

Case Study

Retail



Customer:	DinoSol (Spain)
Sector:	Retail (Food - Grocery - Supermarket)
Requirement:	Introduction of automated and centralized processes for optimized workforce management
Solution:	InVision Enterprise WFM with AutoScheduler
Results:	<ul style="list-style-type: none">Adaptation of working times to include a rest period of two consecutive days per weekCost savingsIncrease of productivity and efficiency in all stores

Background and Challenges

DinoSol's retailing brands rank, in terms of sales volume, among the top 50 of all Spanish companies and the retailer is no. 1 on the Canary Islands. Over the last three years, sales and gross operating profit have increased considerably: In 2006, sales volume reached 1.96 billion Euro and is expected to continue over the coming three years to exceed 2 billion Euro. Thanks to this positive development, DinoSol's store count and employee base is steadily growing as well. Accordingly, labor costs represent a significant chunk of all operational expenses and the management of the workforce and shifts have become a complex challenge, with numerous factors that need to be taken into account.

Before DinoSol considered a change of its staff scheduling processes, store managers set up the staff planning for their stores manually, without any corporate standards and based on their own experiences as well as with the support of the human resources department and their sales managers. This led to time-consuming planning processes, keeping the store managers from focusing fully on sales and customer services. In addition, schedules displayed errors in terms of labor-law related and contractual compliance. Furthermore, recent legislation stipulated a mandatory rest period of 48 consecutive hours per week for all employees. DinoSol introduced an internal analysis, with the result that this new labor law would increase payroll costs by 2 – 3 million Euro due to new recruits needed to fill the gaps.

Facing these challenges, DinoSol decided to install a professional workforce management (WFM) solution that optimizes the staff schedules automatically, and that helps to reduce the planning efforts for the store managers and minimizes the increase in labor costs.

Solution

After an evaluation of current systems available on the market, DinoSol invited InVision Software to demonstrate its solution InVision Enterprise WFM (iWFM). DinoSol rated the software as powerful and



DinoSol is one of the leading retailing operators in Spain, ranked no. 4 among supermarkets and no. 6 in overall grocery retailing. The group is part of the private equity funds of Permira and consists of four different operating brands: superSol, HiperDino, CashDiplo and NETTO. The supermarkets of superSol and the hypermarkets of HiperDino, a specific brand located on the Canary Islands, represent approximately 70% of DinoSol's total sales, whilst 12% of revenues come from CashDiplo, a cash & carry brand which focuses on retailers as well as on the hotel and catering industry. The remaining revenue is contributed by DinoSol's chain of profitable convenience stores, NETTO, which are located solely in the tourist areas of the Canary Islands. In total, DinoSol operates almost 500 sites and has more than 11,000 employees.

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effective, and InVision references presented from the retail sector were convincing. Moreover, InVision conducted a test run with DinoSol's analysis data regarding the new labor law. The conclusion was that, with the support of iWFM, DinoSol would not need to employ any additional staff in order to comply with the legal constraints, but can achieve full compliance by simply optimizing the schedules of the existing personnel. This was compelling evidence to the project team at DinoSol, and a pilot with InVision was agreed.

After four months, the pilot was successfully completed and InVision received the order for the implementation of the system in all stores of DinoSol group. Together with the 'pioneer store', where the pilot was executed, InVision fully implemented the WFM solution for three superSol outlets. The master data for 50 stores was configured centrally at the HR department by InVision, and two planners as well as the HR director were trained on the software. An external consulting team completed the roll-out to all remaining stores.

Implementation

DinoSol identified two main drivers for the implementation of the new WFM system: on one hand, the optimized occupancy of the checkout counters according to actual customer traffic, and on the other hand, the complex scheduling of DinoSol's shelf stackers, as there are multiple tasks that need to be coordinated such as replenishment, labeling, replacement of expired articles, permanent inventory and maintenance as well as taking goods delivered by DinoSol trucks and external providers. Besides the activities of the shelf stackers and cashiers, the new scheduling process also considers vacation, breaks and absences, as well as general management by the store managers. This indicates that a total of 5,000 employees within the whole DinoSol group are covered by the new scheduling process.

