Theatro Elevates the Onboarding Effectiveness for New Employees

A case study by **point b.**

The Challenge

Retailers have long struggled with high attrition rates and the constant burden of hiring and assimilating new employees. Many in the industry have acknowledged an average cost of $2,500 per employee to onboard a new hire and to get them to a productive status. In our analysis of a Theatro client, annual hiring is in the 6,000-employee range, which would put the onboarding cost in the range of $15 million dollars on an annualized basis.

Retailers are challenged with finding a solution to engage employees early in their onboarding process, with the goal to reduce the attrition costs and improve retention rates over time. In this pursuit, Theatro can play a unique and key role. The ability of Theatro to provide on-demand notifications and follow up instruction to initial training creates greater engagement and associate connectedness to employers.

Learning a Different Way

Centralized training programs have long played a key role for retailers to maximize the strength of their corporate training assets across the chain. Computer based and instructor lead training is utilized to dispense training in a cost effective manner. The downside to the method is that it requires pulling employees off the floor, often backfilling them with additional labor hours; and then follow up instruction to ensure training "stickiness" often requires supervisor or tenured associate time that isn't spent on customer facing activities.

Theatro's voice-controlled mobile app platform provides a method for corporate and store management to deliver training in a way that can be performed on floor and at times that do not negatively impact the customer experience. Theatro provides a unique method for associates to be able to review and get key instruction via the in-ear Communicator while on the sales floor where it matters the most. Theatro also provides visibility for store managers and corporate trainers to understand the level of use and engagement and can direct attention to exceptions to mitigate associates growing disconnected.

As associates gain instruction in their "moment of truth", they feel their value to the organization grow which provides greater job satisfaction and the feeling of "I belong here."

The following benefits were identified and measured during this assessment:
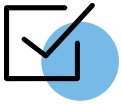
Reduced costs to onboard new employees by delivering training content directly to the ears of every associate. No longer do employees have to solely utilize computer-based training.

Associates become more engaged as training is delivered on the sales floor where it matters the most. Engaged employees stay in role longer, reducing hiring costs for the retailer.

Improvement in revenue due to reclaimed training time being applied to engaging with customers on the sales floor.

Seeing the Results

Theatro enables the retailer to deliver training in a better way, but there are tangible benefits linked with reducing associate time that is compensated for being off the floor and not immediately productive. The training costs and travel time to receive training can be reduced as well. In our review of this use case example with a big box retailer, we found that store labor planning models could be reduced annually by several hundred thousand to greater than a million dollars, depending on the number of stores. As the associates are now on floor a greater amount of time, the ability to provide an enhanced customer experience is another benefit that can be explored. Beyond store labor or revenue enhancements, corporate training staffs also get a new understanding of training effectiveness and employee engagement. Theatro provides many details in terms of employee utilization which can be analyzed for continuous improvement of associate well-being and productivity.

$1.3m
Reducing in training costs

9%
Reclaimed associate time

$3.3m
Incremental sales due to repurposed labor