

Avoiding WFM Labor Pains – Part 1

White Paper

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AVOIDING WORKFORCE MANAGEMENT LABOR PAINS

First Things First

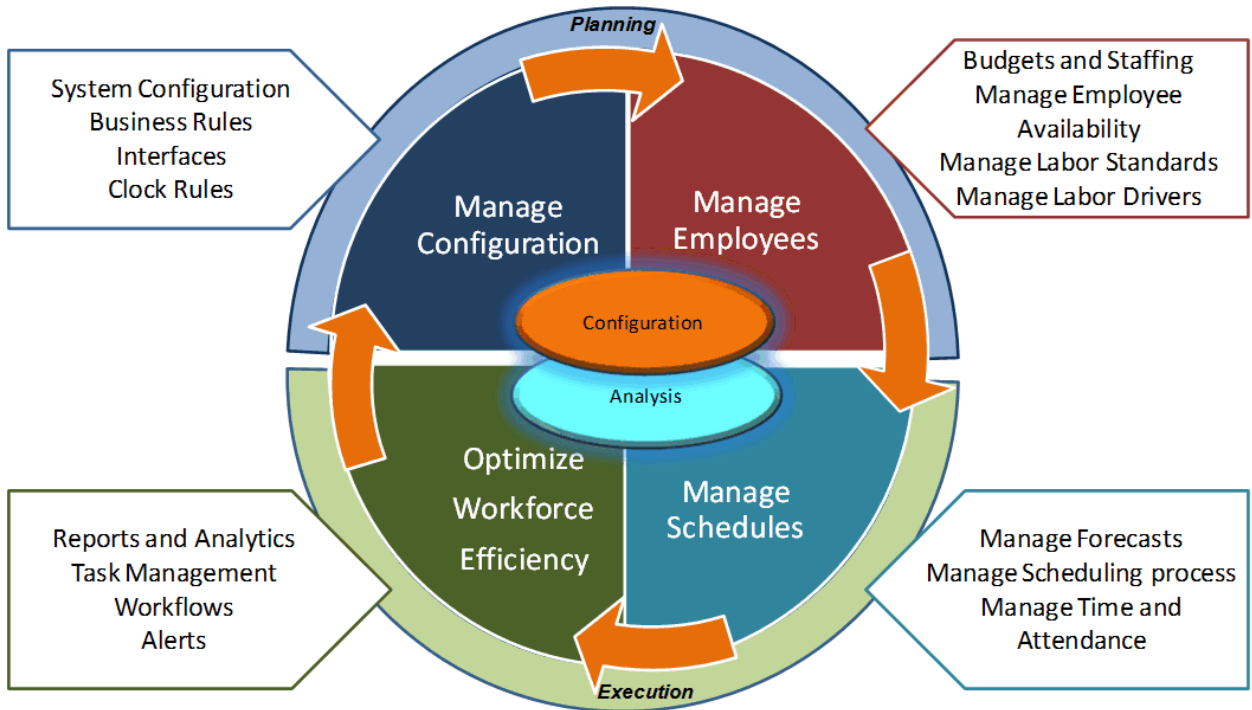
The explosion in web-based workforce management systems provides the retailer with the opportunity to manage the entire process of budgeting, forecasting, scheduling, optimizing schedules, task management, time and attendance, and analytics much more holistically. However, the advertised strength of these systems requires two distinct qualities that retailers are often lacking:

- Effective process management (example-effective and timely onboarding)
- Integration of HR, Operations, Finance and other stakeholder departments to effectively manage the workforce

The time to overcome these challenges begins with the evaluation process. Begin with a core project team that includes Operations, Finance, HR, Audit, Labor and any other key stakeholders. There are currently more than 15 qualified vendors offering web-based WFM solutions, some bordering on HCM (human capital management) and ERP (enterprise resource planning) systems. This level of sophistication may not be what a retailer requires, and in fact, the selection of one of these vendors may be detrimental to an effective WFM deployment. Why? Advanced functionality across the entire WFM suite may overwhelm, rather than enable a retailer. It is important to consider the level of sophistication and maturity of the retailer's labor management process. So first, define your scope and objectives, describing to management where the WFM project will be in Years 1-5, considering both the quality of resources who are and will support WFM, and the ability for business and IT to manage a sophisticated application suite like WFM. It will likely take several years for a retailer to fully embrace the full scope of functionality being offered by WFM vendors today. Start with a cursory evaluation of the vendors in this space. A basic RFI (Request for Information) can provide an excellent starting point for comparing WFM vendors. The goal here is to get to a smaller list of vendor applications to analyze at a deeper level. The retailer should tell the vendor something about their current state and goals, and ask about their products, customers, roadmap and success stories.

What Is Your Reference Point?

The next point to consider in the evaluation process is that unless your organization is international, multi-brand, multi-format, multi-state, multi-contract, you may only need only a subset of the basic T&A and Scheduling functionality, and these basic functions are almost a commodity today that all of the viable vendors can meet. The differences between vendors are more apparent in their Budgeting, Forecasting and Schedule Optimization, Task Management and Analytics functionality. A retailer may gain little value from a Schedule Optimization module if they have workforce with limited schedules and shift flexibility. However, this functionality is critical when considering the ability to meet multiple CBA's and contracts, and the advanced scheduling functions such contracts require (more typically found in health care and manufacturing). A detailed review of current and future state processes is essential to framing up the evaluation criteria for the vendors.



