



Dare to **Disrupt**

NRF's 2017 Retail's Big Show stressed importance of rethinking branding, talent management and more to remain relevant.

By **Randy Hofbauer**

Today's competitive environment is forcing grocers to rethink the way they approach everything in day-to-day business — from sourcing and merchandising products to hiring, training and retaining staff.

So, perhaps unsurprisingly, “disruption” was a major theme running throughout the National Retail Federation's (NRF) 2017 Retail's Big Show, which took place Jan. 15-17 at New York's Jacob K. Javits Convention Center.

Opening the second day of the show, Jan. 16, with his State of the Industry address, Matthew Shay, president and CEO of Washington, D.C.-based NRF, stressed that retail needs disruption: that companies must shake up the status quo and usher in the new. Things like simplified tax reform and a focus not just on the “what of technology,” but also the “who of the workforce,” are critical for survival in this era.

The Retailer as Entrepreneur

Arguably, these insights couldn't have been communicated more succinctly than in a statement that opened the following keynote event: “I'm a person who looks forward more than looks back.” Those were the words of Virgin Group founder Sir Richard Branson, shared in a video about his life as an entrepreneur, which played before he took to the stage for a keynote interview with Kip Tindell, chairman of The Container Store, based in Coppell, Texas, and then-chairman of NRF.

In the interview, the man behind the multi-national conglomerate — who's also an investor, philanthropist and adventurer — emphasized the importance of approaching retail like an entrepreneur. He noted that keeping a brand fresh requires every new venture to enhance the brand and not damage it. But being serious about entrepreneurship doesn't mean taking oneself too seriously — he encouraged



RETAIL ROUNDUP
Close to 35,000 attendees representing 95 countries converged on New York's Javits Center for the latest insights and solutions for retail disruption.



LIKE A VIRGIN
In a keynote interview, Virgin Group founder Sir Richard Branson encouraged retailers to think like entrepreneurs.

retailers to have “a bit of fun” and be “cheeky.” Conscious capitalism also took the spotlight, with Branson pointing to ways in which he has used business to better the world. Echoing a point Tindell made earlier — that “we can improve the world by improving the world of business” — Branson said that if every company in the world adopted a problem and used its entrepreneurial skills to overcome it, most of the world’s issues could be solved. Further, doing so can benefit the bottom line, too: Employees want to feel like they have a greater purpose in life, and working for a company that tries to make the world better can help create that purpose.

Hire, Train, Retain Right

Human capital was the topic of conversation Jan. 15 as well, when Bill Brand, president of Home Shopping Network parent HSN Inc., based in St. Petersburg, Fla., pointed out the importance of hiring the right retail talent across all levels, from the c-suite to the store floor. He followed his point with a keynote panel discussion that included Greg Foran, president and CEO of Bentonville, Ark.-based mass merchandiser Walmart U.S.; Terry Lundgren, chairman and CEO of Cincinnati-based department store chain Macy’s Inc.; and James Rhee, executive chairman and CEO of Secaucus, N.J.-based apparel retailer Ashley Stewart.

“We must change how we approach talent development,” Brand said, noting that today, technology is fundamentally altering the way we consume, organize and work, not only in retail, but also in every economic sector. With retail anticipated to change more over the next five years than it has during the previous 50, it’s more important than ever to recruit people with nontraditional backgrounds who never even thought retail was “for them.”

Training is a huge focus for many of the larger retailers in today’s market. For instance, of its five points of critical employee investment, Walmart focuses on training with two initiatives: Pathways, an entry-level program rolling out nationwide that gives new or existing associates basic business skills, and its Academies, managerial-level institutes that use 200 Walmart locations as training facilities, which 140,000 department managers will attend this year. It’s also seeking to retain employees by addressing turnover at not just the store manager level, but also the floor level. Investing \$2.7 billion over



two years in higher employee wages and providing tools and mobile devices necessary to complete jobs are critical for this advancement, as is distilling the complexity of the various duties of an omnichannel business into simplicity for the sake of training.

For Macy’s, training is essential even for employees already considered experts in their roles. The company is already focusing strongly on attracting great talent dedicated to technology — particularly women, which has made it a top company for promoting female technologists. But it continues to encourage education: Over the past year, it has trained 600 of its technologists to focus on everything from website development to when and how it’s best to use cloud technology for measuring peak-period demand. The retailer also has a select number of universities where it spends time on campus to capture the interest of STEM students, who often don’t have the retail industry at the top of their lists of career choices.

