he saw retailers fall into the trap of “false precision.” “Many years ago, retailers thought that the finer-grained your labor standards were, and the more precise you were, the better off you’d be,” he explains, “but then they started to realize that not every cashier will take the same amount of time to run a credit card transaction, and not every transaction is going to be the same between different stores and different cashiers.” Now DeWitt and his team advise retailers to start with straightforward labor standards, as well as straightforward scheduling and forecasting philosophies. “If you need to get more complex, you can always do that, but start simply and start to get value out of the solution. We’ll be there with you to guide you along the way.”

Hannaford is also in the process of deploying Kronos’ Workforce Analytics. This technology, which enables real-time visibility into store performance across the entire enterprise, will replace a home-grown legacy tool that Hannaford had been using for 25 years. “Workforce Analytics will make it much easier for our scheduling managers to access productivity information and respond to shifts in our business volume,” says Stevens. “All this information will finally be integrated with our scheduling tools and will make it much easier for managers to maintain service levels.”

While Workforce Analytics is one the newest systems being used in the grocery industry, there are other labor solutions that could gain ground in the coming years, notes Kronos’ DeWitt.

“Because Kronos is involved in a lot of different industries, we see technologies being adapted in other industries that eventually fall into retail,” he says. “For instance, with our field services technology, we’ve been working with companies that replace auto glass or do cable installation, or even home health where nurses go out to deliver care in people’s homes. We’ve already developed solutions for that, so if the grocery industry were to move more in the direction of home delivery, we could see that being a ready-made solution for them.” PG

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