
CPW Contract Bases

Contract Base Guidance : Update for
17/18 Including Holiday Control

Review & What's New

Contract Bases Launched in 16/17

Contract Bases were Introduced for the first time in CPW in 16/17. This was to ensure:

- We kept payroll (SOH) controlled
- Ensure we recruited in the right stores – historically if one store was over recruited it meant we'd have to hold off recruitment in other stores
- We could react to changes in trade

This has helped deliver the SOH budget for 16/17 and make recruitment more equitable

However, we didn't always get it right and contract bases weren't always updated when SOH levels changed.

What's Changed for 17/18

- We've reviewed the previous methodology and listened to feedback.
 - These will now relate better to the SOH you need to spend and use more site level detail from your specific store.
 - **However**, in order to allow you to contract up to your Max Contract Base you need to ensure:
 - You have good holiday through the year – this is used to bring down your SOH spend at quieter times of the year.
 - You have good flexibility in your team allowing you to flex up at busy periods and back fill holiday taken where needed.
- To support you, the new CPW Workforce Management Website will have additional guidance added to support you making great decisions.
- You can access the site using the quick links menu on the left hand side of the main CPW Touch screen. Alternatively click through here >>> <https://cpwwfm.dixonscarphone.com/> to see your new contract base and watch out for updated reporting in the coming weeks.

Important Note

Remember the max contract base is a max figure, not a target.

Do not contract to the Max Contract Base unless you have a good plan to control holiday and have sufficient flexibility in your team.

You must be able to deliver you SOH budget every week.

Contract Bases – The Detail

The Shape of Trade in Your Store

- Trade varies across the year and SOH moves up and down in order to support in maximising the trade opportunity
- It's really important that at our key times we have the flexibility to meet our high SOH weeks, but also are in a position to take holiday and flex down in our downtime. Control spend in our quieter week allows us to invest in our busier trade periods.



Meeting the Challenges of Flexing up and Down

Flexing Up:

- Need for agile team (Contracts can now be given to colleagues from 8 hours upwards with 2 hour increments or less e.g. 8,10,12 etc...)
- Creating the right contract mix in each store is key - Each store has its own unique requirements
- Controlling holiday – we need to ensure we do not over-book holiday for busy periods. Guidance will soon be available on the WFM website.
- Peak temps will be centrally guided where needed.

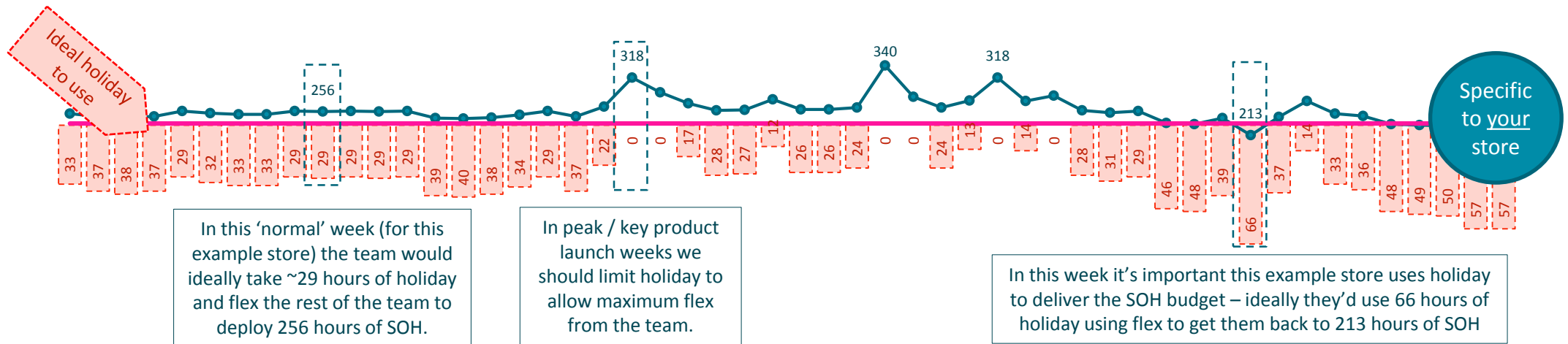
Flexing Down:

- Using holiday at the quieter times of the year ensures trade is not impacted at busier times of the year, whilst giving our teams much needed rest and time away from work. Do not recruit to your max contract base unless you have a good plan to control holiday.
- Not over recruiting.... payroll levels may come down so we may need to lower your SOH / max contract base.

