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GIANT EAGLE®

CASE STUDY

A Birds-Eye View of Staffing

Giant Eagle Brings a New Level of Accuracy to Workforce Scheduling

OBJECTIVE
Ensure optimal staffing levels and processes to meet customer service, administrative efficiency and regulatory goals.

SOLUTION
• JDA® Workforce Management

REAL RESULTS
• Reduced payroll costs by optimizing staffing
• Achieved customer service and efficiency goals
• Ensured compliance with labor laws
• Improved productivity of administrative tasks such as scheduling and time-off request management
• Decreased payroll errors

Giant Eagle, Inc. is one of the nation's largest food retailers and distributors, with approximately $9.9 billion in annual sales. It is also one of the largest privately owned, family operated businesses in the United States. Giant Eagle operates 229 supermarkets, including 54 independently owned locations, as well as 178 fuel and convenience stores.

But there is a lot more to Giant Eagle than impressive numbers. The company has fueled its success through innovation and service. For example, it has on-site supervised child learning and activity centers that care for more than 100,000 children monthly, freeing parents to shop without distractions. It also offers on-site 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 Grocery Headquarters' Retailer of the Year award.

The Challenge: Staffing for Maximum Service
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 overstaffing, understaffing and excessive overtime costs. The company had older time and 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.

Said Chris Kelly, manager of 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 and 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."

To meet these four objectives, Giant Eagle selected JDA Software's workforce management system, from JDA's Store Operations suite. The system was rolled out to all of its supermarkets incorporating StandardsPro engineered labor standards from Accenture.

Innovation in Workforce Scheduling

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

Explained 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 used 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," noted Kelly. "That's why we drive labor needs off units. There is no impact from price variation; price point is removed from the equation."

Merchandising requirements (units) are forecasted using a combination of historical data, what sales (movement) Giant Eagle had on the corresponding day last year, and trending information. To create the forecast, the system looks at point-of-sale 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. The workforce management system 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.

Landing on Cost and Service Goals

The benefits Giant Eagle experienced with implementing the workforce management system are consistent with the service and efficiency goals it set for the project. The company found improved scheduling allows it to reduce costs by not overstaffing, while making sure the right staff is always on hand to provide a higher level of customer service. This includes a new certainty that the retailer is adhering to labor laws.

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

The new system has also helped reduce the time that 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 that focuses on value, customer service and respect for team members, Giant Eagle has proven that JDA Workforce Management is an efficient and effective tool for reducing costs while enhancing service and compliance.

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