

Retail in full flow:
ServiceNow and the
delivery of better
service experience
and improved
efficiency

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Introduction: It's all about workflows

Modern retail is all about flows: of goods, people, processes and systems. And by 'modern' retail we don't mean just the 21st century mix of online and physical retailers battling for consumers' attention in a digital age.

Since the birth of what could be called 'organized and connected' retail in the mid-19th century, the science of running stores and advertising their wares to an increasing population with money to spend on discretionary goods has been focused on getting closer to consumers and ensuring that the flow of goods matches demand.

ServiceNow is the latest tool to enable retailers of all kinds to do just that. Retailers have always sought to create what we now know as ESM – an enterprise service model – that eases the flow of all kinds of work, as well as products and services. The first department stores – from Bon Marche in Paris to Harrods and Selfridges in London and KaDeWe in Berlin – succeeded because they achieved optimum flows of people, goods and workloads. When it worked well, it was invisible to shoppers. Harry Gordon

Selfridge, a pioneer of 20th century retail, famously said that the shopper remembered the quality of service "long after the price is forgotten."¹

Achieving a quality customer experience is the object. The fact that behind the experience there are systems that need to be integrated across multiple product categories and channels and a range of operations that must be managed, automated, and governed, does not concern the ultimate customer. Their loyalty is based on the brand and the service the retailer provides. To quote Selfridge again, "A store should be like a song of which one never tires."

And the best 'songs' just flow effortlessly. Effortless flow is what ServiceNow can do for your enterprise. In this Spotlight, we're sketching out the basic parameters of how it achieves that effortless and frictionless

flow. It's a unique opportunity to leverage the power of the cloud to power your service-centered organization. ServiceNow delivers advanced automation and process workflow capabilities to create a single platform for your enterprise service management. You can automate service relationships across your operations, and optimize your service model so that it not only meets current demands in a fast-moving marketplace, but also enables you to evolve to a state where all your service disciplines become proficient service providers.

Because ServiceNow solutions use one user interface, code base, and data model you can create a single system of records. So everyone - your IT, shared services, and all your lines-of-business can make the most of one system to define, offer, and manage consistent enterprises services.

¹ Shopping, Seduction & Mr Selfridge by Lindy Woodhead 2007

Optimized flows depend on frictionless systems. Any friction slows your ability to serve your customers in a timely way. And that could mean loss of sales and, with the rise of social media, brand damage via bad word-of-mouth or sentiment analysis - a critical factor in the digital age. ServiceNow gives you the freedom to apply a mature IT service model or create custom applications within your enterprise service domains to cut out any business friction and deliver a high impact service experience for all users.

By doing that you can then make the most of all the latest retail technologies and techniques, and deploy and equip your staff so they are always in the right place at the right time to support the ultimate customer experience and make a sale, with all the tools they need to serve every customer need. In today's complex retail world of integrated store technologies from IoT devices like RFID tags and sensors, POS, analytics, mobile devices and traffic flow and heat mapping systems become easy to manage. You can monitor, respond and repair those technologies swiftly and easily no matter how many manufacturers or service providers you interact with.

54% of European Retail Organizations Now Adopting a Cloud-First Approach.

90% of European retailers will complete their shift to the cloud in two years – faster than other sectors.

[ServiceNow: 'Cloud Computing Tipping Point' Report 2017]



In the end, any 21st century retailer needs to achieve the following:

- Deliver high-quality customer experiences by leveraging automation and knowledgeable employees
- Provide updates to inventory systems across dispersed locations easily and with complete transparency
- Make the on- and off-boarding of staff (full- and part-time, seasonal) more efficient through the automation of processes
- Improve your IT service management and enterprise service management capabilities
- Reduce the complexity of reporting and do it in real-time

We asked two specialists, Hannes Hirvikallio and Rowan Cape to share their experience and knowledge about how you start doing all the above.

"For years pundits have waited for an enterprise shift from traditional data center computing to cloud computing. Today, reality meets hype in the retail industry, and cloud-first consumption will accelerate at a break-neck speed in the next two years."

