



Cabinet Manufacturer Improves Efficiency with Automated Workforce Management

Overview

Country or Region: United States

Industry: Manufacturing

Customer Profile

American Woodmark Corporation, headquartered in Winchester, Virginia, is a leading manufacturer and distributor of cabinetry, selling more than 435 cabinet lines across the country.

Business Situation

American Woodmark used a mix of manual and automated workforce management solutions, which led to inconsistencies and inefficiencies.

Solution

The company implemented Kronos® Workforce Central® on Microsoft SQL Server data management software to automate and centralize workforce management.

Benefits

- Standardized policies help control labor costs
- Automation increases efficiency
- Custom reports improve financial analyses
- Compatibility with the Microsoft platform simplifies IT

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Terri Wermter, Human Resources Systems Administrator, American Woodmark

American Woodmark Corporation is a cabinet manufacturer with nearly 3,500 employees in 20 facilities across the country. The company used a mix of stand-alone manual and automated workforce management solutions that created inconsistencies in work and pay rules, overtime rules, accrual granting, and attendance point assessment. Furthermore, the solutions didn't give the corporate office real-time visibility into critical labor measurements at individual locations. As the company grew, the inconsistencies and lack of visibility became increasingly problematic. The company wanted a flexible, scalable solution that also offered significant value and implementation support. It chose the Kronos® Workforce Central® suite with Microsoft SQL Server. This combined solution gives American Woodmark companywide consistency in pay practices and a dramatic increase in workforce efficiency.



Situation

Based in Virginia, American Woodmark Corporation manufactures and distributes kitchen and bath cabinets. It sells more than 435 cabinet lines under four major brands: American Woodmark, Shenandoah Cabinetry, Timberlake Cabinetry, and Waypoint Living Spaces.

With thousands of salaried and hourly workers spread across numerous facilities around the country, American Woodmark location managers set their own workforce policies, using whichever manual or automated tools were readily available and best suited their needs.

As the company grew, however, this decentralized autonomy led to inefficiencies in workforce management. The facilities were not consistent in the management of accrual balances and the enforcement of policies for attendance, work, pay, and overtime. In addition, the main corporate office lacked visibility into key labor statistics for each facility, and the data that corporate executives did see wasn't always correct.

Absenteeism, in particular, had an enormous impact on the shop floor. American Woodmark specializes in just-in-time delivery of products, so employee absences often meant the company had to pay overtime to other employees. Inconsistent absentee and tardy policies, paired with inefficient time tracking, exacerbated the costs of absenteeism, according to Terri Wermter, Human Resources Systems Administrator at American Woodmark.

The company was also plagued by inaccurate data on vacation accrual and sick hours. As with time and attendance, location managers frequently used manual methods to track vacation and sick time for

salaried employees, in addition to vacation time for hourly employees. Not surprisingly, the results weren't always accurate. Wermter says that erroneously high accrual balances were often recorded for employees, which in turn lead to excessive payouts when those employees left the company.

The inefficient and inconsistent workforce management solutions were costing American Woodmark in a number of areas. The company's human resources and IT staff began looking for a workforce management system with two overriding goals in mind: eliminating inconsistencies in workforce policies and introducing efficiencies into the workforce management processes.

Solution

After researching possible workforce management solutions, the team chose the Kronos Workforce Central suite running on the company's Microsoft SQL Server data management software for the flexibility, scalability, and value-for-cost benefits that the joint solution provides.

Because American Woodmark has been using SQL Server for all of its applications since migrating from an IBM mainframe in 1995, the company already had the database platform it needed without a hefty IT investment. "Having Microsoft as the primary provider for our database systems, as well as for our desktop and server operating systems, works very well for us, especially because compatibility and stability are so important," says Scott Janow, Information Services Network Manager at American Woodmark.

The Kronos Workforce Central suite provides American Woodmark with a comprehensive solution that delivers consistency and visibility. The company

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uses the Kronos applications it needs to integrate time and attendance, as well as absence management, into a single, centralized system.

