Shaping the Future of Retail

5 essentials for delivering IT Transformation

pmc

Bringing clarity to your transformation priorities

UK Retail is at the forefront of technology disruption. Constantly evolving consumer behaviours combined with the pressure to adapt and remain competitive are at an all time high.

To enable retailers to scale and succeed, we've challenged traditional thinking, and proposed five strategies for delivering meaningful change.
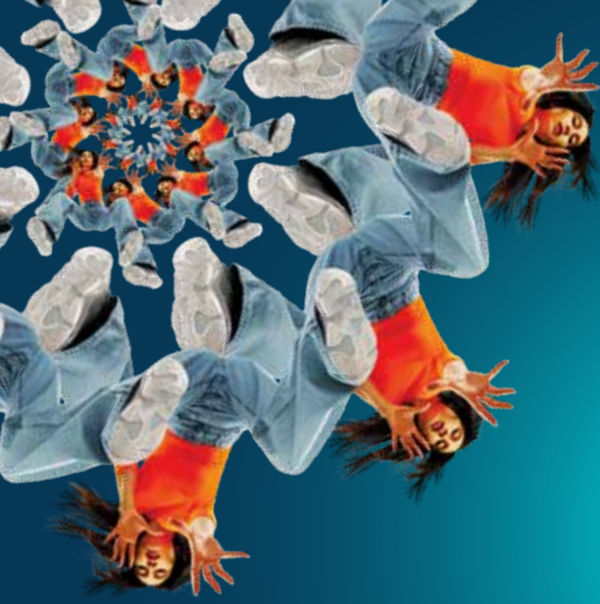
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1. Investing in talent that enables you to scale

Risk: Relying solely on a UK-based talent pool to form an innovative, agile, dynamic workforce.

If you are a UK retailer and are solely tapping into UK know-how then you'll struggle. It's a fact that the likes of Amazon, Google and other leading firms tap into global talent pools.

Tech talent is in very short supply and high demand, with the average turnover rate for technology-based roles sitting at 18.3%, nearly double the UK average.

There's also a commonly held view in the retail industry that it's best to own your own resources, leading to a reluctance to move away from operating with in-house people.

This approach limits agility and the ability to react to a fast-moving project pipeline and peaks in demand to manage change, where the skills needed may be far broader or niche than those available in house.

Solution: Expand your horizons and tap into global talent pools

Invest in talent scouts

There should be somebody in each retail business who is very much focused on talent acquisition. This needs to be more than an HR person. Their role should involve a search around the globe for people and companies whose skills cut across all IT services.

Follow fast-growing economies

Talent hotbeds exits in Eastern Europe and India as well as Sri Lanka where there is great growth currently being experienced. Here you'll find ambitious talent with a desire to learn with the backing of government investment.

Remove single points of failure

Avoid single sourcing via local recruitment agencies, which limits your talent pool. It also brings in the risk of dealing with individual contractors, which fails to give you the ability to scale-up & puts your IPR at risk.

70%
of the UK tech industry experience skills shortages

(Total Jobs)

2. Overcoming outdated operating platforms

Risk: Basing new technology choices on predictable inputs or a steady business environment.

Change is here to stay, and disruption as we knew it during the height of the pandemic is now a recognised part of the business world.

IT departments need to re-engineer their whole approach. They need to think agile and deploy rapid delivery cycles. Retailers need to discard the old ways of big bang, rip and replace strategies, which have traditionally involved huge testing schedules, training, and cut-over cycles. The key to getting started is to embrace de-coupled, API-led technology, which can be delivered alongside any incumbent solutions, whilst delivering change.

Solution: Embrace microservices, API and cloud technology

Speed up your feedback loops

Microservices and API-led architectures enable rapid deployment of new technologies. But fundamental to this is quick feedback, testing and learning, and bringing in colleagues during the entire implementation process.

Mobilise where you can

The benefits of mobile are well understood in retail. Modern commerce architectures can further enhance mobility strategies in stores, as they lower the hardware burden and physical back-end requirement in distributed estates.

