

## MarketScope for Retail Time and Labor Applications, 2H05

Gale Daikoku, James Holincheck

This research focuses on vendor capabilities within the context of retail workforce management. Industry interest is expected to grow as Web-based solutions mature and leading retailers use technology-optimized workforces to improve store productivity and deliver a differentiated value proposition.

## WHAT YOU NEED TO KNOW

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Retail time and labor management is an emerging market, with few retailers deploying a complete solution from a single vendor for timekeeping, labor scheduling and task management. Although several vendors have developed next-generation Web-based industry offerings from their core base of managing time and attendance, integrated scheduling functionality and task management capabilities are still maturing. Forecasting schedules and managing retail labor to various local, regional and legal business rules across a diverse base of part-time and salaried associates are extraordinarily challenging for any retailer. The project scope and change management required for these projects should not be underestimated in terms of budget, time and resources. Trends in retail workforce management will be discussed in a follow-up document.

## MARKETSCOPE

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This research project was developed to help our retail clients identify solution providers who could assist them with their workforce management strategies, specifically for the store. Selection of companies for evaluation was based on analysts' ongoing research and knowledge of vendors, as well as client interest.

### Market/Market Segment Description

Gartner's definition of workforce management in retail encompasses all the activities and processes related to an associate's employment terms and retention, including:

- Recruitment
- Employee on-boarding
- Labor budgets
- Labor schedules
- Timekeeping/time capture
- Employee evaluation
- Compensation/payroll
- Task management and labor standards
- Training/e-learning
- Employee separation/off-boarding

The technology and processes that support store-level time and labor management have existed in retail for years, often in highly customized packaged solutions, homegrown applications or paper/manual processes. As retailers continue to increase their spending on store-level technology, especially on high-speed connectivity and Web-based solutions to improve store productivity, many have asked us to help them identify best-of-breed applications for managing a large, distributed and churning labor pool.

This MarketScope focuses on a subset of retail workforce management applications: time and labor management, which is inclusive of scheduling, time and attendance, and store task management. Store task management provides corporate visibility into store-level execution of

tasks and enhances the design, planning, execution and monitoring of such projects in stores. We expect task management — a relatively new capability being delivered via applications rated in this MarketScope — to drive the innovation of solutions and benefits reported by retailers, as this market segment matures.

## Inclusion and Exclusion Criteria

Retail time and labor vendors that met the following criteria were invited to brief Gartner for this MarketScope:

- Can present proof of productized offering for retail in general availability or pilot for time/attendance and/or scheduling and/or task management
- Has several installed customers, including at least five retail customers with more than 25 percent of stores installed
- Can provide at least three retail customer references
- Is engaged in selling and supporting solutions for time/attendance and/or scheduling and/or task management solutions directly to retailers in the U.S., Canada and Western Europe

## Rating for Overall Market/Market Segment

### Overall Market Rating: Promising

We rate this market as "promising," because Web-based offerings are relatively new and still maturing. Gartner does not expect task management to remain a stand-alone solution as currently deployed for much longer, since the value of workforce management for retail is in linking schedules driven by store budgets to workload assignments (tasks) to be completed within a particular shift assignment. Many of the time and labor management vendors are already moving to extend or acquire capabilities for task management beyond their core scheduling and time/attendance footprints. We expect the vendors to continue refining their complete offerings, as well as articulate how they address store task management in future releases.

## Evaluation Criteria

**Table 1. Evaluation Criteria**

Evaluation Criteria	Comment	Weighting
Market Understanding	Ability of the vendor to understand retailers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen and understand retailers' desires, and can shape or enhance those with their added vision.	Standard
Marketing Strategy	A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the Web site, advertising, customer programs and positioning statements.	Standard

<b>Evaluation Criteria</b>	<b>Comment</b>	<b>Weighting</b>
Offering (Product) Strategy	The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements important to the retail store operations environment.	High
Innovation	Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or preemptive purposes.	Low
Product/Service	Core goods and services offered by the vendor that serve the retail time and labor solution market. This includes current product/service capabilities, quality, feature sets, skills and more, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.	High
Overall Viability (Business Unit, Financial, Strategy, Organization)	Includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.	High
Customer Experience	Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes how customers receive technical support or account support, as well as ancillary tools, customer support programs (and the quality thereof), and availability of user groups. Vendors were also evaluated on the quality of, and ability to schedule a discussion with, designated references as part of this evaluation.	Standard

