



CASE STUDY

Michael Hill sees golden opportunity with Positive

Workforce management solution to save global jewellery chain \$3m per year through better cost control

Sydney, Australia - October 30, 2008 - Australian-based jeweller, Michael Hill, is predicting savings of more than \$3 million per year following the implementation of workforce management software from Positive Workforce Solutions (Positive).

Since deploying Positive's flagship product, e-tivity® at 200 sites across Australia, New Zealand and Canada, Michael Hill has seized control of its biggest cost – wages – and can now better manage staffing levels, driving up potential revenue.

Established in New Zealand in 1979, Michael Hill opened its first Australian store in 1987. The company now boasts 230 stores throughout the world and employs more than 2,000 staff.

Phil Taylor, CFO, Michael Hill, says the company needed a tool which would instil a degree of discipline around rostering and, subsequently, give the jewellery chain a better handle on its wage costs.

"Like many other retailers, wages are our largest single cost," Taylor explains, "and without a system to help us manage that expense, we are running blind. On top of that, our staffing levels largely dictate our revenue, so it's critical we have the right number of people on the floor at the right time to maximise our sales potential. We simply didn't feel we had the right tools in place to give us the control we wanted."

Previously, store managers were manually creating rosters – often on Excel spreadsheets – a task which was often overlooked when they were too busy or on leave. Managers had little idea how much they were spending on wages or whether they were triggering overtime for certain employees.

The implementation of e-tivity has standardised the process, with managers now responsible for generating rosters on a monthly basis. Each day, the store manager can amend the roster to reflect what actually happened – perhaps an employee was sick, or worked a shorter shift – and, at the end of each week, the rosters are converted to time sheets and sent to payroll for processing.

"The new system has provided excellent visibility for managers who can immediately see the wage and overtime costs they're committing to," says Taylor. "The Work Rule Interpreter module also means managers are notified when award rules have been breached, again reducing wage-related costs."

"Although we're still fine tuning our use of e-tivity and getting everyone used to it, we nonetheless are expecting potential savings of around \$3 million per annum."

Taylor says e-tivity's online, real-time access is a huge advantage because users can view the most up-to-date data at any time.

"Because e-tivity is a web-driven product, users – that is, store managers, regional managers, head office and payroll staff – can access the system from anywhere through the log-in capability. This allows us to intercept issues before they escalate – for example, if there are any discrepancies between a store's roster and budget, the manager is notified straightaway and can take the necessary action."

According to Taylor, the implementation ran smoothly, with the majority of stores up and running after two training sessions.

"We had three different countries to consider, all with varying key trading periods, so having a product which was simple to install was critical," says Taylor. "Compared to other applications in the market, e-tivity is significantly more logical, clear and straightforward."

"We had some excellent feedback from the managers who took part in the training program and felt the sessions were of a very high standard," he continues. "The training allowed them to quickly grasp the fundamental concepts which meant the system was operating at full tilt almost immediately."

Using an Australian-developed product was appealing to Taylor, who says because the system was designed with the local market in mind, it was an ideal fit with Michael Hill's operations.

"Working with a company who is based in Australia and in the same time zone has been more convenient and probably more cost effective," Taylor explains. "Positive's experience and knowledge of the IR laws was also a big advantage for us because we could work closely with them on award interpretation."

"All in all, Positive had an in-depth understanding of our business requirements and the team was well organised, motivated and professional."

Although the payroll system in Canada differs to Australia and New Zealand, this posed no difficulties for e-tivity, which seamlessly integrated with the Canadian interface. Following its recent purchase of stores in the United States, Michael Hill is also planning to implement e-tivity in that region in early 2009.

Other plans include implementing the Volume Rostering module which automatically generates customised rosters for individual stores based on analysis of store traffic. This will allow the stores to better manage fluctuations in business and ensure they have the optimum level of staff on the floor to maximise sales.

"We simply couldn't approach rostering – and therefore cost control – with the same rigour unless we had an application like e-tivity," concludes Taylor. "For us, it's the ideal opportunity to avoid wasted costs and optimise sales."

About Positive Workforce Solutions

Positive Workforce Solutions is an Australian developer and supplier of easy-to-use workforce management software. We specialise in scheduling, time and attendance and work rule interpretation. Our award winning flagship product, e-tivity interfaces to most human resources and payroll software. Positive's workforce management

solutions are successfully running in over 15,000 sites worldwide in various vertical markets, including the retail, manufacturing, hospitality and events industries.

For more information, visit <http://www.positive.com.au/>

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