Effective Holiday Planning

Managing Holiday

- Great holiday management will enable you to contract to the max contract base and deliver your SOH budget each week.
- It's really important that our colleagues maintain a healthy work life balance and use their holiday to rest and take time away from work.
- Holiday needs to be used inline with the needs of the business so at some points we'll encourage more holiday e.g. at quiet times of the year where foot flow and trade is lower. At other points, particularly in our peak periods, holiday may be controlled to ensure we can deploy enough hours to enable us to capitalise on our key launch's and business opportunities.



Making it Easy

- We've introduced simple guidance via the WFM website to help you with this (see next slide) – this will be enhanced over the next few weeks.
- This will help you understand:
 - Ideal amount of holiday hours for your specific store to use each month / week of the year
 - A easy access portal to view your team's holiday entitlements and holiday balances

Remember: Do not contract to the Max Contract Base unless you have a good plan to control holiday and have sufficient flexibility in your team.
The contract base is a max figure, not a target. You must be able to deliver you SOH budget every week.

Workforce Management Website

We introduce a new page to the CPW Workforce Management site to give you better guidance around your contract base and help you plan longer term.

Contract Bases

These contract bases provide guidance as to where the store's contracted cost needs to sit for the remainder of the year. Contract bases are used in order to:

- Keep payroll (SOH) controlled,
- Ensure we recruit into the right stores,
- Enable us to react to changes in trade.

Please remember these are max contract bases and not targets - you should only recruit to these numbers if you have robust plans in place to deliver your SOH, including good holiday management.

Geek Squad hours are not included in the max contract base.

Current Contract Hours	Max Contract Base	Forecasted Highest Week (Non Peak)	Forecasted Lowest Week
127	139	166	148

Great holiday management will enable you to contract to the max contract base and deliver your SOH budget each week. Holiday needs to be used inline with the needs of the business so at some points we'll encourage more holiday e.g. at quiet times of the year. At other points, e.g. peak periods, holiday may be controlled to ensure we can deploy enough hours to capitalise on business opportunities. The below is store specific guidance on how much of your store's holiday entitlement should be taken throughout the year, with the goal being 100% taken at the end of the year.

Holiday Phasing 17/18											
P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
9%	9%	11%	9%	5%	4%	6%	10%	9%	9%	9%	11%
81hrs	81hrs	100hrs	81hrs	45hrs	36hrs	54hrs	91hrs	81hrs	81hrs	81hrs	100hrs

This is the max contract base the store should recruit to.

This is where the store are currently contract using the contract information in Oracle which is used for pay.

This is a rough steer as to the highest point you need to be able to flex up to and the lowest point the store need to be able to get their SOH spend down to. It is rough guidance and will be refreshed in line with trading forecasts and store performance.

This represents the 'ideal' amount of holiday entitlement your team should be using across the year to ensure that every colleague has the ability to make full use of their holiday balance whilst managing the SOH spend for the store. This phasing is store specific.

Next steps...

What next / What do I need to do?

- Review your new contract base on WFM website - discussing with your Regional Manager if you're under / over base this contract base.
- Start considering your contract mix – more guidance will soon be introduced on the WFM website to support you making good decisions around the right contract mix you need in your store. If recruiting now, make sure you recruit in a way that allows flexing up for your key trade periods.
- Start (continue) making a plan for your holiday for the year ensuring colleagues are encouraged to utilise their full balance and that we take sufficient holiday at quiet times of the year. Again more guidance will come via the WFM website shortly.

Support Available?

- Use the Workforce Management website to see your weekly SOH budget, your new contract base and the ideal holiday you should look to be taking each week.
- If you've got a query around your SOH budgets or recruitment, speak to your Regional Manager in the first instance.
- Queries around contract bases can be raised via the STAR inbox (STAR@CPWPLC.COM)
- The Workforce Management team will be contacting your Regional and Divisional managers to offer support at your Regional and Divisional team meetings going forward – let us know if you'd like us to attend one of yours.

FAQ

- I've had more holiday requested than the ideal amount – what do I do? The 'ideal' holiday amount is guidance to ensure we control our SOH spend, flex up at busier times of the year and also to make sure our colleagues make full use of their holiday balances. If you think you need to use more holiday in a particular week then that's fine, just have a plan for how you will be able to flex the rest of the team up to deploy the right number of hours in line with business need. There will be times of the year where it's simply not possible for the business to allow too much holiday. As the Store Manager you should make this decision along with the guidance above.