

3 Ways Next-Gen Management is Transforming The Hourly Workforce

How Artificial Intelligence and Machine Learning are
making employees happier and businesses better



Table of Contents

Introduction	3
Part I – The Hourly Workforce	4
Evolution of the Modern Workforce	5
Demands of the Modern Workforce	6
Part II – The Employee-Centric Way	9
Becoming Employee-Centric	10
Unprecedented Sales Forecasting	15
Intelligent Workforce Scheduling	18
Part III – The Benefits of Legion	25
Embracing Employee-Centricity	26
About Us	30

Introduction

Restaurants, clothing shops, grocery stores, coffee nooks...the list of companies that rely on hourly workers is a long one. In fact, over half of the U.S. workforce is paid hourly. That's **78 million Americans** clocking in and out of work every day.

The hourly workforce is notorious for high turnover rates that cost companies thousands of dollars in recruitment and training.

It's time to rethink how we manage hourly workers. By leveraging Artificial Intelligence (AI) and machine learning, retail companies can:

- Predict how many employees a shop needs with unprecedented precision.
- Automate much of the scheduling process.
- Give employees the flexibility they are craving.

Let's dive in.

The Hourly Workforce

How our current workforce evolved
and how it needs to change next.



Evolution of the Modern Workforce

The hourly workforce as we know it had its roots in the industrial revolution, when factories needed workers to cover set shifts. Back then there was no flexibility, no asking employees when they wanted to work.

Of course, back in the 1800s, it was normal to work 100-hour weeks.

That was before a massive paradigm shift that began as the eight-hour workday gained favor at the turn of the nineteenth century, and cumulated when Harrison Ford cut his workweek from six days to five. This evolution of the forty-hour work week took half a century and has stuck around (more or less) ever since.

Why did companies go from scheduling their employees for 100 hours a week to forty? Because they discovered something key: [Happier, healthier employees are more productive.](#)

Demands of the Modern Workforce

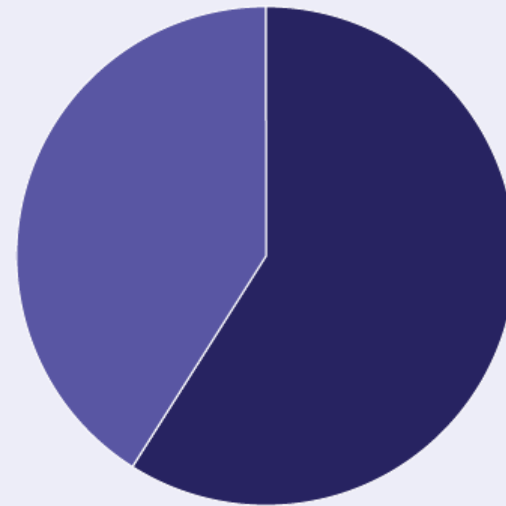
The number of hourly workers in the United States jumped 15% in the last two decades, with churn and the cost of replacement remaining staggeringly high.

High turnover rates are not a new problem, but it is getting worse as millennials join the workforce in ever increasing numbers.

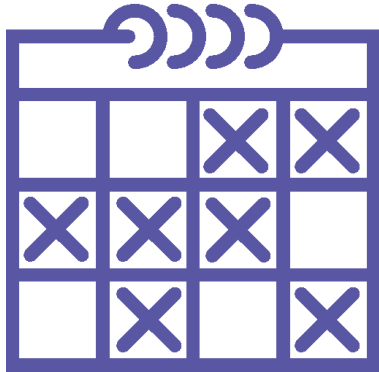
This is my cue to say rising churn is the millennials' fault, because they're failing to rise to the standards of generations before them, right?

Actually, millennials are taking a new approach. As technology provides us with new tools and opportunities, [millennials are demanding more from the companies that hire them.](#)

The question is, how will companies respond?



At 60%, employee turnover is higher today than anytime since the Recession.



Millenials Want Flexibility

Platforms like Uber and Care.com invented the gig economy, where people choose when and how long they want to work. Now that millennials know flexible hours are out there, they want them. Even in their retail jobs.



