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If you just bought the latest, state-of-the-art 3-D television, you must be nervous that something newer and more visually captivating is on the horizon. It's the same feeling that people with 3G phones have in an era of 4G. Or the unease of having an iPad just as Apple introduces iPad 2.

In fact, Best Buy has resolved your concern by saying they'll buy back whatever gadget you bought when the new version comes out down the road.

What Best Buy and any number of electronics retailers are trying to cure is what can only be described as "New Release Overload." Symptoms include frustration at the sheer number of new technology releases, confusion over features and capabilities and, above all, a reluctance to open your wallet.

C-store retailers may be feeling similar anxiety as tech providers evolve, taking advantage of Web-based paradigms, "cloud" suppliers and potential ties to smart phones

and electronic tablets such as the iPad.

To help guide retailers in a time when "new" is the new "old," CSP's Technology Section focuses on basic motivations, the root drivers behind why anyone would invest in automation:

► **Efficiency.** The less paper, the better. It's fundamental but critical in terms of cutting costs, saving time and reducing errors.

► **Real-time management.** Using technology to spot problems before they affect customer experience or store profitability is the latest viable trend for retailers.

► **Customer experience.** In the end, how a customer perceives the store and his or her shopping experience will directly affect store profitability. Emerging technologies are reaching into areas such as training, hiring and evaluation, resulting in the kind of store-level experience that makes for repeat customers.

Topics such as tank monitoring or online job applications may not carry the sex appeal of social media

or an iPad 2, but these basic functions lie at the core of convenience retailing. And the people interviewed for this year's supplement all believe these unglamorous back-to-basics advances provide tremendous competitive advantages.

One Midwest retailer saved thousands of dollars with technology that improved the hiring processes at her stores. And while new automation met with initial resistance at the store level, she says, "Today, my managers wouldn't think of going back to the way we used to do things."

So unlike the "I told you so" elation one feels for having waited to buy the latest version of anything, retailers unwilling to research and potentially get involved in advancing technologies may get left behind. It's a case where "I'm glad I waited" would be less a victory cry and more an epitaph. ■

**ANGEL ABCEDE** has written about technology in convenience retail for 26 years.



# Manual vs. Machine

Human-resource technology cuts paperwork and turnover, spots 'star' candidates

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**Q**ualified store-level applicants don't just walk in with gold stars on their foreheads. Or do they?

Technology solutions addressing everything from reducing paperwork to sorting job candidates are streamlining store-level operations, allowing managers the added face time that leads to greater customer service and reduced turnover.

Pat Zik, human resources coordinator for Erickson Oil Products, Hudson, Wis., remembers when all

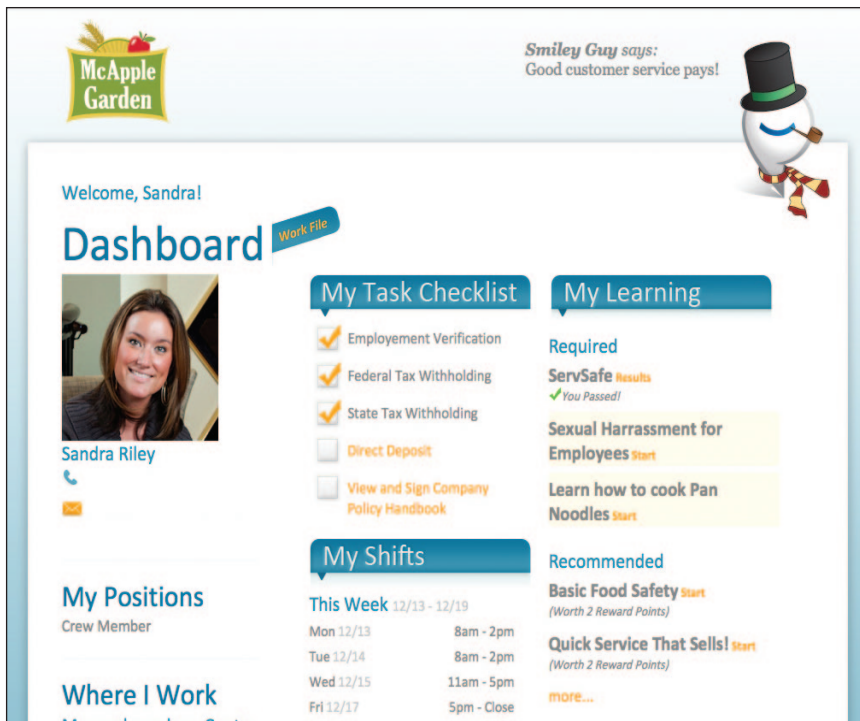
the job applications the company accepted at its 65 stores were on paper. "People had to come in and pick up applications that our managers had to look over," she says. "Our managers are there to sell products, so we wanted to streamline the process."

