Consumers are in the driver’s seat. They have access to more information than ever before, and more channels and choices of where to buy. They’re keenly aware of their value to retailers, and wield this power to demand that retailers take the shopping experience to the next level. It’s not just discounts; it’s personalized discount offers that acknowledge their loyalty. It’s not just recognition; it’s access to exclusive events and merchandise.

Retailers are leveraging a full arsenal of tools, from advanced customer analytics to loyalty programs to mobile devices, to enrich the customer experience. But they don’t work in isolation. Retail associates are the critical link between a retailer’s vision and its execution. When consumers enter a store, they are already armed with research completed online and a mobile phone ready to check inventory or prices from a competitor. Associates must be ready, with all of the skills and tools they need to close the deal and affirm that consumer’s choice to do business with you.
Because retail programs and store execution are so intimately intertwined, it’s critical to tap the power of workforce management tools to ensure retailers have the right workforce in place to execute on their brand experience.

**Customers Demand, Retailers Respond**

Today’s shopper is different. In a survey by EURO RSCG Worldwide, *The New Consumer in the Era of Mindful Spending*, Summer 2010, 69% of consumers said they are smarter about shopping than a few years ago, and 63% claim to be more demanding. Tolerance for negative retail experiences is at an all-time low, and that includes shoppers’ capacity to forgive store associates when they are clearly bored, indifferent and don’t deliver on consumer expectations. Never before have the qualities and skills of store associates been more critical to delivering the brand’s value proposition.

Retailers are increasingly recognizing the relationship between the customer experience and how they deploy labor. A survey by Forrester Research, *The State of Customer Experience, 2010*, found that 90% of executives think customer experience is very important or critical for their companies and 80% are trying to use it as an area of differentiation. Customer retention is the No.1 key performance indicator for workforce management in Aberdeen Group’s *Workforce Management for Retailers*, July 2010.

According to Retail Systems Research, *Enterprise Workforce Management: Redefining the Boundaries of Customer-Centric Retailing, Benchmark Study*, March 2010, “Retail winners most clearly connect the two business challenges: If the retailer has unproductive work practices in place, store employees won’t have time to satisfy customer needs. Laggards, on the other hand, are much more focused on reducing labor and therefore make a stronger connection between employee productivity and cost cutting.” The report added, “Winners put more emphasis on the customer experience, while laggards are more focused on consistency in execution.”
Advanced workforce management tools help retailers ensure they have the best-skilled associates on hand when they’re needed to ensure the best customer experience as defined by the brand.

“Whether it’s a dollar store or a luxury retailer, you’ve still got to define that experience,” said Scott Knaul, VP, Strategic Services at Workforce Insight, a leading provider of strategic workforce management consulting and implementation services. “And once you have that customer experience defined, you have to do your best to quantify it. So, if it’s a high-touch environment, it’s how much time is spent with a customer to deliver that high-touch experience. And if it’s a self-serve type environment, it might be a heavy emphasis on getting merchandise out on the floor and sized, the store kept clean and making sure the checkout is fast.” In either case, the retailer must schedule associates to make this experience a reality.

Brand identity isn’t just realized at stores, Knaul added. Retailers employ associates in distribution centers, call centers, and the corporate office, all making a specific contribution to the customer experience. In a sense, they’re all a part of the customer supply chain.

Say a retailer’s vision for the customer experience is to encounter a store floor outfitted with nicely tri-folded jeans. But the retailer gets a cost break if those jeans are shipped folded in half in tight case packs. That labor to refold the jeans has to happen somewhere – the distribution center, the back room, or the store floor, and retailers must determine where it’s most effective and expedient to do it. Is it better to pay a professional salesperson $20 per hour to fold jeans – does this activity convey an attentive and interesting shopping experience to the consumer, Knaul asked, or should the $12 an hour DC associate do that folding?
Use of a single, centralized workforce management application across all hourly associates helps retailers make those holistic decisions and allocate labor budgets accordingly with the ultimate goal of delivering their customer experience consistently.

All those steps require intelligent use of workforce management to deliver the customer experience. The fundamental questions: What do you want the customer experience to be? What’s the best way to leverage your workforce to deliver that experience?

**Workforce Management Systems And Customer Experience Initiatives**

Retailers are attacking the customer experience mandate on several fronts, leveraging tools and technologies to help them better understand and meet customers’ elevated expectations. Each of these is enhanced when used alongside advanced workforce management tools.

