

LABOR SCHEDULING

Put Down the Pencils

New York & Company
picks up the pace on
time & attendance

BY JENNIFER KOROLISHIN

There comes a moment when every retailer looks up from his paper-and-pencil labor-scheduling system and thinks, "There must be a better way."

For New York & Company, that moment is now. With 6,000 employees at 486 stores in 43 states, and its steady growth and seasonal workforce fluctuations, the women's apparel and accessories retailer sought a better way to manage scheduling and time and attendance.

"We currently have a manual time and attendance and labor scheduling system. It's all paper-based," says IT project manager Sylvie Kevorkian. The company decided to adopt an automated time & attendance system in conjunction with the rollout of PCs in its stores.

New York & Company partnered with CyberShift, a Parsippany, N.J.-based provider of workforce management systems for large, complex organizations.

Throughout its nine-year history, CyberShift has served manufacturing and public-sector organizations, including 3M and the New York City Department of Education. It shifted its focus to vertical markets, including retail, with the 2003 launch of a new product line, and New York & Company is CyberShift's first major retail client.

Retailers generally turn to automated time and attendance systems for two reasons: cost



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Automated time and attendance systems help to:

- Streamline operations
- Increase customer service levels
- Reduce payroll costs
- Effectively manage overtime

savings and revenue enhancement. As organizations dependent on front-line labor, it's important for retailers to use appropriate staffing models to ensure peak efficiency. Having one under-utilized associate may not seem like a serious issue; multiply it by 500 locations, however, and those hours add up to a significant bottom-line hit.

Having the right people in the right place at the right time "is a huge cost issue," says CyberShift CEO Bob Farina. "On the rev-

enue side, what most retailers are concerned about is not so much associates' hourly rates, but making sure customer orders are fulfilled so people don't get frustrated and walk out because the line is too long. There's a real revenue enhancement component tied to customer service levels."

Beats the clock

Error rates are another important factor driving retailers toward automated time and attendance systems. Manual systems tend to encounter higher error rates, often resulting in costly payroll inaccuracies, usually in associates' favor. Additionally, it is more difficult — especially for multi-state retailers — to take all applicable pay rules into account

when using a manual system. Union regulations, Fair Labor Standards Act rules, regulations governing overtime and minor employees and state laws can all be programmed into an automated system.

CyberShift's web-based Workforce Management Suite helps identify staffing demand levels based on criteria such as historical trends, merchandise mix, sales and holidays. The retailer then can apply additional rules such as store hours, shift lengths, associate skill levels or availability of part-time staff. CyberShift's solution analyzes all of that information to determine the best fit, per the retailer's conditions, and generates schedules and staffing plans.

"It also takes cost into account," says Farina. "For example, if I bring in Laura to open the store on Friday, she's going to be in an overtime condition based on the rest of her schedule and we'll have to pay her time and a half, whereas George would not be in that situation. We can pay George his normal rate and therefore he would be our first choice to fulfill that job."

Once generated, managers can manipulate the schedules to make "real-world" adjustments; while the solution maps out the most efficient and cost-effective schedule according to the metrics it's given, it does contain the flexibility to make needed changes. Because CyberShift's solution is web-based, it allows for a great deal of employee self-service, giving them the freedom to look up vacation balances or

enter schedule preferences on line from a back-room PC, in-store kiosk or from home.

When scheduling is completed, the CyberShift solution ties into electronic time clock and security systems to ensure that associates actually work the hours that they're scheduled, and to track employee comings and goings for security purposes. On the back end, it also integrates with payroll and HRIS systems like PeopleSoft.

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Pilot program plans

New York & Company will implement CyberShift's time and attendance and paid time off tracking modules when it launches later this year. It also will integrate the solution with its payroll system.

The chain plans to launch a pilot project in mid-2005 involving approximately 10 stores that represent all pay groups, demographics, sales volumes and employee head counts. If all goes well, chain-wide implementation is expected by September 2005.

Part of the testing phase will be devoted to ensuring that the application will work properly at various connection speeds. New York & Company's stores have a mix of dial-up and high-speed Internet connections.

New York & Company also plans to concentrate heavily on training its employees on the CyberShift solution. "Our trainers are researching industry best practices because we're going to need to train about 1,500 users," says Kevorkian. "We want to make sure we get it right. Talking to some of CyberShift's reference customers early on, they said if they had to do it again, that's what they would have spent more time and energy on."

New York & Company expects to reap significant benefits from the CyberShift application, including one of its most obvious paybacks — freeing up time that managers would otherwise spend scheduling and tracking associates' time.

Additionally, the company expects that it will make tracking associates' time easier and more immediate and give stores more visibility into their daily payroll, helping managers make more informed scheduling decisions.

As competition intensifies and retailers retool operations to be leaner and more efficient, the popularity of automated time and attendance systems is rising.

"Time verification, time entry, evaluation of time — all those steps are eliminated by going to an automated system, and that makes the payroll process quicker and more accurate," says Farina. **STORES**



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CyberShift