Adaptive Retail: Expect the Unexpected

Transforming to increase profits, engage customers and enhance operations in today's digital world
To succeed in today’s fast-paced retail industry, retailers must expect the unexpected and have the right blend of digital strength, marketplace differentiation and strategic operations. Accenture helps you achieve all of that—and more.

We live in a digital world where industries are colliding and the path to profitability is shifting, forcing retailers to fundamentally change their business models.

It is an era of “Retail Everywhere” where digitization is ubiquitous, and happening at scale. Depending on growth from stores is an idea of the past. In the near future, all growth will come from digital or be influenced by it.

These changes place new challenges on retailers in three key areas:

**Personalization.** Customers expect retailers to understand and deliver on their needs and preferences—no matter where they are or what they’re doing.

**Privacy.** Customers want trust and engagement with retailers, and they expect all interactions to be protected.

**Pervasiveness.** Across all channels, customers want retailers to be relevant, engaging and useful.

To overcome these challenges, retailers need to become agile organizations that can adapt to disruptions and deliver on customers’ liquid expectations.

**Becoming adaptive in an era of change**

Accenture recognizes the challenges of this “Retail Everywhere” era, and to better serve our clients, we have adapted our own operating model and services. We have launched five business areas, each with its own suite of retail capabilities. These areas are complimentary and connected to holistically support retailers on their journey to becoming adaptive.

- **Accenture Strategy** shapes our clients’ future by combining deep business insight with the understanding of how technology will impact industry and business models.
- **Accenture Digital** helps clients unleash the power of digital, using analytics, interactive marketing, cloud and mobility services to create new value.
- **Accenture Technology** powers our clients’ businesses with best-in-class established and emerging technologies.
- **Accenture Operations** operates business processes and infrastructure as a service on behalf of our clients.
- **Accenture Consulting** brings together the very best of all our business services, using an industry lens to help clients transform and adapt in today’s digital world.
Accenture is dedicated to the advancement of the retail industry through our participation and leadership across industry-relevant associations and events, including:

- Retail Industry Leaders Association
- National Retail Federation
- British Retail Consortium
- China Chainstore and Franchise Association
- Consumer Goods Forum
- Food Marketing Institute
- Mobile World Congress
- Retail Week
- World Retail Congress

This past year, Accenture has helped hundreds of retailers worldwide.

9 of the Top 10 Global Retailers
9 of the Top 10 Global Apparel Stores
7 of the Top 8 Global Consumer Electronics Stores
9 of the Top 10 Global Department Stores

All of the Top 10 Global Discount Stores
3 of the Top 4 Global Drug Stores
9 of the Top 10 Global Grocery Stores
5 of the Top 6 Global Home Improvement Stores

By sharing the insights and experiences of our 9,000 professionals working with retail clients around the globe, we enable results, including:

- Producing more than 50,000 planograms with 99 percent accuracy and on-time delivery rate.
- Improving process and labor effectiveness to free up 20 percent of labor for clients.
- Optimizing assortment and space for more than 7,000 stores.
- Segmenting more than 200 million customers in North America across five global retailers.
Accenture Consulting brings together our industry insights and leading capabilities to help retailers transform their organizations to become adaptive. Our objective is to guide clients in creating a flexible foundation for delivering differentiated experiences.

Creating a digital store
Although growth will come from digital, stores are still important. But retailers must do more than bolt on digital to customer-facing elements in the store. Retailers must become digital platform operators that have the capabilities to emulate the practices of dotcom rivals.

Being digital offers new and better ways to deliver the retail essentials:

- Engage associates and customers in a highly relevant, personalized way within the four walls of the store.
- Discover customer preferences using insights and technologies to enrich product and service understanding.

- Transact faster, easier and more securely through better checkout methods.
- Operate the store by more effectively using store talent to anticipate customer needs and deliver satisfaction early.
- Service the customer by meeting time and cost commitments through fully transparent scheduling, fulfillment or installation.

Capturing customers through personalization
Customers expect retailers to recognize them, remember them, relate to them and recommend relevant products. Retailers can do all of this by maximizing the data they have to create highly tailored, contextual and meaningful experiences.

