

## Increase Productivity and Control Costs with On-Demand Visibility into Labor Operations

Logistics companies like yours are facing volatile demand and shorter lead times. But you still need to meet customer expectations for order accuracy and timely fulfillment — and turn a profit. In an industry where a significant portion of the workforce has a direct impact on your ability to drive revenue and deliver quality service, this can be a tall order to fill. So how can you satisfy escalating customer demands while keeping costs under control? What you need is up-to-the-minute visibility into labor performance and expenses so you can make better operational decisions in real time. Decisions that help you meet service levels. Increase profit margins. And uncover the hidden costs — and capacity — within your workforce for higher productivity and bottom-line results.

Kronos® Workforce Analytics™, a key component of the Kronos Workforce Central® suite, provides on-demand visibility into the metrics that matter most to distributors and third-party providers. It transforms workforce data from multiple sources into actionable business intelligence to help your organization keep results in line with expectations. Delivering instant access to key performance indicators (KPIs) and detailed insight into the root cause of labor cost and productivity issues, the solution empowers district and warehouse managers to make proactive, data-driven decisions that control labor costs, maximize efficiency, and boost service quality for more profitable operations and delivery of perfect orders.

### Keep tabs on labor operations with the metrics that matter

The Workforce Analytics dashboard provides at-a-glance visibility into KPIs related to productivity, labor expenses, and absenteeism. View current status, track variance to target, and monitor workforce cost and productivity trends by distribution center or business unit. Display data in charts by day, week, or month for the time period selected. Even configure your own metrics based on specific business concerns. Color-coded indicators immediately direct attention to problem areas and outliers, allowing you to pinpoint issues and take action before service levels and margins are impacted.

A series of simple prompts makes it easy to define the business units and level of detail displayed in the dashboard view. Managers select the desired business unit(s) and choose how to group the data — by department, region, or district — to get actionable insights into labor costs and performance for their area of responsibility. And because data access is based on user authorization level, managers see only the data that pertains to their employees.

### Drill down into data to determine root causes of issues

Notice an unexpected variance or a troubling trend? Drill down within the dashboard to access more detailed data — without having to run a separate report — so you can determine the root cause and take corrective action. Gain deeper insights using information windows that contain additional metrics or a breakdown of individual KPI components. So you can quickly understand what's going on — and why.

## Key Benefits

- > **MANAGEMENT DASHBOARDS DELIVER INSTANT VISIBILITY** into workforce cost and productivity trends by location
- > **ON-DEMAND ACCESS** to industry-specific KPIs lets you monitor productivity, labor expenses, and employee absenteeism in time to make impactful decisions
- > **ACTIONABLE INSIGHTS HELP TO CONTROL COSTS**, improve service quality, and maximize performance and labor effectiveness
- > **CONFIGURABLE VIEWS AND FILTERS** provide the specific information you need to drive better labor decisions

Throughput below target for the month for a particular business unit? Dig deeper into metrics like unit labor costs, order accuracy, and damage-free rates across pick operations, staging operations, and value-added services. Overall labor expenses running over budget for the week in one of your distribution centers? Figure out why by taking a closer look at actual, overtime, nonproductive, and unscheduled hours.

**Monitor labor costs to minimize budget overages**

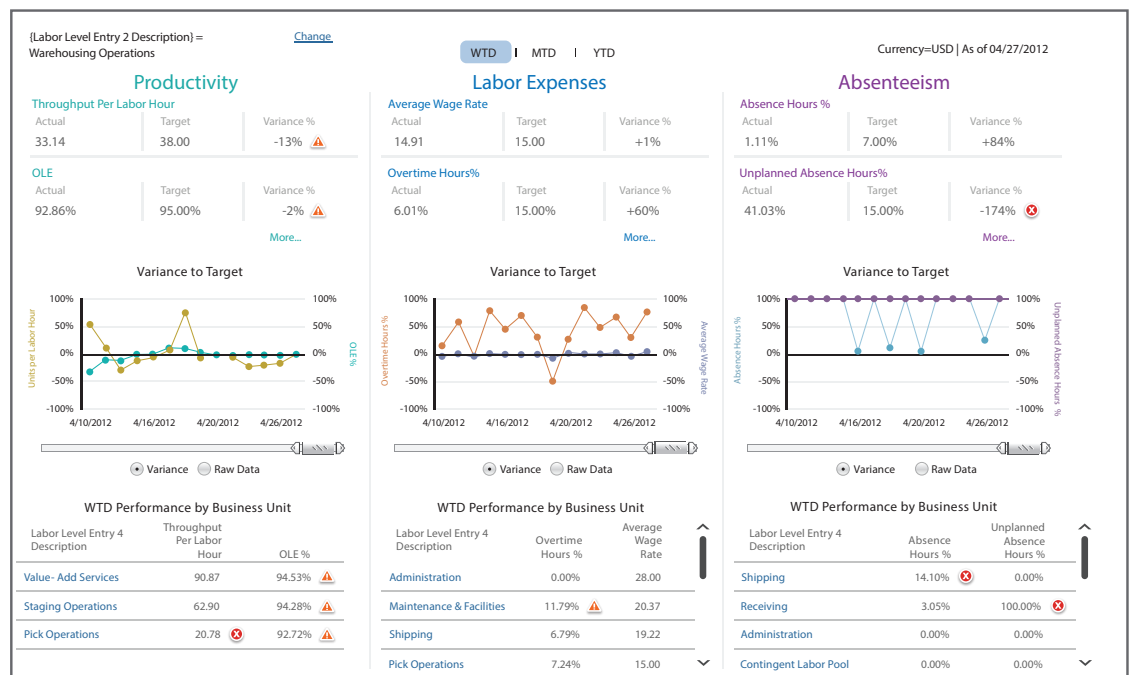
Because labor constitutes the largest part of a warehouse’s operating expenses,<sup>1</sup> controlling workforce-related costs is critical to protecting margins. Workforce Analytics helps you understand the true costs of your operations and take steps to stay within budget — before it’s too late. Using integrated data from Kronos Workforce Activities™ job-costing software, the solution lets you link labor costs to specific jobs, customers, orders, and tasks — factoring in value-added services — to account for every labor dollar spent. And more accurate labor cost accounting leads to improved contract pricing and enhanced profitability.

