
RETAIL DISTRIBUTION TODAY:

Solving New and Old Problems in Ecommerce

Quick takeaways and expert insights from ABM's webinar on retail distribution and ecommerce fulfillment centers

QUICK TAKEAWAYS

In the growing field of ecommerce fulfillment, labor and strategy issues in the face of skyrocketing demand are nothing new. But modern challenges and recovery hiccups are making these challenges even more complicated. In their latest webinar on retail distribution, ABM's facility service and ecommerce leaders discuss how fulfillment center managers can best keep their doors and their order queues open. Through these key takeaways, you'll learn:

- How to craft a business continuity plan fit to your facility
- Which labor trends can be targeted through recruitment and retention strategies
- Why proven methods can optimize team member efficiency
- What considerations to make for a comprehensive employee safety program

With the right plan, you don't have to risk pausing your operation.
Read on to discover how a new strategy can ease problems both old and new.

MEET OUR EXPERT PANEL



JEFF ST. GEORGE

Director of Sales,
Enterprise Solutions

Jeff has 15 years of experience designing customized Integrated Facilities Services solutions for clients across multiple industries and nearly 6 years with specific focus on retail distribution clients. Jeff understands the nuances, industry specific needs, and criticality retail distribution clients face every day. He served as the moderator of this discussion and webinar and lives in Boston, Massachusetts.



JONATHAN BODOW

Enterprise Vice President,
Retail Distribution

Jonathan Bodow is an Enterprise Vice President at ABM, managing ABM's janitorial and warehouse support performance for a Fortune 100 ecommerce warehouse operator. He has extensive experience with janitorial, sustainability, and complex staffing projects. He lives in Tempe, Arizona.



DAN KAMPMEYER

Vice President of Specialty Services

Dan started his career with ABM in 1993 and is now Vice President of Specialty Services. Previously, Dan held the position of Senior Branch Manager for the State of Minnesota and North Dakota. With over 20 years' experience in our industry, Dan's background includes a former role as National Manager for UnitedHealth Group and certifications including Six Sigma Green Belt. He lives in Minneapolis, Minnesota.



TERRYL BRONSON

Senior Director of Talent Acquisition

Terry Bronson is a Senior Director of Talent Acquisition at ABM, specifically partnering with ABM's Distribution & Fulfillment clients on talent acquisition. Terry came to ABM in September of 2020 with over 15 years of experience in talent acquisition. Terry is based in Austin, Texas.

Online sales continue to rise, increasing demand and staffing needs for fulfillment centers. With a new labor shortage complicating the problem, how can fulfillment centers find and retain the right talent?



Answered by Terryl Bronson

Promoting Growth and Community to Create Opportunity

Employing the right people has always been a challenge for fulfillment centers. But the recent increase in online shopping activity, especially as experienced globally during the COVID-19 pandemic, has positioned ecommerce as one of the few industries that never experienced any downtime and whose demand for labor only continues. As we face a difficult labor market, the right tactics are key to recruiting and retaining talent.

Emphasis on career growth opportunities over short-term employment can be a major influencer. Many managers in this field have started out in entry-level roles. If your team's leadership can serve as role models, be sure to highlight their success as inspiration and aspiration for a potential recruit.

Going forward, recruitment can no longer be as simple as posting a position on a job board like Indeed or LinkedIn. While a digital approach can help cast a wide net, recruiters need to do what they do best: recruit. Where possible as safety and social distancing precautions ease, job fairs and in-person hiring events are proven ways to directly meet and assess talent. A "boots on the ground" tactic should be considered, as well. Relationships should be built and explored in the community of your workplace, especially when key facility goals include local engagement and community outreach. Consider visiting community centers, churches, grocery stores, and bodegas to position your workplace as a positive to the local community and engage with your potential hires.

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Hiring events and job fairs still work. Even in a pandemic, they work successfully in a lot of our markets.”

Traditionally there are peak and non-peak seasons, but current conditions have stayed in peak-level territory. How can facility managers best handle fluctuations in labor needs?



