

DRUGSTORE CHAIN TURNS TO ECLIPSE IA FOR STAFFING AND PRODUCTIVITY EFFICIENCIES



THE CHALLENGE

A leading drugstore chain turned to Eclipse IA as a staffing-solutions partner in the management of a team of 70-90 experienced supply chain employees.

Simultaneously, as a cost savings effort, the retail chain turned to Eclipse to handle their deconsolidation process. Due to a successful, long-term relationship at five other sites, Eclipse IA was a natural choice for the startup.

The chain tasked Eclipse with tackling four of its most pressing issues and opportunities:

1. Replace the existing supplier without an interruption in productivity
2. Retain as many of the current workers as possible
3. Provide unique ancillary services
4. Take over the deconsolidation services from the existing third-party deconsolidator



THE SOLUTION

A TEAM PRODUCTIVITY PAY AND HOURLY HYBRID MODEL WITH CUSTOMIZED SOLUTIONS

Despite the fact that COVID-19 had suspended day-to-day operations at DCs all over the world in March 2020, Eclipse jumped right in to ensure a smooth startup and successful transition, all while abiding to the constantly evolving pandemic guidelines.

Since the DC had some unique hourly functions and needs, Eclipse began the startup with a hybrid Team Productivity Pay CPU and hourly model. This ensured the necessary continuity while also offering the productivity benefits of a team-based CPU model.

Altogether, Eclipse provided 70-90 workers, a site manager, two assistant site managers and an on-site Recruiting Operations Manager (ROM) that oversaw all aspects of the transition and hiring. Hourly workers fulfilled 10+ specialty ancillary functions, such as battery changes, conveyor attendant work, mod support, housekeeping, cardboard collection and bails, trailer stripping, and special projects.

Eclipse also took over the deconsolidation logistics, which involves breaking up a large load from the local port into smaller shipments. The team unloaded the freight, staged it and loaded it back onto different trailers to be transported to their appropriate DCs.

“Because social distancing made it extremely difficult and limited our plans of bringing in our outside travel team to a select few local resources, it was even more imperative that we focus on retaining as many workers as possible”

...states Carl Tignino, Eclipse VP of Operations...

“To secure retention, we offered competitive pay with sign-on and retention bonuses after 30 and 60 days, which also helped to alleviate any concerns about the new productivity-based pay. We were also cognizant of retaining employees on the receiving team, as we understood they were providing the critical inbound processing and loading services critical to this site’s success”.



THE IMPACT: SUCCESSFUL RETENTION AT START-UP AND SIGNIFICANT OPERATIONAL EFFICIENCIES

- A smooth startup despite the challenges of the COVID-19 pandemic. With an extremely experienced team deployed and a retention rate of 90%, the transition was seamless and productivity rates were high.
- Improved the management situation. The chain has been thrilled with the new management team on site and all the issues with the previous supplier have been eradicated.
- Eliminated deconsolidation costs. By transferring deconsolidation responsibilities to Eclipse, the chain was able to eliminate the costly third-party port service, as the transload building created better efficiencies and cost savings.
- Transitioned workforce. Half the temporary workers were transitioned into permanent positions.
- By implementing a Productivity Team-Based Pay structure at this site:
 - Worker payrates increased with no increase to the drugstore chain.
 - Productivity increased on the inbound dock.
 - Retention increased.



THE ECLIPSE IA ADVANTAGE

For companies that need to control costs and increase throughput, productivity pay delivers proven advantages. Our team of experts can guide you through the process, from exploration to implementation. We'll help you think through your particular situation and provide the answers you need to determine whether the productivity pay system makes sense for your warehouse.

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