Data Driven Retail

Data-driven workforce management
with room for individual attention

DYFLEXIS
PLAN TO ACHIEVE

Content

Background and Introduction

Retail organisations face the same challenge every day: how should we go about tailoring our staffing to customer demand? This jigsaw is becoming more and more complex. The number of employees is growing, the number of customer visits fluctuates by day and by week, and each branch has its own individual processes. At the same time, customers expect a consistent brand and shopping experience.

Nevertheless, in many stores staff planning still relies primarily on experience and gut feeling. This poses various challenges, such as making quick adjustments, evaluating results afterwards and keeping a grip on costs and staff deployment. Meanwhile, the pressure on margins and customer expectations is only increasing.

Retailers are therefore increasingly switching to a data-driven approach. Combining sales, labour costs, expected crowds, holidays and even weather influences is helpful in setting a schedule that is more agile and reliable.
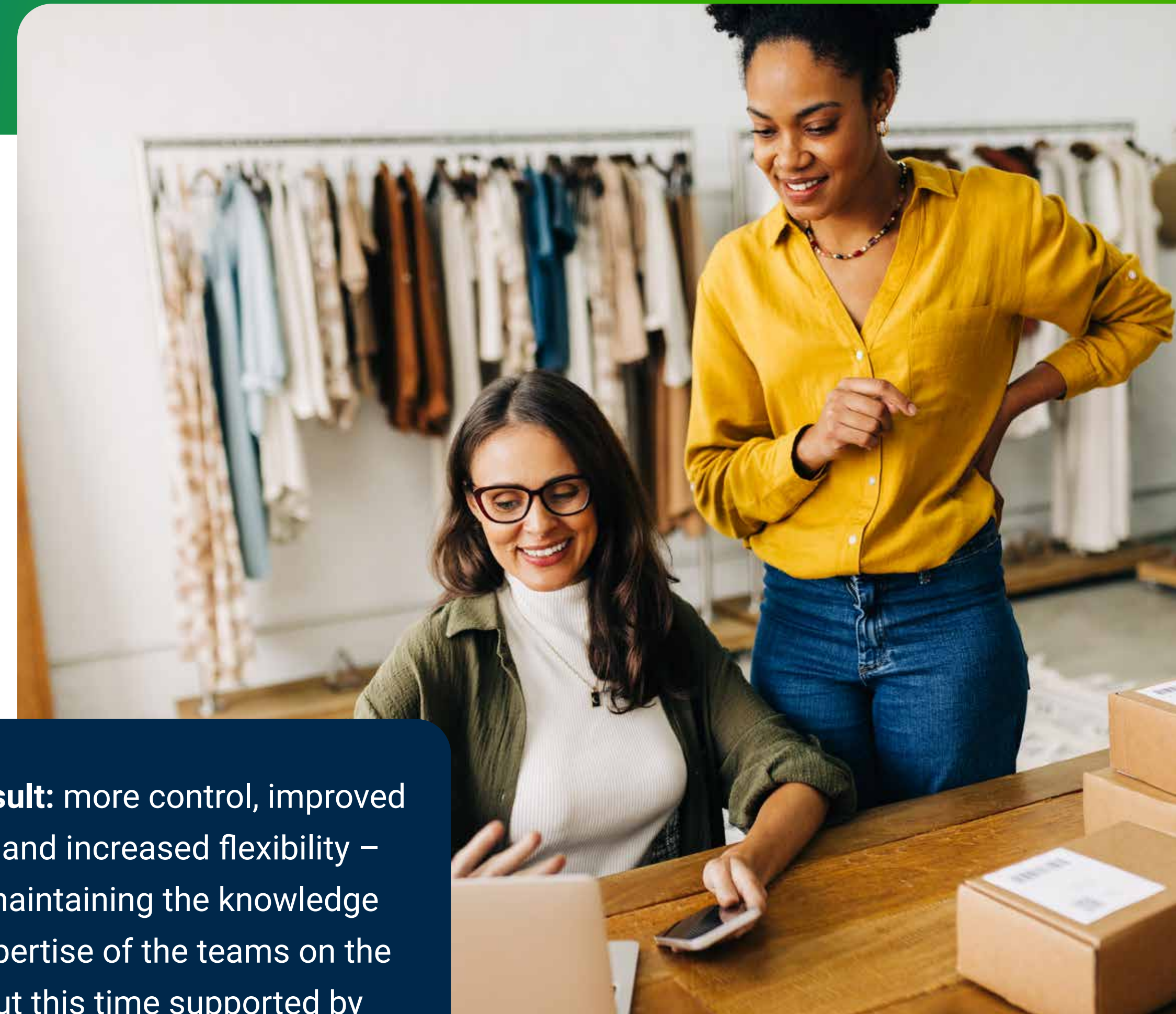
The result: more control, improved insight and increased flexibility – while maintaining the knowledge and expertise of the teams on the floor, but this time supported by hard data.

