

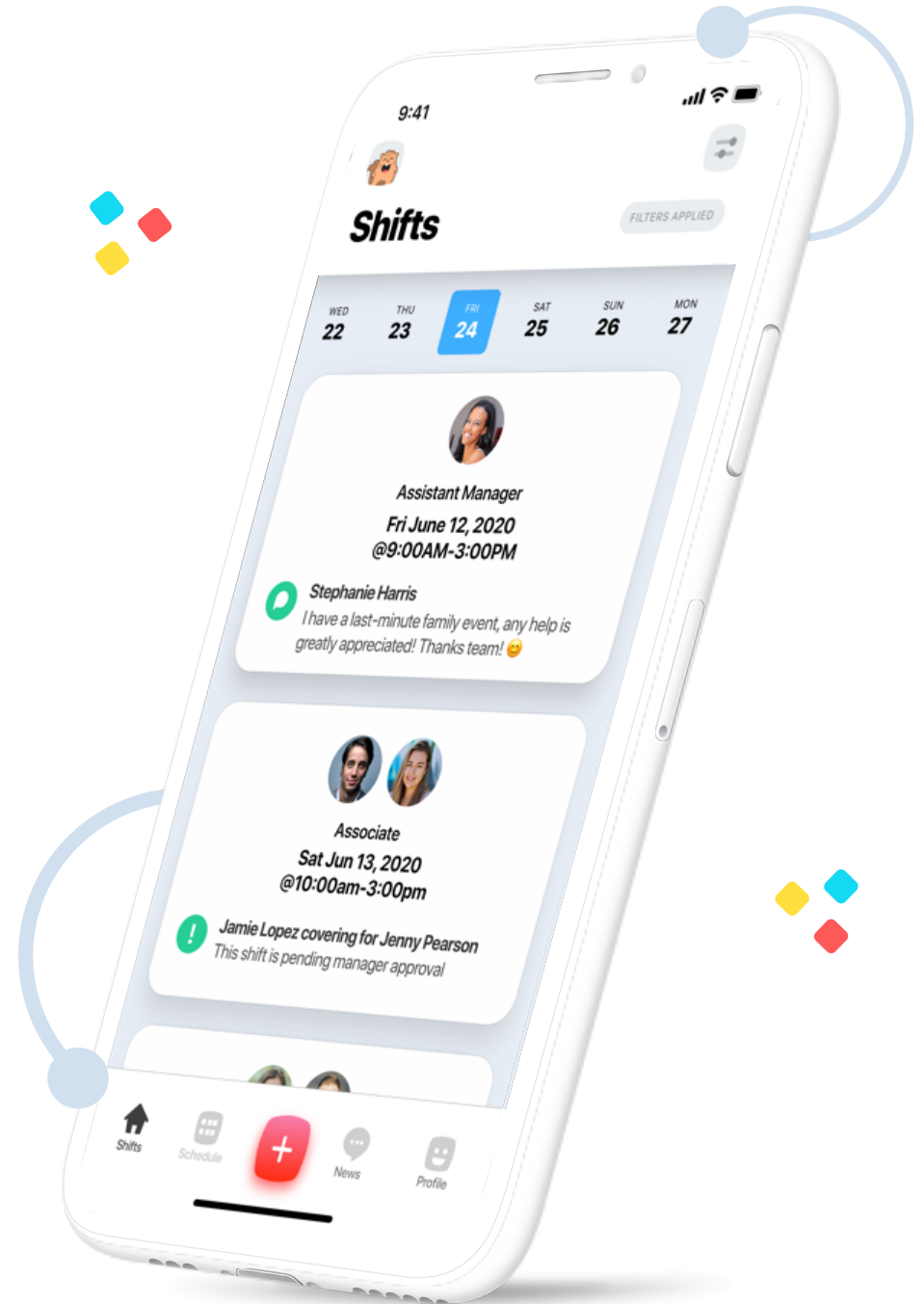


ShyftTM
Workforce

Shyft Mobile IHL Case Study

Understanding the powerful benefits
of the Shyft Workforce mobile
solution.

With our Partner:



State of Retail and Hospitality Retention and Turnover

Employees are a crucial part of a company's success, and attracting and retaining top talent is of the utmost importance. Historically low unemployment rates and rising wages are affecting all industries, but it is especially evident in retail and hospitality where so many people start their careers. Considering more millennials are choosing sports and extracurricular activities over working, the industry is challenged to recruit, train, and retain employees at their stores. The competition for talent is fierce, and employee retention is always a challenge. It can be especially tough when a similar position is available across the hall or across the street. Employees may explore other opportunities if they can't get the shifts or hours they prefer.

