



Where WFM Comes Up Short

When it comes to solving the store execution problem, workforce management solutions only address part of the equation. The missing piece? Communication.

Store teams are always going to have more to do than they have time to do it.

That's a fact.

Sophisticated workload calendars, complex gatekeeping processes, and all the checks and balances in the world can't account for unexpected swings in traffic, weather events, shipment delays, employees who suddenly call in sick and all the things that make retail, well, retail.

At Zipline, we're fortunate to work with some of the biggest and most respected names in retail. And as such, we have line of sight into trends happening across the industry. With COVID tightening purse strings across the board, nearly everyone is talking about workload management. Specifically, everybody's talking about something we refer to at Zipline as "capacity management" - the idea that you can, and should, optimize your communications and task load based on an individual store or team's capacity.

It's not a bad idea in theory. If you need a project executed in stores and have \$1M in payroll to spend, you don't want to waste those dollars on teams who are so overloaded they're not going to get to your project by the end of the day. You might want to save those payroll dollars instead, or re-allocate them towards other in-store needs, or even hold off on assigning that project until teams have more capacity.

But in practice there are pitfalls. When it comes to solving the store execution problem, the way in which you allocate tasks and payroll only solves one part of the problem. From our point of view at Zipline, we're seeing more and more teams realize this. What separates efficient, effective store teams from the rest isn't their ability to optimize schedules. It's their ability to prioritize.





◆ “We feed stores a lot of work, and most of the time it’s more than they can absorb.”

Sound familiar? Retailers often come to Zipline looking for ways to assess the workload demands various HQ teams are putting on stores. **Many are interested in knowing how much time - sometimes even down to the minute - they're asking their field teams to spend executing tasks on a daily basis.** They believe this information can lead to more strategic decision-making at a corporate level. If they can stop workload demands at the source, they can alleviate teams in the field from feeling overloaded, right?

Zipline is built in a way that makes it easy for a store (or anybody in a field organization, for that matter) to see which days have more tasks, and which have fewer. It's built to give a clear directional indication of workload so publishers can assess which days will be heavier or lighter. But we've been wary of encouraging retailers to get too granular with their time tracking.

Here's why: Managing tasks in this way involves adding a "completion time" to each individual store action. A task to set signage should take 15 minutes to execute, for example. Another task to merchandise an endcap could take two hours. And even then, that's an "intended" completion time. What might take a new hire two hours could take a seasoned merchandiser half that.

"Ok," you say. "So why not have the stores report back the 'actual' time the task took to complete?" Again - a great idea in theory. But now you're asking your store teams to do a whole heck of a lot of timekeeping and.. **wasn't the whole point of this to reduce store workload in the first place?**

The more granular we try to get with payroll allocation, the more the exceptions become clear.

What happens when a team member is in the middle of a task, and a customer needs help? What happens when an employee doesn't show up for their shift?

What happens when a busload of tourists unexpectedly pulls up, slamming a store during off-peak hours? What happens when a delivery truck skids off the road?

These aren't left-field examples we pulled out to prove a point.

These are real, tangible, frequently occurring things that happen in retail. Retail is a human business and it's a messy business, where planning and allocation only gets you so far. Putting the onus on store leaders to account for these exceptions, day after day, defeats the purpose of eliminating extraneous workload in the first place.

◆ **A tops-down forecast from Finance isn't everything.**

You know that old adage that "work will naturally expand to fill the amount of time available for its completion?" It's called Parkinson's Law, and it originated in an 1955 essay for The Economist. It's just as true in retail today as it is anywhere else.

That's another pitfall of "all-in" capacity management: **the tendency of HQ teams to actually undershoot a store team's capacity in the first place.** Hitting your payroll target doesn't take into account what opportunities were left on the table. If a store had been able to staff one more associate, would it have resulted in another sale? At a corporate level you're celebrating, but at what cost?

An effective labor allocation strategy will over-capacitate store teams - just a bit - so they get more done in less time. Undershoot, and you'll be less effective. But how do you control for the myriad of variables that determine just how much your store teams can take? How do you set teams up for success so they can drive the best business possible?





