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Chris Kelly, Manager,
Retail Labor, Giant Eagle

Giant Eagle

Giant Eagle Inc. is one of the nation's largest food retailers and distributors, with approximately \$8.2 billion in annual sales. It is also one of the largest privately owned, family operated businesses in the United States. Giant Eagle operates 164 corporate and 58 independently owned supermarkets under the Giant Eagle, Market District, Giant Eagle Express and Valu King banners, as well as more than 156 fuel and convenience stores under the GetGo brand.

But there is a lot more to Giant Eagle than impressive numbers. They have fueled their success through innovation and service. For example, they have on-site supervised child learning and activity centers that care for approximately 105,000 children monthly, freeing parents to shop without distractions. They also offer onsite convenience services such as dry cleaning, photo labs, floral shops and banking. Besides winning loyal customers, these innovations have led Giant Eagle to be a past recipient of the Grocer's Retailer of the Year award.

The Challenge

So if you're a large retailer with a host of traditional and non-traditional services, how do you properly schedule, track and pay employees (team members in Giant Eagle parlance) to deliver those services, as well as receive shipments, stock the shelves, set up promotions and the myriad of other tasks involved in running the stores?

That was a major challenge for Giant Eagle prior to 2007. Scheduling was mostly manual, resulting in over and under staffing and excessive overtime costs. They had older time & attendance and time clock systems that required a lot of manual intervention. Payroll errors resulted from inaccurate information and punch errors. And compliance with labor laws was always a concern due to the large number of minors employed in the stores.

Says Chris Kelly, Manager – Retail Labor for Giant Eagle, "We had four main objectives in mind when we went to look for a new system. We wanted to improve scheduling accuracy so we always had the right people in the stores at the right time to provide the best possible shopping experience for our customers. We wanted to reduce the administrative



time spent by our managers and team members on scheduling and time & attendance. And out of respect for our team members, we wanted to reduce payroll errors. Finally, we wanted to ensure we were always in compliance with labor laws."

The Solution

To meet their four objectives, Giant Eagle selected RedPrairie's Workforce Management system. The system was rolled out to all of their supermarkets incorporating StandardsPro engineered labor standards from Accenture.

Innovation in Workforce Scheduling

In keeping with their history of innovation in running their business and serving customers, Giant Eagle came up with an innovative way to examine work content and product movement to more accurately determine their workforce scheduling needs.

Explains Kelly, "We don't use sales revenue to drive labor like many retailers. There is simply too much variation within our product mix to use a static, sales based hours conversion. Instead, we dynamically generate hours from item movement and case loads, which is far more accurate and representative of the needs of our business."

Kelly uses a simple example to illustrate this principle – stocking 20 different types of apples in the produce department, each at different price points. Using the traditional revenue based model, this would predict different labor requirements for each type of apple. "But there is no difference in work content between the types," notes Kelly. "That's why we drive labor needs off units. There is no impact from price variation; price point is removed from the equation."

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Chris Kelly,
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Merchandising requirements (units) are forecast using a combination of historical data, what sales (movement) did we have on the corresponding day last year, and trending information. To create the forecast, the system looks at POS data, shipments received, and for some items, data from scales in the meat and bakery departments. The result is a merchandise forecast that drives workforce scheduling.

To determine time allotments based on the forecast and work content, Giant Eagle uses StandardsPro engineered labor standards from Accenture. Workforce Management compares merchandising needs to these standards to calculate the amount and type of labor required at 15-minute intervals across the shift, day and week for all departments, and then schedules the workforce accordingly, taking into consideration labor laws and team member profiles.

The Benefits

The benefits Giant Eagle experienced with implementing Workforce Management are consistent with the service and efficiency goals they set for the project. They found improved scheduling allows them to reduce costs by not over-staffing, while making sure the right staff was always on hand to provide a higher level of customer service. This includes a new certainty that labor laws are adhered to.

“The new scheduling system is more accurate, with less variation from actual needs,” says Kelly. “And by restricting when team members can clock in and out, the new time & attendance system reduces unnecessary payroll costs.”

The new system has also helped reduce the time managers and team members spend on administrative tasks such as scheduling, time-off requests and managing time data. It likewise has decreased payroll errors due to mis-punches and data input problems.

For an innovative retailer who focuses on value, customer service and respect for team members, Workforce Management has proven to be an efficient and effective tool – reducing costs while enhancing service and compliance.

For more information

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