Accenture helps clients shape better customer interactions to foster customer loyalty, retention and increase sales through a variety of touch points.
Gaining agility through the cloud
Now, customers expect a connected end-to-end shopping experience. For instance, having consistent, simplified access to assortment, pricing and delivery across all channels.

Accenture has partnered with SAP to bring speed and scale to omni-channel capabilities enabled by the cloud, such as flexible fulfillment and seamless transactions. With omni-channel cloud capabilities, retailers can simplify their IT landscape and business processes to improve the cross-channel experience for customers.

Building an agile infrastructure
Adaptive retailers are embracing the cloud, analytics, mobile, next-generation ERP and other disruptive technologies to gain speed and efficiency, while reducing costs. In so doing, they need a technology underpinning that is able to flex and respond to marketplace changes, and ensure that customer data remains secure and protected.

Accenture delivers smart infrastructure that can adapt to changing business needs—and even anticipate them.

Consulting services include:
• Digital store
• Personalization
• Omni-channel cloud
• Infrastructure
Recently, Accenture elevated the role of strategy to be a major pillar of our business. We made this move because we know that in today’s high-speed marketplace, businesses need to be ready for anything. A solid strategy can help adaptive retailers compete, get the bottom line in shape and improve top-line revenue.

Optimizing for the digital world
We examine each business challenge to understand it, and then look at how we can help to solve it. For example, as customers become more omni-channel and retail competition becomes more intense, retailers’ capabilities and functions must be seamlessly integrated. We help adaptive retailers make sound investments that integrate operations and technology in order to reach and serve customers in new ways.

Bringing global experiences and insights
Accenture has 7,000 employees with retail industry knowledge who can develop and deliver on a strategy for your business. Whether you are in Australia, Brazil, Russia or South Africa, we share with you a world of insight that extends far beyond the person sitting in front of you.

Strategy services include:
- IT strategy
- Operating model strategy
- Manufacturing strategy
- Digital business strategy
- Sales and customer service strategy
- Finance and enterprise performance strategy
- Risk management strategy
- Seamless experience strategy
- Supply chain strategy
- Talent strategy

Specialty Apparel Retailer
Through a seamless retail transformation program across stores and digital channels, Accenture is helping this retailer build new capabilities that improve performance in areas such as customer capture rates, inventory levels and pricing processes.
Global Apparel Company: Brandix

Brandix teamed with Accenture Strategy to transform its sourcing and procurement function to drive competitiveness and improve profitability. The program effectively helped drive cost reduction and build a strong strategic sourcing capability through people, process and structural interventions to sustain the savings.

Accenture Customer Innovation Network

The Accenture Customer Innovation Network is a portal to experience how Accenture helps our retail clients thrive in the era of “Retail Everywhere.” Through our network of technology labs, research facilities and customer innovation centers around the globe, we work with you to discover new paths to value and how to enhance customer interactions. Experience our latest research and solutions. Get engaged with our industry experts, customer experience design luminaries and patent-holding technologies in an interactive format that will help you see your customers—and your business—in a new light. Our “innovation facilitators” take you on a highly interactive experience that includes exercises to collaborate and explore retail themes and solutions.

Experiences include:

- **In-store Customer Immersions** take you into the mind of your consumers. Explore how they engage with brands (including yours).
- **Digital Academy** prepares your organization for the era of Retail Everywhere through a robust curriculum, change management processes and gamification platform.
- **Agile Prototyping** helps make your ideas a reality. Build prototypes to address business challenges or explore using new technologies through rapid pilots.
- **Co-innovation Programs** bring together our team with an eye for innovation and your team with an eye for the day-to-day business to identify opportunities for collaboration and change.

Whether you visit us at one of our own customer innovation centers, or we come to you, we leave you inspired and energized by what is possible.
Operations

Helping businesses work smarter, faster and cheaper

Winning market share in a saturated industry is not only a cost play, but also a business improvement play—and Accenture can help with both. We made a bold decision to combine our infrastructure and cloud services with our business process outsourcing capabilities under one operations umbrella.

Reducing costs
Accenture brings help where help is needed, and we bring it at a lower cost, whether it’s to support indirect procurement, clerical work, data cleansing, error handling or other functions. And we do it all with staff attrition rates of less than 15 percent.

