CREW PLAN

02

the planning and productivity magazine

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Introduction

Welcome to our second edition of Crew Plan, the bi-annual magazine created for the workforce management community!

Anyone with their finger on-the-pulse will realise that workforce management is going through a fundamental change right now. In today's workplace, workforce management teams are having to centrally identify which skills are needed to address a resource shortfall, and how mobile technology can be used to engage and inform employees in an appropriate way, in and out of work hours.

More broadly, organisations are having to consider how to build the optimised schedule with each employee's specific needs for work-life balance in-mind. These changes bring about much uncertainty for organisations looking to attract the best people and increase staff retention!

In this edition of Crew Plan, we've hand-picked a few articles to get your creative juices flowing. If you'd prefer to talk through any of these topics in-person, be sure to join us at one of our Planning & Productivity events, where we bring together experts in the field, and facilitate thought-provoking discussion and debate to help us form opinions on the challenges that lie ahead.

Many Thanks

Michael Grange (REPL)
Simon Hedeux (ReThink)

Thoughts on the Evolution of WFM

Introduction

Workforce Management (WFM) touches all kinds of businesses, too much perhaps to summarise in a few short paragraphs. As such I'm going to focus on retail; which is arguably the progenitor of the entire WFM industry.

There was a time when 'labour management' boiled down to making your rota total the employment budget set by finance. Heck, if you were really fancy you might even have a spreadsheet that tracked hourly rates to give you a half-decent weekly pay summary. Nowadays, we talk about forecasting metrics, labour modelling, standard minute values and schedule optimisation, and look to them to revive our businesses. But why do we need WFM and why has it grown so quickly?

Why do we Need WFM?

Evolution is a noun meaning the gradual development of something. This is an interesting way to think about business because, in retail, like any other market, there is a lot of proverbial chaff amongst the wheat.

We live in tumultuous times and thus we are all, more than likely, familiar with the environmental factors threatening to consume us currently:

- National living wage
- 'Rise of the Millennials' and Generation Z are already on their way
- Brexit
- Ever changing demand
- Consumer disloyalty
- Price wars

We understand that to survive we must adjust to these, we must evolve beyond them. But hasn't this always been the case? Retail has existed since we grew opposable thumbs. The economical and societal factors are, and will be, ever present. However, something has been happening 'recently' that is changing the game every year; often unpredictably and sometimes overnight. The evolution of technology.

Technology is a modern-day retailers' greatest threat and - somewhat ironically, through the power of WFM solutions - its saviour.

Why has WFM Evolved so Quickly?

Perhaps you've heard the adage 'retail is detail'? That fairly sums up the answer to this. Retail is big business and despite our best efforts it remains an unpredictable endeavour. First and foremost, I think we can all agree that, as a human race, when it comes to shopping:

- We love buying things
- We're demanding
- We're generally pretty lazy

These are our constants. Now let's take a (very) brief look at how things have developed over the past century:

- 'Invention' of the supermarket in 1916
- E-commerce in 1984
- Internet in 1991
- Amazon expands beyond books in 2000
- Self-service checkouts in 2002
- App boom in 2008
- 'Click and collect' boom in 2012
- Amazon delivers via drone in 2016

Do you see the pattern? Innovation is exponential in line with the evolution of computing capability i.e. technology. We started off with decades between major advancements and now it seems like the market flips every year. If a business doesn't pick up the pace, it inevitably falls behind the pack and we are a demanding populace. Fall behind and perish.

Invariably there are two established ways of tackling the above for an established business:

1. Refine i.e. keep up
2. Reduce overheads to protect profit margin i.e. consolidate your position

A focus on WFM fits the bill nicely – a successful adoption is likely to streamline your workflows considerably whilst reducing your overheads. Here in lies our 'why' then.

But (and it's a big one) I don't believe WFM is a single system or technology to be purchased off the shelf; instead I believe it describes a variety of business and labour management techniques that are supplemented by the wonders of modern day computing. It's always been here though, in one guise or another (time cards in the factories, rota pinned up in the canteen).