Retailers such as Zik are continually hunting for ways to reduce the No.1 cost in their businesses: labor. With technological advances in software solutions and communications, c-store operators see a number of capabilities emerging:

► **Identifying "star" applicants.** Software solutions today can electronically spot highly qualified applicants by sifting through criteria such as experience, personality traits, how close they live to where they work, personal goals and previous employers.

► **Consolidating sources.** New solutions can create a "Facebook" of sorts for employees, one that offers facts about individuals such as training progress, background checks and work schedule in a single place online.

► **Reducing paperwork.** Any num-



**FACE TIME:** Some solutions compile employee data into a “Facebook”-style format, helping managers reduce paperwork and get new hires on the job sooner.

ber of paper-based processes can move online, cutting the cost of physically handling paper.

► **Reducing I-9 errors.** Mistakes in filling out these forms can lead to fines in the hundreds of dollars.

► **Filing more tax-break claims.** Automated processes can help retailers consistently obtain the information needed to claim tax breaks tied to employee hiring.

In addition to creating operational efficiencies and tapping into incremental dollars, technology can also transform the continual process of employee training. Like Zik of Erickson Oil, Kris Condon, director of human resources for Family Express Corp., Valparaiso, Ind., has employed technology extensively to address a wide range of H.R. needs, which in the long run helps front-line employees.

“Our program allows us to streamline training and ultimately remove the responsibility from the manager,” Condon says. “It ensures a consistent message each and every time.”

## DOING THE MATH

Retailers face ongoing costs in maintaining a well-trained labor force, so any expense in technology, staff, facilities and materials typically gets put against areas of turnover and customer service.

The cost of provider solutions can range, depending on store count and whether the solution is a subscription Web-based system (hosted by a third party off-premise) or purchased and installed at the company’s headquarters. Because variables differ, suppliers were hard-pressed to give cost estimates.

Retailers often weigh costs against benefits. For Condon, Family Express’ extensive training program, including in-house software, related communications technologies and an expansive training facility housed in a new 30,000-square-foot headquarters that opened last fall, is helping the 52-store chain further reduce its already low 42% turnover rate. (Industry averages from NACS are

## Unique to C-stores

C-stores present solutions providers with two unique challenges, says Ken Littman of SHL PreVisor, Atlanta:

► “Unproctored” testing. With limited space in c-stores, the industry has pushed for online forms and tests.

► Quick response. With job hunters typically “hitting the mall” and possibly several stores in a day, getting back to potential applicants quickly makes for a competitive advantage.

82.4% for non-managers.)

When Zik of Erickson was pilot testing its H.R. software, supplied by JobApp Network Inc., Troy, Mich., a little more than two years ago, the company experienced a 41% drop in turnover. Though she tempers that reduction with the economy having just begun its decline in 2008, the improvement was definitely significant.

Any headway in turnover reduction means money in the bank, according to Blake Helppie, CEO of JobApp. Losing an employee means having to hire a replacement at what Helppie says is a “verifiable” cost of \$1,500. He factors in the employee’s uniform, training, hiring and recruitment. “That doesn’t include the soft costs, which are things like management time,” he says. “So it quickly grows into the thousands.”

Calculating that a chain over a year’s time may hire 200 people, Helppie says a reduction of 40% means 80 fewer new hires. Applying a simple formula (80 times \$1,500) equals a savings of \$120,000 a year.

Greg Parker, president of Parker Cos., Savannah, Ga., can verify Helppie’s estimates. Including the training process, loss of sales that occur because customers aren’t taken care of, inaccurate rings and other factors, his number is \$3,821.

## Industry H.R. Numbers

Anything retailers can do to reduce turnover can have a direct effect on the bottom line, as industry numbers detail below.

**\$1,500**

Costs linked to hiring a store-level employee\*

**\$120,000**

Savings if a company that hires 200 people a year cuts turnover by 40%\*

**\$3,821**

What Parker Cos. says it costs the company to hire and train one employee

**82.4%**

NACS average turnover rate for non-management staff

**42%**

Turnover rate in 2010 for Family Express, Valparaiso, Ind.

\* Source: JobApp Network Inc.

What many H.R. technology solutions can do is make clear the cost of doing business, says Nate DaPore, president and CEO of PeopleMatter, Charleston, S.C. “[Technology can] reduce substantially the cost of acquiring talent,” he says. “And for an industry that’s metric-driven, [these tools] let them get their hands around cost control.”

### SEEING ‘STARS’

Hiring for c-stores presents a unique situation. Ken Lang, vice president of sales for JobApp, says other retail channels employ a high number of people at their sites, but at c-stores it’s fewer and, at night, very few. In that case, trust is a factor.

In addition, hiring is not something managers do every day, so it’s not as intuitive. Lang says software solutions can develop a constant list of highly qualified applicants that managers can refer to at a moment’s notice.