Source: Gartner (January 2006)

**Figure 1. MarketScope for Retail Time and Labor Applications, 2H05**

	RATING				
	Strong Negative	Caution	Promising	Positive	Strong Positive
BlueCube Software				X	
CyberShift		X			
JDA Software Group				X	
Kronos					X
LRM		X			
Oracle			X		
Park City Group		X			
Reflexis Systems			X		
SAP			X		
StorePerform			X		
Tomax			X		
Workbrain					X
WorkPlace Systems				X	

As of 19 January 2006

Source: Gartner (January 2006)

**Table 2. Vendor Time and Labor Offerings**

	Time and Attendance	Budgeting	Forecasting	Scheduler	Task Management	Reporting/ Analytics	Employee Self-Service
<b>BlueCube Software</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>CyberShift</b>	Yes	Yes	Yes	Yes	No — In development	Yes	Yes
<b>JDA Software Group</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Kronos</b>	Yes	Yes	Yes	Yes	Workforce Central	Yes	Yes
<b>LRM</b>	Yes	Yes	Yes	Yes	No	Yes	No
<b>Oracle</b>	PeopleSoft Enterprise Time & Labor, Oracle EBS Time & Labor	Yes	Yes	No — In development	No	Yes	Yes
<b>Park City Group</b>	Yes	Yes	Yes	Yes	Yes — ActionBoard	Yes	No
<b>Reflexis Systems</b>	No	Yes	Yes	Yes	Yes	Yes	Yes

	Time and Attendance	Budgeting	Forecasting	Scheduler	Task Management	Reporting/ Analytics	Employee Self-Service
<b>SAP</b>	Yes	Yes	Yes	Yes	Yes	Yes — SAP BI	Yes — mySAP ERP HCM
<b>StorePerform</b>	No	Yes	No	No	Yes	Yes	Yes
<b>Tomax</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>WorkPlace Systems</b>	Yes	Yes	Yes	Yes	Yes — Activity Tracking module	Yes	Yes
<b>Workbrain</b>	Yes	Yes	Yes	Yes	Not productized but can define activities within shifts in scheduler	Yes — Workbrain Intelligence	Yes

Source: Gartner (January 2006)

## Vendor Product/Service Analysis

### BlueCube Software

BlueCube, a private company, was built from intellectual property and resources divested from Radiant Systems. BlueCube's customer base spans grocery, specialty and convenience stores. Its older client/server offering, Visual Labor Management (VLM), has an installed base that includes several thousand retail sites managing time and labor for more than a million employees. BlueCube's Web-based solution, BlueCube Enterprise, is one of the most-complete end-to-end time and labor management solutions. Reference customers have been impressed with its scheduling algorithms, ease of use and integrated learning management system.

BlueCube is based on Microsoft .NET technology, and it uses math-based integer and linear programming to optimize schedules against defined constraints. BlueCube differentiators include its integrated learning management system and the availability of an integrated Task Manager component. BlueCube is appropriate for retailers of all sizes — including those with a union presence — and should be on the shortlist for retailers seeking a single integrated solution and willing to work with the vendor to evolve the newer task management piece.

**Rating: Positive**

### CyberShift

CyberShift is relatively new to the retail market. It has one major customer reference for which it has implemented time and attendance and is in the process of rolling out labor scheduling. CyberShift's Web-based solution, Workforce Management 3G Suite, has had some success in other industries, most notably manufacturing. CyberShift has an ASP model available. Customers have been impressed by its ability to handle very complex pay rules in time and attendance and by its J2EE-based architecture. The functionality of the product is strong for time and attendance, but still unproven for labor scheduling and task management for retail organizations.

CyberShift's recent partnership with Ceridian provides a distribution channel to reach midsize companies. In addition, it recently acquired Necho to expand its product portfolio. It had created a partnership with Triversity to provide credibility to retailers; however, Triversity's recent acquisition by SAP reduces the effectiveness of this channel. CyberShift is most appropriate for retailers that want a strong time and attendance solution and are willing to work with the vendor to evolve its labor scheduling and task management capabilities.