As one of DinoSol's main objectives in this new WFM process is to relieve the store managers from extensive planning tasks, InVision Enterprise WFM is installed centrally at the Human Resources department. Here, the employees' master data is imported into the workforce management system through an interface from the existing HR system. Two planners in the HR department define and store all relevant rules as well as shift patterns for the automatic generation of schedules against individual employee contracts. Each month in advance, the planners set up the schedules for all 5,000 employees. The store managers do not have local access to the WFM system. They simply receive the final schedules for distribution, and only have to report back on daily absences and incidents that do not conform to the plans.

An accurate projection of the actual customer traffic and the corresponding staff requirements is the major prerequisite to optimized rosters. DinoSol forecasts the expected volumes during the course of each day, week and month, based on historical data like cash slips, number of articles sold, labels, expired articles as well as the permanent inventory of DinoSol articles and those of external providers. This data is imported into the WFM system through an interface to the existing data warehouse.



"We aim to become a leader in the food distribution industry in building sustainable customer oriented value and in putting into practice an ethical and responsible working philosophy. In order to meet the needs of our customers in terms of shopping experience we want to offer the best price-quality-service ratio. With the help of InVision Enterprise WFM, our planning processes are streamlined and run quasi automatically. Now, we are able to take care of our customers and deliver the quality and the service that drives our customers' satisfaction."

Andrés Vega
Director Human Resources at DinoSol

Working with the projected demand volume and required staff, the planners create schedules that match best with all provisions given. The rosters are produced with the InVision module AutoScheduler, a fully automated module that generates optimized schedules at the touch of a button, while taking all relevant scheduling rules into account. AutoScheduler performs the entire optimization process in a single step, from the long-term assignment of employees to the creation of a detailed definition of activities to be performed over the course of a single day.

Before InVision Enterprise WFM was in place, the staffing set-up at DinoSol had little flexibility. Employees worked in fixed shift patterns and the store managers planned their daily routine. Now, managing the workforce according to actual requirements, DinoSol is able to offer flexible shifts to its employees and have introduced the hiring of part-time temporary workers to cover peak times. This introduction of flexibility enables an optimized allocation of employees and activities.

An effective workforce management process ends with stringent monitoring to control whether the created plans cover the actual needs. DinoSol uses the OnlineCockpit of iWFM to perform variance analyses like forecast versus actual requirements and staff planning versus coverage. Incorporating the learning from these analyses into the WFM process helps create even more accurate forecasts and rosters next time. In addition, DinoSol is using the monitoring and reporting features of InVision Enterprise WFM to enable the introduction of a new, objective incentive system for its employees, measuring the productivity, quality and service delivery: DinoSol has analyzed relevant activities in 12 stores to measure average transaction times for these activities. The average transaction times are now incorporated into the staff schedules. When the rosters are handed out by the central HR department, the store managers commit to them and then control adherence to the plans. If all planned activities are completed by the employee in the given time, compliance is achieved and the employee is rewarded with the specified incentives.

Application and Results

With the introduction of this incentive scheme, DinoSol implemented a powerful yet simple method to manage the productivity and efficiency of the stores while at the same time improving the motivation of its employees. Customer service standards and sales revenues are stimulated as employees are motivated to achieve good results in productivity, quality and service delivery.

Even more apparent are the benefits in terms of labor cost reduction: Thanks to the centralization and standardization of the scheduling process, the store managers are freed up to concentrate on their core responsibilities, and automation has reduced planning efforts to only two central planners.



InVision Enterprise WFM enables DinoSol to create more reliable forecasts and optimized schedules based on actual customer flows and staffing requirements. This has enabled the introduction of more flexible working shifts for employees and efficient use of part-time agency workers to cover previously understaffed peak times. The reduction of labor costs has been measured at up to 7% in a number of stores.

Last but not least, InVision Enterprise WFM allowed DinoSol to avoid additional labor costs of 2 – 3 million Euro through the optimized scheduling of the existing employees, thereby obviating the need for additional new hires to comply with the new labor law.

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