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Stretch goal incentives for fulfillment operations

ABSTRACT

Online service providers hire shoppers in physical stores to fulfill online customer orders. For example, shoppers are hired to pick items based on customer orders, pay for the items, and pack those items. This disclosure provides techniques to determine stretch goals that ensures speedy fulfillment of customer orders. Incentives are provided to shoppers in the form of stretch goals. When a shopper meets a stretch goal, rewards are provided as an early end to a shift, as paid time off, etc. The stretch goals are revised based on shopper responses.

KEYWORDS

- stretch goal
- same-day delivery
- fulfillment operations
- incentives

BACKGROUND

Some online service providers offer a same-day delivery service that fulfills online customer orders for products that are sold in physical stores. To fulfill orders, the online service providers hire shoppers to make purchases at the physical stores based on online customer orders. The following steps are carried out to complete a customer order:

- picking, which involves finding a customer’s requested item(s);
- paying, which involves paying for orders at the store’s point of sale; and
- packing, which involves packing customer orders into boxes.

Although shoppers are usually provided minimum targets for each of these processes, there are no incentives for individual shoppers to go above and beyond the minimum targets. As
a result, shopper productivity is not maximized, especially when the order volume is low, or when the staffing is high, relative to orders. Motivating shoppers to exceed minimum targets is difficult.

DESCRIPTION

This disclosure incentivizes shoppers to meet stretch goals by compensating shoppers in terms of time, e.g., by permitting a shopper that has met a stretch goal to leave before a shift ends. For example, a shopper may be provided a daily stretch goal of X units to process. Each unit can correspond to, for example, picking a shopping item from a customer order.

Initially, the stretch goal is set at the highest capable rate x 8, e.g., for an 8-hour work day. When a shopper meets this goal, the shopper is free to leave work early without clocking out. The shopper is paid for the full 8-hour shift despite leaving early since they met the stretch goal. Also, the shopper can be clocked out manually by the supervisor or a payroll system at the end of the shift.

Example: A shopper is given a stretch goal for the day to process 300 units. If the shopper processes 300 units over 6 hours, the stretch goal is met and the shopper leaves the shift two hours early. Similarly, if the shopper processes 60 units per hour, the stretch goal is met in 5 hours and the shopper leaves the shift 3 hours early.

Based on different shopper’s past performance, a stretch goal model is developed to optimize the shopper’s productivity. The model is based, for example, on the shopper’s response to different stretch goals. The model incentivizes shoppers to improve productivity. The model can use different techniques, including regression, to analyze shopper’s past responses to stretch goals to adjust future stretch goals. The stretch goals are adjusted based on shopper
performance, and other factors such as product mix, SWIP (Standardized Work In Progress), etc. Different stretch goals can be set for different shoppers.

This stretch goal model is different from other incentive models e.g., models that use monetary rewards. Instead, the incentive for the shopper is time off from work. The incentives are immediate, e.g., same day. One advantage is the increase in shopper productivity without additional cost. In addition, or as an alternative to completing a shift early, shoppers can be provided PTO (paid time off).

Shopper performance is measured and utilized only for those shoppers that have agreed to such measurement. Individuals shoppers may be provided with options to decline performance measurement and/or stretch goals. Stretch goals are selectively utilized, e.g., at locations where shoppers agree to implementation of stretch goals. Service providers can choose to implement stretch goals model as needed, e.g., depending on order volumes, customer requirements, etc.

CONCLUSION

Online service providers hire shoppers in physical stores to fulfill online customer orders. For example, shoppers are hired to pick items based on customer orders, pay for the items, and pack those items. This disclosure provides techniques to determine stretch goals that ensures speedy fulfillment of customer orders. Incentives are provided to shoppers in the form of stretch goals. When a shopper meets a stretch goal, rewards are provided as an early end to a shift, as paid time off, etc. The stretch goals are revised based on shopper responses.