YOOBIC

A Guide to Increasing Retail Store Operational Efficiency

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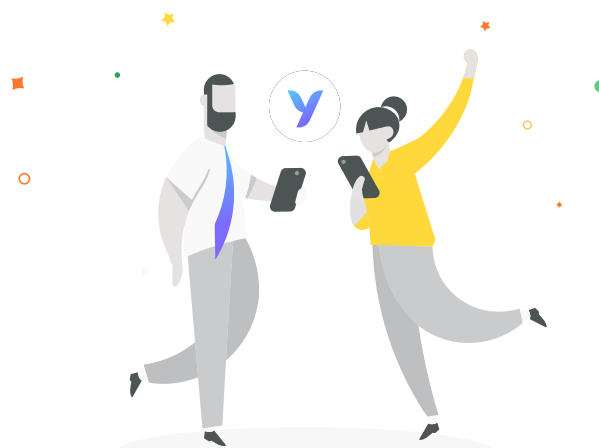
Introduction

It's been a tough year, but are we finally living through the dreaded retail apocalypse that had long been predicted? Not exactly.

This is a storm to be weathered, and boosting operational efficiency is the best way to make it through to the other side.

Imagine your worst weekend sales figures ever, then slash them in half and extend them over an entire year. That's the new reality retailers are facing - and there's no sign of it letting up.

Frontline store teams must keep customers safe and provide them with an enjoyable shopping experience, all while cutting operating costs. And don't forget about growing sales.

The pandemic has exposed and intensified inefficiencies within retail stores. This has created a **"perfect storm"** for teams:

The Perfect Storm

▶ Fluctuating consumer demand

▶ Inefficient processes

▶ Overwhelmed staff

With the constant fluctuation in foot traffic most retailers have experienced this year, it's so important that the customers that do come in convert.

COVID-19 is the catalyst that will change the way retailers operate. But how can each store be more efficient when time and resources are scarce?

Here are 4 ways retailers can help each store in their network do just that.

1. Digitize Task Management

There's a lot riding on the quality of store task execution. Customer experience, sales, compliance and consumer trust all depend on how teams execute on tasks such as:

- Store sanitization
- Implementing promotions, planograms and signage
- Opening and closing checklists

When tasks aren't digitized, store teams are putting in more time and effort to get fewer outputs. That's the exact opposite of operational efficiency.

How does non-digitized task management contribute to the "perfect storm"?

❌ **A rapidly changing retail environment:**
Non-digitized task management involves admin work like printing, emailing, data collection, and form completion. This admin soaks up time that store employees don't have in a high-pressure and constantly changing environment.

❌ **Inefficient processes:**
Non-digitized task management reduces accuracy, damages compliance and prevents HQ from getting feedback from stores. That makes processes inefficient.

❌ **Employee overwhelm:**
Time-consuming admin work doesn't contribute to high-value outcomes, like growing sales. Employee workloads increase, but their outputs don't.

Symptoms of inefficient retail task management:

- **Use of paper**, especially for checklists

- Use of **multiple platforms and tools** for the same task - including Excel, PowerPoint, emails, calls, intranet and faxing forms to stores

- Frequent **trips to the back office** for printing, emailing, report compilation, and taking calls from field teams

- **Limited feedback from stores** on task completion

- **Different metrics recorded by each store** because procedures aren't standardized
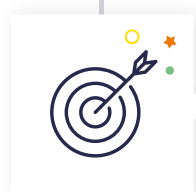
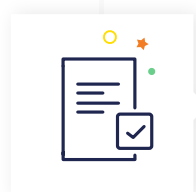# Digitized task management boosts operational efficiency by:
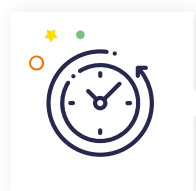
Saving time
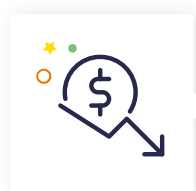Teams can reallocate time saved to higher value tasks, like helping customers.