We can help you reduce inventory through better planning and forecasting, reduce holding costs and lower the cost of capital because when you don’t have to buy as much, there’s less you need to borrow from the bank. Having the right inventory at the right time will also satisfy your customers’ desires for having products accessible when and how they want them—online or in store.

Accenture Operations is 76,000 people strong

Increasing capacity
It’s important for retailers to reduce costs, but it’s critical to free up time. This is why many retailers do what they do best, and leave the rest for Accenture. For instance, you can spend time on buying, merchandising, customer segmentation, assortment planning and pricing while we keep the retail operations engine running behind the scenes.

Doing more, better
Accenture brings resources to support your business across a variety of areas. For example, retailers struggling to find data analysts turn to Accenture for our team of data scientists who know retail and also know how to use statistics, quantitative analysis and information-modeling techniques to inform business decisions. In addition, retailers that are trying to reduce the amount of money they tie up in inventory look to Accenture to negotiate with vendors to get the right products at the best prices.

Canadian Food Retailer: Loblaw

Loblaw worked with Accenture to successfully transform its core supply chain capabilities. With a focus on improving transportation, warehouse management, and forecasting and replenishment, Loblaw has not only improved their supply chain performance, but also implemented a robust and end-to-end set of skills that effectively enable the flow of products to the marketplace.
Accenture can perform these services faster than most retailers can themselves. We are accountable, we are willing to put our fees at risk and we are committed to delivering outcomes. Our people speak multiple languages and our global team is working when you are sleeping.

We are also acquiring companies so we can rapidly expand the capabilities we offer to clients. For example, Accenture acquired Procurian, a leading provider of procurement business process solutions, to improve our outsourcing services, strategic sourcing category expertise, advanced analytics capabilities and global delivery resources.

Operations services include:

- Business process outsourcing across functions
- Application outsourcing
- Infrastructure transformation
- Infrastructure origination and enablement
- Shared services
- Cloud platforms
- Cloud services
- Cloud security

Japanese Specialty Store Retailer: Fast Retailing

Fast Retailing wanted to maintain and strengthen a unified culture and organization, while pursuing transformation and growth in the global market. Accenture built a robust and integrated IT infrastructure, allowing Fast Retailing to address changes quickly and enter new markets easily. Through the “Global One” project, the group has accelerated its global expansion and established operations in Europe, the United States and Asia.
Making money in the digital world isn't just about having a website with all the bells and whistles. It's about using digital to improve multiple areas of your business, including technology, the physical store, the supply chain and employee enablement tools. That's why our seamless team supports clients from digital design to delivery.

Providing a consistent experience for customers
Digital affects 100 percent of the customer experience. Adaptive retailers must provide a consistent experience in store, on a mobile device and across social media. Accenture has the expertise and know-how to help with the customer-facing details, such as developing an intuitive user interface or using analytics to personalize and customize the shopping experience.

Improving the digital front end is so critical to our clients' business that we made acquisitions to quickly build out our capabilities. For instance, we acquired Fjord, a global design consultancy that specializes in creating digital experiences that engage consumers across platforms. To further enhance our eCommerce and digital marketing capabilities, we acquired Acquity, the second-largest independent digital marketing company in the United States. And, through our acquisition of avVenta Worldwide, we are extending our digital production services.

Digitally enabling the enterprise
We understand the need for operational speed and agility—especially when innovations, such as 3-D printing, are changing the way we work. Accenture helps retailers improve their digital dexterity, from defining the right digital platform to implementing the right technologies.

US Grocer
A US-based grocery store is working with Accenture to develop a loyalty program. Through a rewards card or mobile app, customers will be able to earn points that can be redeemed for discounts and interactive store experiences, such as cooking classes.
And we also recognize the continued importance of the physical retail store. Customer-facing store associates are the front line of the customer experience, so they need to be more sophisticated in how they interact with customers. Connecting technology, mobility, customer and product knowledge—within and outside the physical boundaries of the store—must be a core competency of store associates.

Recognizing a growing demand for agile, low-cost, onshore services, we have consolidated our global digital skills by way of the Accenture Retail Digital Factory.