Chris Pope, Office of the Chief Strategy Officer, ServiceNow

IoT is the future of retail: ServiceNow makes it work



IoT is revolutionizing retail. That's a statement most retailers are hearing a lot. In fact, it's being said so often that you might start to think it's not true. But it is. A big proportion of that oft-cited prediction that there will be 50 billion 'things' connected to the internet and sending data back from sensors in all kinds of places will be put there by retailers. In stores, across their supply chains, and attached to products.

I'm not going to add to the 'revolutionary' talk. But I will just point out that a recent study by retail analysts Zebra, showed that 70% of retailers across the world are investing in IoT to improve customer experience.² They're also looking to achieve efficiencies and cost-savings (especially important in tight consumer markets) across their estate, and throughout their entire supply-chain.

I'm not going to go through the reasons why retailers need IoT. The facts speak for themselves. I worked with a large Norwegian retailer recently on the seemingly mundane subject of fridge temperatures. It sounds simple, but it's actually a big deal. This food retailer can't afford for their fridges to malfunction. On a hot day, cold things go off. It's that simple. A lot of perishable stock could be wasted. And customers might start to doubt the retailer's integrity.

IoT enabled this retailer to add sensors to each fridge unit which would monitor its own temperature, adjust it according to ambient conditions, and report any hint of a fault. That meant that teams of engineers did not have to keep travelling around often to disperse stores to check fridges on the off-chance that they might be faulty. IoT saved time and money – both of which are key to efficient retailing. It enables the retailer to keep ahead of faults, and ensure that its fridges worked efficiently. The retailer was happy. Customers just kept on buying perfectly chilled items. A good deal for everyone.

But behind that IoT benefit is management of the data and the workflows. Nothing works without workflows. The tasks associated with the management of both the IoT technology and the response to the data – sending out engineers, enabling them to do their work with the right information and materials, scheduling repairs etc. – is a series of actions, requests and feedback. That's what ServiceNow loves. It enables you to create an event management engine that transcends siloed departments and creates a single, transparent vision of all that needs to be done, is being done, and has been completed (or needs to be escalated).

What ServiceNow offers is the opportunity to get all this work flowing without the need for expensive or complex proprietary middleware. ServiceNow enables one person, using a single pane of glass, to manage the workflows.



