

PAIN



Workforce Management Software: Taking the Pain out of Staffing Your Warehouse

WHAT YOU NEED TO KNOW THAT CAN HELP YOU EFFICIENTLY STAFF AND MEET DEMAND

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Introduction

Your workforce is one of your greatest assets today. The demand and pressure around retention of that warehouse workforce is becoming greater. Particularly in the last three to five years, many of our clients have seen a dramatic shift in their warehouse labor. How do you retain these workers and what can you really find that will help?

There are many tools, platforms and capabilities to help relieve some of that pain and pressure. How ready are you internally as an organization to provide some of these tools to your warehouse workforce?

In this paper, we'll cover the forces impacting the warehouse workforce today, how automation is affecting that workforce and then we'll dig into the tool of workforce management software to help you understand what it can offer your operations, and, most importantly, your workforce.

High Staffing Pressures.

IS AUTOMATION THE ANSWER? DOES IT OFFER WHAT MANAGERS NEED?

WAGES ARE GOING UP.

On average, wages increased by 10% between 2013 – 2017 and that's much higher than the inflation rate across that same time period. We're seeing more distribution centers move back into large metropolitan areas which increase wages and can make it more difficult to staff. What affects your bottom line the most? Human capital does, and a huge portion of your budget revolves around human capital. How can you leverage software to reduce the expenses of human capital and effectively manage your workforce?

DEMAND IS GOING UP.

It's basic economics, supply and demand. Over the last two years, we've seen an increase of about a half million workers in the supply chain, especially the warehousing industry. Brick and mortar are disappearing but concrete and racking isn't disappearing because people are still buying things; they're just getting it from a warehouse instead of a store. Warehouse workers are in short supply – thus the cost goes up.

AUTOMATION COULD SOLVE A FEW CHALLENGES.

We know automation is going to help – it will reduce the number of workers needed eventually. What automation is doing currently is making us more efficient. We're strictly trying to keep up right now. And the effect? While automation is simplifying the jobs, it's not replacing the workers. Automation is changing something else for us all. It's creating a huge shift in who's able to manage operations because a facility isn't just humans anymore; it's automation and the humans that work with this automation.

Here are two examples of what can happen when warehouse work is simplified:

Scenario 1 - Due to automated equipment, there's less need for forklift drivers. I'm no longer limited to who has forklift training, so that helps expand my labor pool choices. Unfortunately, I'm now also competing for workers against things



like Uber, grocery and retail stores on top of other warehouses. I need a tool to retain my warehouse workforce, something that gives my employees flexibility and empowerment.

Scenario 2 - There are approximately 10,000 hours of work for a robot before it needs an overhaul. That's eight full time workers and you'll need to find those eight to fill that gap when it's time for the robot maintenance. Depending on the extent of the overhaul and the parts needed, you won't know if you need to fill that gap for a month or six months.

WHAT DO WAREHOUSE MANAGERS NEED?

The stressors are numerous on the warehouse managers and their challenges are only getting bigger. Do any of these questions sound familiar?

- How can I avoid overscheduling?
- When it comes to forecasting – how do I understand who we need, when we need them?
- How do I manage peak season? How do we manage the influx?
- How do I look at previous years/months/weeks?
- How do I understand what buyers' habits are?
- I need help managing our temporary workforce and contracted labor. It's a wonderful thing to have those to leverage, but it presents a huge management challenge. What are the risks vs. the rewards? What are my savings with these types of workforces?
- How do I keep up with things like the labor laws, how

many hours someone has worked, how many rest hours are required, how many breaks, lunches, etc.?

Turnover is rampant, people are sometimes ditching for as little as .25/hour. Turnover is a challenge because of the costs to retrain – it's at least \$2k each time you have to hire someone new (higher in more metropolitan areas).

How do we resolve those challenges and give supervisors and managers real data they can use right now to help them make better, more informed decisions?

WHAT DOES THE WAREHOUSE WORKFORCE WANT?

A typical worker wants the ability to grow their skillset. With Workforce Management (WFM), you can more easily find the commonality of your workers skillsets and move them into another area within the facility to offer them more and different work experiences. It will help you utilize the workforce you have now and give them flexibility using a simple app.

The average worker is 28 – they want flexibility, choosing when, how and where to work. Warehousing can't be what it's always been in order to satisfy the clicks of the consumer. Ecommerce is 24/7 and a warehouse always needs to be capable of fulfilling. This is changing the landscape of how and who we're staffing.

What's in it for You?

HOW CAN WORKFORCE MANAGEMENT BENEFIT WORKERS AND MANAGERS?

BENEFITS OF WORKFORCE MANAGEMENT (WFM) IN THE WAREHOUSE

While a warehouse worker might leave for a job down the street for .25/hour more, pay isn't even in the top five things a warehouse worker looks for in a job. Workers are looking for flexibility in scheduling and feedback. Self-service is becoming huge in the warehouse world. When it comes to your search for a WFM system to manage those workers – flexibility, visibility and feedback capabilities are critical. Here's an example of a common situation and how WFM can help you address it:

- Two people from receiving call in sick. That's going to affect put-away and picking and outbound and orders. With WFM, you could fill those slots by posting those shifts that are open and allow qualified workers to select the now open slots. You can give people the flexibility to easily choose and view things on their devices, relieving pressure from your managers who have 50 other things to do. All by giving your workers an app to interact with that handles scheduling.

WFM could be a significant change for us in the warehouse - it's taking staffing to the next level. Being able to feed information to and from the WMS, LMS and HR systems and being able to make intelligent choices regarding staffing your warehouse. How much is that worth to your business?

