

Tesco tunes in to multichannel

Big changes are afoot at Tesco as it sets its Building Tomorrow's Tesco project in motion. Vishal Bansal is the globetrotting engineer tasked with transforming the retailer's multichannel operations. **Lindsay Clark** reports

When Tesco announced a major restructuring of staff to support multichannel growth in May this year, many employees would have seen it coming. The retailer has been beating the drum for multichannel commerce for some time and had made it its mission to introduce big changes behind the scenes in key departments – commercial, marketing and IT – as well as putting staff to better use.

The structural changes are all part of the Building Tomorrow's Tesco project to bring the grocer up to date with a multichannel model. Like rival Asda, it is moving things around at the top in a bid to bring in fresh digital talent.

Tesco's ambition is to offer customers the best experience possible, whether they buy online, in-store or on a mobile device, and whether they have goods delivered to their home or packed for collection from a store of their choice.

The impact of this renewed multichannel focus on how the UK's largest retailer manages its supply chain is reaching tipping point. When online sales were a fraction of in-store sales, Tesco fulfilled ecommerce orders from its stores, avoiding the path of retailers such as Ocado, which built a separate infrastructure to support online sales. However, the growing influence of multichannel sales and fulfilment has necessitated a serious re-examination of Tesco's supply chain.

The man charged with leading this worldwide transformation of Tesco's multichannel operations is the retailer's blueprint director Vishal Bansal. With customers shopping across numerous channels, the traditional linear supply chain from manufacturer to primary depot to secondary depot to customer or store is changing, says Bansal.

"Products can now get to a customer through a combination of channels. There is



transformation

an increasing amount of information available to customers and they can decide when, how and where they receive products. This means the way we transport products from source to customers has evolved," he says.

Over the past 17 years, Bansal has been at the forefront of the multichannel revolution, working with retailers and businesses in diverse sectors from around the world, helping them transform their supply chain and operations. Before joining Tesco, he spent a decade working with Best Buy, Foot Locker, JC Penney, Samsung and Hyundai on buying and merchandising, operations strategy and setting up B2B e-marketplaces. Since joining Tesco in 2006, he has led different teams spanning supply chain development, operations development and store operations improvement.

One of the biggest changes Bansal has introduced is how data is used to forecast the future demand, and the impact weather and cultural events are having on sales patterns.

"We have been investing in developing a high-performing data-driven team for several years," says Bansal. "The team has delivered a number of improvements for our customers – one project involved developing a statistical engine that forecasts sales based on weather changes. That helped us improve availability across channels throughout the year, especially during the very variable summer weather."

Central to Bansal's role has been developing a visionary blueprint that will transform the supermarket's multichannel supply chain and improve the customer experience for Tesco businesses around the world. The blueprint offers a set of core principles to which every team in the world can aspire. It supports all 12 countries in which Tesco is trading and is set to take a different amount of time in each. Some of the big priority tasks, such as improving supplier management, are due to be completed in a couple of years.

"For supply chain, a core principle is that, where possible, our decision-making will be data-driven. This helps us make the optimum decisions for our customers," Bansal says.



He adds: "We do this by improving our capability across the world while supporting countries to accelerate their delivery of our core principles. A big benefit has been to bring together a strong community of experts across the world who share knowledge and expertise, so the blueprint becomes a sustainable phenomenon."

The main principles related to how a

VISHAL BANSAL CV TESCO BLUEPRINT DIRECTOR

Before joining Tesco, Vishal Bansal spent nearly a decade helping retailers in the US, Europe and Asia define and deliver operations strategy, including Best Buy, JC Penney, Foot Locker, Hyundai and Samsung.



He is a qualified electronics engineer and earned an MBA from the Indian Institute of Management, Ahmedabad. Bansal recently won the European Supply Chain Excellence award for supply chain strategy and design.

team uses data and works with suppliers are designed to remain the same across all geographies. So is the use of systems to support exception-based decision-making, which relies on the analysis of statistically relevant anomalies in data.

What is different, according to Bansal, is how each geography delivers these principles. "That is adapted based on the preferences and needs of local customers as well as the structure of the market and the supply chain," he explains.

But transformation can be met with resistance. One of the greatest problems his team faced was scepticism among some stakeholders, driven by their past experiences, about whether the blueprint would deliver measurable benefits for customers.

"We made sure that the approach we took was always a partnership approach," says Bansal. "We would work closely with them and had a shared vision: to deliver a fantastic shopping experience to their local customers."

The biggest challenge of the blueprint work lies in sustaining this progress, he says. Bansal aims to achieve this by working with country teams to help build capability internationally and create a community of colleagues who are experienced, diverse and close-knit.

A vital part of this is getting the right people. Bansal says he is passionate about hiring "diverse capable teams" and providing them with the training and experience needed "to help stretch their potential and have a shared vision for the team's work".

He adds: "We developed an extended team of people across geographies with a mix of expertise – analytics balanced with operational and local market knowledge. The result was a team that has a strong track record of delivering sustainable change across the world. The team is well set up to take on the challenges of multichannel retailing."

The stakes are high, particularly with global ecommerce giant Amazon strongly rumoured to be taking aim at the grocery retail market. Tesco will need to get its multichannel supply chain right in order to defend its patch and deliver growth.