Invest in high-level system integrations

Providing a single customer view across different technology solutions relies on having integrated systems. This is where MACH technology excels as it can join a spaghetti-like array of systems together. Just ensure you have the right high-level system integration capabilities in place to meet your requirements to avoid any issues further down the line.
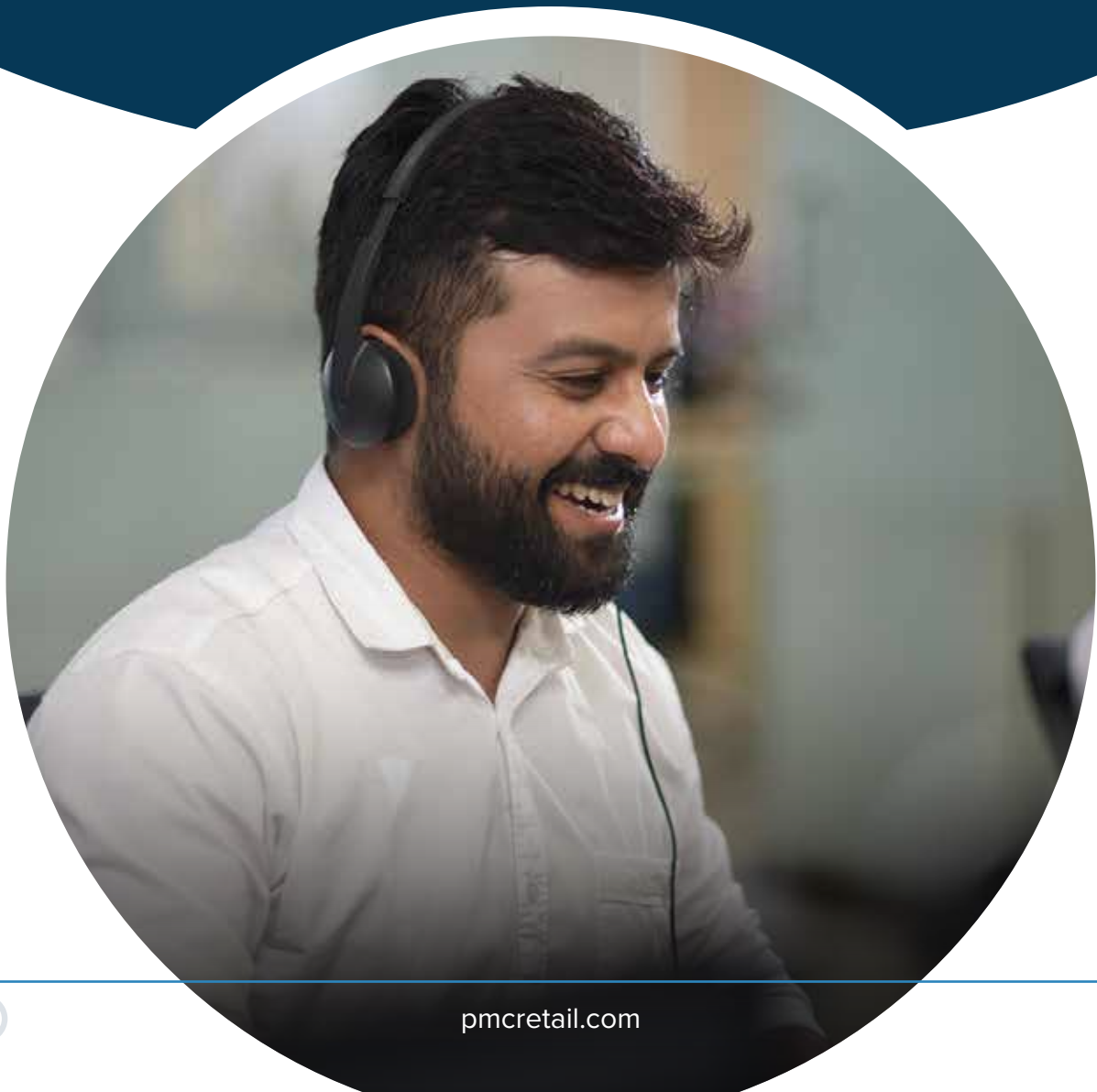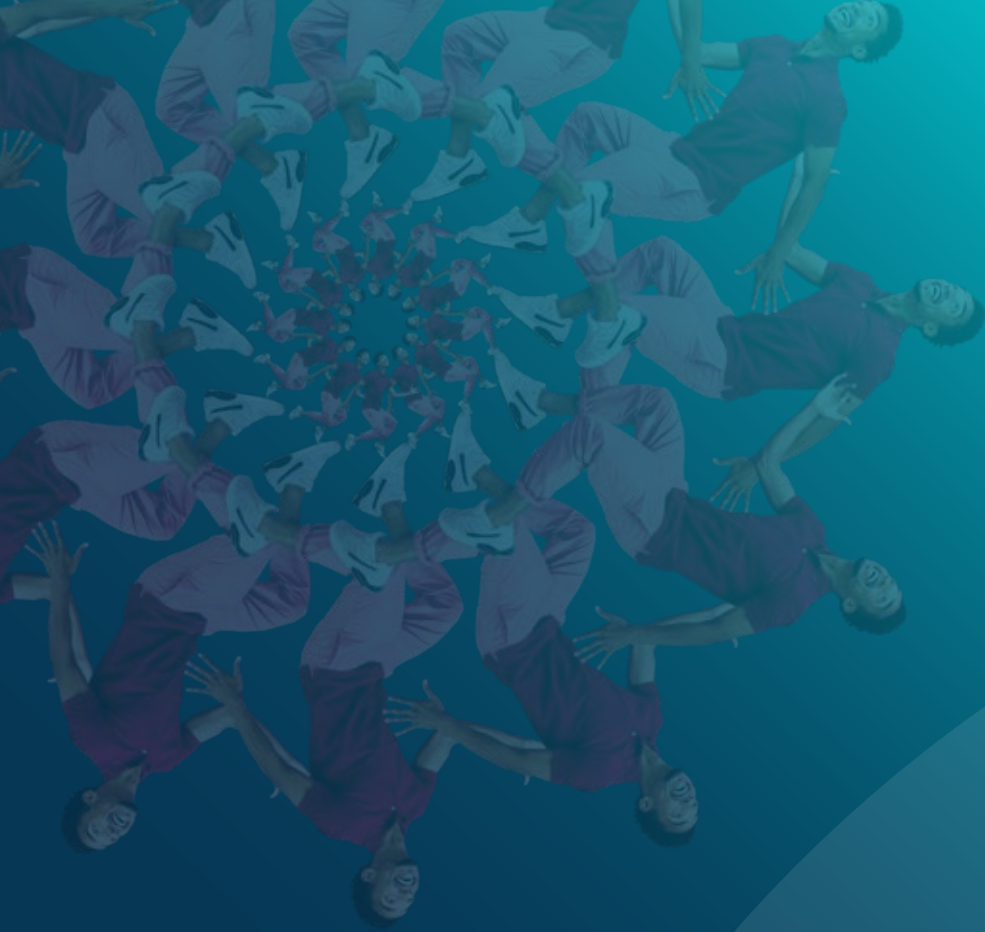
3. Building great customer experiences

