



# Superior Customer Experiences with Blue Yonder's Store Execution

 **BlueYonder**  
Fulfill your potential™

Today's consumer is digitally empowered and infinitely connected. That means all retail is now 24/7 and each store is competing not just with the store down the block, but also with e-commerce sites around the world. In this always-connected environment, retailers can no longer succeed solely on the strength of their merchandising, low prices or a particular service. Success today is based on providing consistently superior customer experiences across physical and digital channels. This can be achieved with digital precision through Blue Yonder's store execution capabilities.

## An industry in flux

Even as the lines between physical retail and e-commerce have blurred, so have the lines between retail segments. Convenience stores now sell freshly prepared gourmet foods and organics. In fact, 85% of millennials say they go to C-stores for prepared foods weekly. Fast-food outlets and restaurants now offer online and mobile ordering with curbside pickup or home delivery. Drug stores have in-store health clinics and grocers have bank branches and dry-cleaning. All of these additional services mean retail is no longer just about assortments and planograms, it's about customer convenience, and it's all driven by providing the consumer with superior customer experiences, localized and personalized to their preferences.

## The implications

Pivoting from a focus on merchandising and assortments to a broader focus on superior customer experiences has several important implications.

**1. People** – Providing all of the new services and enhanced customer support requires more people with new skills at a time when HR budgets are not expanding proportionally, if at all. As a result, there is often more work to do than people to do it. This means store managers must be able to get out from behind their desks and associates must be empowered to more efficiently provide a variety of services while interacting with customers. This requires broad access to information delivered simply and immediately via mobile devices. It also requires automation of routine tasks and knowledge enhancement through artificial intelligence (AI) and machine learning (ML) to make managers and associates more productive and effective at delivering personalized experiences.

**2. Business processes** – The pivot to delivering superior customer experiences also means business processes must go beyond point solutions and functional excellence to create end-to-end business process integration that seamlessly delivers personalized products and services into customers hands when

they want them. Making these end-to-end processes seamless and efficient requires a store execution approach that digitizes and streamlines the processes while bridging functional silos.

**3. Integration** – No single solution, even a store execution platform, can provide all of the functionality required to run today's complex retail operations. Integration to other systems such as ERP, POS or CRM may be necessary to seamlessly complete business processes from headquarters down to customer interactions and across franchise networks. This requires that the store execution solution is built on an open architecture platform with industry-standard APIs to communicate seamlessly with all appropriate internal and external solutions. That is the essence of Blue Yonder's Luminare™ Retail platform.



**4. Speed** – The pace of retail change continues to accelerate. Speed to value and speed to innovation are critical for continued relevance and profitability. These are delivered most successfully through Software-as-a-Service (SaaS) solutions in the cloud. Blue Yonder's SaaS-based store execution solution delivered on the Microsoft Azure Cloud enables rapid time to value during initial implementation, as well as for the many innovations added over time through the service. With this always-on, always up-to-date service, Blue Yonder will become your trusted partner to continually keep your business ahead in the competitive marketplace.

## Empowering the workforce

Empowering the workforce to efficiently and effectively handle all of the traditional tasks and new services offered in today's stores requires automation to reduce the workload, enhanced knowledge to inform the work and mobile communications to deliver relevant information to managers and associates anywhere in the store. By empowering the workforce, associates feel more engaged in the business and this improves retention.

Blue Yonder's store execution capabilities automate routine tasks by using AI and ML technology to understand local store patterns, forecast needs and initiate appropriate actions. For example, by ingesting shelf inventory data from Internet of Things (IoT) sensors and comparing this to projected sales volumes, the solution can initiate restocking tasks and could create replenishment orders for suppliers or the distribution center. This is more efficient, accurate and timely than having associates scan shelves visually and place the orders.

Another example is in food preparation. Blue Yonder's solution knows the recipes for all prepared foods, how long it takes to prepare them and the sales patterns for each item over the course of a day and week at each location. It automatically calculates how much of each ingredient is needed at any time, when to begin thawing and preparation and how many finished items should be available for each timeframe. This not only eliminates manual calculation or guesstimates of these amounts, it is also more accurate, resulting in less waste and fewer lost sales.