**Rating: Caution**

## **JDA Software Group**

JDA is known for its retail modules, many gained through acquisitions (such as Intactix, E3 and Arthur). JDA's entry into workforce management is no different. In January 2004, JDA purchased the intellectual property and assets of Timera Retail Solutions to expand its JDA Portfolio product suite. Despite JDA's Microsoft .NET strategy for enterprise applications, Portfolio Workforce Management (PWM) is JDA's Web-based solution that is J2EE compliant, consistent with JDA's store systems architecture strategy. JDA has a good user interface that enables managers to review and adjust time stamps, scheduling and forecasting based on current or projected demand volume. The application can also provide visibility and reporting for role-based tasks and labor standards, even though task management is not a formal capability highlighted in the application.

JDA's prime weakness has been the marketing of its capabilities for time and labor management. Although other JDA applications are targeted toward Tier 2 retailers, larger retailers are using the PWM product. The application is implemented across a wide range of retailers, with many locations and managers overseeing associates in multiple roles/departments. JDA is a prime candidate for retailers that are already utilizing JDA's merchandising applications, as integration is facilitated by the portfolio approach, and that are willing to work with JDA to develop the task management capabilities and reporting for their environment.

**Rating: Positive**

## **Kronos**

Kronos has a long track record in retail for both labor scheduling and time and attendance. It was a little later than some competitors in providing a Web-based labor scheduling solution, but it has made up for that lost time and now has as strong a set of customer references for an end-to-end time and labor solution as any vendor in the market. Kronos has references in major segments of retail (specialty, big box, department stores and grocery), as well as for a wide range of store sizes.

Kronos for Retail is built on a J2EE architecture, and the offering has a very good time and attendance capability. In addition, initial customers of the Web-based scheduling solution were very positive regarding the speed and accuracy of generated schedules. The Workforce Central Activities module can be used for task management, but there has been limited use of Kronos for task management by customers. Kronos has a strong presence in retail and is a major vendor in time and labor management software. Kronos for Retail time and labor management solutions are appropriate for retailers of all sizes in all segments.

**Rating: Strong Positive**

## **LRM (Labor Resource Management Inc.)**

LRM, a small private company based in Illinois, sells a packaged workforce management solution primarily focused on scheduling (forecasts and budgets). The application is installed in a couple dozen U.S.-based retailers, with a significant base of grocery customers. LRM does have a Web-

based scheduling product; however, it does not appear to have announced any recent, new customers. LRM is most appropriate for midsize chains or regional grocers.

**Rating: Caution**

## **Oracle**

Oracle has a number of good pieces that can provide a complete Web-based time and labor management solution for retail. The Oracle E-Business Suite (EBS) and PeopleSoft Enterprise (ETL) product lines each have time and attendance solutions; however, PeopleSoft has more customers. Oracle recently announced the acquisition of the intellectual property of TempoSoft, and Gartner believes general availability of Oracle Workforce Scheduling as a stand-alone product will be in 1H06. TempoSoft was well-regarded in labor scheduling before going bankrupt. In addition, Oracle has closed on a definitive agreement to acquire 360Commerce. Only a few companies are using 360Commerce's scheduling solution, and Gartner expects Oracle to support those customers and to move this IP into its Oracle Workforce Scheduling product.

Customer references for PeopleSoft ETL were relatively positive about its capabilities. Oracle EBS and PeopleSoft ETL are most appropriate for retailers using those respective human resource management system (HRMS) solutions. Oracle's Workforce Scheduling is appropriate for retailers that want deterministic, not heuristic, schedule optimization. Retailers should consider evaluating Oracle's time and labor solutions, but be aware of Oracle's intent to bring the different pieces together and move them ultimately to the Fusion Applications product set.

**Rating: Promising**

## **Park City Group**

Park City is a public company with business performance management solutions and workflows for retailing. Its time and labor management capabilities consist of ActionManager (Scheduler, Forecaster and TimeMeter). Its ActionBoard is a rule-based display that can be configured to deliver alerts and task management for managers in a store. Its e-form capability can be used to improve communication of policies and procedures. Park City does not currently have a Web-based application for centralizing the time and labor management process, but were expected to release something at YE05.