Employee turnover remains the greatest problem for many industries. With employee turnover hovering around 65% for retailers and as high as 150% per year for restaurants, companies are finding it more difficult to retain their workers. Moreover, the costs of high turnover are significant. The average cost to replace a store employee is nearly \$5,000 per employee, across both managers and associates. These expenses include the time and labor required to complete tasks like removing employees from software and security systems and recruiting and training new hires. Not to mention, when other employees are tasked with covering for, or training the new associates, it generates a productivity loss for the company.

Companies are exploring ways to overcome these challenges. Higher wages and better benefits are go-to tactics, but these can be costly. Let's face it, your customers are not asking for higher prices. Instead, companies have an opportunity to support their employees with flexibility and work/life balance. One way to do that is to offer solutions that help them work more efficiently and balance their work-life priorities. For example, the mobile-first solution, Shyft, supports employees by enabling them to pick up extra shifts, quickly get shifts covered, check their schedule, and stay up to date on work priorities from their personal mobile device.

Average Employee Turnover Per Year

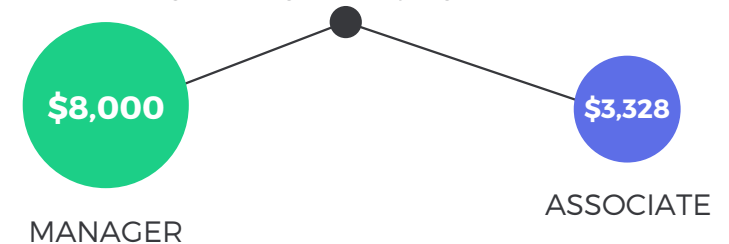
65% RETAIL

150% QUICK SERVICE RESTAURANTS

Sources: National Retail Federation, Nation's Restaurant News

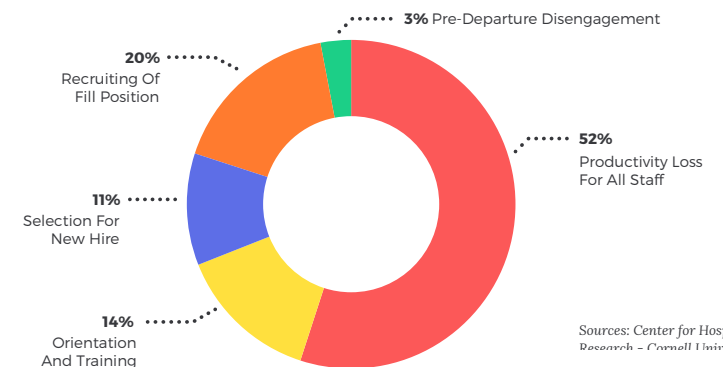
Average Replacement Cost of Turnover Per Employee

Includes attracting, training, developing



Source: World at Work

Granular Breakdown of Turnover Costs QSR Industry



Sources: Center for Hospitality Research - Cornell University

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Mobile-First Workforce Management: A Key Game Changer



Shyft is the mobile workforce management solution that allows shift workers to leverage their personal mobile device to manage their schedule as life happens. Shyft is built for a mobile world and the thousands of employees who rely on their smartphones to manage their busy schedules.

Shyft works with the world's largest brands to establish a best-in-class mobile layer that integrates with their workforce management system. Shyft gives associates the ability to quickly swap shifts, access their schedules, and communicate on a secure platform. Ultimately providing frontline workers with needed flexibility, while helping large brands optimize their workforce in an efficient and strategic way

Shyft was built with a mobile-first, end-user mindset. Its interface and mobile experience aligns with other popular social apps to delight end users and inspire strong adoption and engagement. Shyft's frontline worker adoption and engagement has been shown to drive higher conversion rates for employers, improve morale, make scheduling easier, and help reduce turnover rates. These findings, plus others, are reflected in the data from over 13,000 Shyft users presented on the following pages.