Technology has evolved to become our biggest environmental threat but, when applied correctly, it can drastically enhance our operation. It empowers us with data, refined processes, improved communication and number crunching. It dazzles too. In fact, technology often dazzles us so much that we are blind to its limitations. Yes, technology gives us the data but we still must interpret it. AI hasn't quite landed yet. WFM software solutions by themselves are not a silver bullet then and we've still room to grow.

Chris Brett, REPL

MY CHECKLIST FOR ENSURING A SUCCESSFUL WORKFORCE MANAGEMENT PROJECT

Over the past few years I've seen, managed and participated in hundreds of Workforce Management (WFM) implementation projects together with our customers and partners.

Thanks to awesome colleagues, project managers and experienced customers, a vast majority of these projects have been successful and have achieved the expected return on investment relatively quickly. However, implementing a WFM-solution is always a challenge and we have learnt plenty in terms of what you should consider before and during such projects to make it as smooth as possible.

HERE'S **5** THINGS TO CONSIDER:

✓ EMPLOYEE CONTRACT TERMS & WORKING TIME DIRECTIVES

When setting up your WFM software, whether it's done by your own organisation or a supplier, you will need to have full clarity in terms of your employee contracts and how their terms are applied across the organisation.

Having your Employee Handbook in good shape is a great place to start. Many times we find one view at the head office of how the contracts should look, but further out in the organisation it is applied completely differently. Make sure you find real facts of how time is treated in all parts of the organisation. Your WFM-implementation project will be a great agent of change to correct eventual errors or incorrect policies.

MASTER DATA

Have a plan for which system in your architecture will be your master data for employee information, contract terms, payroll info, skills & certificates, tasks, and login credentials. Preferably, if it's a large scale project, appoint a specific person with integration responsibility early on.

COMMUNICATION AND INTERNAL BUY-IN

Your WFM solution touches everyone in the organisation. Therefore communication is essential to make the project a success. Buy-in needs to be ensured from C-level executives down to the part time employee. The part-timers are usually easy to get on the train as a modern WFM solution mostly means benefit to them. But consider the unit managers, the schedulers and the payroll managers to make sure they too see the benefit in your WFM-project.

LABOUR STANDARDS & METRICS

At a certain stage in the project your WFM supplier will ask: "So, which labour drivers do you run and where can we retrieve the data?" Figuring this out can (and probably should) take time, as it is about finding out the true relation in your business between sales, guests, service levels, customer happiness, and the work schedule. This can be done through workshops with the right stakeholders or also more advanced Time Studies where, amongst other things, the exact task execution time is measured for your key activities in the business.

ALLOCATION OF INTERNAL RESOURCES

As a rule of thumb your organisation will need to allocate at least twice the time of the WFM supplier to succeed with a large-scale WFM implementation, many organisations miss this bit in their project calculations. Certain parts of the project simply cannot be executed by the supplier and your organisation need to set aside time to run these activities.

There's no reason to let any of these factors delay your planned WFM-project. Simply make sure you start the work now in order to have the information and decisions ready for when you have selected a supplier. Then your team can hit the ground running. A WFM-implementation will take time and effort, but it is well worth it given the huge potential and savings that are available if implemented correctly.

ERIK FJELLBORG, FOUNDER & CEO QUINYX

ENSURING A HEALTHY WORK-LIFE BALANCE

Now Almost two-thirds of UK employees admit to being overworked, with less than a fifth stating that they were happy to work overtime in order to further their careers. The latter is understandable, as it is often hard to leave on the dot of five each day, or take your designated full lunch break, resisting the urge to eat at your desk for the fifth time this week.

But it's becoming a hindrance on the working world. Being massively overworked leads to stress, and elongated periods of stress can, in turn, lead to serious mental and physical health issues later in life.

GOOGLE'S 20% RULE

A good organisation should go out of their way to ensure employee wellbeing. Tech giant Google introduced a 20% rule where employees would spend one day per working week doing any activity they wanted with a focus to drive not only employee wellbeing, but productivity and creativity around the company as well. It was seen as controversial for its time but actually resulted in the creation of Gmail, Google's cloud based email service.

