

Transitioning to Modern and Profitable Unified Commerce

Today's consumer is a demanding consumer with more information at their fingertips than ever before about availability, price, product features, delivery options, return policy and more. Shoppers expect to view online inventory, order online and pick up in store and be able to return orders in a way that is most convenient for them. They expect the retailer to know who they are and what preferences they have across all channels. And of course, they expect their personal information will not be compromised.

Unified Commerce connects all the channels in real time. Data must be available to all parties from store operations, buyers and marketing to vendors, suppliers and the customer. Since retailers sell through multiple channels, web, mobile, kiosk, catalog and store data must all be interconnected in real time.

While retailers recognize the importance of Unified Commerce, executing a true Unified Commerce strategy has its challenges. Serving the customer as they wish must also be balanced with profitability.



What is Unified Commerce

Real time data available to all interested parties including:

- Customers
- Management
- Buyers
- Supply Chain
- Stores
- Store Ops
- Marketing
- Planning & Allocation

Touching all areas of the business including:

- Loyalty
- Customer Orders
- Product Information
- Inventory
- Price
- Sales

Disruption is the New Normal

How consumers buy and retailers sell will change more in the next 20 years than it has in the past 20 decades. Disruption has become the new normal. In recent years, there has been a major shift occurring with the blurring of lines between retailers and manufacturers. Retailers are designing and sourcing product. Manufacturers have become retailers. Online-only retailers are gaining strength and opening stores.

Up to a few years ago, fulfillment was linear moving from the factory to the DC and then the store to the consumer. Now it is dynamic. The customer can order any item, anytime, from anywhere and expect to have it in hand today or tomorrow. To achieve this, orders must be filled from DCs, stores, factories and partners.

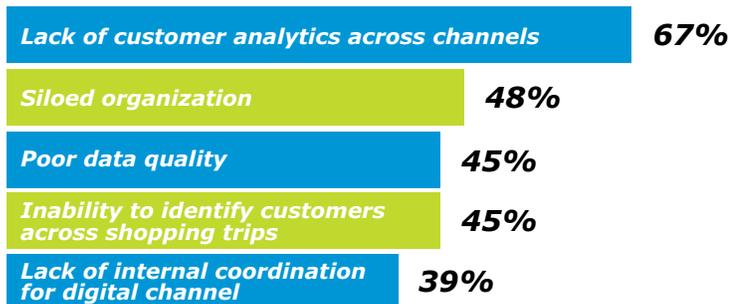
Retail Lags Behind

For years, airlines have made pricing, ticketing, check-in and flight status available online and through mobile devices. Banking is interconnected virtually by ATMS. Taxi service has been revolutionized by the likes of Uber and Lyft. However, the retail industry lags behind when it comes to offering a seamless and unified shopping experience.

Yesterday's older systems, processes and methodology cannot support changing customer needs and expectations. Lack of customer analytics across channels, siloed organizations, poor data quality and inability to identify customers across shopping trips are some of the challenges holding retailers back from offering a cohesive Unified Commerce customer shopping experience.

According to the April 2016 survey of attendees at the World Retail Congress in Dubai, 78% of the respondents said there is no brand experience across their channel. The way retailers sell and interact with consumers must change at its core in order to succeed today and into the future.

Challenges holding retails back:



What consumers expect:



Consumer expectations and behavior have changed – thanks to mobile phones and tablets. Today's consumers:

- Research retailer or product prior to purchase
- Buy from anywhere on any device
- Expect fast delivery from and to anywhere
- Want a seamless shopping experience
- Want retailer to know "who I am"
- Demand their privacy is protected

What's a Retailer to Do?

Developing a strategic roadmap is the first step in the journey to Unified Commerce. A roadmap should identify the biggest pains and opportunities, where the retailer needs to get to and in what time frame. Since Unified Commerce touches every aspect of the business, identifying and addressing organizational issues that separate the channels is essential as there will likely be change to the organizational structure and job functions.

What to Consider When Developing a Roadmap

Decide what is important for the customer and company:

- Store
- Catalog
- Ecommerce
- Mobile
- POS
- CRM
- Clienteling
- Loyalty
- Endless Aisle
- Kiosk
- Labor

Evaluate each existing piece of the puzzle to interact seamlessly, in real time:

- Software
- Infrastructure
- Operations
- Policies
- Merchants (buyers)
- Vendors
- Supply Chain (Planning, Digital, Fulfillment, Store)

Turn Challenges Into Opportunities

- ▶ **Involve all areas of the business impacted from the beginning**
 - Projects that only involve IT tend to fail
- ▶ **Transition almost always takes longer than planned**
 - Be realistic about timeframes and plan delays
- ▶ **Plan additional staff**
 - Staff cannot perform normal duties AND have significant involvement
- ▶ **There will be surprises - allow for them**
 - Change will continue at a rapid pace

The Right Solution

To improve business processes, exceed these ever-increasing consumer expectations and achieve future business growth, companies are rethinking how they respond to consumer demand by investing in more functionally rich, configurable and integrated platforms. The Unified Commerce goal is to streamline processes across all channels



and geographies, better match supply and demand and centralize information to achieve superior service levels both online and in store.

However, the vast majority of retailers are constrained by their inflexible and outdated systems. These are often highly customized with many “bolt-ons” that are costly and difficult to manage. Additionally, companies often run disparate applications from multiple vendors that do not interface well. This further limits capacity to scale and respond quickly to changes in the marketplace. The decision facing management will be whether to continue maintaining in-house legacy systems or to make that strategic decision to acquire software designed to achieve Unified Commerce.

The Reality

Consumers expect Unified Commerce and retailers must meet consumer expectations or they will get left behind. Unified Commerce is the doorway into a journey toward meeting tomorrow’s needs and expectations. Words of advice: be realistic and flexible. Nobody believes retail is at the end of its transformation. Change will continue at a rapid pace. Revisit and reevaluate the Unified Commerce strategy often and with an open mind.

Considerations when selecting new software solution:

- *Can it provide and share real time data*
- *Is it user friendly*
- *Is it flexible and configurable*
- *Is it scalable*
- *Is it functionally rich*
- *Is it secure*
- *Will the vendor continue development to meet tomorrows needs*
- *Is it easy to implement and interface*
- *Is it easy to maintain*
- *Is support for the underlying technology readily available*
- *Is the technology modern*
- *What is the initial and ongoing costs*

Contact us today to learn more!

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About RPE

In today's changing retail landscape, RPE consultants and IT solutions experts utilize years of experience to help retailers improve the customer engagement, increase sales and improve profitability. A leading retail consulting firm established in 1999, RPE's innovative services include business process improvement, package selection, strategic IT planning and systems implementation. A secure Data Center provides cloud hosting, systems management and disaster recovery. Working in partnership with JDA Software, Jesta I.S., Multidev, IBM and most leading software and hardware providers, solutions include PLM, Sourcing and Demand, Merchandising, Planning, Allocation, Replenishment, DOM, DC Management, Business Intelligence, Mobile, Clienteling and Point of Sale. Visit www.rpesolutions.com.