The store execution solution is also integrated with Blue Yonder's workforce management and task management capabilities to ensure the right number of associates with the right skills are scheduled to perform each task and that the tasks will be appropriately prioritized and performed productively.

With Blue Yonder store execution capabilities, customers can achieve these benefits:

**25%**

Reduction in waste

**20%**

Reduced inventory investment

**3%**

Increase in sales

## Business process automation

Because store execution is an integral part of Blue Yonder's broad Luminate Retail suite of solutions, it enables retailers to automate end-to-end business processes with AI- and ML-based intelligent decision-making. Corporate plans for merchandising, assortments, pricing, promotions and allocations flow down to stores and franchises for execution. Store execution incorporates these plans, along with local demand, space and floor planning and workforce management to seamlessly execute the business processes in each store. Gone are the days of disconnected point solutions, functional silos that disrupt information flow and the resulting inefficiencies and service failures these cause. Blue Yonder's retail solutions enable intelligent end-to-end business process flows with digital precision.

Blue Yonder has prioritized seven key business processes within store execution. These processes are integrated with workflows, dashboards and reporting to provide a holistic approach to store and franchise management. The seven key processes are:

### Inventory management

The integration of online, mobile and in-store shopping has made keeping a perpetual inventory of every item in each store a foundational requirement. Without this accurate accounting of what is in each store, along with item lookup and count capabilities, there is no way to avoid disappointing customers and risking customer loyalty. And a financial accounting of all inventory must be kept hand-in-hand with the physical tracking to balance with receiving, sales, adjustments and waste.

Perpetual inventory must go beyond tracking what inventory is in the store to also track its usage. For example, it must understand that the cheese slices used in food preparation are separate from those for sale on the shelf and decrement totals whenever usage or sales occur. And it must account for damaged, lost or stolen inventory as well as for waste or other adjustments in order for the accounting to remain accurate.

Blue Yonder's store execution capabilities cover these perpetual inventory requirements as well as many more related functions to ensure all inventory is accounted for with digital precision from the time it is received until it is sold, used or otherwise accounted for.

### Prepared foods

One of the most difficult tasks to manage properly within stores is the preparation of food. The store execution solution must track each recipe and its ingredients, understand time requirements for thawing, preparation, cooking and packaging and then be able to synchronize these ingredient needs and prep times with granular levels of demand, for example, how many turkey and swiss cheese sandwiches will likely be sold between noon and 1:30pm in that store. It must also be able to consolidate SKUs for the turkey, cheese, lettuce, bread and other ingredients into one sandwich SKU that is sold to support inventory management and cost of goods sold calculations.

Of course, it can get much more complicated when recipes vary by regional preferences or if ingredients vary dynamically when the customer makes their selection of what goes on their sandwich at the counter. Or when different foods are prepared and put out at different times of the day and/or week. And it must also account for damaged ingredients, spoilage and waste in conjunction with the inventory management solution.



Blue Yonder's store execution capabilities manage food preparation with digital precision to ensure the right quantities of ingredients and finished products are available when customers want to purchase them. And the solution is integrated with Blue Yonder's inventory management and workforce management capabilities to provide a seamless inventory, people and process solution. With Blue Yonder, food preparation becomes a seamless, profitable and sustainable step in delivering superior customer experiences.

## Cash & accounting

Bringing clarity and transparency to the cash-to-cash cycle is important to every business, but especially in retail stores and franchises where there are so many opportunities for variance and shrinkage. The store execution solution must reconcile cash in drawers with sales receipts and outflows for rebates and returns as well as perform invoice reconciliation. And it must integrate with general ledger and accounting applications for seamless information flows to run the business.

Here the digital precision of Blue Yonder's store execution capabilities is especially important. Precise accounting of cash not only supports financial operations, it can also identify areas of theft and financial mismanagement before they become harmful trends. Blue Yonder brings clarity and transparency to cash operations while aiding loss prevention.

