



#### Managing Labor:

- Supermarkets were first to measure Labor by transaction, instead of % of sales.
- Meyers in the Mid-West and Wegman's #1 rated food chain in USA started in the late 1990's measuring checkouts in the milliseconds. They reconfigured checkout to eliminate all steps to eliminate seconds.
- They now schedule fastest checkers on during peak times.
- Convenience stores have the potential to eliminate thousands of hours in higher volume stores. Our program will assist lower volume stores complete the required tasks to maintain corporate standards, resulting in improved customer service. It will not lower Labor costs in the stores with single coverage.
- Copy Bloomberg article on methods used in Japan to increase productivity and lower labor costs.

#### Experience:

- Chain A 102 Store with truck stops
- The year before the Company engaged us to install the Labor Program, management had cut a million dollars in labor.

- They had accomplished this with no plan, played favorites in many stores and caused negative morale with associates and managers.
- In the first year after implementing the Labor Program we eliminated over a million dollars in labor, with store managers and associates embracing the program. Associate knew what Tasks were required on their shifts; Work was spread over all shifts, viewed workload as fair to all.
- In the second year the program eliminated \$620,000.00 for total savings at the end of the second year of \$1,780,000.00
- In year three the savings were \$360,000.00 for a Total reduction in Labor Costs of \$2,140,000.00

#### Distribution Centers:

- This client distributed over 8-% of its merchandise to their own stores, Including Tobacco, Dairy ,Food To Go,
- The Program reduced costs by eliminating Two shifts. We found that midweek orders could be picked in one day instead of Two days.
- Example we picked on Sunday for Monday/Tuesday Deliveries and on Wednesday for Thursday/Friday Deliveries. This was accomplished with no overtime hours and eliminated two shifts weekly for annual savings of \$124,000.
- Our studies showed that by moving door in tobacco area we could reduce 48 hours each week for a savings of over \$29,000 annually.