All employees at American Woodmark now log their time with Kronos Workforce Timekeeper, using either a Kronos 4500™ terminal, the Workforce Timekeeper web-based time stamp, or a telephone.

The company takes advantage of Kronos Workforce Absence Manager to manage employee accrual of vacation, sick, and personal day hours. Workforce Absence Manager™ receives the employee timekeeping data, automatically calculates accrual hours based on the type of employee and the corresponding time-off policy, and delivers the information to the Kronos 4500 terminals for access by hourly employees. Those with access to a computer can view accrual balances and schedules at any time.

Kronos Workforce Connect™ links all the company's essential systems. As a result, it can export employee data from the company's HR system to Kronos Workforce Central to minimize duplicate data entry, and it can export the employee hours from Kronos Workforce Central to the company's payroll system for processing.

Because Kronos Workforce Central is integrated and centralized, decision makers have easy access to reports on all aspects of workforce management. Janow says, “For custom reports, we rely on Microsoft SQL Server Reporting Services, which makes short work of creating additional finance-specific reports against the database.”

The Kronos service team worked with American Woodmark from start to finish to ensure that the Kronos-Microsoft solution met the company's needs.

Benefits

Once Kronos Workforce Central was up and running on SQL Server for the entire workforce, American Woodmark quickly saw dramatic increases in consistency across its facilities and in the efficiency of managing its workforce. These increases translated into a strong return on its investment. “We are controlling costs,” Wermter says. “We also have across-the-company consistency in our pay practices now as a result of implementing Kronos on SQL Server.”

Standardized Policies Help Control Labor Costs

“One of the biggest advantages of Kronos Workforce Central on SQL Server has been our ability to standardize the attendance policy at all locations,” says Wermter. “Now employees know that each time they miss an hour or portion of an hour, they accumulate points, and there's a point ceiling they can't exceed without consequences.” The accuracy of attendance points—along with the quick generation of corrective action reports from SQL Server Reporting Services—has resulted in a significant decrease in the number of absences per hourly employee. Overall, the company has been able to make a significant dent in its labor costs.

Automation Increases Workforce Management Efficiency

Because Kronos Workforce Central and SQL Server are accurately recording accrued vacation time, American Woodmark no longer overpays employees for unused vacation time when they leave the company. SQL Server reports of accrual balances have also helped improve the company's overall financial reporting. SQL Server automatically delivers the data from Kronos Workforce Absence Manager directly to the company's payroll system, making the entire system more efficient.

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Custom Reports Improve Financial Analyses

Customized reports can help American Woodmark run financial analyses more efficiently. For example, the company's finance department has to review data in unique ways, such as the amount paid for employee time off in the prior year. Although Kronos Workforce Central automatically distributes standard reports daily and weekly, the IT staff turns to SQL Server Reporting Services for on-demand custom reports. With SQL Server Reporting Services, not only can IT fill requests for custom reports, but they can also format the data in a way that best suits the need.

Compatibility with the Microsoft Platform Simplifies IT

Kronos Workforce Central running on SQL Server reduces IT management and maintenance work by bringing compatibility and stability to IT services. The American Woodmark IT staff was already familiar with Microsoft products. The company uses SQL Server for all of its databases. Windows and Windows Server are the company's operating systems of choice, and Microsoft Exchange Server and Microsoft Office are major parts of the American Woodmark IT environment.

In addition, SQL Server and Windows Server are widely supported by hardware vendors. By using the Microsoft platform for the Kronos implementation, the American Woodmark IT department can depend on the availability of trained, experienced professionals over the long term.

Scalability Accommodates Growth

American Woodmark has grown steadily since its founding in 1986, with an impressive double-digit annual growth for the last seven years. The scalability of the Kronos-Microsoft solution means that

American Woodmark does not have to worry about outgrowing its workforce management system as it adds employees.

As American Woodmark looks ahead, the company plans to further improve the efficiency of its workforce management practices by implementing Kronos Workforce Scheduler™. Meanwhile, it has begun testing the newest versions of SQL Server so that it will be ready when the time comes to upgrade.

For More Information

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