# 1. Current situation and opportunities for development

Retail is getting ever more complex, at a rapid pace. Each location has its own dynamics: the peak times of an outlet store are different from those of a boutique, supermarkets are run based on seasonal influences and promotions, and department stores heavily depend on weekends and late openings. What's more: retailers need to consider different contract forms, employees' personal preferences, and the continuous balancing act between predictability and flexibility.

Without clear insights, processes can quickly go awry. A successful promotion can turn into frustration, with empty shelves because there happened to be a staffing shortage in the warehouse. Another scenario is that there are five employees at the cash register while the store is virtually empty.

Retailers who want to manage these patterns more efficiently cannot afford to rely on experience alone. Intelligently linking data – from sales forecasts to availability – lets you create a planning process that moves along with the reality while also keeping a grip on costs and customer experience.

1.1 Growth comes with complexity

The retailers of today are struggling with more than just full or empty rosters. Growing numbers of branches and employees lead to enormous differences in cost structure and productivity.

22%
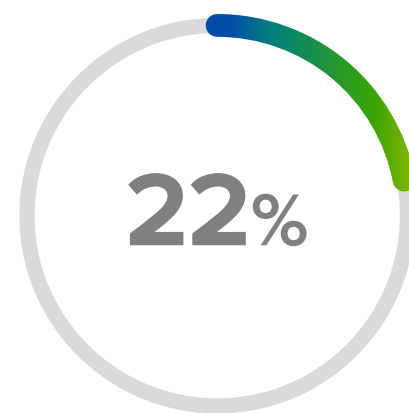
A region where labour costs amount to 14% of turnover may well be located right next to a branch where these costs amount to 22%. Without data-driven insight, this deviation will often stay under the radar.

In addition, customer flows have become more erratic. A rainy Saturday can completely halt traffic in a city store, while an outlet finds itself drowning in visitors at the same time. Add to that peaks around promotions, changing contract forms and unpredictable employee availability, and the jigsaw becomes impossible to tackle without technology.

The consequences are clear: queues that drive customers away, labour costs that put margins under pressure and employees who quit because they are always unhappy about their schedules.

1.2 From planning to performance

With a data-driven approach, personnel planning becomes a management tool. By linking cash register data, historical sales, seasonal patterns, and even weather forecasts, retailers can predict where crowds will be peaking, and match staff deployment accordingly.

This will result in a better ratio between labour costs and turnover, but also in higher employee satisfaction. An algorithm can detect whether a specific employee is working too many night shifts and suggest alternatives, or whether a team is structurally working too many hours.

The difference lies in the proactivity: rather than finding out that things went wrong after the fact, retailers can look ahead, avoid risks and take advantage of opportunities.

2. Vision of data-driven retail

A data-driven planning approach is about more than just 'smarter scheduling'. It changes the way retailers make decisions. Whereas before, experience and intuition used to predominate, today's choices are supported by facts and patterns that cannot be observed with the naked eye.

