Reducing Back Office Complexities

An Opportunity to Consolidate Your Retail Technology

Fourth®

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Introduction

In the last decade, the retail industry has benefited greatly from technology that has transformed everything from point-of-sale to employee scheduling and training. However, these advancements can cause challenges with large, disconnected technology stacks that are expensive to operate and leave managers overwhelmed with data.

Workforce management technology investments are to simplify your operations, not complicate them. But in too many cases, there systems are leaving managers with one more thing to worry about on top of their already hectic daily lives. How can retail operators innovate for the future and empower their managers without another system muddying the waters?

Retailers CIOs are up against several large obstacles, including:

The cost and complexity of the legacy infrastructure and disconnected architecture

Difficulty getting visibility of data across the operation

Scaling new technology to the organization's needs

Getting teams to spend the time to adopt new technologies

This eBook looks at four pressing challenges and presents one unifying solution. The key is to deploy simplified and integrated systems that deliver actionable insights to help retail managers plan for tomorrow and learn from historical data.

Consolidated Your Software to Save Time and Money

Today's retail businesses operate a myriad of systems, with some utilising anywhere from 10 to 30 different technologies in-house. There are independent systems for point-of-sale, scheduling, training, payroll, inventory management, marketing, and more.

The sheer amount of technology is a reaction to monolithic back office software that lacked functionality. But, in the race to automate every function, retail businesses have lost a vital benefit of advanced systems — streamlined performance. The lack of technology consolidation has put operations at a disadvantage in multiple ways, including the time managers waste logging into and out of multiple different systems every day.

These disconnected technology stacks are also incredibly expensive to maintain. This is one of the biggest obstacles retailers face in optimising their operations and meeting top-line business goals and day-to-day key performance metrics, like the daily cost of sales, labour and goods.

The solution lies in moving from multiple disconnected systems to a connected technology stack that functions as a "one-stop shop" — providing managers with centralized access to a whole range of data locked within each system.

# Empower Your Teams with a Consolidated Technology Suite

Technology teams also don't have enough time to innovate — they're overwhelmed with the maintenance of their systems, network, security, and complete technology stack.

Though it is clear technology investment is a priority for retailers, a recent Fourth survey of senior retail decision makers found that there remain several barriers to implementation, including the need to train staff in using new technology (41%), data security concerns (34%), and a lack of relevant talent to manage it (33%). Cultural resistance to change is another key barrier, impacting 38% of small retailers and 41% of large retailers, while larger retailers also want to avoid ripping and replacing their legacy systems (29%).

Implementation Barriers

41% Training Staff in Using New Technology

34% Data Security Concerns

33% Lack of Relevant Talent to Manage New Technology
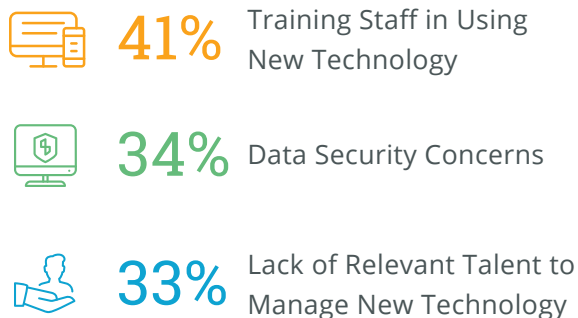
Key Barrier: Cultural Resistance to Change

38% Small Retailers

41% Large Retailers
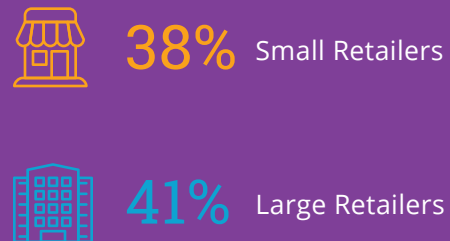
As retail businesses have grown their technology stacks to gain the advanced functionality they need to remain competitive, they have created a new resource challenge. In order to run all of these systems, you need to hire technology professionals to manage the solutions, however this resource can often be overlooked for other business priorities, meaning opportunities to optimise technology are missed.

The solution lies in consolidating multiple systems in a simplified network. If you're considering a new back-office solution, it's important to do an analysis of y our technology providers and how their systems can work together (or not).

If the systems can't work together it may be time to simplify operations and opt to bring data from multiple sources into one solution, offering more clarity, accuracy and transparency with one single version of the truth.

Translate Data into Insights to Make Better Decisions

Your managers shouldn't be spending their time in the back office analysing trends and business information; they should be out on the floor, overseeing teams, managing any issues that arise, and ensuring the best customer experience is delivered every time.

Managers make daily decisions, what if your managers had a single application to not only view the data that supported such decision making but also analysed and recommended optimum staffing levels and enhanced staff engagement and simplified daily tasks.