**Customer Analytics and Workforce Management:**

According to Aberdeen’s April 2010 *Pervasive Retail Business Intelligence* report, nearly two-thirds of best-in-class retailers (63%) are turning to pervasive BI to increase overall customer insight. That’s because there’s gold in that data. Traditional sources of insight, such as loyalty and purchase data, demo/psychographics and market research, are now joined by e-commerce click streams and searches, customer reviews and social media activities to create an unprecedented flood of data about customers’ attitudes, intentions and desires.

Applying advanced customer analytics techniques to this vast body of data yields insights that shape all sorts of retailer decisions.

“Winners see the opportunity to use customer data not just for customer-facing activities, but as a launching pad to improve the entire business – to focus everyone on delivering on customer expectations, not just channels,” according to RSR’s *The State of Personalization in Retail, Benchmark Study, August 2010*.

Analytics tells you what the customer wants her experience to be and how she will likely respond
to offers. That desired experience translates into tasks and skill sets required at particular times and places. Workforce management tells you how to schedule to meet those demands within constraints such as budget, compliance rules, work rules, etcetera.

**Promotion and Workforce Management:** One result of better signals about what a customer wants and the analytical capability to detect sales trends by segment is the ability to fine-tune and even customize promotions. Promotions are based on who the retailer wants to be and what the customer perceives as a good value. Promotions help retailers influence customer behavior.

Consider the significant, cross-departmental effort required to execute a promotion: Once the promotion is planned, the right quantities ordered and the marketing plan executed, the supply chain must ensure the product arrives accurately and on time in stores, along with all collateral material. Store workers must set up display materials and present merchandise correctly, keep inventory replenished and the area clean, and perhaps staff the display area with trained sales associates. The checkout might even require extra staff to handle the additional traffic.

Stores may even have to alter planned promotional support on the fly; many retailers are now making same-day changes to promotions based on customer reaction. According to Aberdeen Group, 62% of retailers are focusing on updating mobile POS promotional changes in real time, as stated in its December 2010 report, *Retailers Target POS Mobility for Engagement, Interactivity and Revenue.*

Workforce management is the critical link to ensure a promotion’s potential is realized and labor hours properly allocated to execute it. Retailers must devote properly trained manpower toward executing promotional plans, in addition to their routine tasks. Making workforce planning a part of promotional planning makes that happen.

**Loyalty and Workforce Management:** The ability to dig deeper into customer data is paying all kinds of dividends, enabling retailers to understand and segment customers as never before. As stated previously, retail leaders are leveraging these insights to enable smarter decisions throughout the enterprise so that the brand’s look, channels and locations, the merchandise it sells, the promotions it offers, and so on, are all lined up to meet or exceed customer expectations.

Workforce management is intrinsic to loyalty in two ways. First, it takes scheduling a workforce capable of executing these carefully laid retail
plans. In fact, the frontline workforce has the power to make or break delivery of the customer experience. Customers are entering stores armed with information, pre-formed opinions and high expectations. The right workforce can add the human element, drawing on what’s known about that customer’s preferences and past purchases to shape that visit, deliver what that customer values, and deepen the customer’s level of satisfaction.

Second, the workforce is a critical data collection point for loyalty data. Technology can record what consumers click on, purchase or type, but it can’t capture nonverbal sentiment people express when they communicate with other people. The workforce is not only an important conduit for inviting customers to enroll in loyalty programs; well-trained, people-focused workers can also solicit and note important personal opinions, preferences and remarks that transform a loyalty record into a fleshed-out portrait of that customer. Workforce management systems help retailers leverage their best “people people” at the times when highly desirable loyalty customers are most likely to be in the store. It also helps deliver flexibility and workforce satisfaction; a retailer that employs self-service scheduling, for example, is more likely to get satisfied, engaged employees who want to be at work, enhancing the quality of service they will provide.

**Mobility and Workforce Management:** Mobile devices are rapidly taking their place on the front lines of retailers’ efforts to enhance customers’ store experiences. Nearly two-thirds of retailers have identified the mobile POS device as central to enhancing the customer experience by integrating POS with back-end apps for customer and business data, according to Aberdeen Group’s December 2010 report, *Retailers Target POS Mobility for Engagement, Interactivity and Revenue.*

Mobile devices also enable back-end processes, most particularly the ability for managers to gain access to a mobile dashboard tracking key performance indicators in the store, all while out and about serving customers. So a manager checking on the status of a promotional sales
event, for example, can receive notification that transaction volume at the point of sale has spiked and reallocate staff on the spot to address that demand, or assign an associate to replenish a depleted display from backroom stock.

