



## Success Story dm

**blueyonder**

Forward looking. Forward thinking.

# Calculated with precision: Personnel planning with Blue Yonder

"Most popular drugstore in Germany". "Retailer of the Year": dm-drogerie markt is one retail company that comes with an excellent reputation. Roman Melcher, CIO at dm, believes he knows exactly why this is: "Our customers are treated like individuals, just like our workforce." The company aligns its retailing activities to match the needs of these people. "Our primary objective is not to maximize our commercial profits, but to make a contribution in providing individuals with the drugstore articles they need at the best prices possible," states Melcher. Employees are given the opportunity to learn from one another and to interact with each other as individuals.

Why Blue Yonder?

NeuroBayes was the only forecast algorithm available that was able to predict the sales volume for each store on a daily basis with meaningful results, while also taking external data into account as additional parameters.

## Attuned to their daily turnover: Personnel planning at dm

This process also involves allowing staff enough time to help customers – even when the store is very busy. To achieve this, dm uses its tried-and-tested in-house software solution for personnel planning. In the past, store managers used to plan employee resources by using projections along with the level of experience of the indivi-

duals in question, and entering these into the system. The program then calculated the number of staff needed for each day. This approach worked very well in general, but its limitations became apparent whenever extreme situations arose. The result was a situation where the store was either understaffed or overstaffed.

## Reliable planning for each and everyone

In 2007, dm therefore decided to introduce the Predictive Analytics Suite provided by Blue Yonder to forecast its daily turnover. As Roman Melcher explains, "Blue Yonder enable us to create reliable forecasts for our sales turnover for each of our stores early on, thus helping us to use our employee resources far more effectively."

Employees at each store enter their names into the resource plan four to eight weeks in advance, based on their preferred working hours. They have been able to rely on this single-entry scheduling ever since the Blue Yonder project was implemented. Changes made at short notice have become a rarity.

## Market days, holidays, building work: Taking all external data into account

Alongside the daily turnover information, pallet supplier forecasts from the distribution centers and other configurable parameters specific to each store – such as opening hours – are also fed into the planning process. All of this information is needed in order to determine the amount of staff required as accurately as possible. For instance, incoming goods have an enormous impact on the number of staff required within a store. The question of the period in which the predicted sales volume is to be achieved is just as important for planning resources. By feeding the NeuroBayes® forecasts into

its planning processes, the company is able to estimate the flow of customers and therefore its daily sales volumes with far greater accuracy. Furthermore, every piece of reliable data is considered, including external data. Such data can include market days, public holidays in neighboring states, or building works currently being carried out. Even weather forecasts can now be taken into account. "Our forecasts are now so close to reality that we can actually build our workflows around them and anticipate what will happen in the future," claims Roman Melcher.

## Anything but trivial: Reliable requirements planning

By working together with Blue Yonder, dm has been able to develop extremely reliable forecasts for its personnel planning. As Roman Melcher explains, "This may all sound very easy to do but in actual fact we tested several different forecast algorithms – NeuroBayes was the only one that was able to forecast the sales volume for each

store on a daily basis with meaningful results. After making several attempts, all the other providers wanted to restrict the forecasts to a weekly basis. That would not have helped us at all." dm is currently looking to see which other areas of the retail company could benefit from using the Predictive Analytics Suite.

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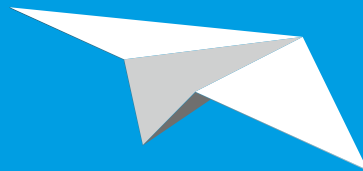
*far more effectively."*

Roman Melcher, CIO at dm

# Use your data to navigate to success

Still have any unanswered questions? Looking for a partner who can help you develop forecasts that are **specifically tailored to your own sets of data**? Contact Dunja Riehemann (Tel +49 (0)721 383 117 36, [dunja.riehemann@blue-yonder.com](mailto:dunja.riehemann@blue-yonder.com)) to join us in this visionary venture.

For more information, visit us at: [www.blue-yonder.com](http://www.blue-yonder.com)



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