



A N A L Y S T C O N N E C T I O N



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Mobile Technology: Transforming Workforce Management

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Mobile technology is transforming the retail marketplace. It is no longer just a solution for engaging your consumers. It's also a way to engage your greatest asset, your brand ambassadors, and the driving force behind customer satisfaction — your workforce.

Retailers are becoming increasingly aware of the impact mobile solutions have on customer satisfaction. In fact, more than 300 million smartphones shipped last year alone — and consumers crave retail interaction and information.

Based on this demand, retailers are starting to capitalize on the live, always-on, everywhere interaction capability right in the hands of retail customers. They are providing their consumers with access to rewarding, context-relevant, personalized services right from their mobile devices. And they will continue to roll out branded mobile applications on iPhone, Android, BlackBerry, and Windows mobile devices. Mobile barcode integration (1D, 2D) will intensify, enabling unique digital customer identification and pervasive shopping scenarios.

However, from an employee standpoint, retailers need to further embrace mobile technology. Until recently, they have focused on only one side of the equation. From a mobility standpoint, they have been ignoring their workforce. By focusing on both sides of the equation and leveraging mobile solutions to benefit consumers and employees, retailers can greatly improve their ability to provide a positive shopping experience and differentiate themselves in the marketplace.

As the benefits of using mobile technology to manage the workforce become more widely known, retailers of all kinds will be running — not walking — to adopt these solutions. They will enable their workforce to work smarter, communicate better, and be more satisfied at work. Equipped with mobile devices, managers and employees can communicate seamlessly and quickly to exchange information, staff shifts, and ultimately improve the customer shopping experience.

The following questions were posed by Kronos Incorporated to Leslie Hand, research director at IDC Retail Insights, on behalf of Kronos Incorporated's customers.

Q. How will the pervasiveness of mobile devices transform the way the workforce is managed in retail, dining, and hospitality?

A. The answer becomes obvious if you look at how mobile devices are transforming the way that people communicate and manage their lives. IDC research indicates that smartphone purchases represent more than 20% of global mobile phone sales today and that smartphone use will double by 2014. Retailers will embrace smartphones, both as an internal tool and as

a means to communicate to a workforce that increasingly uses them to improve the quality of their lives. Ubiquitous adoption will not occur for quite some time, so retailers will innovate to satisfy smartphone users. To maintain communications with the balance of the workforce (without smartphones), retailers must implement flexible systems so that they can leverage text messaging, email, and interactive voice response where appropriate.

In an era where customer centricity is paramount, customer service is only as good as the employees available to support a superior shopping experience. Workers under the age of 24 make up 30% of the workforce in retail overall. In hotels and dining establishments, the average employee's age is 28, while among consumer goods retailers, the average employee's age is 39. Younger employees prefer to work for employers that communicate the way they do — via Web- and mobile-enabled processes. Employee satisfaction is improved when employees feel they have the tools to succeed.

Smartphones enable better communication between managers and employees to ensure that staffing needs are met with the appropriately skilled workforce. Many retailers are already communicating with customers via email marketing and electronic coupon programs, meeting customer expectations for personalized promotions and engaging offers. Employees need to be equally well equipped. Mobile workforce management systems empower them to communicate with management about schedule and time punch adjustments, as well as to review their schedules and accruals. Mobile workforce management untethers managers, enabling them to approve time cards, manage time off requests, and edit time card punches. Another benefit is that of both the employee and the employer having two-way communication that enables them to fill newly available shifts. Employees can opt to fill shifts they might not have been made aware of previously, and managers get qualified people when needed quickly.

In addition, the expected increased adoption of smartphones is a very clear indication that mobile technology will be a driving force of change for retail systems. This will force vendors to ensure that their technology is platform agnostic, allowing end users to interact and engage with store systems.

Q. What benefits can the industry, including retail, dining, and hospitality, expect to achieve through the use of mobile solutions?

A. The benefits are threefold:

First, employee satisfaction improves because employees feel much more empowered to participate in the retailer's success. The employer becomes an employer of choice, and the virtuous cycle begins — a good business reputation for treating employees well leads to an improved applicant pool, which in turn results in better employees, better customer service, and higher customer retention rates. Manager work satisfaction improves as well because time cards, punches, and time off requests can be reviewed remotely, from virtually any smartphone, ushering in an era when managers don't have to stay onsite, typically in an office away from customers, to manage these critical tasks.

Second, productivity improves because communication between management and staff can be automated and is nearly instantaneous. Managers can complete day-to-day workforce management tasks from virtually anywhere — the store sales floor, backroom, office, checkout area, and even when standing in line at the grocery store. They can avoid being forced off the sales floor and being taken away from their focus on helping customers. Managers can stay focused on their priorities, the store is staffed appropriately, and customers get the service they expect. To some degree, the benefit of mobility is as simple as a happy employee is likely to be a more productive and loyal employee.