Mobile devices in associates’ hands make it easy for a store manager to locate and reassign those associates to customer service tasks. In addition, employees can access a retailer’s self-serve human resources applications from mobile devices for functions such as shift preferences and vacation requests.

Task Management and Workforce Management: Many retailers tune their workforce management tools to plan around anticipated customer volume; labor budgets and schedules are designed to accommodate the number of customers in store in a given shift. But serving customers is only half the store’s responsibility; the other half is ensuring merchandise, promotions and the store itself meet customer demands. In their enthusiasm to satisfy customers, corporate retail departments have pushed an ever-growing list of tasks to store associates. Headquarters has no insight into the impact of any one request on store labor needs, so the store receives no additional labor budget. Execution suffers.

But when task management is combined with the power of workforce management, the right people are scheduled to do the right tasks in the right places at the right times. “Both offer tremendous ROI, but together, the ROI multiplies; we are seeing that with our clients,” said Workforce Insight’s Knaul.

The combination of the two tools helps coordinate retail strategy with enterprise-wide execution. It also helps retailers measure that strategy as it is occurring.

Task management has assumed its rightful place in retailers’ arsenal. According to Aberdeen’s Workforce Management for Retailers, July 2010, 89% of best-in-class retailers are assigning tasks to employees in multiple parts of the enterprise, compared to 58% of industry average retailers and 37% of laggard retailers.
Turbo-Charge The Customer Experience With Workforce Management

Customer experience is paramount to retail success. Whether high-touch or low, retailers need to understand customer expectations and work to meet or exceed them. Retailers get that, and are leveraging a full array of tools to gain new insights into customer wants, and then design the shopping experience to match.

Each of these tools and processes, from customer analytics, to promotion planning to loyalty, mobility and task management, is making strides in realizing the retailer’s brand image. But plans are one thing; execution is another. Retail associates can make or break any retail program.

Because of that, each of these is enhanced by working in concert with workforce management tools. Promotions put the traffic in place, for example, but it’s the associates who determine if those consumers turn into buyers. Workforce management is the critical element ensuring that all of the “rights” are in place – associate/time/place/skills – to ensure that a retailer’s vision for their brand’s experience becomes a reality.

89% of best-in-class retailers are assigning tasks to employees in multiple parts of the enterprise, compared to 58% of industry average retailers and 37% of laggard retailers.

—Aberdeen’s Workforce Management for Retailers, July 2010
A Day In The Life Of A Connected Store

Consider a retailer who wants to conduct a promotion around television sets, with a goal of driving additional revenue and coaxing a segment of its customer base to trade up to HDTVs (customer analytics and loyalty). Executing that campaign involves a lot of moving parts – and all of those parts include people (workforce management).

Headquarters selects and orders the additional inventory, designs the collateral materials and conducts cross-channel and traditional marketing to drive traffic (promotions). The distribution center allocates warehouse space and labor (workforce management) to manage the additional volume. The store receives the merchandise, resets the floor, erects the displays, moves complementary products to the checkout areas (task management), and schedules lots of trained, TV-savvy staff and extra security (workforce management). Anticipating that, finance allocates additional labor hours to the store against the projected revenue increase.

Then comes event day. The traffic is good, with more younger men than the store usually sees, but more of them are coming in armed with research and the exact model they want to buy than those who need guidance. So the manager has to shift some of that sales talent over to the installation desk (mobility) to get all those deliveries set up while inviting those new shoppers into the loyalty program.

The day ends with sales targets reached, loyalty expanded, customer experience delivered – all supported by the power of workforce management.
About Infor

No matter what type of retailer you are, you need the right staff scheduled in the right place at the right time to maintain a healthy bottom line. To meet this challenge, more than 140 of the world’s top retail brands use Infor WFM Workbrain to reduce labor as a percentage of sales, improve the quality of your customer service, and adapt to changing conditions on the fly. Based in Alpharetta, Ga., Infor is a global company that provides retail customers innovative functionality and a lower total cost of ownership. Visit www.infor.com

About Retail TouchPoints

Retail TouchPoints is an online publishing network for retail executives, with content focused on optimizing the customer experience across all channels. Tapping into the power of the Web 2.0 environment, the Retail TouchPoints network is made up of a weekly e-newsletter, category-specific blogs, twice-monthly Special Reports, Web seminars, benchmark research, virtual events, and a content-rich Web site at www.retailtouchpoints.com.