



## LSI develops best practice labor standards for Wickes providing a flexible foundation for the future.

### Summary

Wickes wanted to further increase their customer service proposition to help drive additional revenue growth. To do this they realized they would need to invest in a new Workforce Management system that would produce more accurate staff schedules for each store as well as helping them with attendance management and to assist with the labor budgeting process.

During the selection process, Wickes acknowledged that their method for producing an accurate forecast of Workload Demand in each store was inadequate and that to get the best out of their intended investment in Workforce Management, they would need to address and improve this aspect as well.

After an extensive selection process Wickes selected WorkPlace Systems to provide the Workforce Management system and engaged LSI to review all store processes to produce a representative set of labor standards and to develop an accurate operating model. This would enable the Workforce Management system to generate an accurate forecast of Workload Demand.

Using RetailEASE™, LSI was able to quickly generate a new set of labor standards and an accurate corporate operating model which was easily incorporated in the Workforce Management system.

Like the majority of today's sophisticated Workforce Management systems, Workload Demand generation is an integral component and the generation of an accurate, credible Workload Demand is pivotal to the success of both labor budgeting and in-store scheduling. The development of a corporate model of operation is the best method of ensuring equitable forecasting of demand across a large estate.

### The Company

Wickes, part of the Travis Perkins Group, is one of the UK's leading home improvement Retailers. Wickes now has a portfolio of 169 standard and eight Wickes 'Extra' stores, with a total net selling space of approximately 5.8 million square feet.

Wickes stores are designed to appeal to serious DIY customers, who carry out more complex projects, and tradesmen, who undertake general repairs, maintenance and improvement projects for households. These customers are more demanding in terms of service, quality and price.

In addition, Wickes stores offer a range of kitchens, sun-rooms, bathrooms and bedrooms, which are sold through in-store showrooms. The Group's key objectives for its Wickes business are to achieve broader coverage in its target market and for Wickes to be established as the destination store for home improvement.

### The Problem

Wickes recognized that they could further improve customer satisfaction and increase revenues by delivering better customer service.

"We knew that if we could get a better match between our staff and our customer requirements this would make a significant contribution to our performance," stated Craig Pickett, Stores Productivity Manager. To do this effectively Wickes knew they had to refine their current scheduling process and so decided to implement an automated scheduling system.



The basic premise of all scheduling systems is to improve service levels and reduce ineffectiveness by more closely aligning employees with Workload Demand throughout a trading period. The production of effective employee schedules is dependent on the generation of an accurate Workload Demand for each store, each with its varying characteristics in terms of trading profile and physical layout.

Although Wickes had a legacy system that produced the number of labor hours by store, it was deemed to be out of date and not driven by store activity or a customer service proposition. The system also produced forecasts that were not granular enough to provide a sound basis on which to produce daily employee schedules.

"It was clear that to get the most from our intended investment in a new Workforce Management system, we would need to improve the way we generated Workload Demand at store level," continued Craig Pickett.

This view is reinforced by recent Gartner Industry Research Dec 2007 – 'Retail Workforce Capabilities of Key Time & Labor Management Vendors', which states "Ensure that you have budgeted for updating labor standards in the Workforce Management process you are trying to optimize. Anything less will affect the accuracy of and your ability to maximize your efforts to optimize the workforce".

"We selected LSI, because of their process review and standards development methodologies and track record in Retail, in particular the DIY sector," commented Craig.

### The Solution

As part of the Workforce Management project, LSI was engaged to review, streamline and document all store processes, including customer service and management activities and subsequently produce standard timings for all activities. Working in co-operation with Wickes' operations experts and using 5S and 6σ based improvement frameworks, LSI defined and documented leanest in-store processes.

Time standards were then developed for each of the documented processes. For this, LSI utilized RetailEASE™, a pre-determined time system developed specifically for the Retail industry. RetailEASE™ is recognized as the world leading system for Retail standards development with over 11,000 stores worldwide running on its output. It ensures improved accuracy over the traditional stopwatch time studies coupled with a more rapid method of development. It is also a simple to learn application ensuring easy maintenance of the standards.



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"LSI's strong Retail expertise and understanding of the DIY business became apparent early on, particularly when reviewing existing processes and the development of labor standards was much quicker and more effective than expected," said Craig.

### The Results

The resulting labor standards were easily integrated with the WorkPlace Budgeting and Forecasting modules to generate annual labor budgets and daily demand forecasts to enable the Scheduling module to produce accurate schedules. LSI worked in conjunction with WorkPlace to ensure the level of detail and structure of the operating model was appropriate for Wickes based on the nature of their business, the supporting data available and the complexity of ongoing maintenance.

"Once the standards had been developed, the acid test was to apply them to our operating model and evaluate the Workload Demand they generated. The co-operation between LSI and WorkPlace paid dividends, giving us an integrated approach to standards development and demand generation. The accuracy of the standards ensured a quick validation and sign-off from the Retail management team", explained Craig Pickett.

### What of the Future?

With the competitive nature of Retailing, Wickes are continually looking for additional ways to refine and improve their operations. The investment made in Workforce Management and a flexible labor standards solution provides Wickes with the flexibility to quickly implement changes in their processes and to understand how these changes need to be staffed to maintain their high levels of customer service.