

Realize the Cost-Saving Benefits of an HCM Solution

Why workforce automation is a smart investment for today's retailers

Think you can't afford to deploy an integrated human capital management (HCM) solution? **Chances are, you can't afford not to.**

Confronted with razor-thin margins, e-commerce threats, and high employee turnover, today's retailers are focused on driving sales and controlling operating expenses. To stay competitive and profitable, you need to deliver a great customer experience while making the most of every labor dollar spent. This requires an innovative approach to HCM.

Let's examine how an automated HCM solution can help your organization reduce costs, improve sales, minimize compliance risk, and drive employee engagement for better business outcomes.

Retailers face **tight profit margins.**

Several retail verticals rank among the **least profitable** U.S. industries, with profit margins of **<2%**¹



People expenses **ADD UP** in retail.



Payroll is the **single largest operating cost** in retail.²

Most retailers try to keep payroll expenses to no more than 12% of sales, but **they often creep up to 25% to 30%** of sales.³

Payroll errors are **COMMON.**



54% of the American workforce are affected by payroll problems.⁴



On average, hourly workers in the U.S. say they would have to be overpaid by **\$160** before alerting their employer about the error.⁴

Customer experience matters — **A LOT.**



Over **50%** of shoppers say they would **pay a higher price for the customer experiences** they value most.⁵

Only **27%** of shoppers would **give a physical store a second chance** after a poor customer experience.⁵

ASSOCIATES make or break the customer experience.

Retailers should consider their associates the **critical last mile** in providing a positive in-store experience.



32% of store managers say they have **enough associates,** and only **42%** feel they **have the tools they need** to be successful.⁶

ENGAGED associates deliver **better service.**



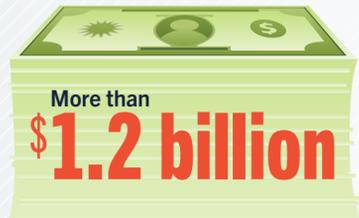
60% higher among **customer experience leaders.**⁷

Associate turnover is **BAD FOR BUSINESS.**

It costs an average of **\$9,444.47** per hourly employee turnover.⁸



Compliance issues are **COSTLY,** too.



More than **\$1.2 billion** in back wages were **recovered** by the Department of Labor's Wage and Hour Division **in the last five years.**⁹

An automated HCM system can help.

Companies saw overall productivity improve



since implementing an HCM solution.

... delivering **results that add up to BIG SAVINGS.**

- 80%–95%** **COSTS** associated with paper tracking
- 70%–80%** Rate of pay calculation **ERRORS**
- 35%–90%** **TIME** required to manage compliance
- 40%–60%** Utilization of staff **RESOURCES**
- 30%–50%** Employee satisfaction and **ENGAGEMENT**
- 30%–60%** Onboarding **PRODUCTIVITY**¹⁰

Kronos® HCM solutions provide automated tools and real-time visibility to help you control labor costs and engage your entire workforce — salaried, hourly, full-time, and part-time employees alike — across all retail locations. Plus, our integrated platform streamlines complex tasks and simplifies decision making to increase efficiencies and drive ongoing value.

Invest in HCM technology that delivers big returns.

Contact Kronos at **+1 800 225 1561** or visit www.kronos.com/retail for more information.

¹ Mary Ellen Biery, The Least Profitable Businesses in the U.S., Forbes (August 31, 2014), found at <https://www.forbes.com/sites/sageworks/2014/08/31/the-least-profitable-businesses-in-the-u-s/#6009044c613>.

² Grace Ferguson, What is a Good Payroll Percentage for a Retail Store?, azcentral, found at <http://yourbusiness.azcentral.com/good-payroll-percentage-retail-store-23381.html>.

³ Mike Kraus, What Are Acceptable Industry Norms for Payroll Expenses?, All Business, found at <https://www.allbusiness.com/what-are-acceptable-industry-norms-for-retail-payroll-expenses-13416557-1.html>.

⁴ The Workforce Institute at Kronos Incorporated, New Workforce Institute at Kronos Survey: Payroll Problems Affect 82 Million American Workers, Kronos (March 27, 2017), found at <https://www.kronos.com/about-us/newsroom/new-workforce-institute-kronos-survey-payroll-problems-affect-82-million-american-workers>.

⁵ In Reality, 100+ Stats — Retail Current and Future, found at <http://www.inreality.com/resources/stats/100-industry-stats-retail-current-future/>.

⁶ Judy Motti, Why Store Associates Must Play a Critical Role in Customer Experience, Retail Customer Experience (August 1, 2017), found at <https://www.retailcustomerexperience.com/articles/why-store-associates-must-play-a-critical-role-a-robust-customer-experience/>.

⁷ Christine Comaford, The Surprising Link Between Customer Experience and Employee Engagement, Forbes (July 8, 2017), found at <https://www.forbes.com/sites/christinecomaford/2017/07/08/the-surprising-link-between-customer-experience-and-employee-engagement/#2f194462b512>.

⁸ Wilhelm Schnotz, The Average Cost to Train a New Employee, Chron, found at <http://smallbusiness.chron.com/average-cost-train-new-employee-44072.html>.

⁹ United States Department of Labor, Wage and Hour Division, found at <https://www.dol.gov/whd/data/>.

¹⁰ Sanjeev Aggarwal, Laurie McCabe, and Dwight Davis, Research Study: Cloud-Based Workforce Management Powers Mid-sized Organizations, SMB Group (August 2015), at 6.



Workforce Innovation That Works™