



NUCLEUS
RESEARCH

SCALING UP WITH BLUE YONDER

ANALYST

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THE BOTTOM LINE

Companies that employ hourly workers are facing increasing compliance risk and labor shortages, making solutions that provide businesses with the ability to reduce turnover and noncompliance fees key in maintaining a profitable business and a quality workforce. This is especially true for large organizations that face difficulty scaling and implementing a single solution over several locations. Nucleus examined a global deployment of Blue Yonder's Workforce Management solution across the different stages of its implementation through interviews with one global retail organization and analyzed the benefits realized by the deployment over a two-year period. Nucleus found that the benefits of the deployment expanded as the solution went live across more locations, with full implementation across 50 countries completed in just six months.

OVERVIEW

In the wake of mass resignations and challenges in attracting and retaining top-tier talent, organizations that employ hourly workers must maximize efficiency with fewer resources. These employers, especially in industries such as hospitality and retail, are experiencing unprecedented amounts of turnover and a lack of cash flow consistency leading to losses caused by unplanned overtime. The ability to accurately forecast labor needs, comply with regulatory staffing requirements, and manage payroll and scheduling is vital to ensuring organizational success in uncertain conditions. Additionally, giving employees the ability to take a greater degree of control in scheduling without the need for time-consuming HR processes increases employee engagement and productivity while reducing turnover.

BLUE YONDER

Blue Yonder is an end-to-end digital supply chain planning (SCP) provider that aids companies in their decision-making to help maximize growth and profitability. Blue Yonder Workforce Management (WFM) provides organizations with predictive analytics to help managers accurately forecast labor needs and adjust to today's uncertain labor market. Flexible scheduling tools and automation enable managers to accommodate shift changes and employee preferences without recreating entire schedules from scratch, thereby reducing the time spent editing shift schedules. Built-in compliance capabilities help managers mitigate compliance risk by automatically managing contractual and regulatory requirements, such as limiting the number of workers at a single location or ensuring that contractors are scheduled when they need to be.

**Blue Yonder reduces
average labor spend
by more than 5%**

THE COMPANY

Nucleus interviewed this global retailer, which employs more than 40,000 employees across more than 700 locations in more than 50 countries. The organization has been using Blue Yonder WFM for compliance risk management, labor planning, and payroll management for more than two years. Over the course of the rollout, Nucleus conducted interviews during the different stages of implementation to examine how the business derives continued value from the use of Blue Yonder.

THE CHALLENGE

Managing compliance risk for a global organization has its challenges, and errors in this area typically result in costly fines. Business locations were fragmented across multiple countries, and managers scheduled employees either manually or with outdated scheduling tools, leading to a high rate of errors. The organization realized that it needed a solution that could manage the full breadth of its compliance regulations within a single platform.

THE STRATEGY

After assessing several solutions for WFM, the organization decided that Blue Yonder WFM was the appropriate fit for the company based on its experience in serving larger organizations, quick projected implementation time, and high levels of functionality. The ease of scale and implementation time of Blue Yonder was a significant driver in the decision to select Blue Yonder for WFM.

KEY BENEFIT AREAS

Upon first examining the organization's Blue Yonder WFM deployment, Nucleus found two key benefit areas resulting from its initial deployment.

Retired legacy costs. Prior to the deployment of Blue Yonder, the organization was utilizing a legacy on-premises WFM system. The customer noted that updating its previous system would have cost as much as deploying a new solution. Blue Yonder's pricing is competitive relative to other large providers in the WFM space. Additionally, Nucleus found that transitioning to Blue Yonder's SaaS model was more cost-effective and secure than the organization's previous solution due to reduced maintenance requirements.

Decreased voluntary turnover. Another initial benefit reported by the organization was a reduction in employee turnover. Many businesses are struggling to hire and retain employees, and a lack of schedule flexibility is one of the primary causes of turnover amongst hourly workers. Blue Yonder's employee self-service scheduling capabilities enable employees to set their own schedules, request time off, and pick up shifts outside of their normal availability through the shift marketplace. By having the tools necessary to set and adjust their schedules as they require, employees experience an overall increase in job satisfaction, which reduces voluntary turnover. Nucleus found that employers utilizing WFM solutions saw a reduction in turnover ranging from 30 to 60 percent.

EXPANDED BENEFITS

Just under a year after the initial interview, Nucleus conducted a follow-up conversation and found additional benefits resulting from the expanded rollout of the solution. The ease of implementation allowed the organization to have complete adoption across all business locations in just six months. In addition to key benefit areas, the organization realized expanded benefits upon the full rollout of the solution.

Reduced compliance risk. Managers at the organization currently use Blue Yonder's compliance management system to ensure that they are scheduling the appropriate employees with the correct number of hours. In addition to managing employees, the company also uses Blue Yonder to comply with occupancy limits set by the different countries in which it operates. Prior to the deployment, the organization managed different labor mandates across multiple countries manually, resulting in costly errors. Now, once regulations are updated, the system generates schedules automatically in compliance with all applicable labor laws and policies to avoid noncompliance fees.

Labor cost optimization. Labor planning and scheduling is another area where the organization leverages Blue Yonder's WFM capabilities. Prior to the implementation, employee scheduling was done by hand, and labor planning efforts were susceptible to inefficiencies. By utilizing Blue Yonder's forecasting capabilities in daily operations, managers know exactly how many employees are required for every shift, across each job function, throughout the week. This ensures they always have the right skills available to do the required work and eliminates unplanned overtime costs. These forecasts also help reduce or eliminate the number of times that more employees are scheduled than are needed, thus maximizing operational efficiency and reducing redundant labor costs. Nucleus found that labor optimization efforts reduce total payroll spend by an average of more than five percent.

**There was 100%
adoption across 50
countries in 6 months**

LOOKING AHEAD

In today's uncertain labor environment, being able to avoid the high costs of replacing employees and noncompliance fees are paramount in maintaining profitability and operational efficiency for any business. The WFM solutions that will succeed will be those

that provide avenues for flexible scheduling and accurate labor planning, help businesses manage their compliance risk, and eliminate siloed solutions by consolidating them into a single platform. Nucleus expects that Blue Yonder's extensive functionality and fast implementation time will continue to differentiate them from other competitors servicing large organizations. Companies looking to stay competitive in the WFM market will have to provide businesses with solutions that reduce unplanned overtime costs, help businesses reduce voluntary turnover, and provide businesses with the ability to manage the ever-changing landscape of compliance risk.