The core of that vision is:

- **Transparency**
  Figures make it clear why certain choices make sense and what helps teams to build support.
- **Predictive power**
  Data shows not only the past, but also what is likely to happen to-morrow.
- **Connecting levels**
  Teams on the shop floor and managers at headquarters get the same management information, so that any discussions are about the solution rather than about the figures.

As a result, planning is no longer an administrative task, but becomes a strategic tool. Data will become the language through which finance, operations and management can understand each other.

2.1 The benefits of data-driven planning

The difference between data-driven and a traditional planning is clear: where the latter will only see after the fact that the costs were too high, the former can adjust in real time based on labour costs, turnover and customer behaviour. The benefits are reflected on three levels: financial, operational and management.

Financial advantage: grip and room to grow

- **For whom:** The finance department and central management.
- **Insight:** By calculating labour costs in the same way everywhere, you can obtain a clear comparison of staff numbers against turnover. In this way, you can compare stores fairly and see where you need to make adjustments more quickly
- **Why it works:** Since costs and revenue are directly linked, you can immediately see when the ratio is skewed. For example, if too many people were scheduled on a quiet day. This insight helps you get a financial grip: you can adjust faster, prevent wasted resources, and remain profitable.

- **Application:** Dashboards show live whether a store is staying within the agreed labour cost percentages. This not only gives you insight afterwards, it also lets you intervene during the week.

- **Result:** More control over costs, consistent reports, and more informed decisions at the group level.

For central management teams and finance departments, this insight into labour costs is crucial. Uniformly measuring percentages per store formula or location type creates management information that immediately shows how staff deployment relates to sales. Take the example a branch that structurally ends up 3% above the standard percentage: rather than finding out afterwards that the margin was disappointing, you can adjust the course immediately.

Operational advantage: faster switching with better substantiation

- **For whom:** Branch managers and operational teams.
- **Insight:** Teams get up-to-date information on expected crowds, revenue, and external factors such as holidays and local events.
- **Why it works:** This makes it possible to immediately adjust staff deployment, without descending into over- or understaffing.

- **Application:** Dashboards automatically link forecast and realised turnover to timetables. In this way, teams can act quickly and in a targeted manner.

- **Result:** Improved service, higher employee satisfaction, and staff deployment that fits the actual need and budget.

For branch managers and their teams, the main benefit is peace of mind and predictability in day-to-day operations. Instead of fighting small fires everywhere, they know where they stand. Real-time insight into crowds and sales lets them adjust schedules and absorb peaks smoothly, and ensures that downturns do not lead to staff getting bored, or unnecessary costs. As a result, work is better distributed, service levels are maintained, and employees experience less stress.

Management advantage: targeted management based on facts
- **For whom:** Area managers and store managers.
- **Insight:** Management can see exactly how a store performs in dashboards: how many hours have been worked, how this relates to sales and the agreed hourly budget, and how many customers have been assisted. Given that such KPIs are measured in the same way everywhere, comparing and adjusting them becomes a lot easier.

- **Why it works:** Objective data makes coaching more effective and helps identify and share best practices.

- **Application:** Dashboards facilitate benchmarking and give managers concrete tools for improvement.

- **Result:** Better use of resources, smarter decision-making and stronger leadership in operations.

This gives management not only figures, but concrete tools to better compare stores, identify success formulas, and provide targeted support to teams.

2.2 Practical application

The difference between traditional and data-driven planning is particularly noticeable in practice. Managers no longer need to guess whether their schedule is 'kind of' correct, but are automatically given an hourly budget per day and per location. This budget is calculated on the basis of parameters such as turnover expectations, opening hours, and labour cost percentages. The roster shows them straight away whether their efforts remain within the agreements.

The effect: No more lengthy discussions afterwards about exceeding limits, but rather having the option to make daily adjustments. This not only makes planning clearer, but also more predictable and fairer across all branches.

Dyflexis can process these parameters automatically. Thanks to a link with the business intelligence tool Microsoft Power BI, this information is immediately visible in reports for management. This creates an up-to-date, scalable planning process, that is can also easily be adapted to changing circumstances.