It's not about reducing task load in one area, then investing those payroll dollars in a different way. It's about investing in the knowledge of your individual store employees.

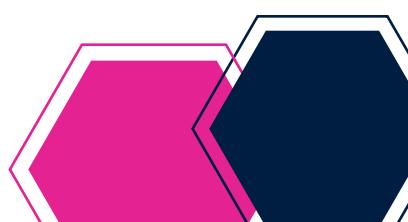
◆ **Store Managers have to make their own decision about where they're going to spend their time.**

In stores, every sale comes down to quick, in-the-moment decisions: the choice to engage with a customer, the knowledge to suggest the right product, the ability to sub the right team member for the job. It comes down to speed, agility, and knowledge.

This is why you can pluck a star store manager from a \$12M box and drop them in a struggling \$1M one, then watch them take that store to \$5M by the following year. In a business like retail the skills that each individual leader brings to their job can be far more impactful than any external forces like marketing campaigns, store design, or location visibility.

At Zipline, we believe in building capabilities and capacity in individuals so they can all reach their full potential as retail leaders. That starts with giving them the proper tools so they can effectively prioritize and plan. Sometimes this is as simple as targeting information so an employee doesn't accidentally look at the wrong thing. Other times, it's about making information readily available so teams spend less time searching and reading, and more time getting stuff done.

But beyond that, **it's about giving teams the context they need to understand how to effectively prioritize their tasks.** If you have a million things on your to-do list, and only time to do 999,999 of them, which one do you let slide? How do you know which one can slide with the smallest repercussion?



These are the kinds of decisions that retail leaders make on a daily basis, and without proper context they'll never know if their decisions are supporting larger brand goals.

That's why Zipline brings task management and communication together.

By connecting what other task management solutions think of as completely separate entities, you can connect what stores need to know (what we call "the why") with what stores need to do (what we call "the what") in a way that gives them guidelines about what's expected of them. **They know how their work supports the larger picture and have the necessary context that enables them to make better decisions in the moment.** (As a bonus, we've also found that this knowledge drives a higher rate of engagement - and engaged employees are more likely to stay with their employer, longer.)

◆ **Scheduling is something you do once a week. Communication happens every day.**

When it comes down to it, it's much more important to have a good communication system than a good scheduling system. And we're not just saying that because, well, we're a communications software company and we're biased. It's because **optimizing your store schedules will only take you so far.** As more and more ordinances emerge demanding workers' schedules as many as two weeks in advance, retailers lose out on the ability to pull the "payroll lever" at the last minute. It may very well be more likely that stores find themselves over or under-allocated on a regular basis.

Yes, stores need to be staffed adequately. But it matters less for how many hours or minutes, and matters more that those who are staffed are knowledgeable about the business, well-informed, and have the necessary information at hand to run their business in an agile way.

So, is WFM useless? Of course not. A workforce management system gives you real-time visibility into how task load is allocated across your organization. It helps you track and optimize store schedules, which in turn, helps you optimize payroll. Payroll isn't the end-all-be-all of retail metrics, but it's not going away. **Despite all the pitfalls we've listed here, retailers are still going to use tops-down payroll forecasts as a benchmark for success.** It's one of the few controllable numbers in retail. People like controllable numbers. Sales are not controllable, but payroll is.

However, WFM isn't a solution for store execution all on its own. Payroll optimization and capacity management is about having a line of sight into workload across a stores' week or month. It's useful from a directional perspective, for determining financial forecasts and ensuring teams are staffed for success.

But without the proper communications infrastructure in place, store execution will continue to come up short. Workforce management solutions only address part of the equation. The missing piece - the one that sets truly successful retailers apart from the rest - is good store communication.

About Retail Zipline:

Retail Zipline is the operations platform that powers retail's most complex work. Zipline is the only solution on the market that combines store communications and task management to drive flawless store execution. Built by retail for retail, Zipline understands the unique pressures stores are facing today and ensures that everyone in the field has the information, context and tools needed to be successful in their roles. By aligning the fleet, Zipline enables digital transformation at Rite Aid, agility at Sephora and cost savings at GAP. What could you accomplish if your HQ and stores operated in lock-step?

