RETAIL
PEOPLE
POWER

How the workforce can elevate customer experiences and drive growth
Retail has become an integrated marketplace with numerous purchase points. Customers can shop across channels at any time and buy on impulse from whomever they want. They expect retailers and brands to not only have a clear purpose, but also deliver convenience and differentiated experiences.

New technologies, such as artificial intelligence (AI), have tremendous power to increase personalization and responsiveness to help retailers deliver against their purpose. Automation can help retailers to take things off the customer “thinking list” by tracking behavior and anticipating needs (such as through auto-replenishment), and it can take tasks off the “doing list” for workers.

But as machines take on more tasks, customer-facing labor becomes even more important. Store associates become brand ambassadors. Sales associates can share a depth of product and service knowledge while using technology to enhance customer interactions.

To grow in the future, retailers must rethink the future workforce and plan how to give employees the tools, training and support they need to use new technology to deliver seamless customer experiences and drive growth. However, Accenture research shows that there are large gaps between executives’ aspirations and how they are preparing their workers.

**The definition of retail is evolving**

**Then:**
Buying economic quantities of goods from manufacturers and selling them to consumers

**Now:**
Consumers buying something they desire in the moment from someone they trust
INTELLIGENT TECHNOLOGIES CAN DIFFERENTIATE THE BUSINESS

Nearly three quarters (74 percent) of the retail C-suite (CXOs) agree that adopting intelligent technologies will be critical to the organization’s ability to differentiate in the market.1 More than half (56 percent) believe AI will improve workforce productivity and half believe it will transform the workplace.2

Emerging technologies can help both the corporate and customer-facing workforces to be more effective in their jobs. For instance, leaders can reimagine how work gets done and by whom (see Figure 1). Intelligent technologies can automate execution work that requires minimal human judgment. Automating routine, transactional jobs reduces human error and frees up workers to focus on thinking, problem solving and doing creative work they are passionate about. For instance, when retail merchants delegate mundane tasks to machines, they can become the curator of experiences and the inventor of offerings for customers. Automating tasks also increases agility and responsiveness and saves costs that can be reinvested in improving customer experience channels.

Those in customer-facing roles can improve interactions and deliver more personalized services because technology provides an end-to-end view of customer purchases and preferences. Machines perform advanced analytics, and workers with domain expertise can act on those insights, adding a new level of precision to their work. For instance, merchants are equipped

At Adidas’ SPEEDFACTORY, moving from design to production of a customized shoe can now happen in days. The initiative not only reduces time to market, but also shifts the entire value proposition to satisfying demanding consumers with differentiated products. Importantly, it also requires a pivot to a highly specialized workforce of tailors, process engineers and others working closely with intelligent technology. The linchpin is the collaboration of people and robots in a series of overlapping production steps. Human hands are required, for example, to finally shape shoes that have been co-designed by computers and people. Customization requires a level of adaptability that only people can provide, working hand in hand with intelligent machines.3
Stitch Fix employs over 85 data scientists. Clients sign up to receive customized boxes of clothes selected for them by personal stylists who use a digital survey to understand customer fashion preferences. However, before the order gets into a stylist’s hands, it is processed by 5-10 styling algorithms, i.e., the order is matched to a stylist then assigned to a specific warehouse.

“At Stitch Fix, data and humans work hand in hand. Data helps humans service client needs more effectively and efficiently than ever before, while streamlining historically tricky retail operation issues and making it easier for humans to deliver the end products clients really want.”

FIGURE 1
Using the power of people and technology to make work more effective, efficient and meaningful.

IMAGINE NEW WAYS OF WORKING... HOW WORK GETS DONE AND BY WHOM OR BY WHAT.

Source: Accenture
GAPS BETWEEN PLANS AND PREPAREDNESS

Retail leaders want intelligent technologies. Employees (54 percent) are ready and willing to adapt to AI and 59 percent feel AI will encourage creativity and innovation. However, only about a third (32 percent) of employers believe the workforce is ready to work with AI. Employers that embrace technology to improve employee experiences can be at the forefront of attracting and retaining the top talent necessary to compete.

Leaders must lead the evolution, yet only five percent of CXOs are establishing a new leadership role to manage and promote human-machine collaboration. Retail C-suite leaders—not just HR—should champion change and demonstrate how technology can make work easier, more efficient and more meaningful. Just nine percent of companies are undergoing an organizational realignment and change management program.

