



Essential Retail

The Community Support Center

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The concept of the convenience store has taken on a whole new meaning in this era of frequent natural disasters, pandemics and other upheavals large and small. It's not just about the small stores behind the gas pumps with a few essential items anymore. It now includes grocery stores, drug stores, restaurants, fast-food chains, do it yourself (DIY) outlets and many other establishments providing essential foods, goods and services people need every day, but especially during a crisis. These establishments support their local communities with what people need to keep their everyday lives going.

These local retail outlets are not exactly your old-time mom and pop shops with the checkerboard on the pickle barrel, though. They must be highly efficient sales and service centers catering to the preferences of their local clientele, with the ability to rapidly flex up or down in goods and services as situations change. These essential retail establishments are the community support centers of our hectic modern life.

They're all convenience stores

There has been a major shift in retail over recent years caused by competition, especially from on-line, and the desire of consumers for help in navigating their busy lives. Consumers love the convenience of the one-stop shop where they can get many of their needs met simultaneously. Retailers across all segments have responded with a wide variety of new services such as in-store health clinics, banking, prepared foods, wine bars, DIY clinics, entertainment, day care, home delivery and many other services. More recently services such as buy on-line/pickup in store (BOPIS or Click and Collect), curbside pickup and buy on-line with home delivery are gaining traction, especially during times of crisis.

The challenge with this shift to stores as support and service centers is the complexity it introduces to retail operations. Older, disconnected systems for forecasting merchandise orders, managing store inventory and scheduling associates based on product sales are obsolete. What is needed is a total retail operations platform that plans, schedules and executes retail merchandising and service operations

from corporate on down to the customers' hands, realizing all the while that in retail everything is local and customer convenience is what you're selling.

A digital retail operations platform

The biggest change in retail in the past decade is that everything is now online and networked to everything and everyone else. The digital world in which retail must now operate contains an exorbitant amount of data, including sales histories, and social media, news, events and weather (SNEW), as well as internet of things (IoT) sensors and on-line and mobile orders. But this explosion of data makes it so much harder to sort through the data to discover useful information. It's too much for humans to make sense of and traditional retail point solutions only see their little portion of the data. What is required is a digital retail platform that looks at store operations holistically and uses artificial intelligence (AI) to glean valuable insights from the wide spectrum of data.



To understand how a digital retail operations platform supports stores as community support centers, consider the three basic store functions—merchandising, store execution and workforce management. You have to plan to get the right merchandise in the right stores, execute all of the operations it takes to run the stores and schedule and manage the human resources to stock the shelves and serve the customers. Here's how a digital retail platform pulls this all together.

Merchandising

All retail is local and each store succeeds or fails based on how well it delivers what its customers want. But in the era of conglomerate retail, how does HQ know that certain stores are in wealthier urban areas, others are in low-income neighborhoods, and still others are in various ethnic communities or suburban sprawl so that local merchandise assortment plans can be developed accordingly at a localized level? Complicating matters is that some purchases begin and end in the store, while others may be bought on-line but are picked up in the store, or returned to the store. All of these permutations play into merchandising decisions on category management, assortment planning, planograms and floor layouts. These decisions are further complicated by inventory plans for services such as fresh and prepared foods, clinic materials, wine bar selections or day care needs.

To make intelligent decisions on these many localized and constantly changing merchandising considerations requires a networked digital fulfillment platform infused with AI to sort through and make sense of the mountain of data. A digital AI approach can quickly uncover local trends and preferences to support local, regional and corporate merchandising decisions. It also can analyze customer purchase patterns to understand correlations between products and layouts in order to increase basket size. And it can quickly adjust when a crisis occurs to rapidly adapt merchandise plans to the new reality.

Beyond having the right product assortments available for each store, the merchandising capability also designs appropriate floor layouts and creates

shelf-aware planograms to best reflect local demand and paths to purchase. The result is the right assortment of products and materials will be in the right stores in the right locations at the right times, and overstocks and out-of-stocks will be minimized.

Store execution

Store managers have to handle basic store operations such as stocking shelves, serving customers and keeping cashier lines short, as well as cleaning, pricing, signage, shelf re-facings and many other traditional tasks. But today their jobs are further complicated by the need to manage all of the additional services offered, as well. That may entail prepping and serving fresh or pre-packaged foods and beverages, stocking and properly disposing of clinic supplies, prepping materials for DIY demonstrations, picking orders for click and collect, curbside pickup or home deliveries, which may require both ambient and refrigerated storage at front of store, or any number of other services and considerations.





To manage all of these traditional and service-based tasks and associated inventories manually or with spreadsheets is a near-impossible task for managers. To expect all of this to be done in the most efficient manner is an impossible dream.

A digital retail operations platform can optimally plan and execute these functions efficiently. It is integrated with merchandising so it understands corporate strategies for category management and assortment plans, can apply those to store planograms and floor layouts and accommodate local demand and available inventories. It also knows the ingredients, recipes, prep times and packaging requirements for each service. Therefore, it can manage all of the services and inventories for efficient execution, ensuring that customer needs are met in a timely fashion with minimal waste, while freeing managers for more customer-facing activities.

Workforce management

For most retail segments, workforce expense is second only to inventory costs in impact on the bottom line. Therefore, it is paramount that these resources be managed effectively. Especially in today's era of wide-spread retail services and the focus on the customer experience, forecasting, planning for and scheduling the right number of associates with the right skills to perform both

traditional tasks and the many customer-facing service functions is an exacting challenge. The workforce management capabilities of a digital retail operations platform can manage these functions in conjunction with store execution to plan and schedule optimal coverage and ingest IoT inputs to prioritize tasks. Plans should be top-down from a strategic goals and budgets standpoint and bottom-up from a demand and resources standpoint.

A workforce management solution should have capabilities for long- and short-term labor forecasting, planning and scheduling for each task in discrete time windows based on demand patterns and store budgets, task management to assign and direct tasks efficiently, productivity monitoring and associate mobile communications.

Managing in a crisis

During unplanned events, natural disasters, weather problems or other times of crisis, the above challenges and functions get compressed into very short timeframes. Certain essential inventories may have to be expanded rapidly and new services may be necessary. This is when retail stores as community support centers are really put to the test. How well you are able to respond not only impacts immediate financial results, but also will build or degrade customer loyalty long-term.

A digital retail operations platform can be a godsend during a crisis. This is a time when retail is essential to the local community and the need for speed and the importance of customer service are paramount. Only a digital, integrated platform can meet these criteria. It can immediately digest and analyze incoming data to rapidly re-assign tasks and adjust inventories and schedules to meet current realities, all while managing against existing budgets or agreed-upon variances. A platform approach ties together adjusted merchandising plans, store execution and workforce scheduling for a well-coordinated, profitable response to the crisis.

Retail in the cloud

One last important point is that digital retail operations platforms should reside in the cloud. Cloud deployment makes it easy to tie corporate, regional and store operations together for real-time visibility and communications. This is important to keep pace with today's fast-changing marketplace, but is even more critical during times of crisis. It also facilitates the rollout of capabilities to new locations and ensures updates for all locations are immediately available. And all deployments can be completed more rapidly with faster time-to-value.

Essential retail

Retail stores are essential to everyday life and are critical community support centers during times of crisis. With the complexity and speed of today's marketplace, only a digital retail operations platform can enable retailers to serve this vital function efficiently in good times and bad. It's what your customers and your stakeholders deserve.



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