

# Workforce Management Volume Forecast Optimization

## Forecast labor needs to better meet customer demand and control labor costs

In today's competitive retail environment, success depends on how well you deliver the quality of service your customers not only expect — but demand. And more accurately projecting labor demand to create effective employee schedules is critical to delivering on that customer expectation. After all, delighting customers with a consistently great shopping experience — delivered by engaged employees — is essential for increasing basket size, driving same-store sales, and building brand loyalty.

As your organization responds to shifting market conditions and business developments, it's important that your workforce management program continues to support your evolving business objectives. This ongoing alignment will enable you to optimize your most valuable asset — your workforce — for sustained competitive advantage.

The Kronos® Workforce Management Volume Forecast Optimization can help. This Kronos Advisory Services engagement is designed to assess and enhance your volume forecasting methodology to achieve the most accurate volume forecasts possible. Because volume forecasts provide the foundation for labor forecasts — and ultimately employee schedules — improving volume forecast accuracy is one of the most effective ways to improve schedules. This engagement will provide the foundation for a comprehensive strategy for volume forecasting, including:

- An overview of how Kronos forecasting algorithms and special events affect forecasts
- An ideal forecasting algorithm for your customer volume and seasonal demand
- Identification and utilization of independent variables, including holidays, marketing/promotions, and geography-specific events
- Knowledge transfer regarding configuring your Kronos solution and measuring forecast accuracy
- Best practices and recommendations for maintaining forecast accuracy moving forward

Our strategic advisors will guide conversations to gain a more comprehensive understanding of your current process for measuring and maintaining forecast accuracy and will provide a review and documentation of current processes, reporting, policies, and methodology for forecasting volume.

### Scope and approach

A Volume Forecast Optimization begins with data gathering and analysis of forecasting in its current state. This includes measurement of historical accuracy, examination of the current configuration, algorithms, and special event identification and utilization.

Once a comprehensive understanding of the current state is achieved, tuning of forecasting configuration begins. This revolves around the process of backtesting (forecasting historical weeks in order to measure accuracy against actuals). Backtesting involves extensive analysis and tuning of forecasting algorithms, special events, and development of recommendations for best practices related to volume forecasting.



## Key Benefits

- » **PREDICT VOLUME MORE ACCURATELY** to meet customer demand — and expectations
- » **REDUCE SCHEDULING INEFFICIENCIES** to control labor costs
- » **IMPROVE EMPLOYEE SATISFACTION** with schedules that more accurately align labor needs to keep employees engaged



Extensive backtesting will be performed, with scenario accuracy informing the approach to each successive test scenario. Tuning the various components that affect volume forecasts over multiple scenarios results in achieving the most accurate forecasts possible in your Kronos solution. The end result is a customized approach to forecasting that is tailored to your unique volume patterns and external variables.

## Typical duration

Depending on the complexity of your Kronos system configuration and the number of applications used, the Volume Forecast Optimization engagement typically takes 10 to 12 weeks.\*

*\*This time frame is an average based on similar engagements with Kronos customers. The length of your engagement may vary from the average.*

## Engagement deliverables

At the conclusion of your engagement, your Kronos strategic advisors will present the following deliverables:

- **Current state assessment:** A high-level evaluation of your current workforce management program and how well it is supporting your business objectives
- **Benchmark results:** An overview of how your workforce management program, including technology, processes, and policies, stacks up against industry best practices
- **Gap analysis:** Identification of the gaps between the current state and the desired future state of your workforce management program, along with recommended steps for closing those gaps
- **Findings report:** A summary of engagement findings, which lays out a high-level, long-term workforce management strategy to support your future business goals

- **Special event review:** Statistical analysis of historical data to identify special events and best practices to maintain special events moving forward
- **Accuracy overview:** A thorough review to confirm accuracy, which includes backtesting results and notes improvement over the current state

## Client participation

Active client involvement, including executive-level sponsorship and support, is critical to a successful Volume Forecast Optimization. In addition to executive leaders, key client participants may include subject matter experts from all relevant departments in your organization.

## Partner with the trusted leader

Kronos is a leading provider of workforce management and human capital management cloud solutions. Kronos Services provides a wide range of strategic services that help customers achieve smart value fast and a rapid return on their workforce solution investment — all while delivering the experience they expect. Learn more at [www.kronos.com](http://www.kronos.com).



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