### We are digital collaborators

Even within our own business, we believe in the value of sharing experiences and expertise using digital tools. Our employees collaborate and share leading practices around the globe using Yammer—an enterprise social networking tool. In fact, Accenture represents the largest implementation of this tool.

### A digital powerhouse

We have built strong digital capabilities through recent acquisitions. Through our acquisition of Fjord, a global service design consultancy, we are helping chief marketing officers and digital leaders to create distinctive customer experiences and bring them to market at speed across platforms including smart devices, tablets and PCs. Accenture also acquired Acquity Group, a digital marketing company that helps companies enhance their brand experiences and eCommerce performance. With this stronger-than-ever digital backbone, we can help retailers solve their toughest digital challenges.

### Swedish Discount Food Retailer: Willys

Accenture and Willys designed “Willys+”, a digital loyalty program that strengthens the brand's mission to help families buy groceries at a lower cost. Willys+ offers loyal customers steep discounts on items that can be used together to create family meals. Willys is using a website, mobile app and push emails to communicate with customers and share information on how much they've saved through the program. Also, based on their behavior and preferences, Willys+ sends customers tailored offers.
Every adaptive retailer wants to see results faster. And having the right technology in place is critical. Accenture has the knowledge and industry experience to help clients integrate technology to enable their digital transformation.

Becoming more agile
Accenture offers a wide range of enterprise resource planning (ERP) services. We recognize that retailers are all at different places on their ERP journey. Some need to sustain or enhance, and others need to fundamentally transform their ERP landscape.

Breakthrough technologies, such as digital and in-memory computing, enable a high-velocity ERP. We have the capabilities to speed the deployments, reduce ERP costs, and facilitate richer interactions with customers, partners and machines.

Delivering business results faster
The cloud offers convenient, on-demand access to a shared pool of configurable computing resources. However, the variety of cloud choices can be daunting, so we can help navigate the options. Accenture knows how to integrate and manage new IT landscapes so that you can spend more time focusing on using the cloud to grow your business faster.

Getting more from digital technology
We focus on integrating data, interfaces and platforms together to create a successful digital enterprise for our clients. Accenture helps retailers reimagine ways to serve their customers and seamlessly operate their “always on” enterprises.

Our services include digital marketing, mobility and analytics—helping adaptive retailers achieve tangible results in a digital world. Accenture has a proven track record of helping clients increase profitable growth and customer satisfaction by improving user experiences, sales and marketing campaigns, content management, customer service and loyalty. Through our technology capabilities, we help retailers implement the technology needed to enable and grow their digital business.

US Off-price Department Store: Ross Stores
Accenture is working with Ross Stores to stabilize and strengthen its core merchandising systems to offer the company’s buyers better insight and visibility into how merchandise is selling on an individual store and market basis.
Maximizing IT value
Adaptive retailers can get more from their IT investments by removing duplication, simplifying systems and reusing assets. From defining the IT strategy and creating a roadmap to implementation and governance, we help retailers equip their IT organizations with capabilities that are flexible and can meet future business needs.

Cutting through complexity
Managing large-scale change can be cumbersome. The combination of our strategies, processes, tools and skilled people enables retailers to manage service environments and adapt to change quickly, reliably and cost-effectively. Accenture can either help you build services in-house, or we can deploy a small, experienced team to alleviate your IT burden.

Making applications more reliable and cost-effective
We help you reduce your application environment costs, while continuously optimizing and innovating. We can develop and manage your applications at any level, be it low-cost support, ongoing maintenance, enhancements and upgrades, or more comprehensive projects to extend your business applications into the digital future.

Technology services include:

- Business insight
- Enterprise integration
- Enterprise solutions
- Content management
- Web-centric technologies
- Client/Server
- Host-centric technologies
- Database systems
- Operating systems
- Software lifecycle tools
- Technology certifications

US Supercenter Chain: Meijer
Meijer worked with Accenture on a forecasting and replenishment initiative that enabled significant inventory reductions while still allowing Meijer to meet its in-stock and customer service levels. Accenture is also providing the retailer with forecast analytics services.
We are the No. 1 Systems Integration Partner for Both Oracle and SAP

