

CASE STUDY



Employees: 580

Industry: Food distribution

Products:

Workforce Timekeeper™
Workforce HR™
Workforce Payroll™
Workforce Connect™
Kronos 4500™ terminal

PROJECT BENEFITS

- Automated time and attendance solution helps Lipari do more with its current resources and workforce
- Complete visibility into labor data lays foundation for incentive-based pay program that increases workforce productivity and employee morale
- Workforce management data fills the “missing link” needed for cost-control initiatives

Lipari Foods Sets Foundation for Double-Digit Productivity Gains With Kronos Solution

Lipari Foods has grown considerably since its founder, Jim Lipari, sold homemade barbecue sauce to Detroit-area grocers from his Ford station wagon in the 1950s. The company now operates from a 270,000-square-foot distribution center in Warren, Mich., and has expanded its product line to include seafood, deli and bakery items, packaging, confections, and snacks distributed to grocery stores in Michigan, Ohio, Indiana, Illinois and parts of surrounding states. The company, now run by the founder's son, Thom, employs 580 people, including warehouse employees and delivery drivers who operate from 21 regional “drop points.”

As the company expanded over the years, it acquired a collection of manual and automated solutions to track time and attendance, process payroll, and administer employee benefits. This system worked well for a time, but as the number of employees continued to grow, Lipari Foods encountered problems: Standard processes were manual and time-consuming, they had no visibility into labor data, and the system didn't support key company objectives.

Smooth integration and functionality make Kronos 'best fit'

To remedy these issues, Lipari opted to implement the Kronos® Workforce Central® suite. The result has been improved productivity in the warehouse, on the road, and in the office; significant labor cost savings through an incentive-based pay program; and minimized compliance risk.

“One of the critical components for us, when we were looking to improve our processes, was that we didn't want to have independent systems that couldn't talk to each other or that needed complex links to communicate,” says Brian Zilo, Lipari's HR director. He adds that the Kronos solution's intuitive web-based system that uses a single database was particularly appealing, “and in terms of functionality and cost, the Kronos solution was the best fit for us.”

Automated solution helps Lipari do more with less

Automating the capture and management of employee time and attendance information with the Workforce Timekeeper application has made payroll administration easier, faster, and more accurate. Before, they manually checked every punch on printed timesheets to ensure that employees weren't taking long breaks or punching in early, and data collection for remote employees was almost nonexistent. Now, all employees use either a Kronos 4500 terminal or Web application, so managers approve electronic timecards online in just 15 minutes and can add notes about punch variances, says Zilo.

Capturing the time of Lipari's remote employees and delivery drivers presented different challenges, as they used a voice mail box to submit their time entries and were on an “honor system.” An administrative staffer spent 25 hours per week collecting and manually recording these times. Now, Lipari has integrated XATA, the company's transportation management application, with Kronos to remotely capture driver punches and hours of service logs.

With Kronos, managers now have the information they need — at their fingertips — to more efficiently run their departments. They can easily access data and run reports on weekly payroll by position, department, and location, a time-intensive process for HR before. Automatic overtime alerts help them monitor labor costs, and an automated time off request and approval process lets employees request time-off at the time clock or at their PCs, so managers can quickly approve requests electronically. The automated workforce management solution has allowed Lipari to grow without increasing HR staff, notes Zilo. “We’re able to do more with less and we’re better at doing it.”

Lipari finds ‘missing link’ to optimize its workforce

“The Kronos suite has been a major tool in many of our cost-savings initiatives,” he says. “It’s been the central point. We’ve been able to use the information and functionality in the Kronos suite to be confident in the decisions that we’ve made.”

Lipari uses XATA to accurately capture each route’s ID, the driver’s start and finish time, and the in and out times at each account. “Combined with the information from Kronos, we can determine the actual cost per delivery, which we had no information on before,” says Zilo. “This has helped us create an incentive-based pay program for drivers. The information that came from Workforce Timekeeper was the missing link that we needed to develop the program.” Order selectors at the main warehouse are also part of an incentive-based pay program.

The program has helped Lipari optimize labor dollars through improved route efficiencies and more productive workers. Zilo estimates that Lipari has gained improvements in productivity equivalent to 8 to 10 percent of total payroll costs. Associates like being paid based on performance, he says, because those who

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perform have seen increases in their hourly pay, without having to work any additional hours.

Labor compliance issues mitigated

Lipari is now confident that employees are paid accurately, he adds, which has increased employee satisfaction, as paycheck errors have been virtually eliminated.

Managing OSHA reporting, “a nightmare before,” is simple now as reports are set up and ready to run in Kronos. The company is also able to accurately track leave time and employee certifications in the system, eliminating inefficient spreadsheet use. With the integration of XATA and Kronos, Lipari can now be confident that hours of service log times match corporate timekeeping records, helpful information in managing compliance with Department of Transportation regulations.

“Going from a fully manual process to an automated process has let us really leverage information,” claims Zilo. “We’ve been able to make decisions that positively impact the organization.”



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