“We’ve asked managers, ‘What percentage of candidates wouldn’t you hire?’” Lang says. “Most times, it’s 80%. Our goal is to get them to the top 20% quickly.”

Improving the quality of the hire and ultimately matching the person to the job improves retention, he says.

Other suppliers agree. DaPore of PeopleMatter says part of the equation is matching an applicant to the “DNA” of the company. “Based on attributes within the organization, we

map out a candidate’s DNA,” he says. “We find out the important attributes of star performers.”

Personality tests look for qualities such as friendliness; the tests ask applicants what they would do in certain situations and develop a profile based on responses.

As databases develop, applicants’ work histories form an information bank that retailers can access.

“We’re moving into really bringing c-stores predictability in [ROI],” DaPore says, “and find people who really embody the brand.”

“Our program allows us to **streamline training** and ultimately remove the responsibility from the manager.”

### HOW IT WORKS

For Zik of Erickson, the key was finding a solution that could automate a number of functions. Background checks, payroll information and processing I-9’s and W-4’s are now done automatically, ensuring that forms get completed and accuracy improves.

Prior to the company’s current system, these functions were handled separately. Some tasks, such as applications and payroll, were done internally with paper. Other parts, such as background checks, were handled by staff calls to a contractor who would handle those inquiries.

Reducing paper also led to efficiencies. In the past, the H.R. department would have to wait for employee information to reach corporate via regular mail. Often that would slow down the payment process, so employees wouldn’t get their checks for that first pay period, she says. Then anything that was filled out incorrectly would have to go back to the employee and ultimately back to H.R. again.

Today, employees fill out most forms online, with the program not allowing anyone to proceed until a line is filled out properly.

Errors on many of these forms can mean either a fine or the loss of a tax credit, Zik says, pointing out that the government allows for tax credits on people with specific qualifications. Parker, who has been working with his provider for about a year, says he has identified \$35,000 in potential tax-credit claims so far.

Regarding I-9 audits, Helppie of JobApp says fines can go as high as \$1,100 for a single form. “It’s something managers lose sleep over,” Lang says.

Another reason Zik appreciates a supplier that provides multiple solutions is that “everything is in one spot. We used to have one provider for background checks and another [for different H.R. functions]. It saves time and has enabled us to work on other things like updating policy and procedure manuals.”

## FACEBOOK FOR EMPLOYEES

Consolidating everything into one place is important, not just for pulling together people and vendors who

provide staff-related information, but also to more conveniently supervise individual employees.

Describing the PeopleMatter solu-

tion he's been working with, Parker says, "It's like Facebook, but for employees."

Calling up an individual employee online will bring a "page" that displays a wide range of information, documenting the worker's history with the company from start to present. He says the solution handles hiring, "onboarding" (new employee paperwork), training and performance review.

The major benefit is time savings, says Beth Harn, human resources director for Parker's. Earlier this year, she says, two of four new hires flagged by the system for dependability issues did leave.

The system is also easy to use for managers, employees and potential new hires, she says. For example, while in the past an employee's first day would be spent reading and signing forms, today he or she receives a congratulatory e-mail and a link to forms to fill out, click through and electronically sign from home—before an official start date. "Now when they show up to work, they receive a uniform and start," she says.

How the software's features interconnect is also important, she says. This spring, Harn will start a ratings module for employees; iPads at the register will show the faces of everyone on shift so customers can rate them. The results will not only provide feedback, but they'll also be used as criteria for shift-swapping: Low performers can swap only with other low performers, mid-performers with mid-performers and highs with other highs.

Again, the bigger picture for Parker lies in the scope of data that now can reside in one place. "If you look at

the dashboard for each employee—what they've learned, shifts working, rewards earned, someone gets certified on a NACS course on foodservice—it'll be on there," he says. "It's a robust system."

The larger goal of any technology, he says, is to help employees do their jobs better: "It's about trying to take data and make it meaningful, so we can create incentives and do a better job of training, scheduling and rewarding our team."

### **DIY H.R.**

While some retailers use packaged software or sign onto subscription-based Web solutions, others pull together their own programs with the help of internal IT staff and available hardware and software.

For Condon of Family Express, the company's system includes a central training facility, a "mock" c-store, an in-house series of videotaped training modules, its own Human Resource Information System (HRIS) and teleconferencing technology.

The entire infrastructure cost about \$700,000, but it provides the company with the kind of store-level consistency that Family Express values, according to Condon.

Initial training involves two days at the company's learning facility, after which potential employees take part in an in-house computer-based program. Using the teleconferencing system, trainers and trainees share spreadsheets, videos and PowerPoint presentations. Tests follow each learning module to assess employees' progress.

Trainees must "graduate" to become a sales associate, Condon says.

About 25% fail.

However retailers address the issue of labor, Lang of JobApp says that ignoring emerging technologies

is a mistake. But, "If a manager can have qualified applicants queued up and at their fingertips, that's a competitive advantage." ■