**Oracle**

20+ years of collaboration

Largest practice of all Oracle service providers

800
Oracle Retail skilled practitioners globally

250+
Oracle Retail projects

Participated in the majority of all Oracle Retail implementations globally

30+
clients live on Oracle Retail v13

Won 46 Oracle awards since 2003

**SAP**

30+ years working with SAP

Largest practice of all SAP systems integrators, with more than 36,000 SAP practitioners who have delivered 1,700+ projects

Partnersing with SAP on the largest SAP Retail implementation in the world

600+
specialized SAP Retail resources at the Global SAP Retail Delivery Centers

Accenture is a Leader in the Gartner Magic Quadrant for SAP Application Management Service Providers, Worldwide

Won 22 SAP Pinnacle awards since 2003, more than any other alliance partner
Accenture Technology Alliances

Among the more than 150 alliances we have with companies around the globe, our retail organization has long-standing relationships with industry giants, and also emerging companies relevant to retail.

This is a representative sample of alliance relationships Accenture has relevant to retail.

Avanade was created by Accenture and Microsoft in 2000 to help customers realize the best results from their Microsoft technology. Avanade provides the deep technical expertise in Microsoft technologies, as well as proven architectures, frameworks, methodologies and a worldwide network of Microsoft-certified consultants to help clients define a roadmap for seamless deployment.
Accenture Retail Center of Excellence

The Accenture Retail Center of Excellence in India combines people, processes, tools and assets to create industry-specific solutions and services for our clients, regardless of location and time zone. Our more than 2,100 professionals in Bangalore, Delhi and Mumbai foster industry and functional innovations for information technology and business process outsourcing services.

Accenture Advanced Enterprise Solution (AAES)

AAES for Retail links industry-leading processes to a preconfigured ERP solution built on the latest SAP and Oracle technology to help clients realize value more quickly. Our solution offers the flexibility that fits clients' individual needs, no matter which operating model they have chosen. Process models, such as order-to-cash, finance and controlling, CRM and supply chain management, help clients achieve greater visibility, efficiency and consistency and get more value from their ERP systems.

French Clothing Company: Lacoste

Together, Accenture and Lacoste China designed, built and operated a platform that included the official Lacoste website and e-Shop, as well as Lacoste brand sites on digital malls. Accenture will also maintain the platform, upgrade required functionalities and manage content to support Lacoste in driving rapid online growth in China.
Accenture Retail Industry Solution Factory

The Accenture Retail Industry Solution Factory combines people, processes, tools and assets to create industry-specific solutions and services for our clients, regardless of location and time zone. Our more than 4,700 professionals in India, the Philippines and China offer systems integration, technology consulting and outsourcing solutions in:

- SAP enterprise solutions
- Oracle enterprise solutions
- Business insight and analytics
- eCommerce and mobile commerce
- Testing and quality assurance
- Custom applications and enterprise integration
- Multichannel opportunities
Accenture Global Delivery Network
If your business is ready to adapt in today’s digital world, we can help by mobilizing our resources in more than 150 countries. The Accenture Global Delivery Network of 50+ centers around the world is our means to deliver fast, efficient services along with the knowledge and experience of more than 218,000 people.

As your global teammate, we are eager to help you shape the future of retail—and your business.

Accenture Seamless Retail Process Model
Developed by retail practitioners and thought leaders from around the world, the Accenture Seamless Retail Process Model draws on our experience from thousands of projects across formats, categories and markets. The latest model sets the capability framework for a seamless retailer, connecting the physical and digital channels to optimize customer experiences.

The model can be used in many ways including setting the strategy for seamless transformations, assessing capability and maturity levels of the different retail functions, accelerating process redesign, designing an optimal organizational structure and communication support for change management. The model is available with any Accenture project and can be licensed independently.
Retailers need to become adaptive in today’s digital world. As retailers learn about customer needs and preferences, they must flex to deliver relevant and meaningful experiences that the converging customer has come to expect across channels.

No one can predict how technology will influence the future industry landscape, so retailers must simply expect the unexpected. Accenture can help you capitalize on disruptive technologies and improve your ability to be ready for anything.
For more information on succeeding in today's adaptive retail world, please contact:

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About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 373,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$31.0 billion for the fiscal year ended Aug. 31, 2015. Its home page is www.accenture.com.

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