Happy Employees Make Happy Customers

Industries are exploring innovations like pop-up stores, home delivery, mobile ordering, etc. in an effort to better serve their customers. This focus on customer happiness can only be complete when employees are happy too.

It should not come as a surprise that 24% of U.S. companies say hourly worker retention is their largest problem when we consider how little the management of hourly workers has changed in the last 50 years!

The existing process is simple. Managers make their best guess at how many employees will be needed (using whatever data they have available) and draw up work schedules to fill the slots.

Sure, there are new technologies to help organize schedules or monitor when employees clock in and out. But this changes the method of employee management, not the strategies behind it.

This lack of innovation does not mesh well with the millennial workforce, who want more control over their schedules. If companies are going to reduce the rate of employee turnover, it's time to re-frame how we look at hourly workforce management.

It's time for a paradigm shift.

The Employee-Centric Way

Happy employees make happy customers.



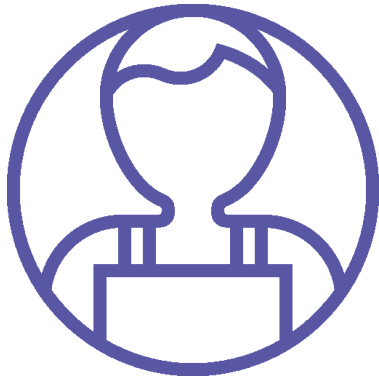
Becoming Employee-Centric

The rise of customer-centric business processes has spread like wildfire. It's no wonder, when customer-centric businesses are 60% more profitable than companies lacking customer centricity!

Placing the value on the customer works because happy customers are more loyal. Doesn't it make sense that happy employees would be more loyal too?

Customer-centric businesses focus on creating a positive experience for customers. When a business expands that thinking to include their employees, **they become people-centric.**

Get ready to discover a revolutionary way to drive employee satisfaction and loyalty.



Employee Retainment is Getting Harder

44% of employees are likely to look for a job outside their current organization in the next twelve months, with only 37% of employees saying they are very satisfied with their current organization. As the economy continues to add new jobs, companies have to fight harder to keep their employees.



Employee Turnover Is Costly

Replacing a \$10/hour retail employee costs \$3,328 in advertising, recruiting, interviewing, screening, hiring, and training expenditures. This number only goes up based on the amount of training and responsibility the employee has been given.

Employee turnover also hurts productivity, increases employee errors, and lowers customer satisfaction.

Become Employee-Centric With Legion

Companies are aware of the importance of retaining employees and the heavy cost when they fail. In fact, 87% of HR leaders consider employee retention to be a primary concern.

The easy part is imagining how to make employees (and their managers) happy:

- Accurately predict sales and staffing needs.
- Effectively staff locations without spending hours drawing up schedules.
- Engage the hourly workforce by giving them the flexibility they have been asking for.

The struggle is connecting this desire to make employees happy with actionable undertakings. The question is not *what do we do*, it's *how do we do it?*

Legion's founders were tired of asking these questions and finding no answers. So they founded Legion Technologies – backed by Norwest Ventures, First Round Capital, WEBB, and XYZ Funding – and set out to develop a solution to their problems.

The result was Legion, a next-generation hourly labor optimization tool that transforms how companies predict sales and manage their hourly workforce schedules.

Everything Legion does is entrenched in artificial intelligence and machine learning. The goal was not to help companies predict sales and create schedules – it was to design a tool that did it for them.

This is what makes Legion different.



Sanish Mondkar, Founder & CEO of Legion

“I am really proud of what we have built with Legion. Enterprise software products have gone through a massive transformation in the past ten years with the transition to the cloud. The revolution of the next decade is enterprise applications that are smart enough to make truly autonomous business decisions. Legion is a great example of an enterprise application that has a ‘brain’ powered by deep machine learning and AI.”