Workforce Analytics also lets you monitor average labor cost per hour, overtime, unproductive time, and absenteeism so you can spot budget overages and make scheduling and staffing changes to get labor expenses back on track.

*The Workforce Analytics dashboard provides instant visibility into defined KPIs and draws immediate attention to labor cost and productivity issues to help you increase efficiency, improve service quality, and make the most of every labor dollar spent.*

Get on-demand visibility into the metrics that matter. **A pop-up window provides immediate access to additional KPIs.** Configure your own metrics based on your specific business concerns.

It’s easy to identify trends and relationships using the charts presented in the dashboard view. **Stretch the chart to expand the time period displayed.**



Spot outliers within each performance category to home in on problem areas. With KPIs listed by business unit it’s simple to see where the **average wage rate or the overtime hours percentage exceeds established thresholds, so you can take corrective action.**

<sup>1</sup>Deborah Catalano Ruriani, “Managing Warehouse Labor Costs,” *Inbound Logistics*, November 2007, <http://www.inboundlogistics.com/cms/article/managing-warehouse-labor-costs/>.

### Leverage operational insights to drive productivity

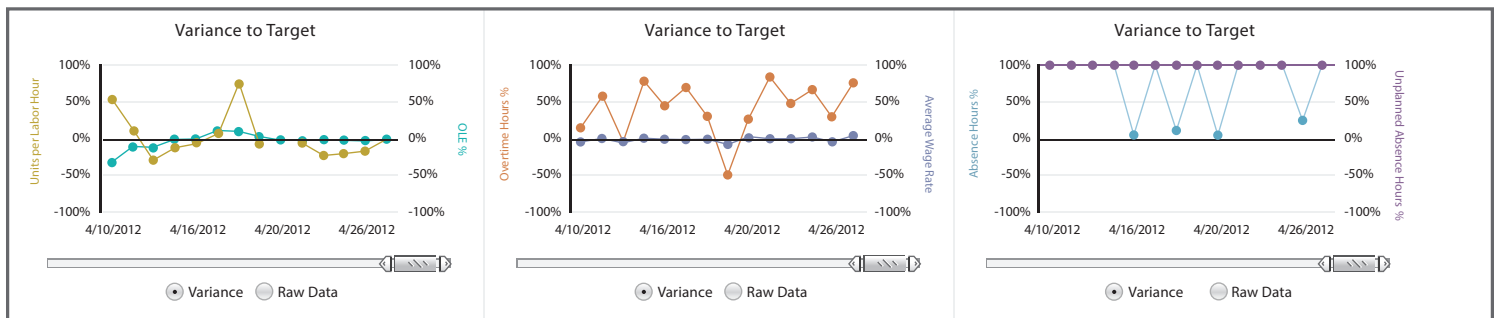
Many logistics organizations are already running lean, so optimizing available capacity is essential for keeping service levels high. The Workforce Analytics dashboard provides one-click access to a Productivity Scorecard, which lets you see week-to-date, month-to-date, or year-to-date status for a specific distribution center. The scorecard summarizes metrics for throughput, unit labor costs, Overall Labor Effectiveness (OLE), and the individual OLE components: accuracy, efficiency, and utilization. It even lets you chart variance to target for a variety of metrics and visually explore relationships such as efficiency to utilization or unit labor costs to OLE.

The Productivity Scorecard also provides a detailed breakdown of KPIs by specific business units within the distribution center, so you can view each performance category by activity or employee to pinpoint productivity bottlenecks. With better visibility into current productivity levels, managers can make scheduling changes and reallocate workers before service quality — and profitability — are compromised.

### Achieve more predictable results

Workforce Analytics provides actionable insights to help your managers make data-driven decisions that control labor costs, increase productivity, and optimize service quality. With instant visibility into labor cost and performance trends and outliers your organization can stay one step ahead of issues to achieve more predictable results and more perfect orders — quarter after quarter and year after year.

The “Variance Percentage” metrics for each KPI provide at-a-glance insight into the significance of any issue. Trendcharts on the dashboard allow users to view variance percentage metrics over time to better understand performance in each key area.



With potential problem areas identified, users can conduct further analysis to uncover the root cause of the issue and determine necessary steps to get back on track.

The Workforce Analytics dashboard makes it easier to spot outliers, patterns, trends, and relationships so users can uncover hidden labor costs and hidden capacity. Idle or under-utilized workers can be reallocated to understaffed or behind-schedule activities to optimize labor costs, utilization, and service outcomes.