

## New Look

## New Look reduces absence and improves performance and profitability with Kronos



### Kronos at New Look

Kronos has a long relationship with New Look dating back to 1997, when the company had been operating a manual time and attendance system at its Weymouth distribution centre. The system recorded basic working hours which were manually keyed into the payroll system resulting in pay queries and staff dissatisfaction. New Look decided that it was time to move to an automated time recording system and following an extensive review of other systems, the company selected the Kronos Timekeeper Central™ system for its functionality and value for money.

Over time, New Look has upgraded from Kronos Timekeeper to the Workforce Central™ suite from Kronos and plans to upgrade again to version 5.2.

The company has recorded significant benefits from using Kronos and there was no question that New Look would continue using a Kronos system following the retailer's 2005 move to its state of the art 400,000 square foot, fully automated distribution centre at Lyndale, Newcastle under Lyme.

### The benefits

#### Fewer payroll queries...better reporting

Kronos went live at New Look's Weymouth Distribution Centre (DC) in January 1998, with staff recording their time with swipe cards. New Look saw immediate benefits; absence and overtime could be monitored daily, payroll errors were reduced, payroll queries were easier to resolve, better management information was available, and staff had better visibility to the hours they had worked and the amount of holiday they had taken.

#### Activity-based clocking

In 2001, absence levels, stability (staff staying more than one year) and staff turnover were unacceptably high at the Weymouth DC and resulted in the need to recruit new staff every week. The Competency Based Pay and Training programme (CBPT) was therefore developed to provide a career path for employees, to motivate them and to encourage them to stay. Staff were monitored on a set of competencies that included such things as productivity, attendance record, and behaviour. Key to the success of the scheme was the ability to measure the competencies through Kronos.

### Major benefits achieved by New Look

- Absence reduced by 23%
- Productivity increased by 32%
- Labour turnover down by 32%
- Overall reduction in number of shift patterns improves productivity
- Supports continuous improvement process
- Reduced payroll administration.

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Jason Keegan, Logistics Director New Look



In September 2001 staff started to use Kronos to clock in and out of different activities ranging from picking hanging garments, to attending health and safety briefings. The 'hours worked' information from Kronos was then combined with information from New Look's warehouse management system to produce individual work performance scores.

From 2001 to 2003, New Look saw a number of business improvements as a direct result of the CBPT programme and the ability to monitor elements of the programme through Kronos. The company achieved a significant payroll savings and other notable business benefits which included:

	Sept 2001	April 2003	Variance
Productivity (Units per hour)	52	68	Up 32.2%
Labour Turnover	59.3%	40.4%	Down 31.9%
Absence	12.7%	9.7%	Down 23.6%
Stability (1 year )	74.9%	94.3%	Up 25.9%

#### Improved scheduling

The first major change in the way in which Kronos was used at Weymouth came in late 1998. Staff scheduling had become an administrative nightmare for New Look with three shifts covering a 24 hour working day and a combination of full and part-time employees who were contracted to work anything between 0 and 40 hours per week. Jason Keegan, New Look's Logistics Director, explained "Our staff schedules were managed on a huge spreadsheet. Even minor changes were difficult to make and the whole process of scheduling and monitoring the schedules was inefficient, time consuming and error prone."

New Look started to utilise the standard scheduling capabilities of the Kronos application and the system quickly became invaluable for calculating the total staff hours scheduled for each day, each week, each month etc making it much easier to identify where there might be a staff shortfall. New Look now has complete visibility to the shift patterns of individual staff members and by automatically rolling the complex shift patterns forward, Kronos can provide an employee's rota for a full 12 months, ensuring that staff can plan ahead in a way that wasn't possible without Kronos.

*"Kronos ensures that we know exactly how long each task is taking and how this differs from our expected standards, ensuring that we can continually refine our processes as part of our continuous improvement programme"*

Jason Keegan, Logistics Director, New Look

### **Kronos at Lymedale**

New Look relocated its distribution centre to Lymedale in 2005 and installed Kronos immediately. The company has noted a number of benefits in the time since the distribution centre opened.

### **Overall reduction in shift patterns**

The easy to read graphical display of the Kronos system has enabled New Look to see at a glance where shift patterns were overlapping, resulting in overstaffing. The number of shifts has now been reduced from 94 to 24, allowing New Look to be more efficient with staff utilisation and as a result, productivity has increased by 10%. Team leaders can now see within 40 minutes of a shift starting, how many man hours are required for that day's planned activity and staff can be reassigned to different tasks if required.

### **Accurate activity tracking**

"We use industrial engineered standards to measure productivity and work hard to capture all the elements of each process to work out how long a task should take", explained Jason Keegan. "Kronos ensures that we know exactly how long each task is taking and how this differs from our expected standards, ensuring that we can continually refine our processes as part of our continuous improvement programme."

### **The future**

Commenting on the company's future plans, Jason Keegan said "New Look is now planning to introduce Individual Development Plan (IDP) related pay at Lymedale and this is improving on the system we had in Weymouth; we are expecting similar results, both for the business and pay scales for employees"



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