Increasing labor productivity by instituting pay-for-performance

A leading American furniture store, Conn's HomePlus, was looking for a solution that would help it increase labor productivity across its distribution centers. Over the last five years, it has shed over a third of its labor force and gained three warehouses in the process—Conn's is a growing company. To make the most of its workforce, the company wanted a labor solution that would allow it to create and maintain labor standards; including but not limited to track performance against those standards in real-time, leverage real-time visibility to drive site-level operations, and have a set of reports to enable pay-for-performance reviews and payout.

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The Problem

Before implementing Rebus, Conn's faced challenges with time-consuming data pulls and a lack of visibility into real-time labor metrics. These data pulls were tedious and often resulted in historical, unusable data. The company struggled with tracking and managing productivity in real time. One key metric, Pieces per Hour (PPH), required extensive time to collect and view—and still could only be viewed historically. Without real-time visibility, operations and employees did not have the opportunity to proactively course-correct to meet their established goals for performance. They needed a solution that would provide real-time insights into labor performance, productivity, and throughput to better manage employees and operations. For the solution to work for Conn's, it also had to be easy to use, flexible, and provide complete visibility into operations in real time.

Pay-for-Performance

The Rebus Intelligent Labor solution gives managers complete insight into the performance of their teams in real time. With the help of Rebus, Conn's was able to get productivity and performance data on each of its operators in real time, helping them manage their workload better. Based on this, Conn's implemented a pay-for-performance system that rewarded high performers with bonus payouts, conditional on them exceeding pre-set goals in productivity, performance and utilization.

Key Benefits

Improve Productivity

This was a big win for Conn's. Before implementing Intelligent Labor, management was unable to track and improve its PPH, a productivity metric, during low volume periods. However, by gaining visibility into each operator's performance and putting an incentive structure in place, Conn's could monitor, track and improve productivity even during times of low volume.

Increase Employee Engagement

Implementing the Intelligent Labor solution to build out a pay-for-performance program made employees more aware of their progress and excited about their work. Management noted that from the program's launch, employees actively sought out their leaders to understand their performance and learn how they can do better—creating a feedback loop that managers could use to increase performance, engagement, and satisfaction.

Reduced Safety Incidents, risks

The best part of small changes is that they are addictive. Management took the program one step further and tied the bonus payout to performance on other metrics that it was trying to improve. This was a simple, yet effective, way that the team could reduce the number of safety incidents and absenteeism, as well as change employee behavior while rewarding good work.

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Within five months of installing Rebus Intelligent Labor, Conn's was able to increase its labor performance by 10 percent.

Results

Improved Performance

Quality Assurance teams needed an efficient way to ensure that the QA updates could be pushed across the entire network in real-time. Before using Rebus, this process was tedious and required multiple emails and phone calls. However, on Rebus, teams were able to send updates across all internal and 3PL systems from a single tab within the Rebus platform. This led to tremendous time and resource savings for the team while streamlining their quality assurance process.

Increased Productivity

The possibilities with Rebus are truly endless. Just as this organization has used Rebus to connect disparate systems across their 3PLs for real-time Quality Assurance, teams can use real-time visibility to improve their processes, people, and even products. Real-time visibility has the power to completely change your operations and Rebus is the best there is.

By installing Rebus, Conn's was able to directly increase the productivity of its workforce, increase employee satisfaction and reduce costs. As a labor shortage continues to squeeze distribution centers across the world, hiring and retaining talent is a top priority in the warehousing world. The applications for real-time warehouse visibility are unlimited. It's up to you to make the best out of it.

Rebus is a unified platform that provides real-time visibility into the warehouse for distribution teams who need access to make point-in-time decisions about their warehouse operations, labor management, and inventory. Unlike other visibility solutions that focus on more readily available data from trucks and rail, The Rebus Platform focuses on the heart of the supply chain – the warehouse. By connecting disparate systems across the distribution network, logistics professionals have unparalleled access to view and manage their warehouse like never before.

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1-888-904-4005