



Guide

The CIO's guide to succes on a changing market



How do you navigate confidently through a changing market?

Consumers are on the move, and the strongest retail chains navigate with confidence through this unpredictability. They have the courage to blaze new trails and the ability to meet consumer needs. They have also understood that simplicity, accessibility and flexibility are the three key parameters when it comes to exploiting technology in order to be successful in a changing market.

If this is also what you are striving for, then you should keep your ears to the ground – not just as it relates to market matters, but also to what is going on every day in your company. You also need to take charge of technology if you are going to be able to give good and insightful answers to all the requests coming in from colleagues, customers and other stakeholders in your organisation.

You do this by creating a solid and stable motor that takes care of the daily operations and at the same time contains the exact amount of flexibility that you and the rest of the company needs.



The challenges in a typical retail chain

From the many years that we have worked with retail chains, we have gained insight into what works and what is tricky when it comes to technology and optimal operations in the retail sector. And not least, the expectations and behaviour of consumers. We have met many IT managers and CIOs who navigate through an even blend of opportunities and limitations.

Come and meet “Martin”, who is an example of an IT manager/CIO who might be working for a retail chain and with overall responsibility for the company’s technological infrastructure. Martin knows everything about how important it is to keep daily operations up and running. Constantly. Every day. If the systems come crashing down, the business grinds to a halt. It’s that simple. Maximum uptime and an absence of tech issues out in the stores let him sleep well at night, but he won’t be praised for those efforts.

There was a time when uptime was enough, but with changes in consumer behaviour and declining loyalty among the retail chain’s customers, other things are needed. Martin has ambitions for his company and his customers, and therefore he is always on the lookout for new possibilities to make the customers’ lives easier. In order to give them more than what they came for, which then in turn makes them decide to come back another time. And it is not only because Martin is a good person that he is interested in making sure this happens. He also knows that the great customer experience pays off and will help to ensure that his company has a position on the market. The great customer experience is a differentiated factor in a time where the trend is for the customers to shop around without hesitation.



A lot of demands in a busy workday

Martin, however, is challenged by the fact that the market changes very fast. Customers are demanding, and new competitors are showing up – sometimes from one day to the next.

During his work week, Martin is therefore also faced with different wishes – or demands – from important stakeholders, who each in their own way are interested in the technological platform he is responsible for. For example, Martin has meetings with:



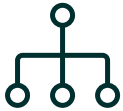
The senior management

At the latest senior management meeting, he becomes aware of discouraging numbers that show that the company is losing market share to a competitor that has successfully launched a new shop-in-shop initiative. He is asked to investigate how the company can do something similar – or something even better. No one wants to just copy, after all.



The e-Commerce Manager

Martin's colleague, who is responsible for online sales, tells him that the latest figures from the online store shows an unusual amount of unfinished purchases. People are leaving the online store without making a purchase. What is happening? Can we look into that?



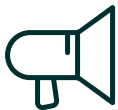
The retail chain CEO

She has scheduled a meeting with Martin. There is a recurring problem with unsatisfied customers who have seen one price quoted online but then faced with a different price in the store. This leads to hard feelings, it's time consuming to fix and it also stresses the employees. And on a very general level, it makes for uncertain customers. What can they rely on? We must be able to do better!



The CFO

Martin has booked a meeting with the CFO in order to talk about the projects he is working on. He tries his best to find a quiet, non-interrupted time during the week to work on a business case that shows how the various projects supplement each other and create value for the business.



The CMO

The stores are seeing fewer visitors. The CMO has launched a large-scale loyalty programme across the organisation. Resources have been set aside for an ambitious campaign that will create awareness in the market, attract more customers to the store and increase commitment among the employees. Martin is a part of the project group.

On top of that, there are the regular operational tasks. Overall, Martin's week is stuffed full of far more questions than answers. Several of the issues that he has been presented with have more than one solution. He knows how to fix it 'here and now', but he also knows the issues will keep popping up. He needs a much more long-term solution. And more time!



IT in the organisation The workday you navigate through

Perhaps you can relate to certain elements from Martin's work week. It is no longer enough simply to run fast. On the contrary, some challenges require that there is time to come to a stop. The CIO or IT Manager's role is changing, and IT is no longer limited to dealing with servers, IT security and supporting users. Technology has become everyone's domain; the consumers expect smart solutions and everyone in the company is buying technology.

The task of making the daily IT operations go hand-in-hand with development projects and a future-oriented use of technology can be quite the balancing act. In a busy workday, a vicious cycle can easily arise – one in which “good ideas” are shot down because it will be too complex to make them work together with your current technological setup.

