

Revamping Retail  
requires the right  
strategies, workforce  
and technology





## Revamping retail requires the right strategies, workforce, and technology

The world of work was changing even before the current pandemic, this was due to the impact of digital technologies coupled with economic and demographic trends. What's not as clear is how the roles and tasks employees perform will continue to adapt and what actions organizations should take to achieve success now and in the future. Nowhere is this more apparent than in the retail industry.

Retailers have experienced a paradigm shift in the last decade thanks to the popularity of ecommerce and rising customer expectations. Many are struggling to effectively develop business strategies. They also face barriers building the best workforces to stay competitive as consumer shopping habits evolve.

However, a recent Economist Intelligence Unit report sponsored by Fujitsu that surveyed 200 executives in eight countries, [Work in progress: Aligning workforce transformation to business strategy](#), reveals that companies who can link business strategies and workforce transformation efforts are much more likely to meet – and surpass – strategic goals for growth.

## Retailers need to identify outcomes and new value propositions to compete

Globally, the [retail industry](#) is expected to be valued at approximately US \$31,880.8 billion by 2023, but the industry is facing significant challenges. Jat Sahi, FRSA, Retail Disruptor and Consulting Lead at Fujitsu UK, who has worked with retailers for over a decade, contends that the value proposition of retail firms traditionally has been to meet consumer needs by delivering products and services immediately and nearby. But all this has been upended with the advent of ecommerce, mobile technology, and online powerhouses like Amazon, a company that spends US \$20 billion on research and development each year to deliver products as fast and conveniently as possible at the best price.

“The problem for retailers is they have to come up with a new value proposition because it’s impossible for most to compete with Amazon,” he says. “But I would estimate that 80 percent have not yet come to this very simple and obvious conclusion. They’re still doing the old things just a little bit faster, with a little more connection, and with less friction.”

To help retail clients pivot, Fujitsu is encouraging retail leaders to hone the outcomes they want to achieve: to make money, save money, or reduce risk. Next, they need to identify and implement new value propositions to drive those outcomes. These value propositions are still based on meeting consumer needs, but they are more competitive and sustainable. For example, Jat indicates that a Fujitsu fast fashion client is now focusing on helping its customers to meet their emotional needs by offering products and services that surprise and delight, while other retailers are engaging customers by focusing on meeting visible needs for products and services that support a sense of identity and belonging.



## New strategies and workforce requirements are paramount

After identifying desired outcomes and new value propositions, retail companies can craft smart business strategies to support the outcomes and propositions—and determine the new workforce requirements necessary to translate the business strategies into success. Fujitsu's report indicates that workforce transformation requirements will differ depending on the type of primary strategic objective an organization is pursuing: growth, innovation, or defending market share.

In his years working with retailers, Jat has observed that too often people working in retail feel that they're at the bottom rung of the ladder. They haven't been given opportunities to grow or to be challenged. He believes that in reality, retail staff should be at the top because of their proximity to customers. Every day, they are responsible for putting retail strategies into practice. So, when customers walk into a store and a salesperson can surprise them with unexpected merchandise, a critical human connection results, which is a true differentiator that cannot be duplicated by online retailers.



Jat reveals that the fast-growing fast fashion client, which operates stores in the U.K. and U.S. understands the power of their retail workforce. The company has a strategy that allows each individual store to place orders for what they believe is going to sell. Since retail staff members interact closely with customers, they are trusted and perceived as the most informed about what's popular in a store. This counters the traditional retail strategy where ordering decisions are made at headquarters and then pushed out to store locations. The end result? Growing sales and a transformed workforce with empowered employees.

"There's a much higher sense of leadership, ownership, and accountability among employees," he says. "Because people with the best information are making decisions and are more productive."

## Digital transformation is intertwined with workforce transformation

The Fujitsu report also highlights how workforce transformation is closely intertwined with digital transformation because technology is both a driver and an enabler of workforce transformation. Many Fujitsu retail clients are trying new ideas, products, and services and making changes to their workforces to support new business strategies. But they need full visibility to gather analytics to understand if the ideas, products, and services are working, if any problems occur, and if any further workforce changes are required. For many, implementing an enterprise service management solution is an ideal option to gain those insights.

"If you as a retailer have the expectation that your employees have a say how your company is going to run, you'll get a diversity of ideas," Jat says. "But you need a scalable, agile service management system to gather and analyze data across the company to support that diversity."

He also suggests that if retailers want their employees to be more productive, they have to reduce the existing burden on them and make things simpler and frictionless, which is possible with the right enterprise service management system.





## Enterprise service management systems support workforce transformation

One Fujitsu client, a large supermarket chain, has implemented a modern, cloud-based enterprise IT management system because its legacy IT system had too many manual processes. A lack of visibility into the business was severely impacting the company's ability to react quickly and address consumer demand. Today, the new platform has saved money and helped make employees more productive because of automation. Another huge payoff is that the system has the flexibility to scale to meet the company's current and future operating models and business requirements—including accommodating potential new business strategies and workforce changes.

A [recent Forrester Consulting study](#), commissioned by ServiceNow, substantiates the enterprise system modernization benefits achieved by the supermarket chain. The study examined the potential ROI organizations may realize by deploying cloud-based enterprise IT management systems. Findings reveal that implementing such systems for study respondents improved employee productivity by \$1.4 million, due to automation, self-service, and better customer satisfaction with IT.

## Future outlook

Looking ahead, Jat believes the retail industry will remain in flux, but retail companies will be able to effectively compete and meet customer expectations. The key? They will need to continually identify the outcomes they want to achieve and clarify and adapt value propositions to support those outcomes. Then, they will need to adapt strategies and implement digital technologies, including enterprise service solutions, to continually support workforce transformation. He emphasizes that workforce transformation is critical for success. Empowered retail employees are the foundation to provide the exceptional experiences customer expect.

"Too often retailers don't recognize that it's their employees who are closest to customers," he says. "If they can start to realize how important their people are, then they'll understand that business success depends on increasing their employees' skills, their passion for work, and their ownership in the business, making it a much more meaningful mission for them."



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