Increasing accuracy
Digitization automates manual data collection, checklist completion and report generation, all of which are prone to human error.
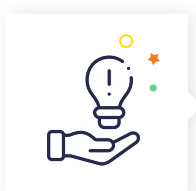
Improving compliance
Digitized task instructions are clearer, so teams understand how to execute perfectly the first time.

Reducing costs
Costs from printing, phone bills, and IT maintenance can be reallocated to other areas of the business.

### Improving the quality of store support
Digitization gives HQ and field teams visibility into task completion, meaning they can provide better support ASAP.

4 ways to digitize in-store tasks:

☑ Centralize all tasks **into one digital platform**

☑ Choose a **mobile-first platform** to make task execution more convenient for frontline teams

☑ **Automate data collection and report compilation**. Integrate descriptive data sources such as pictures

☑ Set up **real-time dashboards** for store data, including task completion rate and time to completion for field teams and HQ
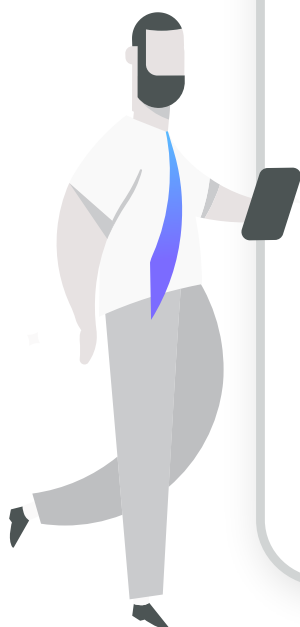
An example of digitized task management:

A product has been recalled and must be removed from all shelves immediately.

HQ creates a digitized task for the product recall, complete with a step-by-step checklist. HQ marks the task as urgent, so it appears at the top of store teams' to-do list for the day.

Store teams complete the checklist on an app, including photos where necessary. HQ now has complete visibility into which stores have and haven't completed the recall processes.

2. Manage Store Operations Remotely

In-person contact with frontline teams - most commonly through store visits, audits and walkthroughs - are like a regular doctor's checkup for store operational health.

Stores need far more of these checkups in 2020, but field teams aren't able to provide them. That's because they can't be everywhere at once, and COVID-19 has made field team travel impractical, and sometimes even impossible.

Managing store operations in person is the default for most retail networks. But it's also damaging store operational health.

On the other hand, using tech to manage store operations remotely increases contact between field and store teams. Ultimately, this boosts operational health.

How does only in-person management of store operations contribute to the "perfect storm"?

✗ **A rapidly changing retail environment:**
Field and HQ teams' knowledge of frontline conditions depends on being there in person. They can't give stores the support they need to adapt to constantly changing consumer demand levels.

✗ **Inefficient processes:**
A lack of visibility prevents field and HQ teams from improving store and processes. HQ gets no feedback from stores about task completion.

✗ **Employee overwhelm:**
Frontline store teams don't receive enough support, communication and coaching from field teams. This is especially relevant when audits and visits are done on an ad-hoc basis.
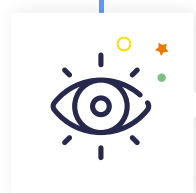
Remote store operations boost operational efficiency by:
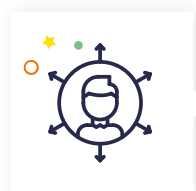
Broadening field team coverage

Less time spent traveling leaves more time to manage operations for more stores - remotely.
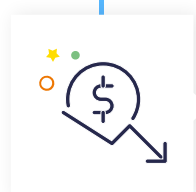
Reducing costs

By only making in-person visits when it's absolutely necessary, revenue saved from gas, phone and hotel bills can be reallocated to other areas of the business.

