



CASE STUDY

High Performance Labor Management



OBJECTIVE

Implement an incentive program for hourly employees based on multi-variable engineer labor standards.

SOLUTION

- JDA® Workforce Management software (WFM)

JDA PARTNER

- 4SIGHT Supply Chain Group

REAL RESULTS

- Updated over 250 engineered standards across 60 accounts in 10 months
- Upgraded 15 accounts to discrete travel, multi-variable standards
- Created an organization to focus on developing a culture that drives productivity

GEODIS partnered with JDA® and 4SIGHT Supply Chain Group to build a foundation of labor standards as it prepared for performance incentives and peak demand.

In North America, GEODIS manages more than 38 million square feet of warehousing in 126 facilities, most of which are multi-client facilities. The company stands out with the flexible and scalable warehousing solutions it offers to its customers, including value-added warehousing, e-commerce and e-fulfillment, support for promotions and product launches, and reverse logistics, among others.

Labor productivity is a key to success for all of GEODIS' operations. As a result, when the company set a goal to boost productivity for its upcoming peak season (September-December), it turned to JDA and JDA's implementation partner 4SIGHT Supply Chain Group to help update the standards in its workforce management system. The key components GEODIS needed for its labor solution included:

- An incentive program
- A labor management system (LMS)
- Engineered labor standards (ELS)

A need for greater visibility, quicker

GEODIS wanted to implement an incentive program for hourly employees based on multi-variable engineer labor standards. Most of its existing productivity measurements were based on single variable rates of cases per hour or pallets per hour, which did not provide the degree of visibility the company needed to address productivity issues. Furthermore, because of its impending peak season, GEODIS had to complete the entire engineering network review and system updates within ten months. Many of the single variable sites did not even have three-dimensional maps in place. As with many 3PLs, GEODIS was constrained with resources.



“Our customers are looking for faster delivery and lower costs. JDA’s Workforce Management system (WFM) helps us address that by helping us look at the metrics that drive labor productivity. We’ve realized big gains just from this awareness.”

Brandon Wibben
Director Workforce Measurement,
GEODIS

Enlisting expert assistance

GEODIS was confident that using the JDA WFM system was the best approach, given its familiarity to warehouse supervisors; even new supervisors were aware of this established industry solution. WFM was stable, robust, easy-to-use and scalable. JDA also benefited GEODIS beyond system updates, with its labor productivity strategy and introduction of key issues and approaches it had learned with other customers.

Given its timeline and resource challenges, GEODIS decided to partner with an external JDA WFM implementation firm, 4SIGHT Supply Chain Group, to help with the changes. This partnership enabled the company to add engineers with the correct skill sets to quickly scale the project. Professional expertise also allowed the Maynard Operation Sequence Technique (MOST) to be used as the ELS approach for the entire network. This meant that multi-variable ELS and client-specific standards templates could be built and applied to multiple sites.

The 4SIGHT configuration consultants built warehouse location maps ahead of the 4SIGHT engineers’ site arrival, and engineering work quickly began. Keys-to-Success documents were established for all measurable activity and jobs were prioritized for review based on labor hour. To achieve the greatest overall productivity gain, GEODIS decided to focus only on the most time-consuming warehouse activities: picking, put away and replenishment.

A new foundation for incentives

With the engineering work completed by July 2015, GEODIS had only three months left before peak to implement the new standards. In that short time, 4SIGHT helped update more than 250 multi-variable standards across 60 accounts. To ensure future sustainability, GEODIS established a standard generation process using MOST and Accenture-certified resources.

This process enabled a JDA incentive program custom built within the JDA WFM application. GEODIS currently has 40 incentive programs, all managed from one tool. Brandon Wibben, GEODIS Director Workforce Management, highlights the benefits of the new WFM module, “Instead of using Excel sheets, everything is in WFM and flows through to our employee’s paycheck automatically upon manager review.”

Insight into performance

The newly established ELS gave GEODIS a new standard of awareness into performance. This visibility enabled the company to increase supervisory presence on the floor, hold management accountable for improving performance, and coach or replace low-to-mid performers. “We now understand what performance is all about,” Wibben said.

“We’re really hitting our stride,” Wibben continued. “We set the baseline last year (2015), and this year, we’re engaging with employees about their performance. Our employees are receiving this information very well. They know that their supervisors care about them.”

GEODIS knew that implementing a productivity program is a cultural change process, not an engineering or technology project. Wibben comments, “At the end of the day, these were people projects. It was about the front line employees and what it means to them and how it changes their lives.”

It does not end with performance

Another aspect of overall productivity that GEODIS is pursuing is its indirect labor costs. While managing performance may provide the most immediate return, identifying where employees spend time on non-value added tasks is also critical. With a more advanced tool in place, the company can better understand and eliminate the need for those tasks. It can both hold management accountable for reducing indirect labor costs and reward ideas from all employees.



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