## Energy management

For convenience stores and some other retail formats, fuel sales are both a profit center and a draw for in-store business. Increasing consumer desire for convenience and the rise in electric vehicles and charging stations is accelerating this trend. Instances of customers dropping into the store for "cokes and smokes" while they fill up the tank are being augmented with customers coming in for a gourmet sandwich and a latte with a place to sit down and check their e-mails and social media while their electric SUV is charging. Therefore, energy management and pricing are becoming even more important to revenue generation and profitability.

Blue Yonder's energy management capabilities within the store execution solution help retailers drive and execute their forecourt and in-store business. The solution manages fuel transaction and reconciliations and keeps track of pump and tank readings to generate refill orders. It also simplifies price management in this

volatile segment and can integrate with electric charging operations as well. With Blue Yonder, forecourt operations are more profitable and a better draw for in-store business.

## Price execution

With increased competition and availability of price-checking apps, price optimization has become crucial to retail profitability. Stores and franchises must be able to track competitor pricing, adjust prices on the fly and sync with shelf labeling and POS solutions. Blue Yonder's store execution capabilities provide these price optimization functions and integrations to other systems such as POS and electronic shelf display. Blue Yonder brings digital precision to price management to help keep stores and franchises competitive and profitable.





## Order execution

A critical step in keeping shelves stocked and customers happy is the merchandise ordering process. The store execution solution must understand what merchandise plans are in place for demand management and space planning so it can compare existing inventory to projected needs and order appropriate replenishments. This includes planning the order items and quantities, review by management and electronic submission. Once the order is fulfilled, store execution must be able to process the advanced shipping notice (ASN), reconcile what is actually received versus what was ordered and report variances. The order execution capabilities must also be able to account for returns and their dispositions as well as process credits. Blue Yonder's store execution capabilities handle all of these ordering processes with digital precision, making stores more efficient and profitable.

## Third party services

As consumer preferences for a broad range of services and one-stop shopping have increased, many retailers and franchisees have chosen to work with third party service providers for some of these additional services rather than attempting to offer all of the services themselves. The services may include those provided in the store for customers by outside firms such as banking, dry cleaning or third party food vendors, services provided by outside providers to extend store processes such as home delivery services, or third party services offered by the store for customer convenience such as lottery sales, tax and utility payments or electronic device and vehicle charging. This broad spectrum of services and providers presents both opportunities to draw customers inside for

additional sales and challenges for efficiently providing and accounting for these services. Blue Yonder's store execution capabilities effectively manage all of these third party services as well as provide integration to third party systems for seamless operations and accounting.

## Store execution ecosystems

Stores and franchises do not exist, nor can they compete, in a vacuum. They are part of a larger retail ecosystem involving many internal and external processes and solutions. Therefore, to be competitive and profitable, store processes must go beyond point solutions and disconnected systems to embrace end-to-end process automation, visibility and decision-making. This requires ecosystem integration and data-sharing as provided by the Blue Yonder platform's open architecture and industry-standard APIs.

Ecosystem integration involves seamlessly sharing data and transactions with internal retail systems for forecasting and replenishment, pricing and promotions, assortment management, space planning, workforce management and IoT data, whether these are part of the Blue Yonder Luminare Retail suite or from other vendors, as well as integration with external third party systems for POS, CRM, finance, ERP or the third party services discussed above.

Not only does Blue Yonder's open architecture and APIs make these integrations straight-forward, the fact Blue Yonder's platform is available in the cloud makes these integrations and data-sharing easier. The

result is a store execution ecosystem that operates the way today's 24/7 retail does, in real-time, not in disjointed back-end point solutions.

## Speed to innovation

Retail is changing at an accelerating pace. Satisfying customer demand therefore requires constant change and innovation. To capture consumer mindshare and spending, retailers must be able to continuously innovate. In traditional environments innovation comes at best with annual (and costly) system upgrades. Retailers can't survive that way today.

The answer is Blue Yonder's SaaS-based, cloud resident retail platform. Innovations in any area of need can be seamlessly rolled into the solution at any time, making innovation a core competency and continuous reality. In partnership with Blue Yonder, speed to innovation and speed to value elevate your retail operations to leader status. Your business will be more competitive, more efficient, more profitable and better positioned to react with warp speed as the retail environment evolves. You'll be able to deliver superior customer experiences with digital precision.



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