Enhancing visibility

A broader coverage of stores means a broader and more up-to-date knowledge of what's going on in those stores. Area managers know which stores are struggling and need extra support.
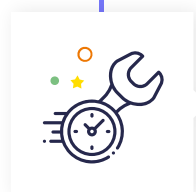
Fixing more issues, faster

Fewer emails, calls and visits are needed to fix issues with execution, compliance and customer experience. Area managers catch issues as they come up instead of uncovering them weeks or months later during a visit
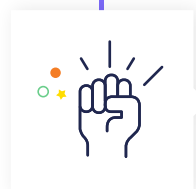
Increasing store autonomy

With more support from regional teams, frontline employees can catch more issues sooner. This empowers them to take ownership of improving processes and customer experience on their own.
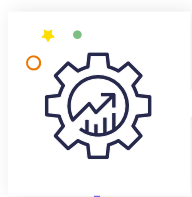
Making in-person visits more impactful

Visibility into store performance and access to historical data makes the in-person visits that do occur much more effective. Area managers know what they're getting into and what areas to focus on before they arrive.
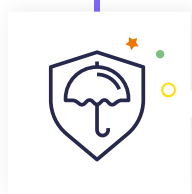
Reducing risk

HQ has a clear overview of store compliance and can provide evidence to governmental organizations, helping the entire organization avoid fines.

3 ways to start managing operations remotely:

☑ **Supplement in-person visits with remote store audits.** Area managers complete store visits using a combination of instant messaging, live video and delegating simplified checklists to store managers.

☑ **Assign store self-evaluations and reports.** Store teams complete digitized progress reports and checklists assigned by area managers and submit them (e.g. daily or weekly sales reports).

☑ **Pull operational data from stores into dashboards** to give HQ a real-time overview of operational health.

An example of remote store operations:

A remote store visit

1. An area manager assigns self-evaluations to store teams. These checklists are simplified versions of what area managers would cover during an audit.

2. The area manager reviews the completed checklists, gives their feedback, and organizes phone or video calls with store teams if necessary.

3. Self-evaluations are compiled into an audit report and stored to help prepare for the next visit.

The Remote Store Visit Process

Complete 'self-audit' report →

← Give feedback and action plans

3. Streamline Internal Communications with Frontline Teams

80% of senior business leaders think employee engagement is critical for achieving company goals. But you'd never know it, considering that 41% of frontline employees hardly ever look forward to going to work.

Engaged employees are operationally efficient employees. They're more productive, make 60% fewer errors and are 21% more profitable than their unengaged peers.

Tailoring internal communications around the frontline employee role connects stores to the rest of the organization, increases engagement levels and boosts operational efficiency.

The problem is, most retail organizations lack the tools to connect with frontline teams. Instead, they rely on emails, outdated LMS and intranets.

How disconnected internal communications contribute to the perfect storm:

✕ A rapidly changing retail environment:
Employees don't have easy access to the information they need to quickly adapt to new consumer behaviours, processes or tech.

✕ Inefficient processes:
HQ and regional teams can't keep frontline employees in the loop about new processes, policies and technologies. Urgent communications might never be received, and inefficiency becomes the status quo.

✕ Employee overwhelm:
Employees feel disconnected from the rest of the company, causing them to feel unengaged and overwhelmed. And since the communications they do get come from multiple teams and through multiple channels, they also feel bombarded by HQ.

# Streamlined internal communications with frontline teams boosts operational efficiency by:
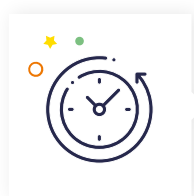
Saving time

Retail employees typically have a mobile device with them or nearby. When news and updates are accessible on mobile, time isn't lost running to the back office.
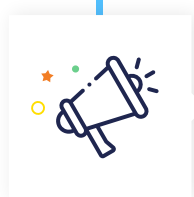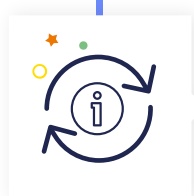
Extending reach