WHERE DOES WFM FIT IN WITH OTHER SYSTEMS?

WFM is not new. It came from retail and foodservice where it was only connected to a point of sale system. In the warehouse, it can connect to HR, WMS and even labor software. For example, we can use data feeds from an HR system – who your employees are, the skills they have, etc. You can determine exactly how much an employee is costing using WFM and that data can be fed back into payroll. WMS and LMS can take information from and feed information back into WFM. With that data from the WMS and Labor software, you'll know exactly how many case picks, each picks, kits, work orders an individual did last week, last month, last year for Christmas. You'll know what the peak season was and what the buyer trends were. You get all of that information and

then you can make intelligent decisions in WFM. WFM can predict how many people you need in your warehouse. It can take historical information and say, "Yes this data lines up." Or, No, this doesn't line up," and then adjust shifts and shift availability accordingly. WFM answers how many people are needed in the warehouse. In addition to that, you can leverage your Labor software (LMS). LMS grades your users and says "your users are performing well at 104% or they're not doing so well at 60%." WFM can help you look at that LMS data and say, "Who do I want to give these shifts to? I've got five shifts open, I need five extra pickers. I'll start with my A performers and then if I can't fill the shifts with my A's after an hour, I'll go to my B performers." WFM allows you to leverage all that intelligence and then use that to offer flexibility and empowerment at the user level. It's a significant change for us in the warehouse and it's taking staffing to the next level. Feeding information to and from WMS, LMS and HR systems and being able to make intelligent choices regarding staffing your warehouse. How much is that worth to your business?

Are you subject to SOX audits? WFM gives you a data trend/data audit to turn over to SOX auditing to show that all interactions have resourceful reasons – some are systematic reasons, changes within management, etc.

WFM in action

Here's what might happen when you put WFM to work for you:

- An employee reports in sick and a manager can fill that shift systematically by pooling "preferred" or certain skill set workers who are available and solicit them for the open shift. Employees then accept or refuse via an app.
- Employee requests for vacation, accruals for vacation time, hours worked – all done from an app and all viewable within that app.

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COMPLIANCE AND SAFETY

WFM safeguards compliance for the manager when it comes to scheduling, particularly with compliance to international labor laws as well as to unions, states, countries, etc. Managers are over-taxed with compliance and safety related issues. You want a platform to take into account whether or not you have

the right people with the right skills. You want a system that takes your user roles and responsibilities, as well as safety into account when scheduling.

Staffing agencies send bodies but they don't really care about the productivity of those individuals. You need a

platform that takes everything into account so that you can manage the staff that comes to work for you. Right people. Right roles. Right time. Right conditions.

LOOK AT THE FUTURE – THE CAMPUS METHOD

If we're to imagine what warehouses are going to look like in a few years, based on the trends we're seeing a large part of this will be campus-based. A stand-alone, single warehouse is going to struggle to staff effectively when you take into account the need to respond to consumer habits, the available labor pool, the amount of warehousing that's going to be necessary, etc.

We're already seeing 3PLs doing campus-based warehousing. What does this mean and how do you manage and staff that effectively? With automation and software simplifying tasks and roles, that translates into being able to do the exact same thing in multiple locations, making staffing across multiple warehouses much more easily accomplished. The same worker may be assigned to one warehouse on Monday, a different one on Tues/Thurs and a different one on Friday.

AI and ML are going to play a large role as well, predicting what consumers want before they know they want it. It's already out there, it's happening. How can we leverage that in staffing our warehouses effectively and how can we leverage this next step of having campus-based users and users that are able to rotate from building to building and log their skill sets? Ultimately this is where WFM is going to play a huge role. Warehouses are very siloed. That can't be if we expect to retain good talent and train that talent effectively.

How can we leverage this next step of having campus-based users and users that are able to rotate from building to building and log their skill sets?

How do you employ someone you can only give 12 hours a week to, but next week its 16 and maybe after that its 20?

WORKFORCE MANAGEMENT OFFERS:

Flexibility / Empowerment

We are competing across a larger, wider pool for labor in the warehouse. Workers want flexibility and enablement. WFM can give you the power that the tech companies have, those leveraging the gig workforce. Think of WFM as the gig workforce software for warehousing. Companies are responding to consumer

habits. Consumer habits are driving the need for warehouses to be extremely responsive and flexible. This generation of workers want flexibility and empowerment. If we can offer that flexibility to the warehouse worker, we'll be able to continue to be flexible with serving those consumer habits.

Forecasting / Visibility

Forecasting will give you the ability to create staffing schedules based on statistical data. You'll be able to reach out to temp agencies for exactly what you need and not overspend. You'll be able to give visibility to employees for performance, profiles, availability, accruals – all in an app and presented back to you as a manager.

Retention

There are a number of WFM solutions that tie into LMS and WMS. You want a platform that's going to give you flexibility and compliance and allow you to look at your workforce holistically so you can see associated costs, not just what's inside the four walls.

Final Thoughts

Are you organizationally ready to handle the type of workforce that you might not even know is available to you now? Some companies are part of the way there in using temporary workers. Some companies are making use of college students who may be open to taking evening shifts more than the average warehouse worker.

We cannot continue to have 15 – 25% turnover – it's too costly. As you work through considering alternative types of employees and examining platforms like WFM, these things ultimately lead to one goal which is retention of employees by offering them flexibility in a way that works for them – and for you.

Thanks for reading.

WE HOPE YOU FOUND THIS PAPER HELPFUL AND INFORMATIVE



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