Retailers must step out of their comfort zone and be proactive in creating new structures, roles, measures and skills to compete. CXOs recognize that workers need new skills and in fact, the top skills they cited as important are resource management (51 percent), communication skills (38 percent) and judgment/decision making skills (32 percent). Head offices will require new skill sets around data, analytics and AI, but these skills are also needed in the field and stores. Delivery staff need to be service-focused and highly customer-centric. Investment in HR analytics can help predict where to invest and how to better attract and retain core retailing and other talent. However, just 12 percent are conducting advanced workforce planning, taking into account future skills needs. Only four percent plan to significantly increase investment in reskilling programs.

Less than a third of retail leaders believe the workforce is ready to work with AI, yet only four percent plan to significantly increase investment in reskilling programs.
Sixty-three percent of CXOs ranked “growing skills gap” as the top trend influencing their workforce strategy, yet just 12 percent are conducting advanced workforce planning, taking into account future skills needs.

Additionally, inclusion and diversity should be important considerations as retailers shape their future workforce. Team performance improves by 50 percent when everyone feels included—contributing in better business performance and outcomes. However, retail lags other industries on inclusion and diversity maturity according to recent Accenture research. Retailers need to proactively take steps to create a diverse workforce and inclusive culture. This requires informing and holding leaders accountable, as well as intentional recruiting and retaining diverse talent.
MAKING THE CHANGE

Retail CXOs can lead with people to differentiate customer experiences and drive growth. These four steps will guide your decisions about the future workforce, and they will help with recruitment and retention.

1. EMBRACE THE POWER OF TECHNOLOGY

AI and other new technologies are tools for growth. In fact, Accenture estimates that if companies invest in AI and in human-machine collaboration at the same rate as top-performing businesses, they could boost revenue by 41 percent between 2018 and 2022.14 New technologies embedded across the enterprise help connect disparate functions and make it easier for workers to successfully do their jobs.

Fast Retailing, the Japanese retail holding company, implemented an AI-enabled device for its shop assistants. The technology provides real-time data on inventory, orders and returns, freeing assistants to have more informed conversations with customers.15 The company, which reported record sales and a profit increase of nearly 39 percent in its most recent financial year, plans to use AI to improve speed to market as part of its strategy to increase revenue by nearly 70 percent by 2021.16

2. RETHINK THE WORKFORCE MODEL

Think about the skills you need to deliver on your company’s purpose and enable differentiated experiences for customers. Give employees opportunities to succeed in acquiring those skills and remaining relevant. Nurture new skills. Help people to learn. Rethink the way work is shared and teams are formed. Reconsider performance measures, rewards and career paths.

At Walmart, US employees are being trained at the retailer’s training academies using Oculus Rift virtual reality headsets, allowing trainees to experience and practice responding to real-world scenarios. Think a spill in aisle three with the instructor and trainee peer group able to provide performance feedback as they watch remotely through the employees’ eyes. Following early success, Walmart has now rolled out the program to all 200 academies following the success of the pilot.17
3. POWER UP WITH PEOPLE
Retailers need the right people with the right skills, many of whom are in the company, ready and willing to step up. Some of the needed talent may exist—and remain—outside the four walls of the business. Through crowdsourcing, collaboration platforms and partnering throughout the ecosystem, retailers can acquire on-demand talent to fill specialized teams focused on a particular business challenge—and the needs may change every quarter. Technology makes it easier for companies to find people, and for people to find opportunities. In the future, AI will identify the best person for a specific task or initiative by accessing a talent pool of internal employees, contractors and freelancers who can view upcoming jobs on their mobile device, and decide whether they want to opt in.

4. CULTIVATE DIVERSE TALENT
Every retailer should have a mature approach to inclusion and diversity. It starts by employing a recruitment strategy that targets diverse populations. Through regular review of talent pipelines and looking at attrition and promotion rates for diverse talent, the business can be accountable for its progress in inclusion and diversity. Leaders should be aware of legal obligations and the company’s ambitions for inclusion and diversity, being measured and rewarding for achieving the desired goals.18
In the future retail workforce, there is a tremendous opportunity to use the power of people to drive business growth. However, retailers must reinvent organization structures, attract and keep the right talent and seize the power of technology to elevate customer experiences and to simply make work easier and more interesting for people. Making the most of your people power now can set up the business for differentiation and success for years to come. The stakes are high in retail and the business risk of inaction is substantial, so why not start now?
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ABOUT THE RESEARCH

Accenture Research surveyed over 1,600 workers and more than 100 CXOs from large retail companies in 11 countries. The research also included qualitative interviews.

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