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Assistant Vice Presiden/Controller, Hy-Vee

The Customer

Starting In 1930, Charles Hyde and David Vredenburg opened a small general store in Beaconsfield, Iowa which later became known and named as Hy-Vee. Today, Hy-Vee is one of the largest privately owned supermarket chains in the nation with their corporate office located in West Des Moines, Iowa. Their distribution operations are based in Chariton, Iowa, where they have more than 650,000 square feet of state-of-the-art warehouse space plus a large distribution center in Cherokee, Iowa. They also own several subsidiary companies including, Lomar Distributing (specialty foods), Perishable Distributors of Iowa (fresh foods), and Florist Distributing (flowers).

With their unique employee-owned approach to achieving success, they have grown to more than 220 retail stores in Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, and South Dakota. With sales of more than \$6.0 billion, Hy-Vee is ranked among the top fifteen supermarket chains in the nation. As an employee-owned company, Hy-Vee encourages each of their more than 50,000 employee-owners to help guide the company and fulfill their vision. The Hy-Vee brand has become synonymous with quality products, low prices and superior customer service. Their slogan, "A Helpful Smile In Every Aisle," expresses the foundation of their corporate philosophy.



Hy-Vee has been recognized as the "Best Place to Work" and the "Company with the Most Promising Future."

The Challenge

At Hy-Vee stores, appropriate staffing levels are critical to providing superior customer service. The issue of understaffing has a severe impact on customer service and can result in abandoned sales or even loss of repeat business. Yet scheduling more employees than are needed results in unnecessary labor costs and can affect morale by underutilizing employees. The company's previous scheduling system did not allow it to adequately consider historical traffic trends or forecast customer demand. Additionally, it demanded time from store managers to sit in their office rather than being on the floor increasing customer service and employee development. Hy-Vee wanted to do a better job of tracking time and attendance.

In addition, Hy-Vee must comply with increasing regulatory requirements, meaning they must maintain extremely accurate records of when employees were scheduled to work and when they actually worked. They must also be able to present these records to authorities when required or be subject to penalties. "Some states allow employees to sue a company for additional wages if they feel the law hasn't been followed. It is absolutely imperative that companies be able to produce perfect records to support their position," says Pete Reilly, Executive VP & GM Workforce Management, RedPrairie.

Hy-Vee envisioned a comprehensive workforce management solution that could deliver a number of operational benefits. "Overall we were looking for more optimal schedules, increased accuracy and timely transmission of hours to the payroll department, full compliance with labor laws, and better insight into information about employee utilization," says Kevin Reeve, Assistant Vice President/Controller, Hy-Vee.

Business Challenges:

- Focus on core competencies
- Reduce labor costs
- Improve compliance
- Replace antiquated Time & Attendance process

IT Challenges:

- Minimize disruptions to other projects.
- Avoid having to invest significant in-house expertise on technical issues.
- Have high system availability and reliable performance.
- Maximum security: Sensitive company/employee information.

The Solution

Focusing on these requirements Hy-Vee's search led them to RedPrairie, a leader in the Retail industry whose extensive retail workforce management expertise attracted the successful grocer. After a thorough assessment of Hy-Vee's situation and objectives, Hy-Vee selected RedPrairie Workforce Management applications. This solution is designed specifically to help retailers provide exceptional service while managing their single largest controllable expense - labor. "RedPrairie Workforce Management provides automated business forecasting, labor scheduling, time and attendance and enterprise reporting; enabling retailers to reduce labor costs, improve service and leverage real-time, enterprise-wide, visibility to employee operations," explains Reilly.

Workforce Management allows for the forecasting of sales based on historical trends. The solution then creates a labor demand projection and assigns available employees to provide the best coverage based on the business needs of individual stores. "The system develops highly optimized work schedules for each store," notes Reilly.

The Results

The good news for Hy-Vee is that they are and have been a successful retailer looking to optimize rather than rescue performance. Hy-Vee's deployment of the Workforce Management solution has resulted in lower labor costs while still allowing local management the flexibility to adjust the schedules [to individual store and employee needs.

- Enhances customer service by reducing understaffing by forecasting coverage to the customer flow
- Cut costs by reducing over staffing
- Helps to eliminate "pirated" and unscheduled time
- Provides tools to monitor compliance with state labor laws

"Using RedPrairie's Workforce Management, Hy-Vee has the ability to review actual labor versus what was scheduled. The stores also have the capability to compare how accurate they are with keeping to that schedule on a daily basis. In addition, the stores now have the ability to not only cross schedule employees throughout different departments in the store, but labor can be accurately and automatically applied to the correct departments in the payroll system." Says Jim Stone, Director of Industry Solutions.

"By using RedPrairie's scheduling package... labor can be accurately and automatically applied to the correct departments in the payroll system."

Kevin Reeve,
Assistant Vice President/Controller, Hy-Vee



Hy-Vee is ranked among the top five supermarket chains in the nation as characterized by terms of service, price and customer satisfaction.

The Key Advantages

The RedPrairie Workforce Management suite is an integrated set of applications designed specifically to help retail & hospitality organizations provide exceptional service while managing their single largest controllable expense - labor.

Workforce Management grocery customers have...

- Improved customer service and sales by better aligning labor with customer traffic
- Reduced costs by minimizing over staffing and eliminating pirated time
- Improved compliance with state labor laws
- Provided efficient and consistent training

For more information

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