Answered by Jonathan Bodow

Addressing Needs and Rewarding Efforts for Your Staff

To focus on retention in a fluctuating labor market, it's important to understand and support the needs of your people. Ensuring your employees are receiving the number of hours they're looking for will make them feel heard and happy, regardless of the demands of the market. Make your shift scheduling system an efficient and transparent process, where team member needs can be addressed and mitigated without leaving your warehouse unmanned and without disregarding your employees and their work-life balance needs.

When scheduling issues do arise, or when hiring remains low, a flexible training program can leverage the team members that you do have on hand. Cross-training team members can prove to be one of the most efficient ways toward facility adaptability and reliability.

Not only can you aid in your operation by redistributing your skilled workforce, you can also better incentivize current team members and reward their work ethic. Because supply is low in the labor market, the team members that demonstrate exceptionalism should be better rewarded and compensated. This isn't only a tactic to keep them around: it can communicate how much you value a great worker.

And because the need for talent is still so great, exceptional employees can and should receive new titles and responsibilities more quickly. In short-staffed times, promotions that used to take a few years are being rewarded in as little as six months to a year for the right candidates. Communicating these success stories to potential recruits can help differentiate your facility from competitors.

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“People’s personal lives have become far more complicated. We understand that folks are looking for more time or a little bit less and are not prepared for 40 hours a week.”

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“We’re seeing folks moving up levels a couple months to a year faster than we might have in normal times.”

Despite unemployment rates decreasing in the U.S., fulfillment centers are still struggling to find employees. What are some of the trends that fulfillment center leaders are seeing on the horizon?



Answered by Terry Bronson

Selecting, Paying, and Retaining the Right Candidates

As facilities compete to attract talent, the need for employees can quickly snowball into a bidding war. Facilities that previously offered a standard starting pay for their entry-level positions might now be presenting an hourly wage that's 30-40% higher. Other incentives such as sign-on or commitment-based bonuses may be offered to new hires, while existing team members may benefit from pay-to-stay or referral bonuses. Referral bonuses can be a great addition to your recruitment strategy, as well, allowing your own employees to vouch for your culture and seek out peers as potential coworkers.

While pay will be high on a jobseeker's list of desired incentives, great money in a poor workplace environment can only retain someone for so long. Consider how a great work culture and clear safety practices can support competitive pay as a worthwhile offering. These incentives will outlast fluctuations in starting pay, especially as data suggests the labor market will stabilize in time for a traditional peak season in Q4 of 2021.

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Answered by Jonathan Bodow

Selecting, Paying, and Retaining the Right Candidates

Despite the labor shortage, some of the more popular roles are receiving an overwhelming number of applicants as jobseekers swayed by hiring incentives cast a wide net on multiple positions. While a high turnout for any position might sound ideal for leadership, it can unintentionally complicate and lengthen the decision process. Hiring managers are forced to work that much harder to find the right candidates for their operational needs, all while the needs of a high-demand fulfillment center rage on.

Conducting a thorough recruitment process and understanding the desired intentions of your applicants can help you narrow down the search for the best talent.

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It's becoming a seller's market for labor. We might see a pipeline of 20 candidates for one position – that number looks great on its face but we're also seeing a fall in the number of candidates who are truly interested in one position. It's a worse ratio for us as employers. We have to work that much harder to qualify folks.”

How can the workplace culture and employee experience play into the recruitment and retention of employees?



Answered by Dan Kampmeyer

Recognizing and Appreciating the Work of the Individual

The right approach to employee engagement can be the ultimate catalyst for team member retention. Employee engagement drives the workplace experience and is a major force in making every day a great day to work. Establishing a safe, healthy, and comfortable work environment should be engagement priority number one. Communicating the core goal of team member safety will let your employees know that they themselves are appreciated, not just their work.

It's also important for leaders to acknowledge the hard work that's asked of their team. Facilitating the needs of an 800,000 square foot fulfillment center is not easy – it's a physically intensive task that deserves consistent recognition. It's easy for leadership to take the work of their entry-level employees for granted, and not just when the labor market is less scarce. But inviting the average person to scrub clean a facility's conveyance technology is a tough ask.