Most of its customers are U.S.-based retailers, in grocery or food service/convenience. Park City had a partnership with CRS Retail to expand its presence in specialty retailing; however, the Epicor acquisition will likely stall any further progress. Park City is very focused on retail, though we did not speak to any recent customer references for this evaluation. Park City is most appropriate for smaller or regional grocers/food retailers with at least 50, and up to hundreds of, locations that are not necessarily interested in a Web-based solution.

**Rating: Caution**

## **Reflexis Systems**

Reflexis is a private company focused on store-level execution via its task management application. While most other retail time and labor vendors focus on integrating timekeeping and scheduling, Reflexis Workforce Management focuses on task management to provide management visibility to store/associate-level activities. The Reflexis architecture is based on J2EE standards and delivered via a fairly simple, user-friendly Web-based implementation. To date, Reflexis task management has been deployed as a stand-alone application for several retailers in the U.S. and a couple of European retailers. Reflexis has recently expanded its time

and labor capabilities and is offering labor scheduling (forecasting of budgets and workloads) to increase its footprint in the store.

We expect Reflexis to continue developing its scheduling capabilities, but it currently does not have a complete time and labor solution. Reflexis is most appropriate for large retailers with many store-level roles/departments that are willing to work with the vendor to evolve its integrated labor scheduling and task management offering for their environment.

***Rating: Promising***

## **SAP**

SAP provides both labor scheduling and time and attendance solutions to retail customers. It entered the retail labor scheduling market with a client/server-based solution after its acquisition of Campbell Software in 1999. SAP rewrote that solution using the NetWeaver technology stack and in 2004 introduced its Web-based Multisite Workforce Deployment (MWD) Suite. Though many customers are using the client/server solution acquired from Campbell, there are only a few production customers for MWD. The early feedback from MWD customers is generally positive. In addition, few customers that use the Campbell solution use SAP for time and attendance.

SAP has all the pieces required for a retail time and labor management solution. However, it must complete more customer deployments of not only MWD, but also an end-to-end time and labor management solution. Gartner expects general availability of MWD 2.0 in June 2006. SAP's time and labor management solutions are most appropriate for retailers that want to standardize on the SAP for Retail product suite.

***Rating: Promising***

## **StorePerform**

StorePerform, a private company founded in 2002, has been very focused on task management to streamline business processes and communication for several leading U.S.-based retailers, and it also has a couple of large projects under way in Western Europe. StorePerform remains committed to developing its task management capabilities and partnering with other vendors or integrators to enable a more-complete time and labor management footprint (rather than building out time/attendance or scheduling capabilities).

Task management as delivered in the Web-based StorePerform Workbench application is a critical part of true end-to-end workforce management in retail. The StorePerform user interface is built around a calendar, which is highly effective in helping store users understand workloads and prioritized tasks that can be displayed daily, weekly or by designated period. StorePerform is best suited for large retailers committed to streamlining business processes and communication of initiatives down to the store level — or for retailers that already have, or are considering deploying in parallel, a Web-based scheduling application to centralize and standardize workflow and processes.

***Rating: Promising***

## **Tomax**

Tomax is a retail-focused private company providing a number of solutions, including point of sale (POS), merchandising, and time and labor management delivered via its Web-based retail.net portal. Its solution includes time and attendance, scheduling, and task management capabilities and workflows. The retail.net user interface is straightforward and conducive to enabling associate self-service, and its rule engine is fairly configurable. Tomax is based on J2EE standards.

Tomax delivers a reasonably complete and integrated retail time and labor solution, including enabling associate self-service capabilities. Tomax e-Form and e-Library, enabled via the portal infrastructure, demonstrate good points of differentiation. However, customers we have talked with have implemented only scheduling, not time and attendance or task management. Customers interested in an end-to-end solution should make sure that they speak with references with a relevant scope. Most of Tomax's customers are U.S.-based grocers or specialty retailers. Tomax is suitable for union and nonunion environments, and it is capable of managing schedules for multiple departments.

**Rating: Promising**

### **Workbrain Inc.**

The Workbrain for Retail solution is based on a J2EE architecture and has been deployed in several high-volume retailers for time and attendance. In addition, a few retailers have deployed labor scheduling, time and attendance, and self-service. Workbrain 5.0 has some task management functionality built into the solution; however, some customers have chosen to work with task management specialists. Workbrain innovations include Workbrain Express, which is appropriate for smaller retailers (fewer than 3,000 employees) and is sold through partners (such as Ultimate Software Group). In addition, Workbrain is the first vendor to offer a full-featured Web-based workforce planning and budgeting solution as part of its suite.