Third, workforce compliance improves. Store management's first responsibility is to provide a customer experience that meets expectations. Responsibilities are typically merchant first and employer second, and they certainly aren't always experts in all of the legalese of state, federal, and union rules. Leveraging mobile technology to attend to the details of workforce management frees managers from the burden of having to try and manage compliance risks. Mobile access to information related to compliance ensures that even retailer-imposed rules can be managed remotely.

Q. How are consumers evolving, and how can workforce management solutions help retailers of all kinds cater to their needs?

A. There was a time when retailers had more advanced technology than consumers, but the tables have turned. The bar has been raised. Consumers have an expectation that retailers will engage via the Internet and mobile technology, enabling consumers to save time and receive a higher level of service. Consumer-facing capabilities include providing product information, access to product reviews, and almost instantaneous support for consumer goods retailers. Retailers, including Best Buy, are turning their workforce into mobile support teams, allowing employees to respond to support questions via mobile and social media tools, such as Twitter, Facebook, and proprietary applications.

Hotel and dining establishments are leveraging mobility in other ways, including mobile check-in capabilities that enable proactive guest services. Hotels can better plan exactly how to assign their workforce to best support customer needs. In restaurants, mobile devices are increasingly used to manage reservations, table wait lists, and payments processes. When mobile payments systems are tied to table availability and service requests, tables may be cleaned and filled faster. The workforce can be more productive because fewer instances of checking on the physical status of a table are necessary.

This new paradigm in customer service even impacts the discount retailers, which have traditionally won business primarily based on price. Even Walmart and the dollar stores have to do more to make sure that employees are trained and prepared to deliver comprehensive information and customer service, especially in the electronics and pharmacy departments. Customers are in the driver's seat, dictating a higher expected level of service as well as a bigger focus on quality, value, and transparency. *And here's the clincher — customers are more fickle than ever!* They turn their back on retailers that don't meet their expectations from a service perspective — there are plenty of other places to shop, eat, and stay. Therefore, retailers need to maintain consistency, and this starts with being properly staffed.

Q. Why is an integrated, configurable solution so important when it comes to retailers achieving value from a workforce management system?

A. Many retailers have implemented time and attendance, scheduling, and perhaps even workforce analytics. The current pace of innovation and the move to wireless mobile applications raise the bar for workforce capabilities. Current best-of-breed workforce management applications are integrated, tying these processes together with mobile technology. The true value of an integrated solution becomes obvious, ensuring better staffing, productivity, compliance, and employee satisfaction.

By leveraging a mobile workforce management application, retailers ensure that time cards, punches, and time off requests can be handled very efficiently. Configurability ensures that initial setup time is minimal and that when established organizational business rules change, the system can be adjusted with ease.

Retailers may be challenged by different or changing employment regulations in the geographies they operate in, and some of the sites may even be operated by a franchisee. Configurable workforce management enables customization without programming, ensuring that geography and local compliance requirements can be accommodated with ease. The combined benefits lead to significant ROI; many retailers report full payback within 18 months. An integrated configurable workforce management system ultimately results in a lower total cost of ownership (TCO).

Q. What are best practices for securing funding for workforce management initiatives?

- A. Retailers came through the past couple of years with a new perspective on capital spending and their IT investment priorities. Many now consider software-as-a-service (SaaS) models as a great way to reduce the initial capital expenditure required when implementing new technology. Typically, there are one-time configuration and implementation fees, but for many, SaaS enables IT investments that may have been put off for years. Workforce management is a likely candidate for SaaS because it is a distributed application with comparatively low transaction rates, meaning it is unlikely to bog down critical store enterprise networks.

Retailers, currently very focused on reducing the operating costs of physical assets, are allocating IT spend to projects that help them operate more efficiently and effectively in store. They are finding the best way to accomplish this is to invest in centralized applications that help them reduce store-level inventory and improve workforce effectiveness. This requires much more than basic POS-based scheduling or after-the-fact reporting. Retailers need to focus on identifying a workforce management vendor that can deliver an innovative, integrated, mobile-enabled application.

In survey responses, retailers have told us that workforce management is a top priority, given the interest in not only reducing costs but also driving top-line improvement by putting the right staff in the right positions at all times. Top-line improvements start with better execution in all areas of the business, but customers' final impression of how well a retailer has served them comes from how well their needs were satisfied by the staff. This fact alone should convince management that now is the time to invest in workforce management, given the heightened competitive environment.

ABOUT THIS ANALYST

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