HQ can reach thousands of employees instantly and confirm they've received the information - no calls or emails needed.
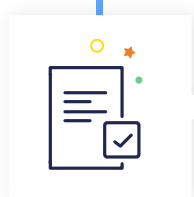
Improving task execution and compliance

Store employees can execute tasks safely and efficiently the first time, since they can communicate directly with regional and HQ teams.
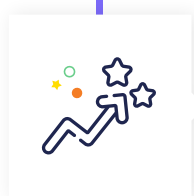
Keeping frontline teams in the loop

Using read receipts on mobile, HQ can instantly confirm employees have read important updates. This is even more critical when local, regional and national safety regulations are rapidly changing.
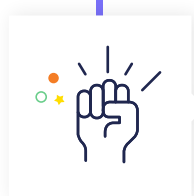
Engaging and motivating

Motivated employees go the extra mile, which boosts their efficiency and increases talent retention.

Proactively improving performance

Store teams face a constantly changing onslaught of new policies and technologies. Better internal communications gives these teams the information they need to perform their best.

3 ways to engage frontline teams with internal communications

☑ **Switch to a mobile-first platform.** Mobile-first platforms should be the default for retail employees in the same way a company laptop is for office workers.

☑ **Couple news, updates and announcements with training.** This makes the best use of employees' limited time by giving them everything they need to know in one place.

☑ **Give frontline employees a voice.** Empowered employees have more to say. Communication between teams at different locations and different organizational levels breaks down silos.
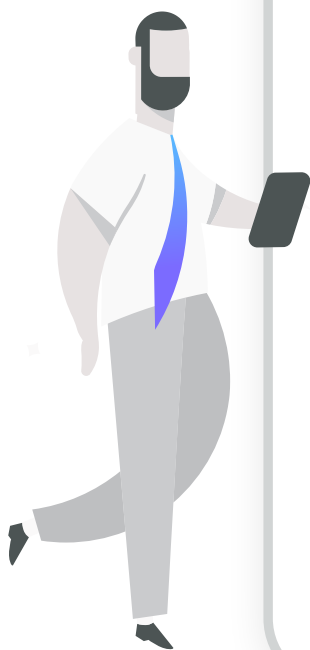
An example of effective communication:

A new click and collect service is about to be rolled out across your network. HQ sends out a targeted announcement to all relevant store employees using a mobile-first platform.

Employees get a push notification, so they know the announcement is urgent.

The announcement is coupled with a series of training videos, an FAQ page about how the click and collect service works and some best practices to follow.

HQ turns on read receipts, so they can track which stores and employees aren't up-to-date.

4. Use AI to Automate Analysis and In-Store Improvements

Every store is a goldmine of data. But nobody has enough time to sift through it.

And when regional or HQ teams do have time for data analysis, they're simply not going to be efficient at spotting patterns in data across hundreds and even thousands of locations.

Typically, store KPIs are only analyzed when an area manager has time. Improvements only happen after a visit by regional teams. And while store teams may eventually be told what to improve, they may or may not be told why or how to improve it.

AI analyzes data from thousands of locations and sources. It detects patterns that aren't immediately obvious to teams with heavy workloads during a global pandemic.

AI boosts operational efficiency by automating the time-consuming analysis of data and auto-mating improvements to the in-store experience.

How a lack of automated data analysis contributes to the perfect storm:

✖ **A rapidly changing retail environment:**
This year has seen drastic changes in consumer behavior. If store data isn't analyzed, store teams will miss out on understanding consumer behaviour and how to adapt to it.
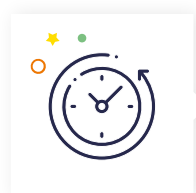
✖ **Inefficient processes:**
Patterns in store KPIs may indicate inefficient processes. But unless the data is analyzed, opportunities to improve these processes stay hidden.
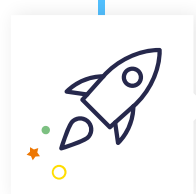
✖ **Employee overwhelm:**
Improvements to in-store processes that could reduce employee workloads aren't discovered.