Shibrum Banerjee, Founder & CEO of Pacific Data Integrators, a Legion Partner

“The idea of becoming customer-centric is transforming countless industries – from Uber to Amazon. With the rise of artificial intelligence, we finally have the technology to bring this people-first view to our employees. Legion predicts sales with unparalleled precision, and their suite of intelligent workforce scheduling capabilities truly will transform how companies manage their hourly employees. PDI is excited to expand Legion’s capabilities to our existing customer base.”

Unprecedented Sales Forecasting

Sales forecasting is the bedrock of hourly employee management. Accurate forecasting lets a company know how many employees are needed at each location on any given day. This means employees trust their schedules and stores know they are equipped to serve their customers.

When sales forecasting is inaccurate, the consequences have a domino effect. Overstaffed stores waste money, while understaffed locations drive away customers, stress out employees and managers, and hurt revenue.

There is more data available today than ever before, with companies tracking sales volume, foot traffic, and even individual customers. Yet sales forecasting proves elusive as companies struggle to leverage this onslaught of data.

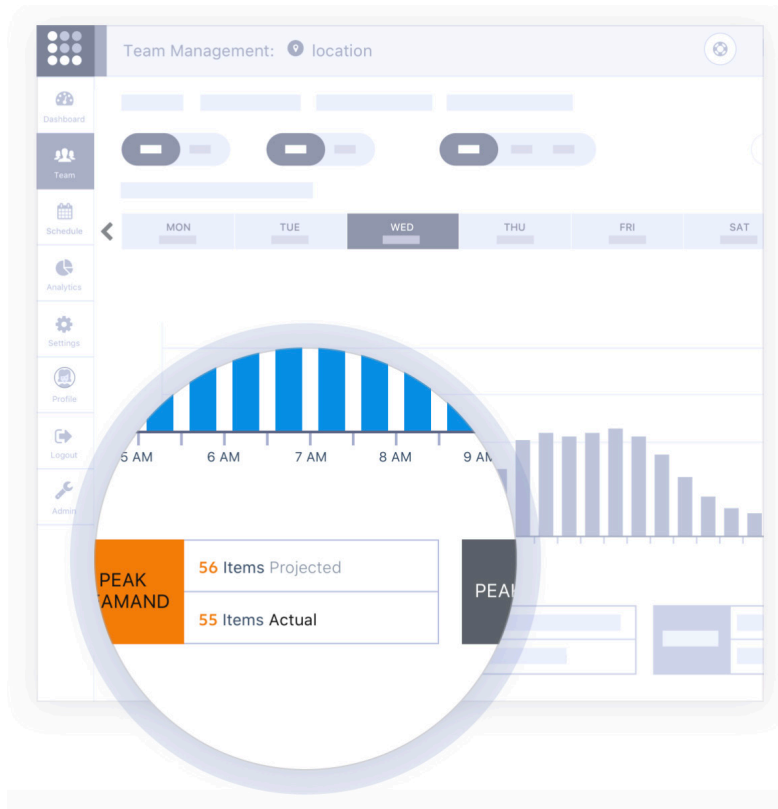
The good news is, this struggle of manual data wrangling doesn't have to continue.

Tired of watching data sit untapped in some database, Legion's founders developed a sales forecasting tool with unprecedented accuracy.

Legion's platform leverages advances in artificial intelligence (AI) and machine learning to tackle massive amounts of data and extract accurate, actionable sales forecasts.

This data-driven tool can leverage thousands of data points and [learn from that data](#), representing a fundamental shift in the way companies predict sales.

Legion processes data from any industry and predicts sales demand at the finest granularity, from store locations to product SKUs, by learning from past sales, traffic patterns, and seasonality data. It even accounts for external factors that impact customers and therefore sales volumes, such as local events and weather.



Legion Sales Forecasting

Legion returns the focus of sales forecasting to demand drivers, including seasonality, store traffic, past sales, and more.

Fully automated forecasts process and learn from thousands of data points.

Granularity is everything. Legion provides team-, store-, and item-specific forecasts.

