# The Labor Force
# Awakens

Cutting-edge technology can help manage 21st-century workplace challenges.

**By Jenny McTaggart**

**G**rocers might feel like calling on Yoda, the legendary Jedi master of "Star Wars" fame, when they consider the multitude of labor challenges on the horizon: a rising minimum wage, unrelenting demands from labor unions and a lack of dependable workers, to name just a few.

Yet there's already a different kind of force poised to strike back, which will help grocers enter a new era of food retailing in which store environment is more important than ever, and labor efficiency must be measured as accurately as possible. This "force" is workforce management, and several tech companies, including JDA Software, Manhattan Associates and Empower Software, are working to help midsize and large retailers increase labor productivity as well as employee satisfaction.

Workforce management traditionally has been tied to grocers' warehouse management systems (WMS), to aid in the intensive pick processes in warehouses and distribution centers, and to drive optimal productivity. Now the technology is showing even more promise in the last mile of the supply chain — the store — to better manage a myriad of ever-changing labor roles and tasks that can, in one day, conceivably include restaurant service, pharmacy, and picking and assembling orders that a consumer made online.

Regardless of the task, workforce management advocates agree that the store experience is more important than ever, so a retailer's position on the front lines can't afford to suffer.

"Store labor is critical in the last few links of a grocer's supply chain," notes Derek Hannum, VP of marketing at Orlando, Fla.-based Empower Software. "The largest grocers spend hundreds of millions — probably billions — collectively focusing on making sure they have the right product on the shelf at the point of demand. Yet if someone has to wait 10 minutes at the deli to be serviced and walks out of the store without purchasing the 10 other items they'd selected, all that work could be lost."

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Tyler Owen, senior director of solution strategy at JDA Software, based in Scottsdale, Ariz., says his company is in the process of developing what he calls an "intelligent store" to make better use of associates' time while also tackling out-of-stocks.

"The largest overriding trend in the industry is the end of cheap labor, with the minimum wage going up and other legislative issues," observes Owen. "What that all boils down to is having the right person in the right place at the right time, and ensuring that their work is efficient.

"In the distribution centers, you have software that tells the employee where to go, what to do, what to pick, etc.," he continues. "You don't waste trips going up and down the aisles. It's a very efficient operation. But your normal grocery store isn't, from the perspective that there isn't a WMS that is managing the flow of goods within the store itself. JDA is doing an awful lot from that capacity to become more effective and more efficient with in-store labor, based upon what the store's needs are."

JDA already has a foot in the door, so to speak, as the company offers category management solutions to help grocers analyze shelf capacity. "How great would it be if the POS system sent a signal that a particular product is almost out of stock, and then an alert came through the workforce management solution so that the retailer could generate a task for someone to replenish the product?" he asks.

"I wouldn't call it WMS in the store, but in a sense that's what it is. We're having to pull from multiple systems to get that information, and it's still a work in progress, but when you start to think about the next level of efficiency from a workforce management perspective, it's going to get down to logistics in the store," says Owen.

As Peter Schnorbach, senior director at Atlanta-based Manhattan Associates, sees it, "Measuring employee productivity is the biggest imperative for the grocery industry as it pertains to the workforce." He points to the importance of newer mobile applications, which help keep track of employee performance in real time. "This enhances the entire

process by exposing critical productivity information in real time," he observes.

Rick Schlenker, SVP of sales and marketing for Southlake, Texas-based Logile, also sees employee productivity as a top-of-mind issue among grocers. "Traditional labor scheduling and time and attendance [aren't] sufficient anymore," he maintains. "Companies are now seeking advanced labor modeling tools that incorporate engineered labor standards, store-specific characteristics and UPC volume movement to determine their true labor costs at a day or 15-minute increment by subdepartment."

## Organizing Labor

In addition to the need for more efficient work, many retailers are encountering more demands than ever from labor unions, as well as from part-time workers who may have more than one job. Workforce management systems can help them by more closely monitoring shift priorities and other requirements, while also allowing for more flexible scheduling, which seems to appeal particularly to the younger, technology-inclined members of the workforce.

In one example cited by Empower, a midsize retailer was asked by its local union to be 100 percent compliant in strict seniority scheduling, essentially making sure that the most senior employees had the most hours in the week, the earliest shift in the day and the most hours in a day.

Empower worked with the retailer to make sure its workforce management system provided these scheduling requirements, although the union ended up changing its position after seeing how its requirements weren't ultimately benefiting employees.

In addition to union concerns, Empower and other technology providers see a growing movement toward fairer scheduling that has the retail industry closely watching labor debates playing out on the West Coast and in New York. In these instances, companies are being pressured to publish employees' schedules sooner, sometimes two to three weeks in advance. Indeed, it seems that on-call scheduling could one day be a thing of the past.