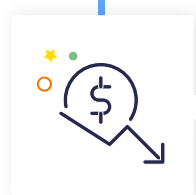# Automating data analysis with AI boosts operational efficiency by:

Saving time

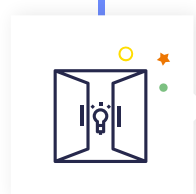It's not practical to manually analyze thousands of store KPIs as well as reams of online and offline data.

Making teams more productive

54% of business executives reported higher productivity after implementing AI in the workplace.

Cutting costs

Automation from AI cuts labor costs by 20%, according to McKinsey.

Uncovering hidden opportunities for improvement

HQ and field teams might group stores by region or city, but AI might group them by shopper behavior and uncover new opportunities for boosting sales.
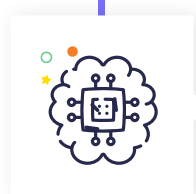
Automating in-store improvements

Algorithms can trigger specific actions when criteria are met - for example, alerting a store manager or assigning training.
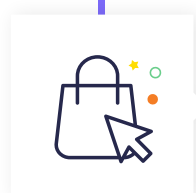
Creating a better omnichannel experience

As AI can find patterns and opportunities across data sources, it can trigger in-store improvements that harmonize the in-store experience with the online one.

3 ways to automate in-store improvements with AI

☑ **When store KPIs dip.** *(e.g. basket size, units per transaction, % of transactions with a loyalty card):* trigger an alert for store and field managers, schedule an audit, or assign store team training

☑ **When anomalies in in-store sales are detected:** trigger an alert for the store manager to investigate and solve the cause

☑ **When top-performing online SKUs are detected:** trigger an alert to store managers to put the SKU in a high-traffic area, order more stock, change promotional strategy or change pricing
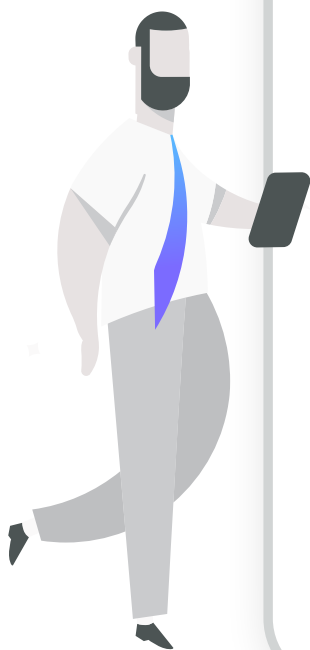
An example of in-store improvement automation with AI:

AI detects that a SKU has significantly fewer sales than other stores with similar foot traffic and layout.

An alert is triggered and sent to the store manager, who investigates the under-performing SKU. The manager discovers that staff haven't been trained on how to recommend the product to shoppers, while staff in other locations have.

Key Takeaways

Operationally efficient stores can quickly adapt to rapidly shifting consumer demand, tackle inefficient processes and reduce employee overwhelm.

To increase store operational efficiency, retailers should:

✔ Digitize task management

✔ Manage store operations remotely

✔ Engage store teams with internal communications

✔ Automate data analysis and in-store improvements with AI

By empowering each store to do more with less, retailers can do better than weather the storm - they can thrive in it.

About YOOBIC

200+ retailers Lacoste, Boots, Peloton, Kenzo, VF Corp and Carrefour are using YOOBIC's digital workplace to boost store operational efficiency.

Digitized, streamlined task management refocuses field and frontline teams on what matters - boosting compliance, supporting employees and helping customers.

Customizable dashboards and digitized processes give regional and HQ teams the visibility they need to improve operational health - even if it's remotely.

A unified platform for internal communications and team training creates an engaged, knowledgeable and agile frontline workforce.

AI-powered analytics constantly improve the in-store experience so it exceeds consumer expectations.

See for yourself how YOOBIC can help your stores thrive in retail's high-pressure, high stakes reality.

GET A DEMO