# Hyper-local labor optimization model helped retailer capture over $500M of sales during critical holiday shopping period

RETAIL

Situation

- Leading retailer sought to operate a highly efficient labor model

- Improve store labor planning with data driven, hyper localized models and more foresight

- Elevate current headcount to be more prescriptive and accurate

- Forecast holiday planning ahead of time to increase visibility for district, and store, managers
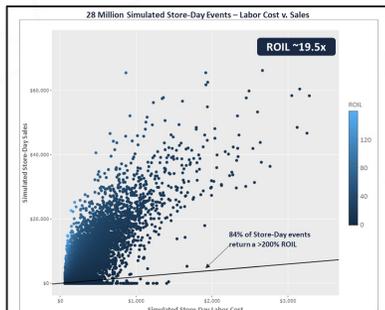
Actions

- Developed a day-by-day, hour-by-hour, transaction demand model to identify stores at risk of losing sales due to labor shortages accounting for a multitude of factors such as traffic patterns, unit per transaction trends, consumer behavior, etc.

- The model suggested there were significant sales at risk, which needed additional labor investment

- Utilized transaction model to create a fixed-variable, demand -based scheduling model to deploy additional $10M in labor in at-risk stores during their peak demand times
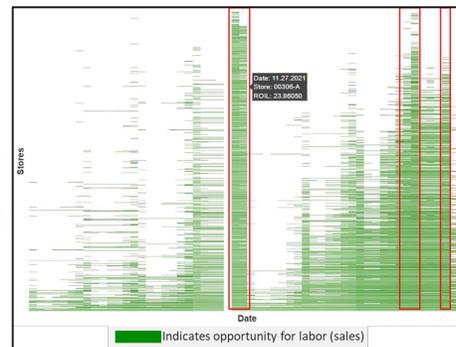
Results

- Captured over $500M sales during the Holiday Season based on at-risk model – yielding exceeded plan by ~30%

- This was a significant ROI from the additional $10M labor spend

- Received strong praise from CEO regarding use of holiday hours – work was cited on public earnings calls

28 Million Simulated Store-Day Events – Labor Cost v. Sales

ROIL ~19.5x

84% of Store-Day events return a >200% ROIL

Date: 11.27.2021
Store: 00306-A
ROIL: 23.86050

Indicates opportunity for labor (sales)

Forecasted Risk Captured Sales

Creo Advisors