Intelligent Workforce Scheduling

Traditional workforce scheduling goes a little like this: A busy and often overworked store manager throws together next month's schedule, making sure there will be enough warm bodies in the store for each shift. Last minute scrambling takes care of anyone calling in sick. Maybe the manager asks new hires what their preferred shifts are, but that information is quickly lost or buried under a stack of more pressing to-do's.

It's not that managers don't want employees to be happy. The problem is filling each shift is time consuming in and of itself; forget taking every individual's preferences into account!

Suggest to managers that they give employees ownership over their own schedules, and you will be met with blank stares or apprehensive looks.

It is a big change, but one that can [save companies approximately \\$35,000 per location](#).

Managers would love to spend less time managing schedules. HR wants to improve employee retention. Corporate is focused on increasing ROI. Employees crave flexibility.

At first glance, these desires appear to be in direct conflict, each group a barrier to the others. And they are – if you stick with traditional workforce management.

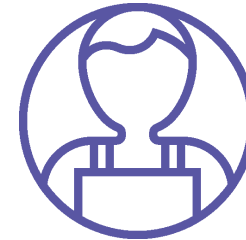
With Legion, companies receive the full benefits of automation, artificial intelligence, and machine learning. This next-gen hourly workforce solution provides a new, more efficient way of scheduling hourly employees that makes *everyone* happy.

Next-Gen Workforce Management



Employees Gain Ownership

Employees want more control over their schedules, and it is not just millennials! When looking at retirees who re-join the workforce, 71% originally retired due to a lack of flexibility.



Managers Save Time

Store managers spend at least three hours a week handling schedules; that's over 7% of the workweek!



HR Lowers Employee Turnover

A Harvard Business Review survey showed 83% of workers would be more likely to stay in their current job if they had more control over their schedules.



Corporate Sees Higher ROI

On top of time savings and lower turnover, the University of Warwick found that happier employees are 12% more productive.

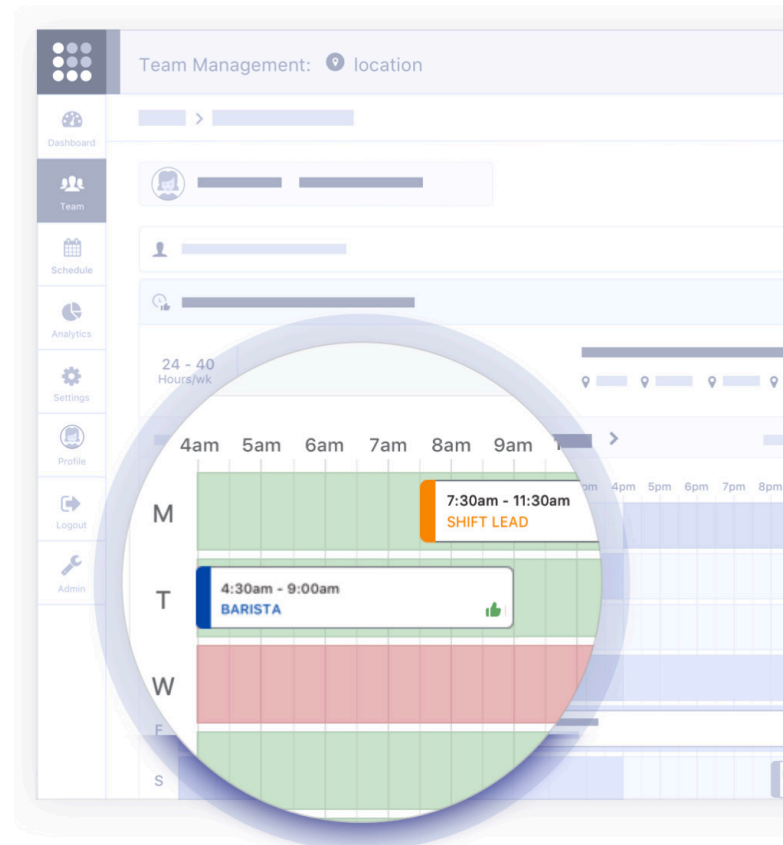
Automatic Scheduling

A good schedule balances budget while ensuring proper coverage for customers. An ideal schedule also considers when employees want to work, relevant labor laws, and the company's unique staffing policies.

