

THE RETAIL AGILITY SERIES

HOW TO DRIVE PERFORMANCE AND PROFITABILITY

Analysis Partner: **AlixPartners**

FAST TRACK TO BEING AGILE

The ability to move fast and adapt is a clear characteristic of winning retailers throughout this ongoing crisis. As part of **World Retail Congress Connected**, **AlixPartners** interviewed three leading retail executives to understand more about what 'agility' means to them. Here, **AlixPartners** summarises the key takeaways from their **Retail Agility Series**. All interviews are still available to watch on demand at the Connected website.

A winning retailer in these disrupted times will be one that closes the feedback loop and really listens to its consumer. This was the standout sentiment shared by all three retailers featured in the AlixPartners Retail Agility Series at the World Retail Congress Connected virtual event in September.



“How to listen to the consumer has to be (your) guiding light,” said **Walgreens Retail** and Consumer Services Senior Vice President, **Adam Holyk**, in his conversation with AlixPartners managing director Matt Hamory. “Yes, we need capabilities, yes, we need to make sure we have fundamentals in place, but ultimately those that will win will be those that actually listen to the consumer and are able to close that feedback loop to continuously focus on how they can build brilliant experiences.”

As our world changes, behavioural shifts are happening continually, which means retailers need a way to both track and react to them

quickly. While most retailers embraced agility in their response to the current crisis, they must also bring rigour and repeatability to these actions and make them the new norm. This is not easy, as any change to status quo demands grit and persistence.

For **Bluebell Group** President and Chief Executive, **Ashley Micklewright**, listening to the consumer looks like customising not just what product they distribute in the differentiated markets across Asia, but also how they market to and interact with the disparate consumer in each country. “What works in one market does not work in another,” Micklewright said while speaking with **AlixPartners** Managing Director **Olivier Salomon**. This is true especially in luxury, where consumers have strong opinions and demand a one-on-one relationship. According to Micklewright, it’s critical to be as helpful to the consumer as possible and remove barriers to buying – this includes what channels product is available on, delivery or pickup options, and payment choices, among others.



Of course, when you are available on multiple channels, you also must ensure the experience stays consistent across all of them. According to **JD.com's** Head of Strategy Development, **Chenkai Ling**, consumers are now highly sophisticated and expect to be served the exact same way irrespective of where they are shopping. "Right now, there are a lot of shopping formats – online, offline, livestreaming, content commerce, and social commerce, just to name a few," Ling said in conversation with **AlixPartners** Managing Director **Michael McCool**. "Consumers have a very strong need to get a consistent experience across shopping formats." This means you cannot have separate inventories for online or offline channels or add limitations around how the product is delivered to the consumer irrespective of where it was purchased, for instance.



One way in which JD.com is able to achieve this is by establishing mechanisms that break down communication silos among various teams. "Sometimes aligned objectives are a challenge," Ling said. "What is most challenging for us is how to change mindsets and encourage sharing of resources and objectives. This takes time to build, but once you move past that threshold, things become easier," he said.

The secret – during the pandemic and prior – for Bluebell Group has been operational agility built by adding speed up and down the value chain. In action, this can look like optimising the durations of store leases and other financial commitments or choosing which product categories to focus on depending on production cycles. It has even looked like getting merchandisers comfortable on Zoom over the past few months in lieu of being able to travel to Europe and the United States to procure products.

For Walgreens, the key to being agile is in paying attention to data in a way that teases out usable insights. "(Insights) that truly resonate are usually fairly clear," Holyk said. "Finding the winning proposition and meeting the unmet consumer need, that is where it needs to start."

Agility, then, can be defined as a combination of three broad behaviours: breaking down silos between teams; embracing speed up and down your value chain; and accelerating the use and application of data insights. These three behaviours, when adopted together, drive performance, profitability, and resiliency.