

How a local shop diversified its services portfolio through WPI

What does this case study demonstrate?

UAB Staginis is a small / medium-size company in the South of Lithuania operating 12 local food stores for local communities in the region – with limited resources, nor much choice on the local labour market, but with huge motivation to do a good job, where work place innovation practices enable the company to compete with much larger food operators / food supermarket chains in the area. This is a story of empowerment of first-line employees – shop assistants – which opened not only new business prospects for the company, but contributed towards personal development and empowerment of these employees to become trusted focal points in their communities for advice or assistance in dealing with or getting new services online. The implementation of the new accounting information system has changed the ways company's shop assistants have worked before, their role has changed, as well as the receptivity of the innovations that have followed in the company at the first-line level ever since.

Workplace innovation elements: integration of technology; high involvement innovation.

Context

With less than 100 employees in total, UAB Staginis is a small / medium-size company operating in the food retail sector in rural areas and small villages in the South of Lithuania. It was established in 1993 and today owns 12 food stores and 1 store of small home reconstruction supplies and household appliances. In 2001 the company joined the trade network „Aibe“, which is a network of independent small food retail businesses with over 900 stores around the country. The implementation of the new accounting IS, which was an independent decision by UAB Stagini, can be considered as the breaking point which enabled company's employees in small village shops to open up for a completely new experience and skills and enabled the company to grab the momentum of decline of the availability of postal and banking services in rural areas and small villages to expand their local villages' shop service portfolio ever since. The company is constantly seeking for new and more innovating ways of operation, but before the implementation of the accounting information system, these changes were concentrated mainly in the central unit of company's administration.

Workplace innovation practices

The way the integration of technology took place in this company is singled out as one of the main workplace innovation practice in this company. High involvement of all company employees in general and the empowerment of first line employees – shop assistants in particular - have enabled the company to expand the portfolio of services that the local shops can offer to their local communities and contributed towards their personal and professional growth – low-skilled and low-tech middle-aged shop assistants became more open towards new skills and innovation in general and in many cases – focal points for their local communities for basic computer-related knowledge.

In 2009, the company deployed a new accounting information system, which was based on quantity instead of sum accounts. This may sound very simple, but to make these changes in the information system, other tech related changes had to take place. In a company with just less of 100 employees, where the majority of them were low-skilled shop assistants in their 50s in small villages serving the needs of local communities, this was a huge change. If successfully completed, further technology-related changes were even more promising – the availability of banking and postal services in such areas were being 'optimised' and therefore shrinking, but the demand for them from the declining local communities was increasing. Leaving high business strategies aside, the reality was that the people behind the counter in many cases had never used a computer before. "First of all, we had to get computers in the stores, instead of cash machines, then Internet, keyboard, a printer and a scanner, an e-mail account for internal company communications and similar". It took one year of close collaboration for the first store to move to the new system and another 2 years for rolling it out to the remaining 11 stores. "You had to start from the very basic: how to turn on the computer".

Today, because of that change and its positive experience, employees have become more positive towards technology in their work in general and towards learning new skills and competences in particular. This enabled the company to develop new technology mediated functionalities (for instance, as a result of quantity-based accounting system, the company now saves at least 3 hours work on Sunday to organise all warehouse orders for all 12 food stores; stores are now able to show photos and detailed descriptions of festive cakes on the computer and make instant orders for the customers; also the company was able to deploy e-invoicing and in this way make considerable time and money savings as a result.

"It also allowed us to identify new business opportunities and to grab them as they came along, for instance, as a result of declining banking and postal services in the area, we became a social worker, a bank, a post office – all in one. We have won a 'Social cards' project from our municipality to serve our communities in the way that instead of social support cash, certain individuals and families at social risk could buy food, but not alcohol, cigarettes and luxury goods. It took us a year to develop the system and processes to offer smooth service close to local communities". "We were able to expand our service portfolio as part of Multi-service (Perlas) terminals' services: in the beginning you only could buy a lottery ticket, pay bills and top up your phone account; today you can withdraw or bring in cash – the services that were offered by banks and postal offices before; you can buy an insurance; you can get a consumer loan etc." So, "our shop assistants had to learn everything. As a result of that they became empowered personalities themselves as well as trusted focal points in their communities for advice or assistance in dealing with these services or getting these services online at their homes."

How did they do it?

Slow incremental change was the key for success. Especially taking into account the context: that, for instance, the change had to transform the way low-skilled, middle-aged, long-term employees work. Adjusting the software to particular needs and work processes of the company by taking into account what aspects of the already established working practices needed to be changed and which aspects of the software needed to be changed to get an innovative workable solution. Then – an incremental process with early adopters. Seeing what works, telling the users about the benefits, what still needs to be changed / improved. Patience. Training of the users and ready available support on demand (in person, by phone, by remote desktop connection etc.) for as long as it was necessary. Trust and encouragement.

So who benefits?

Increased openness and acceptance of further technological innovations in the company in general. An influence on the role of the company's employees (shop assistants' roles in small

village shops particularly). From low-tech low-skilled employees, in the majority of cases they have become community focal points helping greying (in particularly) rural community members to pay their bills, receive other services or even teach them how to use Internet, Skype or email for personal use. Sensible integration of ICT in company's operations and working processes has increased job autonomy of its first-line employees (shop assistants). They were released from very simple technical, but very-time consuming work, for instance, counting goods manually, doing paper work on what has been sold etc. Instead, they are able to provide higher added value services to customers as well as dedicate more attention to services provision in general. Integration of technology contributed to effectiveness, transparency and organisational development of the company.

Prognosis

Being innovative has a direct link to sustainability in business. People are the main asset in any organisation. Investing in people enables sustainable growth of your business.