Research Study

By The Numbers



Over **13,600**
Shyft Users



8 Multi-billion
Dollar Retailers



84%
Associates



16%
Managers



3 Segments
Drug/Personal Care
Specialty
QSR

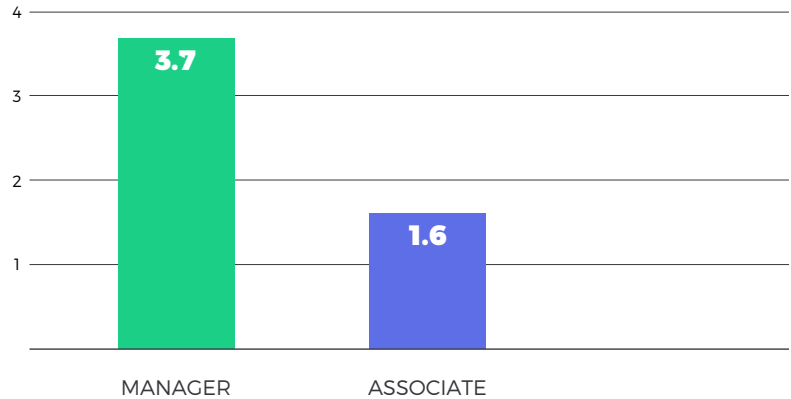


Average # of
Employees
Per Store

Source: Shyft

Average Number of Shifts that Need to be Covered

Per Month, Per Employee



Source: Shyft / N=13,644

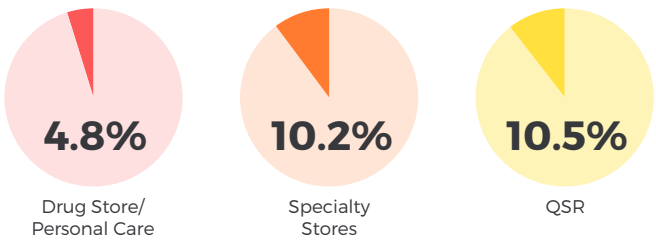
Shyft conducted surveys with more than 13,600 managers and associates using Shyft at 8 multi-billion dollar retail and restaurant chains. Each end user of Shyft was asked a series of questions, ranging from how often they needed shifts covered every month to how much time it took to get these shifts covered before using Shyft. The types of retailers included were Drug Stores/Personal Care, Specialty Stores, and Quick Service Restaurants. Of those surveyed, 84% were associates and 16% were managers.

Inevitably, schedule conflicts happen and employees often need to change their schedule or exchange their shifts with others. For a given month, managers and supervisors said they broadcast 3.7 shifts per month to co-workers, and associates reported an average of 1.6 shift changes per month.

Previous to using Shyft, employees resorted to Facebook groups, emails, texts, phone calls, and notes left on a bulletin board to get shifts covered. Still, with these best efforts, upwards of 10% of all shift call outs still went unstaffed, causing lost sales and degraded customer service.

Number of Shift Call Outs Unstaffed

Per Month (No One Showed)



Source: Shyft

Return on Investment

Once retailers deploy Shyft to their employees, the results are dramatic. Most significantly, associates and managers alike report saving time by using Shyft to adapt the schedule each week. On average, associates reported saving 1.4 hours per week and managers reported saving 1.64 hours per week, compared to the methods they had previously used to track down substitutes for shifts.

Across the different segments, time savings ranged from 1.18 hours for the Drug Stores/Personal Care segment to 1.46 hours on average for the Quick Service Restaurants.

(note: these numbers are heavily influenced by the ratio of associates (84%) to managers (16%).)

Furthermore, the respondents reported that because of Shyft they were able to pick up more hours when they needed them. On average, those that work in Specialty Stores picked up 2.45 shifts, Drug/Personal Care Stores picked up 2.76 shifts, and Quick Service Restaurants took on 3.80 shifts per month. Across all segments, respondents reported that the number of shifts that went uncovered dropped by more than 50% per month.

Additionally, 85% of managers and 76% of associates said that having Shyft improved morale within the organization. Each rated 80% or higher that Shyft makes scheduling easier on a weekly basis. Lastly, 69% of managers and 74% of associates reported that they believe the solution contributes to higher retention and lower employee turnover as a result.