Risk: Relying on your product to drive customer loyalty.

How easy a product is to return, to exchange, to re-order, to pay for, or have delivered all play a critical role in the customer experience and generating critical future sales.

As retail increasingly centres around a single view of the customer, dynamically unifying channels and experiences is fundamental to driving the success of the modern store. In addition, with the widening of sales channels and increased investment in front-facing customer services, the need for a resilient supply chain is also a critical success factor for retailers.

Solution: Focus on frictionless customer experiences

Unify data sources to create personalised marketing tools

Lack of customer data is rarely an issue for retailers. But being able to provide it in a unified and structured way is what enables your marketing team to run targeted and personalised campaigns that enhance customer brand loyalty.

Make payment work

Payment is the critical and unifying digital touchpoint that ensures a customer experience feels secure, convenient, and personalised. Focus on POS solutions that support contactless, mobility in store and compliance with international taxation regulations to make payment an enabler rather than a hinderance.

Focus on unified commerce

The demand for channel agnostic shopping experiences is not going away. Fortunately, microservices and API-led technology are enabling joined up approaches, and most importantly shared data across your different systems.

75%

of consumers are more likely to buy from a retailer that recognises them by name, recommends options based on past purchases, or knows their purchase history.

(Accenture)

4. Managing change

Risk: Assuming you can future-proof your solutions

Nothing is ever completely future-proof but keeping up with constant change, and being able to react to the market quickly and safely is now a basic requirement for retailers who wish to stay in business.