Not only has this 'forced' work-life balance resulted in innovative creations, but Google remains one of the top names when it comes to employee satisfaction.

A healthy work-life balance should be a necessity, but many employers don't take the appropriate steps to ensure that their workers are implementing this concept.

RISKS OF A WORK-WORK BALANCE

- You risk your health and happiness. Being overworked leads to stress which can, in turn, lead to serious mental health problems like anxiety and depression. Those with an unhealthy work-life balance are generally more susceptible in developing mental health problems at some point during their lives.

- You miss out on opportunities! Sometimes, when working, we often feel the need to accept every job that comes our way, from making a cuppa for your boss to creating and implementing a five-year plan. We can easily get so engulfed in every little task that comes our way, it becomes near impossible to do every task on time and to our fullest potential.

GET STARTED TODAY

The good news is that we can break this cycle, and get back to focusing on the things that really matter in life, rather than worrying about how busy we are.

- Make time for the things you love. Taking a vacation or time out is a good thing! Learn new skills and do the things you enjoy; play sport, read a book, or listen to that new album. Spend time with the people you love. Remember that we work to live, and need to get that work-life balance just right.

- Live for the moment. We can learn from the past and influence the future, but don't dwell on it; we can only really experience the present moment for what it truly is. Focus on the here and now, and take pleasure in what you are doing at this moment in time.

- Be kind to yourself. We're great at encouraging those around us, taking time to support family, friends and colleagues. It is even more important to help ourselves; when we're too busy it's easy to forget what we've done well. Take time to reflect on your successes and achievements, and give yourself praise and recognition for these. Give yourself that well deserved pat on the back.

So no matter what's on your plate, be sure to make time for yourself. When the clock strikes five (or whatever time you finish), make a point to leave on time. You're sure to see an increase in personal wellbeing by balancing work and doing what you truly love.

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www.sdworx.co.uk
info.uk@sdworx.com
0800 0482 737

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The Evolution of Business Models in Software
– It's Finally Good For Customers

The business models of software companies have evolved substantially since the arrival of cloud-based services and software as a service.

Workforce Management software suppliers come from a number of backgrounds, some started as hardware suppliers in what was then time and attendance, others are big "ERP" suppliers who supply a huge range of products and have added in Workforce Management and others have simply started from scratch with a cloud based SAAS model. Shopworks are one of those relative newcomers.

The hardware lead model has come under pressure from falling hardware costs, a top quality face recognition reader can be had for less than £300 and simple USB finger print readers are much cheaper again. The hardware model was often based around selling the reader and including the software as part of the cost. The cloud only model has transferred the value to the software as the hardware has dropped in price.

Similarly, the pre-cloud model of a perpetual, premise based license is under attack and some companies are finding it difficult to adjust as they come under pressure from more customer focused companies.

A perpetual license often has a one off, up front license fee which fell due before the software was operational. Implementation, hardware such as clocks and customisation charges were on top of this and a service and maintenance charge of around 20% of the value of the license was also due each year. Then there would be license reviews where the supplier would audit the customer to see how many additional licences can be sold.

When reading about the recent $600m court case between one of the world's largest software suppliers and Anheuser-Busch InBev (which followed shortly on the back of another equally large and acrimonious case between the same company and Diageo) – I can't help thinking that the old software model of large enterprise suppliers is in terminal decline.
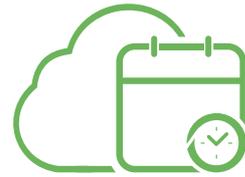
shopworks
STAFF SCHEDULING

The Anheuser-Busch case was said to rest on the supplier's demand for license fees for any "indirect access" to its software from suppliers or sales representatives. I know lots of customers that believe that these sort-of-practices under the old perpetual license model are predatory. There are many specialist firms who will carry out a pre-audit before a supplier conducts theirs and who will then negotiate the results of the audit on a company's behalf – just think about that, companies pay specialists to protect themselves from their own suppliers. There have been highly critical books written about the impact of doing business using this older model, such as Gerd Meissner's "Inside the secret software superpower"

Surely that kind of relationship between enterprise software suppliers and their customers, isn't sustainable in the long run?