"This trend has actually helped workforce management providers, because retailers now have to make their schedules further in advance," notes Martin Linusson, VP of professional services for workforce management at Empower.

In fact, retailers can actually use this technology to their advantage by promoting a more flexible

company culture, he adds, noting, "It's a tough labor market right now, as more associates are starting to move around, and more people have more than one part-time job."

With new technology, not only can associates know about their upcoming shifts sooner, but they can also swap and drop shifts as needed, often in real time, if they can access the retailer's schedules from their mobile devices. This is a huge advantage for grocery employers, notes Linusson.
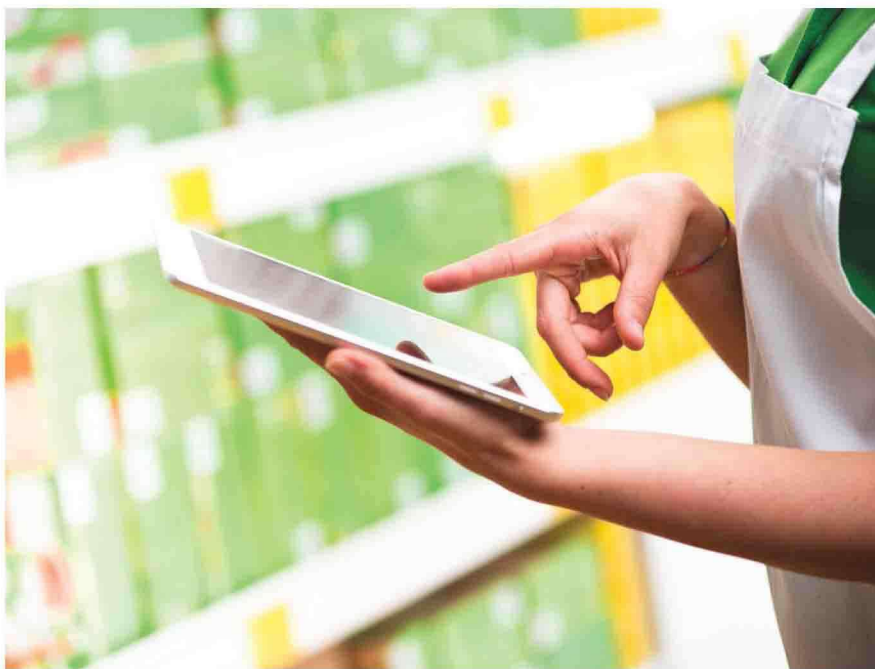
Asheville, N.C.-based regional chain Ingles Markets is one grocer seeing benefits from using Empower's solutions.

Cindi Brooks, VP of human resources at Ingles, says: "Empower Workforce Management has vastly improved our scheduling process. Store associates have easy access to their schedules via the web, and soon we will be introducing the mobile scheduling app to our associates. Web and mobile apps give associates access to their schedules as soon as they are published, as opposed to calling the store for that information. This saves our store managers hours in phone time, hours they can spend on the floor with our associates and shoppers. And our associates love getting their schedules earlier and easier. With Empower, we not only improve our store operations, we enhance associate engagement at the same time."

### Picking More Efficiently

Another growing area of the grocery business that's being aided by workforce management technology is in-store picking as it relates to online ordering. While U.S. supermarkets are still largely in the experimental phase of how they can best offer this type of service, many have realized that operating separate warehouses for picking orders isn't efficient.

"The omnichannel trend has had a big impact not only on our systems, but also on our retail customers," notes Empower's Martin. His company recently worked with a large nonfood retailer during its beginning stages of the pick-in-store model, and he says everyone was surprised by how much the new service affected store labor.

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"The retailer came to find out very quickly that almost all the labor in the selling department, which was supposed to be spending time helping customers, ended up being used to fulfill the orders that were placed online. Today, they designate someone in the specific department to handle order picking," he says. "Now we're forecasting for each store individually to predict how many orders the store will need to fulfill, so we have a historical pattern that we can look at. This helps generate extra labor in each department."

In a similar vein, JDA Software is working hard to aid retailers with in-store picking. "We currently have two solutions when it comes to in-store picking that are integrated with our supply chain technology," says JDA's Owen. "The first one is an IBM solution, which is like the traditional buy-online, pick-up-in-store offering. It has a great order management engine that determines the best fulfillment process, the best place to pick, and the best place to pack and ship from."

JDA has also developed a "very detailed grocery in-store picking solution" that allows the employee to pick multiple orders at a time, adds Owen. "It does all the substitution logic and weighs the items," he says. U.K. grocer Sainsbury's is currently using this solution, according to the software provider.

Logile, for its part, provides a real-time task management solution that ensures compliance with on-time order picking, notes Schlenker.

With all of this work underway to help retailers better manage their labor, perhaps a retail galaxy with happier workers and higher profits isn't so far, far away after all. **PG**