Many times you might even be well aware that there is a need for a technological upgrade which will precisely make it easier to launch new projects, as with the current platform it requires an excessive amount of time to ensure even minimal technological and data-related compatibility.



Flexible and effective

If you are responsible for your company's IT, you risk putting yourself in the position where the rest of the organisation views the IT department as only being there to make the workday difficult for the rest. Maybe they'll start their own projects without involving you, because they have learned from experience that nothing materialises anyway when involving the IT department. This is not necessarily a bad thing right here and now, but as time goes by, you will be faced with many small incompatible or unconnected enclaves. This makes promoting synergy, cohesion and common development very difficult.

Instead, try to imagine the ideal scenario:

Where you are in the situation where you have built the technological platform that flexibly allows you to scale up and down on both capacity and functionality. The daily operations are running without issues, and you enter into a dialogue with the rest of the organisation about new ideas. You debate and develop solutions that strengthen the business and which meet the customers' expectations for a flexible and effective shopping experience on their terms.

IT is not your exclusive domain, but a shared field of development where you, due to your competencies, guide the rest of the organisation and show the path towards the most profitable and future-oriented technological approach.

The ideal work week

Let's revisit Martin. He has now established a technological platform that makes life easier for himself, his colleagues in the company and the customers out in the stores and online. Because of this, he is now much more open and constructive when he has meetings with his colleagues. Martin has stepped into an advisor role, and the weekly meetings are far more interesting for all parties:



The senior management

The company no longer launches new initiatives based on fear or driven by new initiatives from their competitors. Of course, market developments are kept up with, and of course the company is curious and paying attention when others discover new things. The primary focus, however, is on the company's customers and employees. And the company is not afraid to fail. Martin and the rest of the management team know that innovation and new ways of thinking require courage and the will to try something new. Failed projects are fine to encounter on the path towards success – as long as one quickly gains experience and learns from them, and then moves on.

Therefore, Martin is continually testing new opportunities on a small scale. He is capable of doing so because the technological platform has a solid core, but is also flexible enough that he can relatively easily add new functionalities, an extra sales channel or an integration with other solutions. This makes it relatively

simple to run a pilot project where the back-end is still fully integrated and thus the experiences gained are based on the actual situation.

Subsequently, it has also become simple to roll out the solution to all the stores if it should prove a success – since a step-by-step upgrade of the systems is no longer a problem. The company's technological platform provides ample opportunities to test on a small scale, without it interrupting the daily operations.

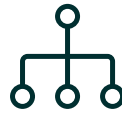
On that basis, Martin now has some completely different management team meetings; the participants now together assess the results of ongoing initiatives and discuss launching new ones. It is a part of the company's culture to seek development and to innovate. In a retail market undergoing rapid changes, and with demanding consumers, Martin and his colleagues are now part of shaping the possibilities and contributing to the developments.



The e-commerce manager

Previously, the company had experienced some problems with the homepage loading slowly. People progressed fine through the purchase flow, but when they clicked their way to the final payment, an increasing number of visitors left the page without completing the purchase. The price calculator was simply not efficient enough.

Now when all the data is collected in a central location, and prices are updated at all times, the response time has become significantly shorter. Already now there are very noticeable improvements in the number of purchases completed in the online store. Martin's meetings with the e-commerce manager are also a lot more interesting now. Instead of responding to crises, the meetings are now much more about initiatives that can inspire the visitors to shop more at the company when they are already there.



The retail chain CEO

Previously, Martin's meeting with the CEO were about misleading prices or customers who couldn't find the products they were looking for. Now the agenda is very different when the two meet. Together, Martin and the CEO have created a situation where the employees in the store can easily navigate through the entire product range and not be limited by what happens to be on the shelves of each individual store.

Products can easily be ordered for the store or sent directly to the customer. The employees have easy access to information about both the product selection and customer preferences, and they can therefore provide better advice and offer a far more personal service. The shopping experience is a high quality one for the customer, which makes both parties happy.

At the same time, the company is pleased to see that this both increases sales, improves their reputation and also has a positive impact on job satisfaction levels. In today's meeting, Martin and the CEO are discussing a report that they have both read on how damaging queue formation is for the retail trade. They were already aware of the issue, but they are now curious and want to investigate further how they can make it a great experience – even when there are many people in the store. Mobile employees who can relieve the pressure at the checkouts while simultaneously helping the customers on the floor are one of the ways to enhance the shopping experience.

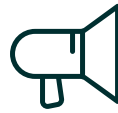
Martin and the CEO agree to run an experimental process in a handful of stores, focusing on customer service in the aisles and with mobile payment units that both help facilitate dialogue and make it possible for the employees to complete the customers' transactions on the spot.