Well at Shopworks and many other innovative enterprise software suppliers, we hope not because we are operating under a different model.

The reduced cost of supplying software as a service means that suppliers can often provide the same level of functionality for less than the 20% of the cost of the service charge prevalent under the perpetual, premise based license model.

Customers should expect free trials and 30 days-notice periods and for the supplier to prove that their system meets the customer requirements before they start charging. Modern suppliers do bespoke work upfront at their own risk and invest in adding value to the customer in the expectation of a long-term relationship. This is particularly important in the Workforce Management market where the operational risks of a poor implementation are high, as the company will be reliant on the new solution to ensure the correct number of staff turn up and they all get paid on time.

Customers should transfer risk to where it sits best; with the software company and the engineers who understand the problems best. Suppliers who want up-front fees and long-term contracts before they have done anything more than a demo and buy lunch are finding it harder and harder to compete with these new business models and that can only be good for the customer.

By Ian Hogg
of bespoke Workforce Management supplier – ShopWorks

Are You Ready for the Next Generation of Labor Planning?

1. Bain & Co., 2015
2. The Hay Group 2016
3. Rainer Strack: Workforce Crisis of 2020

Managing the retail workforce has long been a critical component of successful retail operations. This is largely due to labor costs that typically exceed 50% of selling, general and administration expenses.[1] Interestingly, these expenses are often the only costs that store managers can influence. Because of the criticality of this issue, most retailers enlist the help of workforce solutions that build labor models and employee schedules for their retail stores. The overall goal is to have the right employees at the right places at the right times to perform tasks and better serve customers.

In today's ever changing retail environment, the role of the store has pivoted, and the store manager must now support multiple needs, including managing an efficient store for walk-in shoppers, running a precise fulfillment and returns operation for customer orders, and providing an engaging and experiential environment for shoppers to immerse themselves in the brand. This environment requires complex planning and management to ensure that the correct staff with the applicable skills are available across the entire store operation. Add the backdrop of rising labor costs along with an increase in labor compliance issues and the need for an effective workforce management solution becomes even more evident.

As a twin pillar of workforce management, employee retention continues to be a growing challenge. Trends indicate the 67% median turnover rate of part time retail employees is continuing to rise.[2] While prospective employees and existing staff are looking more for a better work-life balance than an attractive hourly rate.[3] Retailers are responding by looking for ways to offer more flexibility and opportunities to their employees. Retailers who plan for and offer this flexibility will have the pick of the talent pool in the future.

What are workforce management technologies doing to solve these challenges and how can we improve store operations even further? One innovation targets improving store operations by directly supporting the store managers who must plan, staff, and manage their stores on a regular basis. Providing management with better labor planning tools, that suggest hiring and cross-training based on the actual employees working in each location, provides tremendous insight and value.

Instead of working on labor budgeting and planning with limited historical data and generic store information, labor planning tools must recognize and include the current employees and their skills, availability, and preferences. Imagine a store manager looking at the upcoming holiday season and trying to determine the types of roles, the candidate availability and the number of employees to hire. Today's planning tools must provide the manager the ability to combine the current store employees with the store's labor demand, or forecast across all activities and skills required. The result would be a crystal-clear picture of the store's current and recommended future staffing levels. This planning capability will be very useful for all management, but especially valuable to those with less experience in the role.

As an innovative, best in class provider of Workforce Management solutions, JDA has recently developed a Long Range Staff Planning (LRSP) tool that addresses many of the workforce management challenges outlined here. The JDA approach is to focus on delivering three key benefits to retail store management with the LRSP tool:

Efficient Utilization Of Workforce:

Using LRSP, an organization can ensure steady employee growth through cross-training and creating and retaining a more talented staff.

Identify Recruitment Opportunities:

LRSP provides prescriptive hiring suggestions ensuring that the company hires the right staff at the right time in the right location.

Reduce Staff Turnover:

The net result of better utilization and hiring is improved employee retention.

To learn more about JDA's LRSP tool please visit **jda.com**

Workforce Management:

Praxis Leverages JDA Workforce Management to Optimising Employee Planning

We have achieved a lower workload. The scheduled hours are more manageable and there is real insight into the availability of our employees.