Number of Times Shifts Picked Up Because of Shyft Per Month



Hours Per Week Saved

By Using Shyft



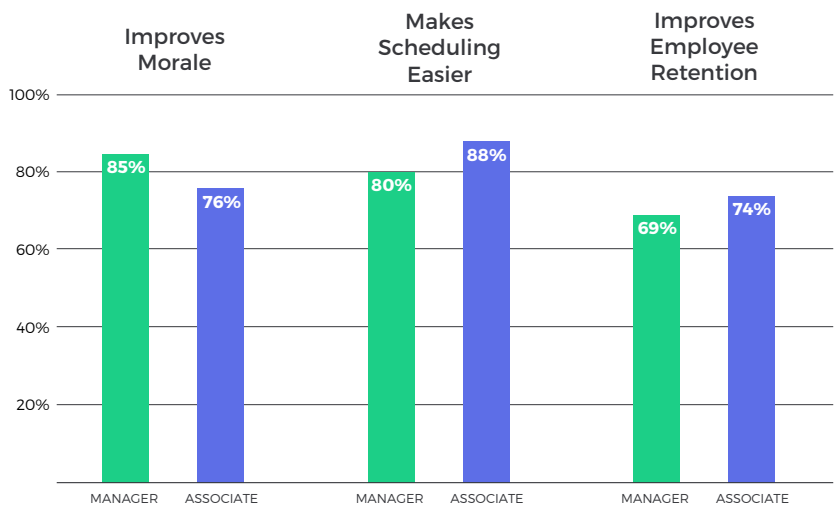
BY SEGMENT

- 1.18 - Drug Store/Personal Care
- 1.41 - Specialty Stores
- 1.46 - QSR

BY TITLE

- 1.64 - Manager
- 1.40 - Associate

Impact of Shyft Mobile Workforce Management



Source: Shyft / N=13,644



Using these survey results, Shyft reached out to analyst firm IHL Group (www.ihlservices.com) to create an objective ROI savings model based on industry data. The model was put together for larger retailers based on the average size of the top 25 companies in each segment. A \$4b Specialty retailer, a \$5b Drug/Personal Care company, and a \$11.8b Quick Service Restaurant Chain were used as samples. Using average wages for different employee types and average turnover rates per segment from the National Retail Federation and Nation's Restaurant News, the model quantified the average number of employees that turned over per chain per year per title. Then, with research from World at Work, the model used an average cost per each employee turnover to replace that employee. This gave a baseline of turnover costs for each of the sample chains.

Next, IHL analyzed the savings per week per employee from the surveys and multiplied that by average wage. However, it was noted that most associates were likely trying to change shifts while they were off the clock. Yet managers, because they are more likely to be full-time, were probably on the clock when they were trying to find someone to fill shifts. For this reason, only managers' time savings were included in the model.

The final component in the model was the recaptured sales from otherwise missed shifts that were covered. The surveys showed that the number of missed shifts improved over 50% when Shyft was deployed. From this data, IHL

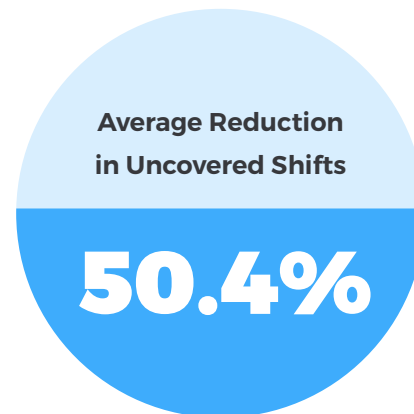
used an estimated recaptured lost sales value equated to 3 times the value of the labor saved. (The assumption here is that the average chain sells a minimum of 3x more in sales than the cost per employee hour).

These figures were then combined by IHL to get to the average savings per chain. These are shown in the following summary chart.

****Assumptions: 0.5% improvement in turnover, only managers' time savings calculated in the time savings as described above, sales recaptured equal to 3x cost of labor for missed shifts recaptured.***

Overall, Quick Service Restaurants showed the biggest savings impact because of the high turnover rate and time saved per week. The average Drug Store/Personal Care organization showed \$12.3m in impact from time savings, lower turnover, and increased sales.

Even in the most conservative of scenarios (no turnover savings and breaking even on labor costs for sales change from recaptured shifts), the time savings for associates and managers each week is so powerful that the ROI is still less than 3 months in every segment that IHL ran as part of the project.



In fact, the longer the Shyft solution was in use at a company, the more it realized certain results.