The CFO

With fewer fire-fighting tasks during the work week, Martin now has the option to reserve several longer time slots during the week in his calendar, and he can use these to familiarise himself with new opportunities and assess their business potential. The daily operations are running optimally, and therefore it is easier to argue for budgets for projects that contribute to improving them further, that develop the business or generally enhance the technological level of both customers and employees.

There are good examples to use from previous projects, and Martin has the documentation he needs. Therefore, it is relatively simple to put together a credible business case. For his part, he has a much easier time assessing where it makes the most sense to invest and, in the organisation as a whole and at meetings with the CFO, he speaks with much more gravity and credibility.



The CMO

Martin has been sceptical about the imminent loyalty campaign but has not found a good alternative. He has heard too many stories of how expensive loyalty programmes end up doing more harm than good. This is because there is a poor correlation between the campaign's promises to customers and employees and the actual daily reality in the retail chain. Now that he has a well-oiled technological platform at his disposal, he is more capable of arguing his point. He does not think that the path to increasing customer loyalty involves a time-limited campaign with expensive advertising.

Martin would rather think long-term. The customers need to have relevant offers based on their previous purchases, known preferences and related products. They need to be inspired to come into the store. Here they should be met with committed and well-informed employees who can provide the customers with an excellent service and great shopping experiences. Efficiency in the service and quality in the dialogue are exactly what both customers and employees need.

Martin recommends that the company takes a closer look at how they can become even better at bringing the right data into play so that they can speak directly to the customers' needs and inspire them to shop both online and in the stores.



This is how you move forward

For some, there will be a huge gap between the here-and-now situation and the ideal scenario. There could be many reasons for why this is. Factors such as finances, organisation, technological maturity and company culture all play a part. However, even if there of course needs to be common ground and an overall strategy if you are faced with a big change to implement, then there are some beacons that you can already now start navigating from.

In particular, there are three things you need to keep in mind as you optimise your technological foundations. Simplicity, accessibility and flexibility are areas where even at this stage you can benefit from taking a critical look at. Then you increase the probability of you – in the long term – being in a strong position in a dynamic market where it is hard to make predictions.

Simplicity

Complexity should offer opportunities – not confusion: make it simple for the users and use complexity only where it belongs. Omnichannel is complex. Price adjustments, campaign management and distribution are complex issues. Naturally, your systems should be able to handle those – in the backend. But out in front, where your employees are using the system and where customers are directly engaging with you through apps or other online services, it needs to be simple. Make it simple for the user while at the same time taking advantage of what the complexity behind the system can allow for.

For example, you can ask yourself (or your suppliers and business partners):

- How does this make it easier to be an employee or a customer?
- Are there elements of the user experience that are more disruptive than beneficial?

Accessibility

Ensure that all products are accessible – anywhere, at all times. In a world where we spend so much time online and everything can be shipped quickly, there is no reason to limit yourself by what, for example, might be on the shelves of the store – the store is just one of several touch points. When you create full transparency across sales channels, you will naturally be giving customers and employees access to your entire product universe.

You might ask yourself (or your suppliers and business partners):

- How easy is it for customers and employees to get a comprehensive overview of all products?
- How do we strengthen the impression of accessibility with flexible types of delivery, related products and good deals?

Flexibility

Technology cannot be a limiting factor: Create room for flexibility and decisive action with a solution that you can quickly roll out across several locations and which is easy to adjust. When used correctly, technology is a transformational factor that makes you ready for change. Ensure that your technological platform is both geared for growth and that it provides you with the opportunity to test and add new functionality.

You might ask yourself (or your suppliers and business partners):

- How restricted am I on a purely technological level – are there good opportunities for integration?
- Can I make adjustments and adaptations on an ongoing basis without it paralysing the daily operations?



Adjustments as you move towards your goals

Taking advantage of the technological opportunities in an optimal manner must not become a 'quest for perfection'. There are constantly new technological opportunities appearing as well as new requirements based on customer behaviour. Therefore, the goal is rather to navigate with confidence through what sometimes seems like a chaotic area.

Every journey begins with the first step, and if your foundation is strong, you will gradually

become sharper and more comfortable working through a cycle of small steps, learning, implementation, small steps, learning, implementation, etc. If you divide the task of mastering technology into small bites and keep measuring as you go along, your success criteria will be easier to achieve because you will constantly have the opportunity to make adjustments as you move towards your goals.



We deliver innovative software solutions that increase customer loyalty and boost sales figures.

Let's make it count.