Profit Isle
See Profit Clearly. Act Decisively.

CASE STUDY | RETAIL

Premium Furniture Retailer

Using profit insight to reduce labor cost while **increasing staffing where it mattered**

THE BUSINESS	THE BUSINESS IMPACT
Industry: Privately held regional premium furniture retailer **Products & services:** Broad product portfolio with value-added services across multiple departments **Scale:** 3600 employees across 60 stores and a central management office **Revenue:** $800M	**$20M reduction** In store labor costs in 12 months

The challenge: reduce labor cost without starving the departments that drive sales

Executives believed store labor was not being deployed as effectively as it could be. They suspected a key department was losing sales because it was understaffed and under-trained, even as e-commerce competition increased pressure to control overall labor cost. The challenge was to **reduce labor across the store while increasing resources in the department where staffing could improve sales and profitability**. Disconnected scheduling, payroll and ERP data made it difficult to see the true economics by store, department and hour.

Disconnected data
Scheduling, payroll, ERP and sales data lived across multiple systems.

No true profit view
Leaders lacked a reliable department-level view of sales, labor cost and true net profitability.

Excel could not scale
One-time analysis was possible, but not sustainable for ongoing store management.

Action was hard to target
Teams could not confidently see where labor should be reduced, maintained or increased.

Competitive pressure
Lower-cost e-commerce competitors increased the need to improve store economics without weakening service.

Granularity mattered
The business needed profitability and labor insight by store, department and hour, not just at an aggregate level.

The Profit Isle approach: connect labor, sales and operating data to true net profitability

Profit Isle ProfitOS connected sales, product, payroll, scheduling and operational data from disparate systems. ProfitOS created a repeatable transaction-level view of true net profitability, dynamically assigning costs to where they actually occurred. That gave Finance and Store Operations a common fact base for seeing which departments were creating profit, which were draining it, and how labor deployment affected both sales and profitability. With the store/hour/department profitability view provided by Profit Isle, management could more effectively schedule labor and evaluate task profitability across all locations and departments

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FROM PROFIT INSIGHT TO ACTION

Lower labor cost overall, with more staffing in the department that needed it

+2.5% net profit margin improvement	+10%	60 stores
$20M in reduced store labor costs in 12 months	Staffing in the key department while reducing overall labor costs	Common profitability view across the retail business

How the retailer uses ProfitOS

With new data added each period, Finance and Store Operations use the same profit data to monitor labor effectiveness, evaluate department performance and guide staffing decisions.

Department profitability	Diagnose the true net profitability of each store department.
Labor deployment	Understand labor cost by store, department and hour.
Labor standards	Establish and monitor labor utilization standards by department.
Product & service mix	Assess department-level product and service profitability.
Improvement actions	Identify and prioritize operational changes with quantified profit impact.

> *"Profit Isle gave us visibility into store department profitability and allowed us to substantially improve our labor utilization across stores. We use the Profit Isle solution to monitor profitability and labor effectiveness KPIs each month."*
>
> **— CEO, Regional General Retailer**

Why Profit Isle

The CEO wanted a practical way to add value to the company's digital transformation while responding to aggressive e-commerce competition. The need was not simply for another report. The business needed a sustainable, explainable profit data foundation that connected financial and transactional data and showed where profit was actually created or lost. ProfitOS gave leaders that visibility and turned it into an ongoing management process.

The result: a more precise way to manage labor, protect service where it mattered, and improve store economics with data the leadership team could use every month.