

Optimizing customer service

*Do your labor standards
support your customer service policies?*

We all know that providing less-than-acceptable levels of customer service in today's highly competitive retail environment is a formula for failure. The industry has recognized this fact and over the past decade invested heavily in store associate training programs, customer-focused technology initiatives like loyalty programs, mystery shopper programs, and advertising campaigns with customer service messages. We believe all of these investments are important and, if executed properly, will have a positive impact on improving the customer's experience in the store.

A very interesting fact that we find across the industry, however, is that despite all the customer service related investment, most retailers have little or no idea regarding the number of hours they should schedule in their stores on a week-to-week basis (much less a daily or hourly basis) specifically targeted at customer service. This lack of information promotes typical staffing of service areas in one of three ways: stores throw labor at the department and end up overstaffing; stores simply assign minimum coverage shifts, which often results in understaffing; or they factor in some qualitative customer service component within the department's sales-per-man-hour calculation and hope it's right for each store's needs. Even if the retailer is using engineered labor standards to generate weekly labor requirements, the customer service aspect of the total labor requirements are often buried in a vague allowance factor given to various task standards.

The challenge is to provide each store and department with the right amount of customer service time based on two components: the company's customer service policies, procedures and training and each store's forecasted customer service requirements for the week, based on appropriate data drivers and accurate customer service measurements. This balancing act between providing the right customer service hours and the right training and tools to make store associates productive is illustrated in the accompanying figure. Without good information on customer service requirements, it is difficult to stay within this Acceptable



Range of Customer Service. The end result in far too many retail operations today is that stores fall into either the Poor Profitability range, resulting in wasted labor costs, or the Poor Customer Service range, which is very hard to detect and manage until sales are negatively impacted.

In the past, developing accurate customer service standards was a difficult chore. LSI recognized this fact several years ago and has developed a specific methodology and tool to measure the customer service labor requirement. Enter the revolutionary

Quetech's
WorkStudy+
helps clients like
Labor Solutions
International
perform work
measurement
more efficiently.

WorkStudy+ work measurement software from Quetech. We now use this methodology and tool along with our well-established approach for developing “activity standards” (e.g. stocking, checking, bagging, recovery) in all of our client engineering engagements today. These methods and tools involve the use of

“Customer service is of critical importance at The Home Depot. We have successfully worked with LSI to quantify our various customer service labor requirements. LSI’s methodology — combined with the WorkStudy+ software from Quetech — has proven to be an excellent technology for us; one that has tackled the difficult task of developing standards for this hard-to-define activity.”

— Susan Sipes, Manager of Labor - Store Operations, The Home Depot

in-store work measurement and a PDA to capture the needed data at the store.

The WorkStudy+ software has been instrumental in allowing us to quickly, efficiently, accurately, and unobtrusively obtain the needed time measurements related to customer/associate interaction. Quetech’s software allows us to conduct several simultaneous studies in a given store department or work group. This really makes us efficient engineers, as we are now able to capture the maximum amount of data in the minimum time we spend in the store. Much less conspicuous than the old stopwatch and clipboard, we can now make our sales floor observations relatively incognito, as we try to remain invisible to the customer.

Selling activity, product knowledge transfer, merchandise in-store location, order information, phone calls, and other general customer/associate interactions have all been successfully measured by LSI using WorkStudy+. Many samples of these customer service activities must be observed in order to reach statistical accuracy for standards development. The methodology, tool, and software all combine to help achieve these figures.

In addition to these advantages, WorkStudy+ can produce an array of reports, charts, graphs, and calculations that bring the studies to life and add some color to presentations. The software is compatible with Microsoft Excel and runs on most PDAs. It is also very easy to combine study results from several engineers.

LSI has embraced the WorkStudy+. In return, it has helped us close the loop on retail work measurement. LSI’s clients who have developed and implemented customer service standards as part of their overall workforce management solution have been successful in adjusting the hours given to each store week-to-week. On a store-by-store basis, hours have been both added and removed using this engineering information to make informed business decisions. Fortune 500 companies representing most retail formats — including supermarket, big-box, specialty, apparel, and general merchandise — have benefited from this leading edge methodology. After all, in retail, the customer shopping experience is directly related to the bottom line.

Now is the time to address this critical area of your business. Take the guesswork out of customer service time and give the store the right number of hours needed to support your customer service policies.

Quetech Ltd.

Waterloo, Ontario · N2T 2M7 Canada
(866) 222-1022 · (519) 886-4333
www.quetech.com · info@quetech.com

Labor Solutions International, Inc.

(801) 990-1705 · www.labor-consulting.com