Technology systems that consolidate planning and communication tools can empower managers to make decisions while improving their productivity. Managers need mobile-enabled tools that electronically document what happens before, during and after the shift. That way, busy operations teams can get context and continuous insight into important data and KPIs.

This is especially true in terms of forecasting technology. Managers are an important part of the forecasting equation and need transparency during the process. A singular "black- box" tool that simply presents a number will ultimately hurt both adoption and trust in the tool. Providing managers context around last year's sales and metrics, the range of weeks used for the forecast, and last year's shift notes allows them to better understand the numbers and make more informed decisions.

The ability to make those decisions can improve operations on every level — from staffing to the quality of service you deliver. Incremental improvements in each area of the business will optimise bottom and top line profits.

We need to create reports for above-store management, but my managers are busy handling critical shift-to-shift responsibilities. I can't have them sitting in the back office crunching numbers all afternoon."

Does this sound familiar?

This speaks to the lack of visibility facing CIOs and their technology teams. Sure, retail businesses are generating lots of data thanks to all of their technology systems. But in many cases, they either can't access or can't translate that data into insights that help decision-making — at least not without turning their managers into data scientists.

Ensure Adoption Across the Business to Maximise Success

With an integrated reporting and analytics capability, such as Fourth Analytics, you can make data-informed decisions based on a consolidated view of all of your data, visualised in one location. Pre-built dashboards with the most relevant metrics are provided with easy-to-read graphs and charts.

Finally, it is very difficult to gain the level of employee adoption needed to run productively and profitably when there are too many systems. Managers are already overwhelmed with the amount they have to manage within their site. And a high turnover in managers amplifies the issue, as every time a manager moves on, you lose their system and location knowledge.

There's been a general belief that complex back-office platforms and business intelligence or analytics software have improved overall operations. The consolidation of the back of house operations into one, centralised software system was a first step.

The problem is that often there's a lack of standardisation and overall strategy for deploying the operating systems as individual locations rather than collectively as a brand. Legacy back office solutions simply don't connect to new software providers the way new ones can.

This presents several implications:

It can cost tens of thousands of pounds to create reports across multiple databases, because it's all custom and that's expensive.

It takes too long to deliver the types of reporting capabilities corporate executives and leadership teams need to make business decisions.

Lack of insight makes it difficult to steer the business, so executive leadership teams look to marketing and operations to drive bottom and top line growth.

IT budgets and projects to innovate infrastructure and architecture are put on hold to support marketing and operations' initiatives.

Modern, intelligent back-office systems give retail businesses capabilities that would not be possible with outdated systems, such as optimised labour scheduling, shift swapping and self-service HR. It also enables continual improvement, and insights that drive greater execution at every level of the organisation.

Summary

In many cases today, retail back office technologies do not help businesses succeed as they do not meet the dire need for greater insight and smart forecasting, which leads to a more efficient and profitable organisation. When it comes to the state of technology many businesses are stuck with disparate solutions, complex legacy systems, a lack of visibility, and high development and maintenance costs.

These challenges restrict retailers to outdated systems and processes which limit their business growth — preventing them from deploying next-generation solutions that support a whole new level of business performance, which can mean the difference between long-term success or failure.

What's missing? An intuitive, next-generation back office system that delivers …

- Enables you to optimise staff performance

- Reduces unnecessary labour expenses

- Delivers greater consistency in product and service

- Is easier to operate and maintain

- Provides vital insight that helps managers plan for and manage the unexpected

In an industry that is fiercely competitive, high operating costs, and a dynamic workforce, each and every decision impacts your bottom line. To support the future growth or evolution of your business, you need easy and fast access to your data. With next generation office systems, this is now possible. You can marry business rules, internal and external data, flexible reporting capabilities, and planning and scheduling tools to help managers make more informed decisions every day — before, during, and after every shift.

About Fourth

Fourth provides end-to-end, best-in-class technology and services for the hospitality, leisure and retail industries. Its procurement, inventory, and workforce management solutions, coupled with a complete data and analytics suite, give businesses the actionable insights they need to control costs, scale profitability, improve employee engagement, and maintain compliance.

Since its merger with US-based HotSchedules, Fourth serves more than 7,000 customers across 120,000 locations globally.

Fourth works with multi-national companies across the retail, hospitality and leisure industries, including Fortnum & Mason, Tesco Family Dining, Gail's Bakery, Soho House, The Ivy, The Dorchester, The Ritz, Burger King, Leon, Pizza Express, Wentworth Club and SSP Group.

You have enough to do.

Let's help get the administrative burden off your plate. To learn how we can help simplify your back-office operations, boost your efficiency and profitability, and improve your inventory management, give us a call.

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