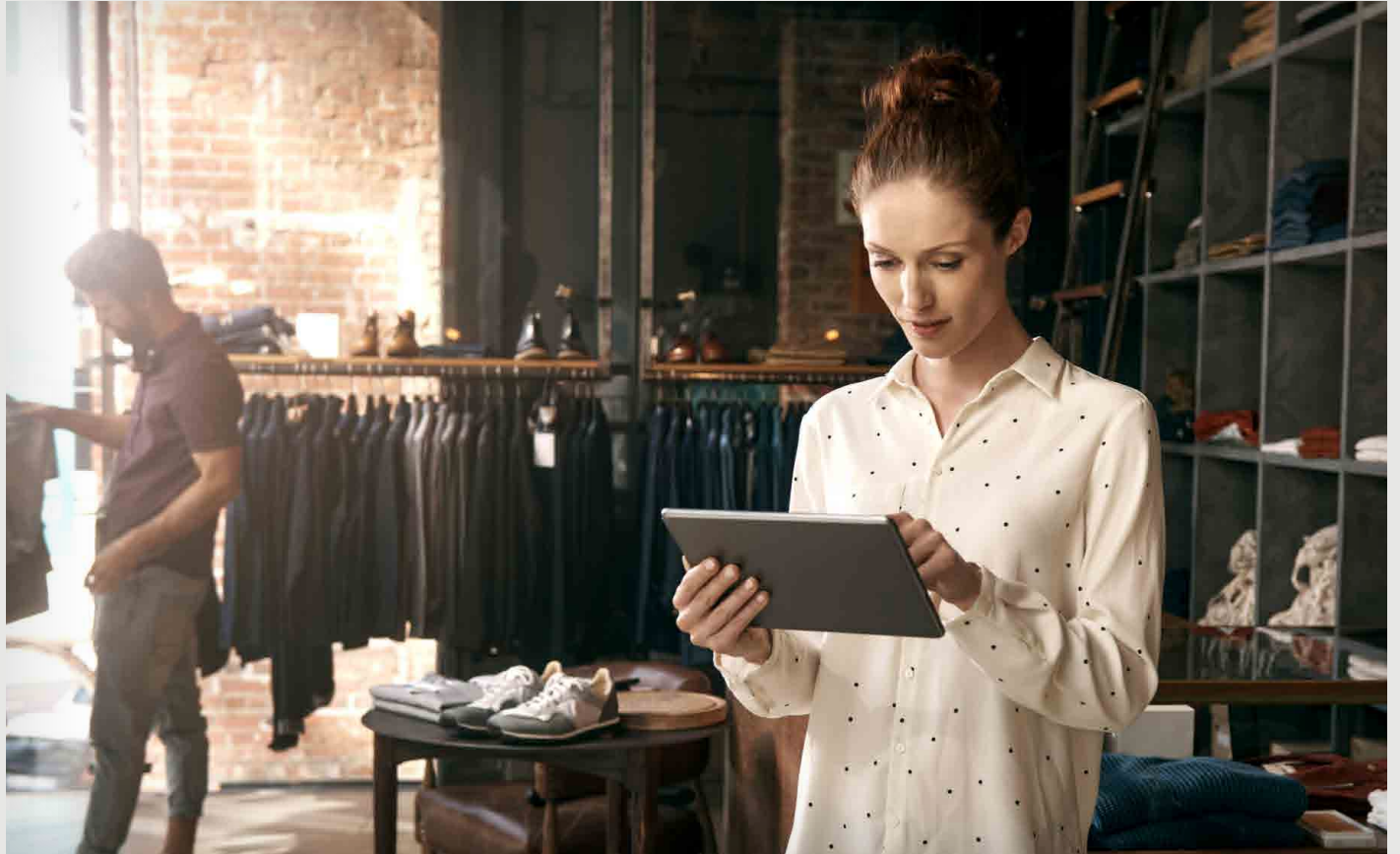
Hannes Hirvikallio,
Regional Director

Now, think about the other uses of IoT. Most retailers are looking to make the most of automation and machine learning to speed and simplify repetitive but necessary tasks that can slow down their response to, for instance, customer requests for products, or enquiries about loyalty cards, or even data requests under the forthcoming GDPR regulations which come into force in May 2018.

Again, a simple call or email from a customer about a loyalty card issue is fraught with reputational danger. If you handle it well, then the customer's view of you is enhanced. They might Tweet that you are great people to get into contact with – 'we love that store, so friendly!' But, if your response is slow, bureaucratic and inaccurate, then the reaction can be very bad for your brand.

ServiceNow can automate much of the response to that query, and deliver an IoT boost that supports contact center agents (via any channel) to sort it out quickly. ServiceNow improves the experience of both the customer and the agent – the end user within your business who is just as important. It's also a very flexible way of gathering data that can be used not only to improve the loyalty card experience and functionality, but also inform other, broader consumer-focused decisions about service, products and brand activation.

The big point is a simple one: IoT is critical to the future of retail, and ServiceNow makes it work. It delivers the promise by enabling you to manage the workflows that all the devices and sensors represent. ServiceNow makes IoT work as it should, and needs to: for the benefit of your business.



Enabling people and things to flow in every store (real or virtual)



Retail is all about flow. The way customers move through shopping districts, malls or high-streets. How they can be enticed by displays, ads or messages on their mobile devices to enter stores. Once they're inside, flows dictate how they can move effortlessly between different areas of the store and, most crucially, how they can flow through the tills, paying for their goods as swiftly as possible, and then back out into the real world. Of course, the flow continues – and is supported and augmented by – the ease with which their desires can flow through your online offerings.