Examples of input fields within a data-driven model

- Estimated turnover by location
- **Labour cost percentage per formula or region:** a department store in the Randstad will have different cost structures than a service point in a smaller town. If individual standard percentages are set for each type of store, each location can be assessed and compared fairly.
- **Average hourly wage (fixed + variable):** The difference between permanent employees and flexible workers is considerable. If you include both in the hourly wage, you can prevent schedules from becoming too optimistic and keep the actual costs under control.
- **Location type:** Each type of store has a different dynamic, i.e. opening hours, visitor flows, required positions. These parameters also determine how the timetable is structured and which margins are realistic.
- **Opening hours:** A store that is open seven days a week requires a completely different commitment than a boutique that only opens during late-evening Thursdays.

- **Contract types and availability of staff:** Part-timers, on-call workers, and flexible contracts have varying availabilities and obligations. This affects numbers and timings for scheduling.
- **Seasonal influences and local events:** School holidays, city or town festivals, or sports events can significantly change customer flows. If you take these into account in advance, you will avoid surprises in staffing.

A practical example:

Calculation of an hourly budget

Suppose that a KPI has been established whereby a maximum of 15,5% of turnover can be spent on labour costs. For a day with a predicted revenue of €4,775 this means that €740 is available for staffing costs. Based on an average hourly wage of €20 (including employer charges), this amounts to an hours budget of 37 hours.

The software calculates this budget automatically and displays it directly in the timetable. As a result, whether the deployment remains within the set frameworks becomes crystal clear at a glance.

2.3 Strategic added value

A data-driven planning approach is about more than operational improvement. It is a strategic shift that lets retailers combine efficiency and customer focus. Up-to-date insights let retailers align staffing more accurately with expected customer demand, without compromising on service quality.

1. Operational integration and strategic direction

Daily decisions in stores are directly linked to broader goals, such as improving the labour costs/sales ratio or ensuring a consistent customer experience across all stores. Managers are given the opportunity to steer in a targeted manner while also leaving room for l ocal choices.

Commercial advantage: A direct link between deployment and turnover forecasts makes labour costs more manageable. This leads to lower costs at both the branch and organisational level and leaves room for stronger margins.

2. Flexibility to grow

When you are expanding to new locations, adding a store formula or responding to changing market conditions, scalability is crucial. The planning model gives you the flexibility to accommodate local differences while maintaining the central structure.