When change is the only constant, and we can no longer accurately predict the criteria that affect the market, costs, demand and sales, it's agility and the ability to change fast that matters.
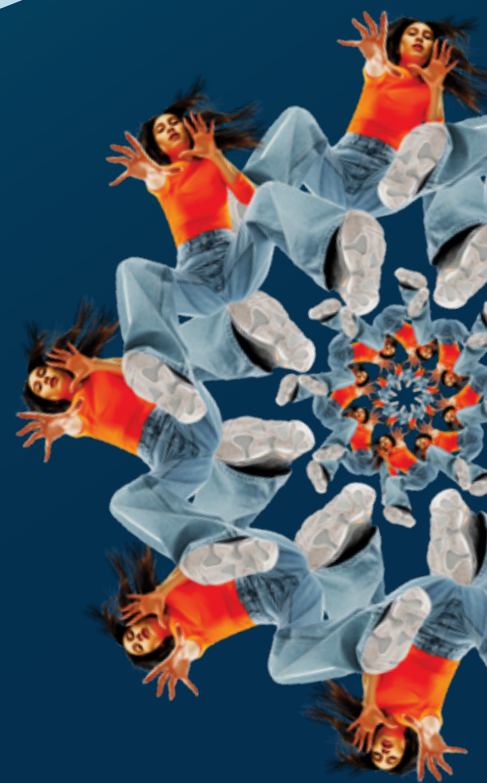
Solution: Create a culture of change

Create the conditions for agility

Everyone agrees that agility (business and technical) is a good thing, but when modularity (functional and architectural) is adopted as a principle in the way solutions are defined and underpinned, the chances of success in implementing change increase exponentially.

Remove dividing lines of responsibility

Bringing in such changes should not be seen as solely the responsibility of the IT function. An agile approach to delivering technology requires the necessary business leadership and also for 'business change' to be recognised as a core aspect of an organisation.

Prepare for sustainable change

Change is a mindset, and not everybody will be on the same page. To prepare for it, you'll need a roadmap, really good two-way communication in place, and maybe the support of an experienced change manager.

A recent McKinsey report suggested that across industries digital adoption leapfrogged seven years of progress due to Covid.

5. Choosing the right partner

Risk: Limiting your growth potential by not leveraging the right external expertise

Outsourcing is part and parcel for most IT departments as the increasing complexities of the IT estate, and the pace of change required, cannot be managed in-house.

The problem experienced by many IT departments today is the impact of change and the speed of change demanded. IT leaders must therefore decide what to entrust to their partners. Access to the relevant skills and a deep understanding of the retail sector should be the primary criteria when selecting a partner. It's these factors that underpin the successful partnerships; the ones that ensure the outcomes deliver value for retailers and - in turn - to their customers.

Solution: Look for partners who excel in your market niche

Ensure they have proactive and transparent approaches

A true partnership requires engagement and communication at all stages. Openness, honesty - and no surprises! Rather than simply delivering what's asked for, look for a partner who sometimes challenges the plan to get better outcomes for you.

Ask for big picture solutions, not just technology solutions

Any investments in new systems or services, should also be considered alongside the skills required to maintain them, the cost and disruption of implementation, as well the final impact on any end users.

Prioritise a partnership with flexibility

Not just in terms of operating or delivery models, but also in terms of commercial models. Projects will always scale, up or down, and you need a partner who can adapt to fit both changing resourcing requirements and project requirements, such that they seamlessly blend with your team changes.

The global managed services market is predicted to grow by nearly 70% between 2021-2027

Key takeaways

Invest in talent that enables you to scale by tapping into global talent pools.

Overcome outdated operating platforms by embracing microservices, API and cloud technology.

Build great customer experiences by focusing on frictionless shopping experiences.

Accept that change is constant and create a culture that embraces it.

Look for partners who excel in your market niche and leverage their domain experience.

About PMC

PMC is the UK's leading Technology Services Partner for Retail, with a vision to deliver better technology outcomes for retailers and their technology vendors of choice. With a passion for helping our clients deliver engaging customer experiences, we provide technology consulting, project delivery services, software engineering and testing, solutions, and managed services. With a team approaching 500, we have the strongest retail know-how in the industry and a trusted reputation like no other.

If you need help with your IT, are looking for specialist resources to complement your in-house teams, require managed IT services, or simply want a conversation with us, we'd be delighted to hear from you.

Email: hello@pmcretail.com | Tel: 01235 521900

Enabling digital growth for the world's largest retailer of diamond jewellery

When Signet Jewelers' business went fully online during Covid, they wanted to fast-track rolling out a search and merchandising tool across two of their major brands, to enable a seamless, online customer experience.

4 weeks
to get a team up and running

5 months
to deliver the project

3 x faster
time to production

"The partnership with PMC benefits us because we know exactly what we've got and what we are paying for. We try to be transparent, and this applies in both directions. I've never met an offshore team that is as on-shore as this. It's unique. PMC knocks the socks off anybody else, regardless of who they are."

Drew Heppenstall, Delivery Manager at Signet Jewelers