And in Ashley Stewart’s case, great talent can often best be attracted and retained through creating a sense of community. Rhee, who reinvigorated the women’s apparel chain, which focuses on urban neighborhoods and is known for its deep connections with, and commitment to hire from local communities, fell in love with the brand because it had nothing to do with clothes — at its best, Ashley Stewart was about respect, community and empowering women. Although it was tough to do, Rhee empowered team members by persuading them that they had loyalty and a strong sense of friendship with the community and among each other — things money can’t buy.

Fresh Focus with Tech

The call for disruption came from the technology front as well. In a Jan. 15 keynote, Rod Sides, retail, wholesale and distribution leader at New York-based research firm Deloitte LLP, noted that retailers need to use data and digital in a new and different way



WORK IN PROGRESS

During a keynote panel discussion, Walmart U.S. CEO Greg Foran (second from left) stressed that employee training is more important than ever for Walmart.

if they want to lead, considering that digital has an influence on stores, and the expectation of great customer service and satisfaction is set by digital, not in-store, operations.

Looking at the top 200 retailers in the country from an economic perspective, Deloitte found that the ones that provide differentiated products and experience report 13 percent cumulative average annual sales growth, compared to the overall retail industry's average of 2 percent growth.

Sides emphasized that the retailers that are winning use data and digital to do three things:

Have integrated experiences: There is no online or offline to them, as consumers are online and connected all the time.

Leverage customer data in meaningful ways: One size doesn't fit all for these retailers, as meaningful data are different by category.

Compel shoppers to return to their stores: Retailers winning today all create integrated unique experiences, which allow them to continue to grow.

Turning from presentations to the show floor, myriad vendors showcased the latest and greatest technological wares geared toward disrupting various points of retail business. While there were too many to list, several noteworthy companies and solutions applicable for grocers included:

Apex Supply Chain Technologies showcased its **AnyWhere** automated pickup lockers. Particularly useful for retailers with click-and-collect programs seeking to streamline last-inch delivery, the customer-facing, two-sided, flow-through systems can be loaded by employees from the rear without requiring them to leave their workstations. It allows for secure order pickup and decreases customer lines, as well as providing real-time reports and analytics.

InContext Solutions allowed visitors at the Virtual Reality Pavilion to engage with several VR demonstrations, including its **ShopperMX** flagship SaaS VR platform, through HIVE (Hi-Immersion Virtual Experience). The demo transported users into a virtual store environment, where they could interact with products, shelf sets, store layouts and in-store displays to assist with category management and create more engaging shopping experiences.



Theatro displayed its **voice-controlled wearables** for retail employees. Through the 1.5-ounce voice-driven product, floor associates can interact instantly with any and all store employees, systems and management, and even associates in other stores. The cloud-based technology also features a real-time indoor-location-tracking service, as well as access to real-time and historical team-performance metrics.

Fujitsu unveiled **Fujitsu Digital Workforce**, a cloud-based platform that automates repetitive, low-value tasks, freeing up staff to engage in more complex and higher-priority assignments. It offers a number of benefits, including improved speed and consistency of tasks that are prone to human error; significant cost benefits, thanks to more productive use of employee time; and easy implementation without the need to extensively retool existing IT infrastructure.

Intel debuted its **Responsive Retail Platform (RRP)**, intended to deliver a deep understanding of how stores and people interact. RRP connects multiple data streams' digital and physical environments. With the goals of lowering costs and increasing sales, the platform helps optimally place inventory, deploy employees and other resources, and track inventory from supply chain to the store door. It provides in-the-moment information about what customers are buying, what they want and how to manage inventory so it arrives on time.

FutureProof Retail (FPR) showcased its **MobileCheckout** platform, an easy-to-use white-label shopping app that merchants can offer customers. With app in hand, shoppers go about their routine, but scan items as they are placed in the cart. Once the shopping trip is complete, the patron pushes a "check out" button and pays via smartphone, card or Apple Pay. The company also showed its new **MobileCheckout self-install kit**, which contains individualized instructions, checkout beacons and cameras, and more. Setup takes one to two hours and is activated remotely by FPR, with phone support available if needed. **PG**