– MARTIN KIP
STORE MANAGER, PRAXIS

OBJECTIVE

Ensure a balance between efficiency, effectiveness and customer service when planning employee workloads.

SOLUTION

An REPL implementation of JDA Workforce Management.

RESULTS

- Implementation of JDA Workforce Management in just three months
- Rolled out system to 80 stores in four weeks
- Increased insight into workload and availability of employees
- Proper staffing levels ensured at each store

THE CLIENT

Praxis is one of the largest do-it-yourself (DIY) chain stores in the Netherlands. The company has 139 stores, including 39 megastores. Eleven of these megastores have garden centres.

Praxis employs approximately 4,500 people. Recognising a need to improve the balance between efficiency, effectiveness and customer service, Praxis started searching for an advanced planning solution that would ensure getting the right person at the right time in the right place.

THE SOLUTION

After extensive market research, Praxis selected JDA Workforce Management, from JDA's Store Operations solution.

Not only did the JDA solution best meet Praxis' functional requirements, but the company was also enthusiastic about the user interface and the potential for a short implementation time.

THE REPL DIFFERENCE

To ensure the smoothest possible implementation process, REPL consultants worked with a compact project team which included representatives from Praxis, consultants Capgemini, and JDA.

A pragmatic approach was adopted throughout, with expertise and input from store personnel playing an important role at every stage.

Thanks to thorough preparation and our experience of implementing WFM in retail organisations of all types and sizes, we were able to have the Praxis system live within three months.

The system was then rolled out to the stores. Within four weeks, 80 shops were already working with the new JDA system.

RESULTS

The new WFM system delivered immediate impacts for Praxis at store, management and board levels.

SCHEDULING

Ferry Peek, manager of store productivity at Praxis, emphasised the advantages of improved employee scheduling.

"The planning program is currently implemented in all Praxis stores and in some franchise stores. It is possible to schedule employees when needed, and they get insight into the size of the workload.

"Employees have more time for customers."

Martin Kip, store manager of the Praxis store in Amersfoort, spoke of the advantages for the stores themselves. "We have achieved a lower workload. The scheduled hours are more manageable and there is real insight into the availability of our employees."

STORE SUPPORT

At the corporate level, Peek highlights the way WFM allows the leadership team to better support stores.

"At our headquarters, we now have insight on the planning and required working hours in advance. This enables us to better support the stores, because we can now better align the required working hours and activity planning."

END-TO-END RETAILING

Although workforce management does help retailers get a grip on their labour investments, Praxis is equally focused on the opportunity to increase sales.

While retailers have historically used separate management solutions for the store, the supply chain and the customer contact centres, REPL has deployed JDA Workforce Management across Praxis' entire retail operation.

By deploying an integrated application throughout the organisation, including shops, service centres, distribution centres, contact centres, headquarters and production sites, Praxis aims to increase employee productivity and effectiveness not just in stores but in every area which contributes to helping the customer.

"Now that the program is operational, we will benefit at all levels in the organization. All of this is ultimately about getting the right people at the right time in the right place,"