Juggling these needs would overwhelm a store leader, but not an intelligent scheduling platform. Legion processes thousands of data points and balances each of the aforementioned needs, creating ideal schedules in seconds.

And it doesn't stop there. Legion not only handles more information, it looks at the entire process of creating schedules differently. Instead of determining a store's need and assigning employees their shifts, *Legion is founded on the idea of **matching** the work that needs to be done with qualified employees who want to do it.*

Once Legion has employee preferences and store demand, a fully compliant schedule is a click away! Time (and money) is saved, managers are freed up to focus on other responsibilities, and employee preferences are no longer an afterthought.



Legion reduces the time managers have to spend creating employee schedules by up to 80 percent.

Flexibility

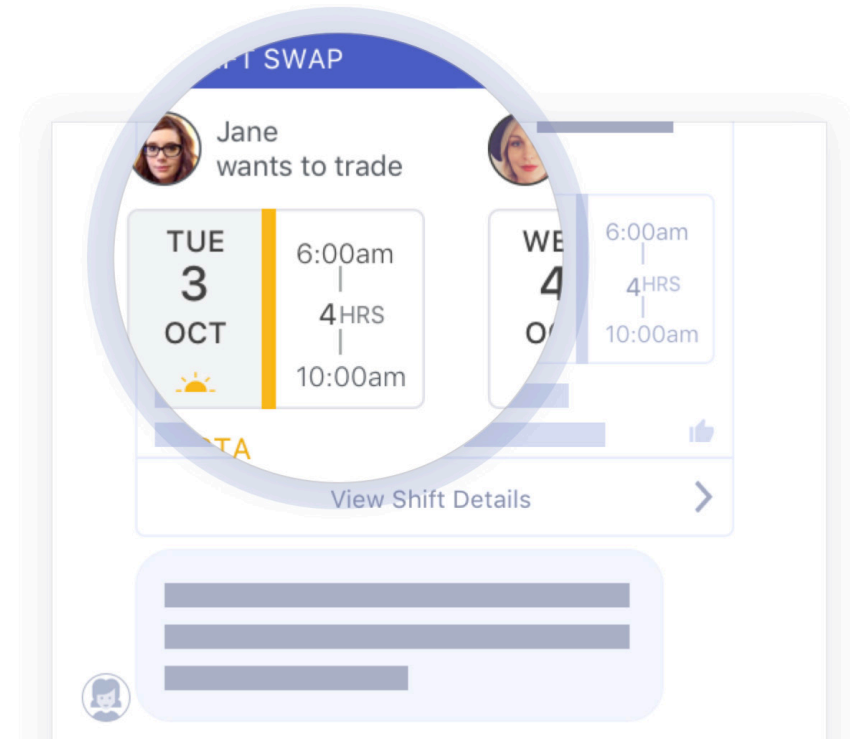
What next-gen solution is complete without a mobile platform?

Legion's user-friendly mobile app lets employees update their schedule preferences and manage their schedules, empowering them with greater control and minimizing the burden on store leaders.

Employees want to know their managers will be flexible when life throws them a curve ball, such as taking time off for sickness or family. With Legion, employees have the ability to login and swap shifts themselves.

The app identifies matches to pro-actively help complete swaps. Other team members receive a notification asking if they want to trade, and *the entire process takes place without the store manager having to get involved!*

Managers can rest easy knowing if a schedule shift breaks any regulations, they will be notified.



Last minute-schedule changes are no longer a hassle with employees empowered to trade shifts.



Jacob Jaber, CEO of Philz Coffee, Legion's Roll-out Partner

"You need to think more holistically and you have to have empathy for multiple parties. I'd say there hasn't been a lot of progress in the [hourly] workforce as a whole and I think they've been left behind to some extent. [Businesses] are now getting to scratch the surface in thinking about them more and how we can make sure as a company and as people we're respecting them and giving them a very good environment to work and grow in. Scheduling is a really big part of that."