ROI Model

Total Savings
by Using Shyft

Total Combined
Impact of Shyft - 1Y

Drug/Personal Care - Avg Sales \$5B

7,508 STORE EMPLOYEES

Associate Impact	\$4,404,537
Manager Impact	\$5,658,982
Total Combined Impact (Savings and Sales Recaptured)	\$10,063,520

Specialty Store - Avg Sales \$4B

15,305 STORE EMPLOYEES

Associate Impact	\$9,133,581
Manager Impact	\$8,072,847
Total Combined Impact (Savings and Sales Recaptured)	\$17,206,428

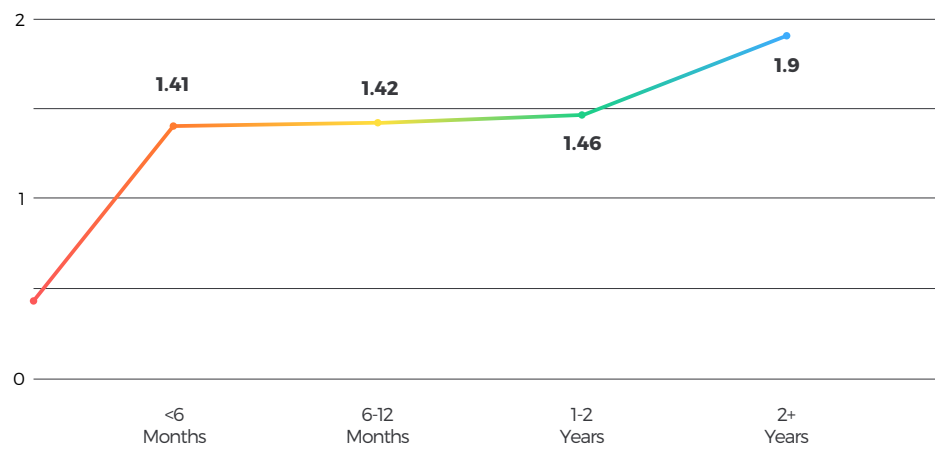
Quick Service Restuarant - Avg Sales \$1.3B

23,400 STORE EMPLOYEES

Associate Impact	\$3,086,935
Manager Impact	\$13,343,595
Total Combined Impact (Savings and Sales Recaptured)	\$16,430,529

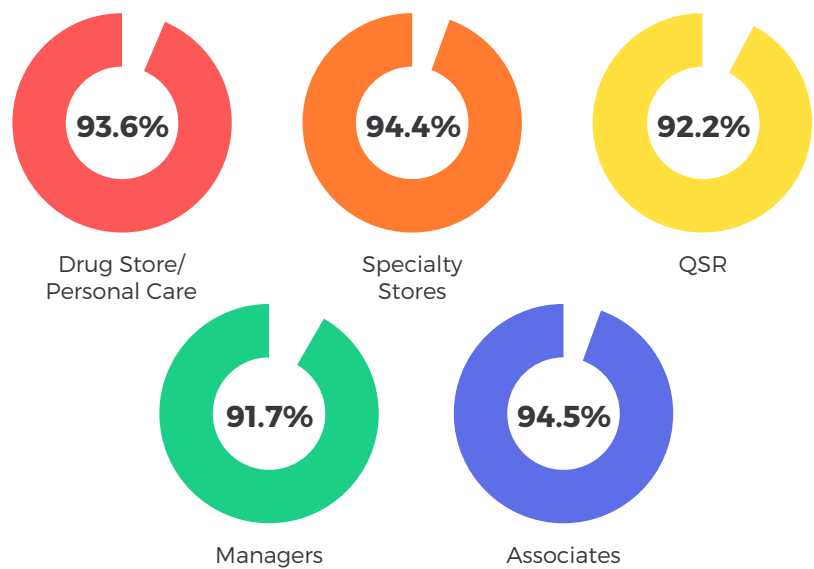
Getting Better with Age

Average Time Saved Per Week (hrs) Over Time Using Shyft



Source: Shyft / N=13,644

Would They Recommend Shyft?



Source: Shyft / N=13,644

The survey respondents said that in the first 6 months of using the app, it saved them 1.41 hours on average. However, for those who had been using the app for more than two years, the time savings were rated as 1.9 hours per week. That is nearly 100 hours of time saved each year per employee for those who have been using the solution for more than 2 years.

Perhaps the greatest endorsement is that more than 92% of the 13,642 survey respondents said they would recommend the application to others. That percentage also said that the Shyft solution was a benefit they enjoy that makes their job easier.



Let us show you how Shyft can be a part of making your workforce more productive.

Visit www.myshyft.com to learn more.