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Notes from the Retail Hive Digital Boardroom

Best Practice for DCs

The coronavirus outbreak is putting pressure on DCs in multiple ways. From coping with sudden peaks and troughs in demand, implications of both scenarios on staffing, to the fundamental responsibility to keep staff safe.

And over the past week Schuh, River Island and others have shut down their warehouses which means they cannot deliver on eCommerce purchases. Is this the lay of the land for other retailers and what can you do to prevent having to make this difficult decision yourselves?

The 'Best Practice for DCs' Digital Boardroom was created for members to share with one another how they are dealing with these unusual circumstances. Here are the notes.

KEY TAKEAWAY: Warehouse staff have really stepped up and in many cases are leading the decisions on how to keep DCs safe. This will have a long lasting effect on retail businesses and we need to cherish and encourage these unsung heroes of the workforce.

BUSINESS ISSUES

- Many members (including “non-essential” products such as beauty, footwear, apparel, furniture) seeing a surge (up to double yoy) in demand from eCommerce channel, and many are acquiring a high volume of new customers signing up
- Certain products are suddenly very popular (eg fitness and lounge wear) so a focus on search terms to drive traffic to the site will capitalise on consumer appetite for particular product lines
- Promotions have helped stimulate D2C trade volumes and keep cashflow going – concerns for how this sudden trend for discounting will pan out in the long term
- Many members committing to fabulous initiatives such as supplying NHS workers with goody bags – but these sorts of activities need to feel authentic
- Guidelines from various governments on “non-essential” retail, warehouse, furlough have been unclear so it is best to soundboard ideas and measures with your peer group
- Due to pressure on inbound supply chains some retailers are working with limited inventory which has repercussions for launch of new collections and will steer direction of promotions
- Some members have defined a minimum contribution level per product. If business dips below this line then it would provoke a discussion about remaining open vs freezing trade for the short term
- Warehouse staff are the unsung heroes of retail businesses – how will the recognition of the importance of these teams change as we go through and out the other side of the crisis?
- Social distancing measures in the warehouse will have a knock on effect of making fulfilment slower, so this needs to be communicated to customers at point of sale, and their expectations on delivery times need to be managed



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CLOSE OPERATIONS TO PROTECT PEOPLE IN THE SHORT TERM; OR CONTINUE OPERATING TO PROTECT JOBS AND THE ECONOMY IN THE MEDIUM TERM?

We have seen a rash of retailers selling “non-essential” product shut down online operations because of fears about the safety of keeping warehouses open and supply chains operating. It is a difficult decision to make and is probably about striking a balance and being transparent with your teams and your customers....

- Some members are concerned about their brand – if they continue to trade non-essential product at a time of lock-down, how does this reflect on the brand?
- On the other hand there seems to be a consensus that it is important to keep business going, for those who want to work to stay working. After the crisis we want businesses and jobs to return to
- Remember that governments the world over want business to continue where possible. With high streets all but shut down, if retailers can't operate their DCs then they can't sell product – which puts a question mark on survival
- Be open and honest with your customers. Tell them how you are looking after your DC teams
- Many retailers and brands are very actively messaging on social about keeping active to keep your mind healthy
- Be there on all channels to support customers to maintain positive mental health in a time of such uncertainty – tie this in with your product / brand to keep it authentic

But of course the most important consideration is your people. So here from members of the Retail Hive are some Top Tips for Warehouse Safety:

SHIFTS

Members have all reorganised shifts in the warehouse in an effort to protect their workers. Tips include:

- stagger start and finish times – on an individual basis or by different groups
- split the workforce (including management/leadership) into at least two separate groups (eg: blue and red) - each group with different schedules. (This can also have the indirect consequences of making the teams more personal, as the team sizes will be smaller and have a regular pattern)
- Spread out shifts as much as you can to allow for a deep clean between shifts
- introduce weekend shifts to prevent overlap
- shorter shifts with fewer people in each shift
- work weekly shifts (one week on, one week off) to help contain any infection that might arise



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- Reduce shifts but pay for their normal hours (seek legal help for this, to ensure the correct language is used)
- Keep number of people on a shift to an optimal minimum
- within shifts stagger times for lunch, entering and exiting

SOCIAL DISTANCING

With a working culture where staff gravitate towards congregation, and often work in cramped spaces, adhering to social distancing guidelines can be a challenge. Here are some tips on how to allow for social distancing in your warehouses:

- introduce one way systems
- stagger the lunch break space canteen chairs so staff sit over 2m apart
- Change carparking layouts to allow for more space between cars
- Prohibit car sharing for getting to and from work
- Rule of one person per aisle
- 2m intervals marked on the floor
- Reconfigure packing areas to allow more space p/person (NB this will have a knock on effect of making fulfilment slower, so customer expectations on delivery times need to be managed)

SOCIAL DISTANCING WILL MAKE FULFILMENT SLOWER SO THIS WILL IMPACT YOUR DELIVERY PROPOSITION

- Relax next day delivery promise
- communicate to customers at point of sale
- manage customer expectations on delivery times

FURLOUGH

Furloughing is the inevitable for the majority of Retail Hive members. Thoughts on furlough:

- Those who are at risk or use public transport should be put on furlough first
- Offer voluntary furlough and put the decision in the hands of staff
- Give everyone the option of staying at home, remember some workers are anxious even if they are not at high risk
- Identify individuals who are anxious about the situation and lack confidence in measure taken to protect workers. One individual can stir up mass anxiety so speak to these people, try and alleviate their concerns, or put on furlough
- Be as transparent as possible about furlough to avoid damaging morale

CLEANING AND PPE

- Disinfect your DC as regularly as you can, without disrupting workers
- Deep clean between shifts



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- Ask workers to bring in their own coffee and put communal refreshment stations out of action
- Replace water coolers with bottled water
- Additional precautionary measures should only be introduced for two reasons: government mandate or through the consensus of your team.
- Temperature checking measures needs to be handled with care. If not handled correctly it can increase anxiety. However, when handled sensitively and phased in it can give reassurance
- Avoid making sudden wholesale changes to the way warehouses and teams operate – instead phase things in over a period of days / weeks so measure become part of the new normal almost with workers noticing
- Give guidelines on how to get to work
- Offer facemasks to those who want to use them
- If you can't get hold of PPE then invite staff come in with their own masks if they wish to

BOOSTING STAFF MORALE

And finally - it is an obvious point, but maintaining high morale in your DC is essential. A feeling of collaboration and that the whole business is learning together, will really help.

Here are some tips:

- Allow the team to drive the decisions, we are learning this together....
- Implement confidential employee forums to encourage feedback on any concerns so management can understand it and respond straight away
- Remember that many people appreciate the normalcy of going to work
- Transparent communication is vital
- Take the team along with you on the journey: "These are the measure we are taking (see above); we trust you to be safe" Staff know they have a role to play in keeping themselves and each other safe
- Avoid draconian rules on eg: breacktimes, allow teams the space to make their own decisions about safety, and likelihood is they will do this anyway
- Of swathes of your workforce have to be sent home because they are at risk, explore others ways they can work and add value to the business
- On some of the measures outlined above, give a degree of decision making power back to the workers
- Respect your teams' thought process and feedback.
- Put out Feel Good Pieces on fitness and wellbeing. Use humour. Encourage them to come up with ideas on their own for boosting morale
- Gradually introduce changes into your workforce. Introduce additional precautionary measures (eg temperature checking) as a comfort blanket
- People coming back to work from self isolation gives everyone a moral boost