Sanish Mondkar, Founder & CEO of Legion

"You can recognize the fact that there are some employees on your roster that are looking for predictable 40 hours a week, with full benefits. Others, today especially, are on the opposite side of the spectrum and want gig-like jobs, owning their schedule. Legion lets you provide that full spectrum of options. **It leads to better retention, an empowered culture**, that to me is very important going forward for any business that employs a large hourly workforce."

Flexible Tiers

Taking this employee-first approach a bit further, companies can create workforce tiers that go beyond the standard full-time or part-time classifications, opening up a broader range of possibilities.

For instance, some companies have created a tier of “reserve” team members who cannot commit to certain hours every week. This employee-driven model gives team members full flexibility and is a better option than losing employees due to scheduling issues.

Another option is creating a middle tier for employees who do not want to be full time but can commit to 30 hours/week, and receive limited benefits in return.

Creating these tiers and – most importantly – allowing employees to choose which level works best for them dramatically boosts employee retention.

Current Legion customers who have adopted this employee-centric platform have seen [employee schedule satisfaction jump 53%](#).



Increased team member satisfaction correlates to a bump in productivity and employee retention.

Embracing Employee-Centricity

Philz Coffee is beloved by its customers due to their core brand of being a people-first business. This company value is shown in Philz Coffee's personalized customer relationships, employee college degree support program, and a selective hiring process.

What started as a small shop in the Mission District of San Francisco has since exploded into a national coffee chain with stores in California and Washington D.C., with plans to open new locations in Boston.

Yet after examining a year's worth of employee exit interviews, Philz Coffee discovered that **30% to 40% of team members quit because "their schedule no longer worked for them."**

This is why Philz partnered with Legion to roll out their new platform and prove the business value of employee-centric management.



All About Balance

FLEXIBLE SCHEDULING

Team members use the app Legion to sign up for shifts that fit their lives, as well as shifts at other store locations.

The Philz Coffee website promotes Legion as a perk to attract new applicants. Flexibility is a huge selling point when searching for top-tier hourly employees.



Jacob Jaber, CEO of Philz Coffee, Legion's Roll-out Partner

"There's often a challenge in meeting both business demand as well as employee satisfaction as it relates to schedules. Our mission at Philz is to better days, not only for our customers but also for our team members. Legion allows team members to become active participants in the creation of their schedule and also makes it easy for us as a business to best serve our community. [A magical accomplishment. Legion is the future.](#)"



Sanish Mondkar, Founder & CEO of Legion

"The Philz leadership team was eager to use a mobile-first platform that provides unprecedented flexibility to their workforce while improving store operations. We are proud to partner with Philz to build the workforce engagement platform of the future that helps reinforce Philz's commitment to culture, innovation, and operational excellence."



Philz Coffee now uses Legion to automate their scheduling, predict demand via labor forecasting, and match employees to their preferred shifts.

Their hourly workforce has been transformed from a multitude of teams fragmented by location to a connected network of employees.

The Legion platform has allowed Philz Coffee to strengthen their “People First” philosophy and take a step closer to their vision of a true Community Workforce.

Request a Custom Demo

We'd love to show you what Legion is all about! Click below to tell us a little about yourself, and one of our Legion experts will be in touch shortly to schedule a personal demo.

[Schedule a Demo](#)



Thanks for reading our eBook! Here's a little more about who we are...



Legion - Reshaping the Future of Work

Legion is leveraging deep machine learning and artificial intelligence to completely reinvent how retail companies engage their hourly workforce. The goal? Build the workforce engagement platform of the future!

Learn More

<https://legion.co/>

info@legion.co



Pacific Data Integrators - Innovative Solutions

Pacific Data Integrators (PDI) works with clients to find and implement the best technologies to solve their business challenges. PDI partnered with Legion to bring this revolutionary platform to current and future clients.

Learn More

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