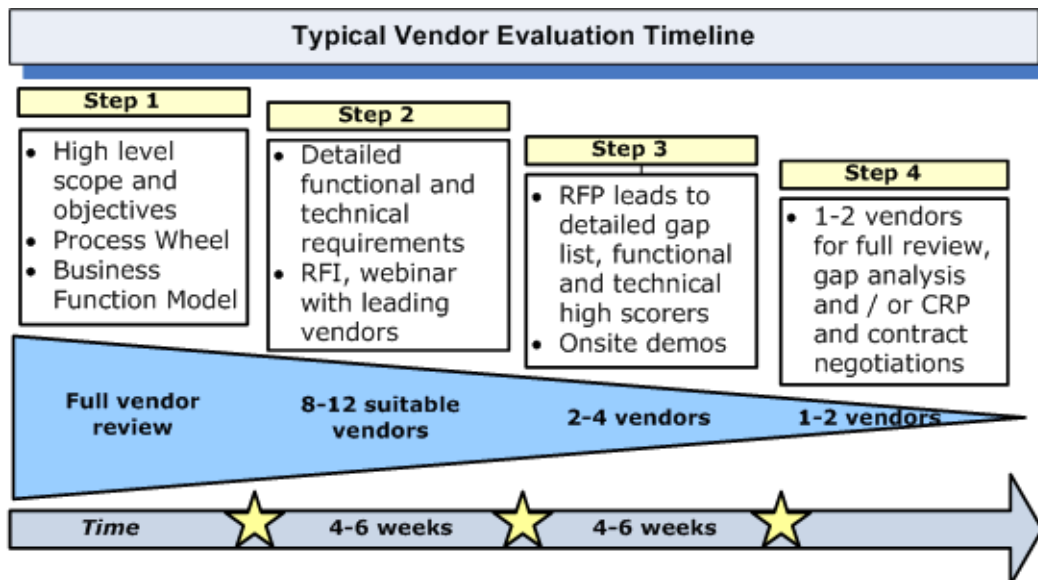
Best Practices

While there are consultants and vendors who will preach differently, we strongly recommend an RFP, with fully defined and prioritized requirements across each of the WFM functions, to compare vendors and get to the short list to consider either for onsite demos or a CRP. The consultant who claims they know the WFM space and can pick the two or three best fit vendors does the retailer a disservice by not encouraging them to consider the full scope of functions and prioritize their requirements. The RFP provides the retailer with the ability to weight both individual requirements and functional areas. The well designed RFP might generate nearly identical scores for all vendors on basic T&A functionality, but in the budgeting, forecasting, schedule optimization, task management and analytics there will likely be very real points of differentiation. It is also here that you can rate a vendor on their UI and workflows that make for an intuitive application. The NRF ARTS WFM RFP provides a good baseline to begin prioritizing individual requirements, but does not provide the ability to ‘score’ responses from multiple vendors, so consider how you will ‘score’ multiple vendor responses to your RFP.

If the vendor has answered truthfully (and a well written RFP is a legal document), then the next milestone is in the vendor demonstrations. Here the process moves from the vendor saying they can do something, to ‘does the retailer like the way the system works’. Is it intuitive and easy to use? Will the management and employees want to use it? At this stage, we strongly recommend an additional level of scoring, where all participants get to vote on functionality and ease of use. The mechanism for evaluating vendor responses must include the ability to score how well the vendor has designed the application suite with workflows and configuration parameters that provide for the effective administration and management of the application.

Evaluating Vendors

At this point, the retailer has multiple comparison scoring points for vendors by module-RFI, RFP and demo. By involving stakeholders and the project team in this process, the retailer has gained buy in on generating an aggregate score that reflects how well the vendor meets scope and objectives, requirements and priorities, and criteria for usability. Be sure to reconsider vendor viability and the acquisition/reorganization activities taking place with the front-running vendors. At this point the retailer may choose to enter into contract negotiations or set up a CRP to evaluate and define any 'gaps' before contract negotiations take place.



Implementation – Where The Rubber Meets The Road

Finally, WFM is one of the more challenging applications to phase and implement. The migration of data and interface to existing systems, and the need to think strategically about the organization hierarchy for forecasting and reporting, require some insight into the retailer's long term strategy. If the retailer is using a legacy scheduling and time and attendance application, step 1 is likely to convert these to the new application. However, if you are looking for quick wins, Task Management may provide that low hanging fruit while you develop your long-term processes for managing forecasts, labor allocations and optimized schedules. Even Task requires the retailer to consider the implications of integrating Task with labor, as it changes the cycle for HQ personnel to generate 'projects' to the stores by a week or two *earlier*, in order for the gatekeeper to balance and distribute projects based on workload capacity planning. This is obviously something that many retailers would not consider to be a 'quick win'.

C-CORE Consulting Group has embedded the knowledge and industry best practices to jump start and fast track a retailer process to define scope and requirements, evaluate vendors, and move to project launch, called the **WFM RAPID Project Toolkit**. For more information on this comprehensive business process, vendor evaluation and project management tool, contact Frank Urbaniak at 973-875-0553 or e-mail Frank at frank@coreconsultinggroup.com, or Jerry Sheldon at IHL jerry@ihlservices.com or 321-451-5870.

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