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# STORES

MAY 2004

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## HUMAN RESOURCES

# Wild Oats Tames Front-End Inconsistencies

**Standardizing checkout processes helps grocery chain increase customer throughput and create labor savings**

**G**rowth through acquisition may have helped the bottom line at Wild Oats Markets, but it also ended up creating problems at the front end. The natural food store chain was facing front-end consistency issues, including associates' tasks performed differently from store to store and workspaces that varied at each site.

Boulder, Colo.-based Wild Oats sought a faster, more efficient way to check out customers while also maintaining a high level of customer service. At the same time, the retailer identified the need for a new time and attendance and automated employee scheduling solution. But to fully implement such a solution and maximize its ROI, Wild Oats needed to create labor standards to standardize its checkout processes.

Wild Oats operates 100-plus stores in 24 states and Canada under the Wild Oats Natural Marketplace, Henry's Marketplace, Sun Harvest Markets and Capers Community Markets banners. The natural food chain carries predominantly organic produce and only products free of artificial colors, flavors or ingredients.

When the company's executives identified the need for labor standards, Wild Oats was just beginning to build an industrial engineering department and didn't have the requisite staff expertise to identify potential operational efficiencies.

After consulting with supermarket industry peers, Wild Oats selected H.B. Maynard and Company, a firm known for its work in industrial engineering and productivity management, to help develop the standards. The 70-year-old Pittsburgh-based firm provides consulting, software and training services and assists clients in improving workforce performance and eliminating waste.

"We thought the best place to start that could enhance our image with our customers and also be more cost-effective was on our front end," explains Jim Middleton, senior director of store operations support at Wild Oats. "Undertaking the project gave us the ability to look at our



standards and apply those standards to the automated scheduling system."

The challenges that Wild Oats faced are typical of those that other Maynard retail clients confront in trying to standardize processes for greater efficiency.

"Folks we're working with usually have concerns about labor costs and labor allocation. They're facing competitive pressures and are looking for ways to drive costs out of their system in order to reappportion labor to customer service-related tasks," says John Minnich, Maynard's vice president. "The biggest controllable cost is the labor cost."

**CONTINUOUS IMPROVEMENT** In order to control costs, improve efficiency and create a lean workplace, Maynard works with its retail clients to create a positive impact on productivity, quality and the corporate culture and to foster an environment of continuous improvement.

To achieve those goals, Maynard implements a 5-S workplace performance program: sort and

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remove, shine and inspect, set locations and visual cues, systematize, and stay the course. The first three tactics focus on standardizing workspaces by removing waste, clutter and dirt, establishing a location for items and creating a visual environment for associates. The final two steps acknowledge and maintain the new systems.

"As the foundation of lean operations, 5-S seeks to make the workplace more safe, orderly and efficient," explains Minnich. "It helps you begin to change the culture.

"You go into an environment that's previously not been 5-S'd and try to get people to be more disciplined about how they maintain their workspace," he continues. "Giving them ownership in their workspace helps them understand that it's their area of responsibility, and it builds a sense of pride; 5-S allows us to do that in a structured way that becomes a way of life."

Along with 5-S, Maynard helps retailers design workflows and best practices. Once the

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environment is set and best practices are identified, engineered standards are developed using Maynard's StandardsPro software solution.

StandardsPro lets retailers determine standard times for tasks performed by associates in order to calculate baseline productivity levels. That data is funneled to scheduling solutions so retailers can schedule associates according to the tasks that need to be accomplished during certain shifts, as well as by peak demand times and pay rates.

Initially, Wild Oats selected its Fort Collins, Colo., store for a six-week labor standards pilot in July 2003. Two Maynard consultants observed the store's practices and worked with Wild Oats' manager of industrial engineering to identify and validate best practices for front-end checkout.

Using 5-S, Maynard helped the grocery chain identify how to best standardize its front-end workspaces, which were inconsistent from store to store and within individual stores. "That inconsistency creates obstacles that could allow you to fall short of your standard," explains Middleton. "Maynard was instrumental in eliminating distractions and standardizing the workspaces."

