



2000

Logistics Management Consultants

THE MANAGEMENT OF CHANGE

By Peter Fox

The management consultants' role is seldom well defined and, all too often, there is no clear brief as to what his input should be. It is for this reason that consultants are often considered both expensive and poor value for money. Perhaps

The most important asset of the consultant is experience, having carried out similar projects with other organisations. This can have a number of benefits in that the desired results can be achieved much more quickly; and problem areas having already been experienced elsewhere, can often be avoided. In essence, the prime role of the management consultant should be that of helping to manage change.

As an illustration of the role that management consultants can play, *dma2000* recently completed a manpower budgeting exercise for a large retail company, which had some 600 outlets throughout the UK. The objective of the exercise was to improve productivity levels overall, and by improved staff scheduling techniques, provide enhanced levels of customer service.

The project began with a work measurement exercise, carried out in a sample of four outlets of differing configurations, to quantify the work content associated with each of the commodities sold. This involved measuring all store duties, from receipt of goods into the stockroom, through to sales shelf replenishment, and finally the checkout operation. Included in the measurements were all administrative and management duties, as it was essential to quantify the contribution that management personnel could make to routine store duties, as well as back-office duties.

The results of this measurement exercise were summarised in terms of Activity Time Allowances, related to the number of sales items sold for each commodity group. Additional fixed allowances were also included for such operations as stock & order duties, health and safety activities and store cleaning. This enabled a

Computerised manpower budgeting package to be established, which gave the number of staff hours required by each retail outlet, in relation to the sales achieved, as illustrated below.

MANPOWER BUDGET

Commodity	Weekly Sales Units (1)	Activity Time Allowance (2)	Target Hours		Total Target Hours (5)=(3)+(4)
			Variable (3)=(1)l(2)11000 (3)	Fixed (4)	
TOBACCO	2,700	9.00	24.3	1.5	25.8
CONFECTIONERY	7,305	7.70	56.2	3.5	59.7
STATIONERY/CARDS	590	11.20	6.6	1.0	7.6
COUNTER NEWS	1,393	5.70	7.9	10.0	17.9
DELIVERED NEWS	-	29.80	-	-	-
SUNDRY	212	10.00	2.1	-	2.1
LOTTERY	770	6.50	5.0	1.8	6.8
CLEANING	-	-	-	5.0	5.0
ADMINISTRATION	-	-	-	20.0	20.0
Total Target Hours					145.0

The budgeting package was then tested on a further 10 stores and the overall

results indicated that there was scope for increasing productivity levels by some 10% overall. This was sufficient encouragement for the company to now consider the next stage, which was to apply the package to all 600 outlets. dma2000 were therefore requested to assist with this implementation stage, to co-ordinate activities, provide additional budgeting information for activities not covered by the initial exercise, and to troubleshoot where required.

Before implementation, a roll-out programme was agreed, and it was decided that this should be a three phase programme, the first phase consisting of four areas containing some 122 stores, the second and final phases each containing nine areas. More time was to be allocated to the first phase, so that any problems arising could be adequately dealt with and the lessons learned would then assist with the future applications. The timetable for the first phase store applications is illustrated below.

Roll Out Programme

Month		February				March				April				May					
Week Commencing		26 - 5 - 12 - 19				26 - 2 - 9 - 16 - 23				30 - 6 - 13 - 20				27 - 4 - 11 - 18 - 25					
Area	Stores	First Phase Application																	
1	26	1	1	1	1	2	3	3	4	4	5	5	5	5	5	5			
2	31	1	1	1	1	2	3	3	4	4	5	5	5	5	5	5			
3	31	1	1	1	1	2	3	3	4	4	5	5	5	5	5	5			
4	34	1	1	1	1	2	3	3	4	4	5	5	5	5	5	5			
Total	122																		

- 1 Brief Area Managers - Complete Branch Questionnaire - Produce Target Hours
- 2 Brief Store Managers
- 3 Complete Hourly Transaction Count
- 4 Complete Staff Planning, Scheduling & Action Plan Implement

To assist with the implementation, a manual was produced which gave details of the variable data required from each store, how the Target Weekly Hours were calculated, how the Target Hours were then allocated by day, hour and employee, and finally, the action required to move from the existing staff schedule to the new target staff schedule. This manual was then used by Area Managers, in conjunction with store managers, to achieve the targets set.

The first phase implementation was monitored very closely and regular meetings were held with senior field management and human resources personnel to review progress. Area Managers who were taking part in the implementation phase were invited to attend these meetings and give their views on how achievable the targets were and what sort of problems they had encountered so far.

The second phase application+-o some 238 stores was then started, 7 weeks after the first phase, with an identical roll-out programme, and the final phase started some 5 weeks after this. The full implementation to 90% of the stores was achieved within a 6 month period, with the reasons for delayed implementation to the remaining stores being, absence of store manager, redundancy cost implications and waiting for natural wastage to occur. In terms of payroll savings for the company, the exercise had produced final benefits in the region of 8%, which when related to the total payroll for the company was highly significant.

This is one illustration of how dma2000 have assisted an organisation to achieve the results that they wanted, from the initial concept through to full implementation. In this case, the payback period for the company concerned was very short indeed!

DMA2000 have developed manpower planning packages for large retail stores, Convenience Stores, Pharmacies, CTN's and Post Offices.

© DMA2000

For further information Contact: <http://www.dma2000.com> or <http://www.dma2000.co.uk>
or dma2000@eircom.net

Or Telephone: Patrick Madigan 00 353 (0) 872 41 42 43
Peter Fox 00 44 (0) 7710 630 180
Mike Mulleady 00 44 (0) 7885 408 630
Ralph Drew 00 44 (0) 1452 812 614

Or write to:- **dma2000**, 2 Haw Cote, Slaithwaite, Huddersfield, West Yorks HD7 5XD
dma2000, 29 Elmwood Drive, Swords, Co. Dublin. Rep. Of Ireland