Optimizing retail store traffic flows is a science. It always has been. The great store owners of the past, worked very hard to get it right. I'd like to add another flow to that science: the flow of tasks that keep people and things moving within stores, and behind the scenes. That's what ServiceNow delivers: Enterprise Service Management that is both holistic and frictionless.

So what does that really mean? The point is to elevate and maximize the customer experience. That means you need two things to be exactly right: knowledgeable staff in the right place at the right time, and all your vital equipment working perfectly.

ServiceNow contributes to both. In fact, it underpins them fundamentally. That's because it automates much of the workflows associated with the management of staffing and equipment. A lot of retailers understand that the solution to achieving those objectives are part of their digital transformation journey. But, often there's a disconnect between the business users – i.e. the people in the

stores – and the IT department. There's a lack of communication based on real life experience.

I believe that it's important for all stakeholders to understand the real experience of operating a store and to base technology projects on it: To observe how the store really works in daily operations so that improvements and innovations can be focused on what adds real value to the customer experience, as well as the way a store works each day.

ServiceNow is being used to manage staffing levels based on footfall and variations in traffic through stores. And it's being done in real-time as well as predictively. Bringing in data to inform where staff are deployed isn't new – retailers have always known that seasonal variations demand different levels of staff, and have long looked at, for instance, the weather forecast and increased staffing in the umbrella's section when a storm is coming, or ordered in more ice-cream when a heat-wave is due. What ServiceNow does is take the friction out of those decisions. It also overcomes departmental barriers to ease the flow of data, management thinking, and decision-making.

ServiceNow eases staff management because it can automate much of the time-consuming and, frankly, bureaucratic on-boarding processes. Retailers are amongst the world's biggest employers of part-time and seasonal staff. We all know how complex traditional HR processes can be, especially in an increasingly regulated environment where personal data is protected by laws such as GDPR.



Rowan Cape,
BAS EMEA, Retail Software
Propositions Manager



So, the ability to make the workflows associated with on- and off-boarding means that staff can get to work faster, be more flexible and productive, and feel more valued and protected.

The use of data can be channeled into the entire workflow. The ability to see the big picture from a central control point which transcends departmental boundaries, means decision making about staffing levels can be vastly improved. That, in turn, means that customers in stores get the personal support and contact they need to make increased buying decisions and reinforce their connection to the retailer's brand. Everyone is happy – and spending.

Then, take a simple weighing machine. Like a till-point, it's a place where a buying decision can falter. There are many hurdles between a product being taken from a shelf or a fridge, and the point of

purchase. If the weighing machine is faulty, the customer either looks for another, or decides they can't be bothered to buy the item. People don't need a lot of incentive to give up when friction gets in the way of a smooth purchase. Ultimately, that friction is not good for sales or brand reputation.

IoT helps to minimize that downtime. But, ServiceNow enables the flow of messages – 'this till is approaching its maintenance spot or has stopped, it needs repair, the error code is this, this is what you do to get it working again' and so on – finds the right staff to get everything functioning properly, collects data about the fault and the response, and then helps to build analytic models that can help to avoid similar problems in the future.

In my view, the benefits are clear. But, the point is how do you implement ServiceNow so that it creates a clear and fluid link between the shop floor and the processes needed to achieve your desired outcomes? You need to be clear about what those outcomes are, and who is responsible for them. Understand the scenarios which can affect them, and then plan your ServiceNow implementation to benefit them and deliver real tangible value to the retailer via measurable cost savings or process efficiency.

I spend my time helping retailers think through how to improve the efficiencies in retail. It's often a revelatory experience for them – and for me. Co-creation of solutions is what we focus on at Fujitsu. It's a journey and a dialogue.

Talk to us about how we can help you can make the most of ServiceNow.

As a ServiceNow Global Partner, Fujitsu combines years of experience and know-how with the power of ServiceNow, to deliver ESM processes that improve efficiency, reduce cost and free your staff to concentrate on what they do best – which is running your business.

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