To better retain the employees who are gracious enough to complete the work your fulfillment center requires, be sure to show your appreciation. By noting and rewarding their performance, you can greater encourage their retention and help support their growth as a valuable member of the team. And remember: a simple "great work today" can go a long way.

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Facilities need to execute different strategies for employee retention. That starts with employee engagement.”

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It's easy for us to say, 'Hey you've got a job, now you owe us that commitment,' but we have an equal commitment to the employees to give them the right training and motivation.”

How can facility managers provide a safer working environment?



Thoughts and Conversations on Safety



Answered by Dan Kampmeyer

In high-volume facilities, there are a number of opportunities where a momentary lapse in concentration can create life-altering events. The movement of robotics, conveyance, and powered industrial trucks (PIT) can spell danger for the unfocused. As facility leaders, we put just as much of our employees' safety in our hands as they do. That's why it's crucial to consistently train your team on the safety protocols they need to practice and promote a habit of simple self-awareness.

Encourage a safety check of your team members before, during, and after spending time at their work location. As COVID-19 protocols remain in place in many facilities, a safety check can also be necessary in ensuring the right PPE is in place before entering the job site. Schedule adjustments to facilitate for safe social distancing can also help create the right team flow amid space constraints and peak operations.



Answered by Jonathan Bodow

The right vendor will be an expert in janitorial cleaning, workplace safety, and more of their service offerings, but they shouldn't be expected to be an expert in the client's operation. The client will likely have their own safety protocols, training, and terminology that the vendor will have to adapt to – and quickly.

From vendor leadership to client leadership, it's important to ask those questions and address expectations from the get-go. How do you handle your yard safety training? What are the safety expectations when entering the truckyard? Which areas require a spotter? Questions like these and the creative problem-solving they inspire can lead to a clean transition.

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There's nothing more important here on the 'why' than going home safe every day. It's a commitment we all have to make together.”

In the face of a pandemic or a future crisis, how can fulfillment center leaders create a business continuity plan that works for them?

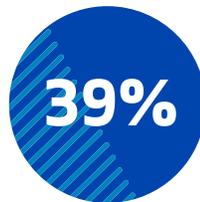


Answered by Jonathan Bodow

A Clear Direction, a Flexible Strategy

Fulfillment centers often operate under the authority of corporate governance. While following the expectations of centralized leadership is crucial for operational goals, there still needs to be room for leadership decisions on a local level. No one will understand the needs of the team on the ground floor more than the manager directly above them. This became the case at the height of the pandemic when receiving the right PPE couldn't wait and general managers took the task into their own hands.

No one can predict and plan for every disruption that their business might face. The oversight that centralized leadership can allow for will help your facility stay the right course, but the flexibility in strategy allowed on the local level will make sure the right calls are made to fit a facility and their people.



39% of distribution fulfillment centers surveyed in 2020 have a clearly defined facility services strategy and continuity plan.

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From a business continuity perspective, the teams are much more aware of what they need to do and how they can react in a timely manner to make sure we have that uptime operation. It's just brought a clarity and a sharpness to what we need to do.”

OUR KEY TAKEAWAYS AND TOP RECOMMENDATIONS FOR 2021

1. Recruiting Means More Than Post and Wait

Meeting the potential candidates in your facility's community is a great way to communicate your business presence is a positive one while locating the right talent. Consider job fairs and more in-person hiring events, too.

2. Safety Is a Must for Retention

After hiring incentives and competitive pay, active employee engagement is the smartest play in keeping your team around. Demonstrating your commitment to their safety and showing your gratitude for their work will make your team feel seen.

3. A Business Continuity Plan Is Shaped at the Local Level

Centralized leadership will mark the destination, but decision-making at the local level will steer the course. Allow your fulfillment centers to directly answer the questions that impact their team the most. Double down on what's working and adjust what isn't.

ABM's facility service professionals can deliver at your fulfillment center.

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ABM-01245-0721