Though Workbrain also offers its solutions in vertical markets other than retail, it has been successful to date in the retail time and labor management software market. Workbrain for Retail is appropriate for retailers seeking strong labor scheduling and time and attendance functionality that can scale to large volumes.

**Rating: Strong Positive**

### **WorkPlace Systems International**

WorkPlace Systems is a U.K.-based vendor that offers labor scheduling and time and attendance solutions across many vertical markets, including retail. WorkPlace Workforce Management has the largest multinational Web-based deployment of retail labor scheduling and time/attendance, and it has solid functionality for both. However, it is not particularly strong in task management. The solution supports a J2EE architecture, and customers have commented positively on the scalability and flexibility of the solution.

WorkPlace Systems has little presence in the North American market, but the recent acquisition of labor standards and consulting provider LSI Consulting will provide an increased presence there. Multinational retailers that want a scalable, flexible labor scheduling and time/attendance solution should consider WorkPlace Systems.

**Rating: Positive**

### **RECOMMENDED READING**

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"Oracle to Acquire 360Commerce to Strengthen Retail Business Application Portfolio"

"Retail Task Management Can Improve On-Shelf Availability of Stock"

"Oracle's Project Fusion: Technology Questions"

"Think Strategically About Retail Workforce Management"

"MarketScope: Expense Management Software"

## Gartner MarketScope Defined

Gartner's MarketScope provides specific guidance for users who are deploying, or have deployed, products or services. A Gartner MarketScope rating does not imply that the vendor meets all, few or none of the evaluation criteria. The Gartner MarketScope evaluation is based on a weighted evaluation of a vendor's products in comparison with the evaluation criteria. Consider Gartner's criteria as they apply to your specific requirements. Contact Gartner to discuss how this evaluation may affect your specific needs.

In the below table, the various ratings are defined:

### MarketScope Rating Framework

#### Strong Positive

Is a solid provider of strategic products, services or solutions.

- *Customers:* Continue investments.
- *Potential customers:* Consider this vendor a strong strategic choice.

#### Positive

Demonstrates strength in specific areas, but is largely opportunistic.

- *Customers:* Continue incremental investments.
- *Potential customers:* Put this vendor on a shortlist of tactical alternatives.

#### Promising

Shows potential in specific areas; however, initiative or vendor has not fully evolved or matured.

- *Customers:* Watch for a change in status and consider scenarios for short- and long-term impact.
- *Potential customers:* Plan for and be aware of issues and opportunities related to the evolution and maturity of this initiative or vendor.

#### Caution

Faces challenges in one or more areas.

- *Customers:* Understand challenges in relevant areas; assess short- and long-term benefit/risk to determine if contingency plans are needed.
- *Potential customers:* Note the vendor's challenges as part of due diligence.

#### Strong Negative

Has difficulty responding to problems in multiple areas.

- *Customers:* Exit immediately.
- *Potential customers:* Consider this vendor only if there are no alternatives.

## REGIONAL HEADQUARTERS

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### **Corporate Headquarters**

56 Top Gallant Road  
Stamford, CT 06902-7700  
U.S.A.  
+1 203 964 0096

### **European Headquarters**

Tamesis  
The Glanty  
Egham  
Surrey, TW20 9AW  
UNITED KINGDOM  
+44 1784 431611

### **Asia/Pacific Headquarters**

Gartner Australasia Pty. Ltd.  
Level 9, 141 Walker Street  
North Sydney  
New South Wales 2060  
AUSTRALIA  
+61 2 9459 4600

### **Japan Headquarters**

Gartner Japan Ltd.  
Aobadai Hills, 6F  
7-7, Aobadai, 4-chome  
Meguro-ku, Tokyo 153-0042  
JAPAN  
+81 3 3481 3670

### **Latin America Headquarters**

Gartner do Brazil  
Av. das Nações Unidas, 12551  
9º andar—World Trade Center  
04578-903—São Paulo SP  
BRAZIL  
+55 11 3443 1509