

COUNTRY ROAD

Country Road

Reduce *labour costs* by**1.5%**

WorkPlace Systems reduce Country Road's labour costs by 1.5%

Summary

Country Road, the iconic Australian brand, has demonstrated a 1.5% saving on its labour costs and improved customer service levels through implementing the results of a strategic rostering consultancy exercise across four of its high profile stores utilising the services and solutions of WorkPlace Systems, a world leader in the development and supply of Workforce Management consultancy and software solutions.

Company

Country Road first stamped their mark on the Australian fashion industry in 1974 and quickly built their business to include 10 retail stores. Today Country Road has 51 retail stores and employs over 1250 people across Australia and New Zealand with plans to rapidly increase their footprint in the market. Country Road's main product lines include Women's, Men's, Children's and home wares.

Background

In early 2006, Country Road initiated a project in partnership with WorkPlace Systems, to analyse the effectiveness of in-store rostering and the service levels that this provided to their customers. The 50 plus store retailer had been closely focussing on in-store rostering effectiveness since 2002 when a new methodology was introduced across the brand. This methodology, whilst increasing the sophistication of the underlying principles, was still largely manual and, as acknowledged by Country Road, is a very time consuming, repetitive and demanding exercise. Consequently rostering has not received the level of attention that it requires and the feeling is that rosters have historically been inefficient by rostering either too many or too few staff.

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Country Road were therefore interested in technologies that could provide automated rosters taking account of the seasonal changes in trading patterns and were keen to undertake a strategic review of in-store rostering efficiencies.

“We invited WorkPlace Systems to benchmark current store performance and explore the levels of opportunity for improvement that existed. We chose WorkPlace because of their focus and understanding of the Retail Sector and their use of KPIs such as Roster Effectiveness and Service Level,” commented David Thomas, Business Development Manager, Country Road.

Solution

WorkPlace engaged in discussions with Country Road in March 2006, to understand the principles behind their business and in-store operations and to obtain key data needed for the study. The agreed approach involved the nomination of four pilot stores for analysis. These were identified as running on very lean base rosters with good management in place – the principal being that if savings could be demonstrated in these stores then savings could easily be achieved in the majority of other stores across the estate.

The historical trading data for each of the stores was used together with the employees’ base rosters and availability to produce a clear indication of the current roster effectiveness and service levels being achieved through the use of manual schedules. Using ChangePlanner, WorkPlace were then able to introduce elements of staff flexibility, taking account of the award rule constraints in place within the Country Road agreement, to produce alternative change scenarios that represented only minor HR change and demonstrate the effect of this on the stores’ key performance indicators (effectiveness and service levels).

David Thomas, Business Development Manager at Country Road, was impressed with the initial indications of potential benefit and seeing the figures that could drop to the bottom line, was keen to press on to trial the changes in store. A two-week period was spent briefing store managers on the project and the impact it would have on their stores as well as obtaining the finer details of store and staff constraints. Using WorkPlace’s Strategic ChangePlanner tool, revised rosters were then produced for each store for a 4 week period taking into account the sales-driven task workload and tasks driven by other factors such as management, customer assistance and stocking.

Results

The revised rosters were implemented across the 4 stores concurrently during July and August – periods of steady trade when the impact of these changes could be clearly understood. ChangePlanner was used to provide clear management reports and rosters for in-store operations and management staff to use in implementing the changes.

As a result, a conservative average of 1.5% labour cost saving was realised across the 4 stores. In addition to this, store management were confident in the workability of the solutions, the improved focus on customer service and the time saving potential for managers.

David Thomas stated that **“WorkPlace were able to uniquely redesign and create new rosters that were acceptable to staff, reduced overall spend on labour and assisted in improving customer service by ensuring specified service levels were met, more than justifying our investment in WorkPlace software and services”**.

Future

Following this consultancy-based exercise, the next phase of the project will see Country Road implement changes across the entire chain of stores to realise the benefits that have been demonstrated through the WorkPlace review. Country Road has demonstrated that the quick wins identified from a consultancy-led workforce management review are easily implemented and achievable.

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