— FERRY PEEK, MANAGER OF STORE PRODUCTIVITY

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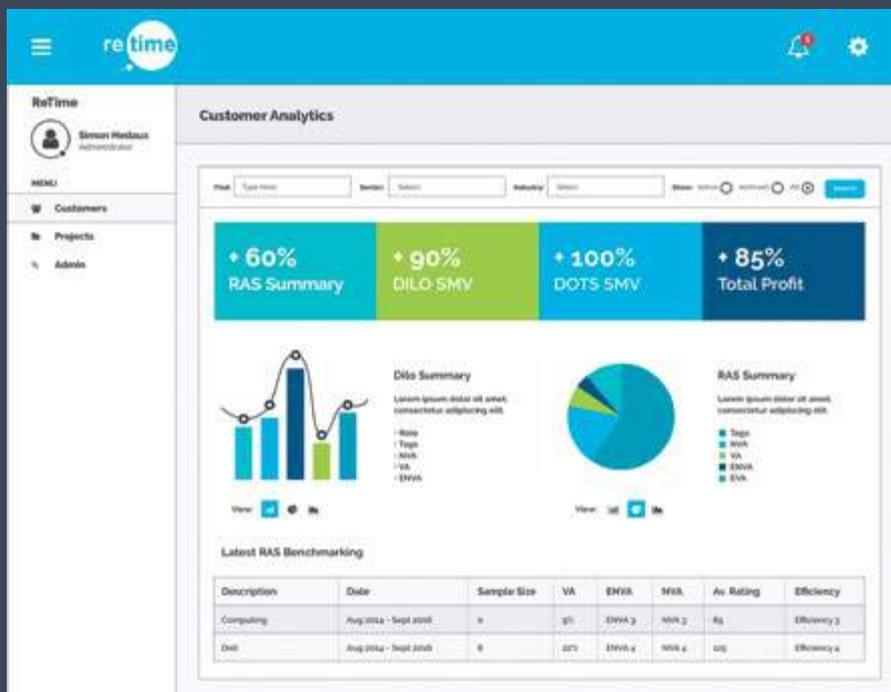
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Brand's investment in salaries has never been more important to get right than it is now.

The competitive environment is tougher and more complex as there are always players who trade hard on price; and there are so many omni channel options available to customers with just a few smartphone clicks.

Not surprisingly, many brands are looking to differentiate themselves in crowded markets and are building their strategies around the experiences their people deliver for customers. Forrester, the independent analysts, said that over the last 10 years companies are making bigger investments in customer experience with 80% of brands they surveyed aspiring to become customer experience leaders.

Yet while people are more important, there are unavoidable pressures pushing up the costs of having them there. An August 2017 report from the British Chambers of Commerce said that 4 out of 5 businesses have seen costs rise as a result of employment legislation; specifically, a combination of pensions auto-enrolment, National Living Wage and the Apprenticeship Levy.

So, while most retailers are trying to stand out through the customer experience they deliver, who is getting it right for customers?

The Temkin Group, a leading Customer Experience Consultancy, produce quarterly consumer benchmark studies that look at a number of aspects of customer experience for brands and by industry sectors.

Temkin describes customer experience as "The perceptions that consumers have of their interactions with an organisation" and measures this via a Net Promoter Score metric.

Supermarkets, retailers and fast food top the recently published UK Net Promoter Score benchmark with utilities and transport at the bottom. And the winning brands for Net Promoter include: John Lewis, Aldi, Home Bargains, Nando's, M&S Food, Waitrose, Lidl and Greggs.

Temkin go further with customer experience and break down experience into 3 aspects:

- **SUCCESS** – the functional aspects of the experience and the degree to which the customer achieved their goal

- **EFFORT** – how hard or easy it was to complete their goal

- **EMOTION** – how the interaction made the customer feel

For brands with delivering great customer experience at the heart of how they differentiate themselves in their market, emotion is the most important measure. How an interaction leaves us as customers feeling is the lead measure in determining our future interactions with a brand. Put simply an experience that leaves us with a bad feeling reduces the likelihood that we will go back and, conversely, an experience that leaves us feeling good makes us more likely to want to repeat the experience.

Applying statistical analysis to customer data to establish the underlying drivers of great customer experience shows that while "friendly colleagues" are a key driver for Emotion, it is underpinned by colleagues being "knowledgeable" and the primary driver is colleagues are "available". So statistics has proved something we all knew – what we do in allocating salary budgets effectively and then investing it the right way on a day by day and hour by hour basis is mission critical for how customers feel about our brands and the ongoing success of our businesses.

rethink

So which brands are top of the Temkin Emotion benchmark for leaving customers feeling good?

Domino's

Costa Coffee

M&S Food

1.

2.

3.

JOINT 4.

Aldi, Co-op, Amazon

JOINT 7.

Asda, Premier Inn, Saga, Pizza Express, John Lewis, Marks & Spencer

Well done to those top-rated brands, and for those striving to be there.

Is it just me or does giving customers something to eat seem to be a consistent theme at the top?

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