

Executive Briefing #12 – Workforce Management Technology



Building the Bridge Between Operational Best Practices and Employee Morale

It Is Time To Get Strategic with WFM Technology

If you are part of a competitive company focused on growing market share and increasing profitability, chances are you already have time and attendance software. Fifteen years ago it was a competitive advantage. Today almost all companies have some form of technology monitoring the comings and goings of employees and simply having the software is no longer a competitive advantage. Initial cost savings from merely tracking employee time punches have dried up. The new competitive advantage is held by companies that have real and in-depth insights into what employees are doing after they arrive at work. While cost savings from monitoring employee punches typically range from 1%-3%, the largest opportunity lies within actively monitoring and responding to employee performance and effectiveness, which can yield 11%-17% in annual cost savings.

Facing increasing labor costs and employees with less experience, it is time to dig deeper into employee performance and focus on what employees do between their shift start and end times rather than simply focusing on when they start and end their shift. Although most management teams are obsessed with overtime and attendance, many cannot answer a basic question: How effective are your employees in their first 40 hours of work each week?

Core Practice LLC has studied this topic in North America and our analysis shows an average loss in labor effectiveness of 23% due to a variety of productivity challenges. Technology plays a major role in this cost reduction by providing visibility into employee activities in real time and long-term trend analysis. Unfortunately for many companies their technology is not up to the task of providing insights and actionable data that can lead to significant cost savings. Even those who do have the resources available to capture the data and analysis, many are not using their software systems to their full potential and missing out on critical insights into their business. As managers are increasingly pressed for elusive cost savings, it is critical that executive teams rapidly become educated on the right mix of solutions to drive their operational goals. Although previously thought of as a back office cost-center, labor management software and the insights produced for management teams drive a critical competitive advantage.

Core Practice is a leading provider of operational and labor strategy consulting services with over 20 years of experience designing, developing, and implementing innovative labor solutions. Core Practice's labor strategies combine the best people with the right equipment at the right time and provide clients with a competitive advantage. Core Practice has worked extensively with clients in manufacturing, distribution, contact center, and mining industries. To learn more about Core Practice and what we do, please contact:

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There are three critical aspects of labor management software:

Activity Management

When measuring employee activities the first response from management is that they do not want employees so excessively involved in tracking their own behaviors, that they lose focus on the jobs of which they are primarily tasked. The common misconception is that activity management means tracking behavior on a micro level. The reality is that the biggest benefits come most often from a more macro measurement. If in real time we can see the labor invested in a particular work cell and the number of units produced, we can track productivity. Any deviations from the norm can quickly point management to the areas needing more attention and they can do course correction before it is too late.

Data Analytics and the “Big Data” Story

Most companies collect massive amounts of data, but do not do much with it. Analytics tools allow you to identify trends and hidden areas of opportunity by taking those massive databases and performing the critical analysis automatically. The insights provided by the multiple layers of data provides companies with a competitive advantage.

Advanced Scheduling Tools

Whether the challenges you identify require immediate attention or are part of a broad strategy based on analytical study, advanced scheduling tools can help you adjust quickly and automatically. If you are overstaffed in one area and short in an other, scheduling tools can pick the best employees based on categories such as skill, proficiency, seniority, or cost to adjust and balance staffing requirements. These tools are removing the highly paid and skilled engineers from the back office administrative work and sending them back to the heart of the operation where they can use the talents they were hired for in the first place.

If any of this topic interests you, we can help. To find out how we actively engage all areas of your workforce and develop an actionable strategy to drive employee morale and cost savings, contact John Frehse at Core Practice: 212-534-0539.

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