Commercial advantage:
A scalable set-up reduces the costs of expansion and facilitates rapid implementation. This strengthens the clout of the organisation and improves profitability in the long term.
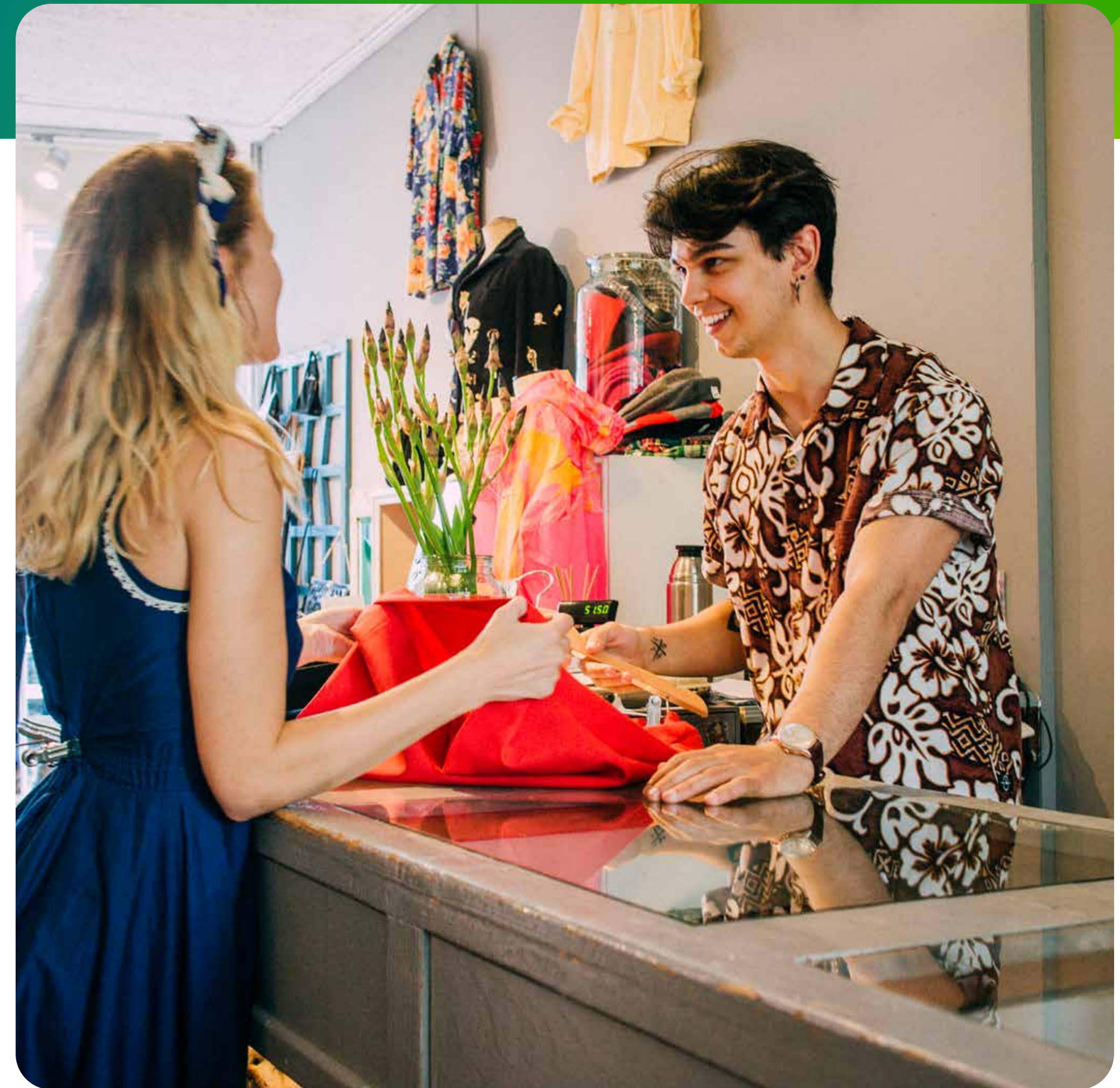
3. Balance between customer experience and costs

A good customer experience does not have to come at the expense of efficiency. If you precisely align personnel deployment with the expected customer flows, the quality of service remains high, while labour costs stay within the set frameworks.

Commercial advantage:
Better alignment between effort and pressure increases customer satisfaction and reduces operational costs. This creates a flexible, cost-conscious and customer-oriented operation that is ready to handle seasonal influences and local variation.

Conclusion

With the introduction of a data-driven planning approach, retailers are taking an important step towards more control, higher efficiency, and an improved customer experience. Dyflexis provides the basis for smart data integration and the link with Microsoft Power BI offers real-time insight. Together, they give managers the tools they need to steer faster and in a more targeted manner.

The benefits extend beyond daily operations. A data-driven approach also reinforces the financial and strategic position of the organisation:

1. **Cost savings and efficiency**
    Directly linking staff deployment and labour costs to sales forecasts helps stores align their staffing more accurately. This leads to structural cost savings and stronger margins, even during periods of growth.

2. **Scalability for expansion**
    The planning set-up is easy to roll out to new stores or formulas. Without needing compromise on quality, there is room for faster growth and profitable entry into new markets.

3. **Improved customer experience**
    Flexible staff deployment, tailored to expected customer flows, ensures better service and fewer peaks and troughs in staffing. In turn, this leads to higher customer satisfaction and strengthens the brand experience.

Data-driven planning is therefore not a technical optimisation, but a strategic investment. It gives retailers the foundation and confidence to grow in an agile, efficient, and customer-centric manner.