**SITE ORGANIZATION** Each workspace was cleaned, re-organized and labeled, and unnecessary items were removed for ease of use by associates. The firm also created a visual environment for Wild Oats, establishing a home location for items, such as return forms, coupons and bags. That eliminates the need for associates to search for items and allows them to see immediately if an item is out of place.

Consistent visual organization provides Wild Oats with more scheduling flexibility, because it allows for easier movement of associates between stores. No matter which store or which station the associates are working in, it's always arranged the same way.

The Fort Collins pilot yielded a number of workspace changes. The location of plastic bags was changed to eliminate unnecessary bending and walking. The store began using a scan-and-bag approach, in which items are handled in one motion, as well as using the proper bag holder so items can be bagged using both hands.

In addition, Wild Oats found that during certain peak dayparts, customers could be served faster at the checkout by using courtesy clerks to bag items instead of front-end associates. Instituting that practice resulted in a 23 percent decrease in customer throughput time at the Fort



Wild Oats is deploying new labor standards chainwide.

Collins store, thus moving more customers per hour through the checkout.

"Maynard helped us identify that we could increase our cashiers' throughput by placing courtesy clerks at our front end," says Middleton. "Their analysis showed that if we had a courtesy clerk assisting our cashiers, we could also increase front-end throughput for our customers in a more efficient manner."

By using StandardsPro, Wild Oats was able to calculate the average times needed for front-end tasks. The chain can now feed that data into its automated scheduling system for more efficient scheduling of associates which helps to reduce labor costs.

**WORKPLACE PRIDE** Achieving employee buy-in for the changes was important to the Wild Oats management team. The retailer communicated with associates about the project and the 5-S system through newsletters and materials posted in break rooms. As further motivation, the chain provided awards and recognition of associates' 5-S efforts.

"It was really well received by associates and front-end management because it allows them to take pride in their workspace, and it really creates a smoother process for them," says Middleton.

At the same time that the Fort Collins pilot was under way, Wild Oats rolled out its labor scheduling and time and attendance solution. Chainwide deployment of both the labor standards and scheduling tool is expected to be complete by the third quarter of 2004.

"We've rolled out the 5-S process, which is Step 1 in sharing with the store best practices," says Middleton. "We first go into a store and 5-S it. Then, we share best practices and communicate the labor standards. Finally, we layer on the front-end automated scheduling system."

Wild Oats is deploying the standards using its internal training department. The process takes about 10 days per store. Before the training staff arrives, the store receives a "5-S in a Box" module containing all training materials, supplies

needed to convert front-end workspaces and before-and-after workspace photos.

In implementing the labor standards, each store identifies a front-end manager as its 5-S champion who, in turn, communicates to all associates what the 5-S process is about, sets expectations for participation and enforces the changes. "The 5-S champion is somebody who works in that store and becomes the point person responsible for 5-S," explains Minnich. "The last 'S' in 5-S stands for stay the course, so the 5-S champions follow daily task sheets to ensure that 5-S is continuing."

While Wild Oats is training associates on the best practices it developed with Maynard, Middleton notes, "In many cases, they're already following the best practice. If not, we work with our training department to re-educate them.

"If an associate is pulling products across the scanner from left to right and we're recommending a right-to-left process, we re-communicate that and make sure that the store has instituted the best practice across the board. That way, associates understand what the expectation is," he adds.

Although it's too soon to quantify chainwide results, Wild Oats is happy with the results thus far. "We've definitely seen an increase in productivity and efficiency on our front end," notes Middleton. "We definitely have seen efficiencies, and staff member buy-in has been tremendous. They take pride in their workspace now. Customers can see it."

At Maynard, Minnich notes that a client's results really depend on where the company starts from. "If you go from an unmeasured environment where you haven't focused on workplace methods and standards to a disciplined 5-S environment, you're looking at a minimum of 10 percent improvement opportunity," he explains. "There's always waste there that we can eliminate, and it's usually fairly substantial." — Jennifer Korolishin

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