

TRANSFORMATION CASE STUDY

RETAIL ORGANIZATION: FROM DEPARTMENT STORE TO CUSTOMER-LED OMNICHANNEL RETAILER

Leading the digital and omnichannel transformation inside the \$600M New Retail Organization strategy, and growing online sales 74% in the first year.

Led the digital transformation program within Retail Organization's \$600M New Retail Organization strategy, building an omnichannel platform, Retail Organization mobile app, online store, click & collect and other services that lifted online sales 74% in the first year and helped return the business to sales and profit growth.

SECTOR	REGION	ENGAGEMENT	DURATION	MY ROLE
Retail	Australia	Digital & omnichannel transformation	2015 to 2017	Digital Transformation Program Lead
+74% ONLINE SALES GROWTH, FIRST YEAR	\$100M DIGITAL INVESTMENT IN NEW RETAIL ORGANIZATION	Omnichannel STORE, WEB, MOBILE, CLICK & COLLECT	5M+ RETAIL ORGANIZATION ONE LOYALTY MEMBERS	

CONTEXT & MANDATE

In September 2015 Retail Organization launched a \$600M, five-year strategy, New Retail Organization, under a new chief executive to reverse years of declining sales and underinvestment, with \$100M earmarked for digital, online and supply-chain. Within that strategy I led the digital and omnichannel transformation program: modernising a poor online experience, launching mobile and click & collect, and unifying stores, web and mobile into one customer journey. The mandate was to move Retail Organization from a store-centric department store to a customer-led, omnichannel retailer built around its most valuable customers.

THE CHALLENGE

- **A store-centric operating model:** sales, service and systems were built around physical stores, while customers were rapidly moving online and across channels.

- **A weak digital foundation:** the online experience had been widely criticised, the website was cluttered, and the channels did not join up.
- **A selling-first culture:** stores and teams were oriented to transactions rather than customer experience, which the new strategy required.
- **Fragmented retail technology:** stock, distribution, pricing and customer data needed to work as one to support an omnichannel promise.

APPROACH & KEY DECISIONS

- **Design omnichannel first:** unify store, website, mobile, click & collect and loyalty into a single customer experience rather than separate channels.
- **Rebuild the digital storefront:** launch a mobile app, simplify the website and rationalise the product range so customers could find and buy easily.
- **Price and promote to local demand:** introduce a city-level dynamic pricing engine and flash sales so each store could respond to its local market.
- **Modernise the retail backbone:** implement Oracle Retail for stock and distribution, and bring IT development in-house for faster, customer-focused delivery.
- **Shift the culture:** use agile, lean and design thinking and voice-of-customer to move teams from selling to customer experience, and experiment at the edge with a VR store and in-store digital mirrors.

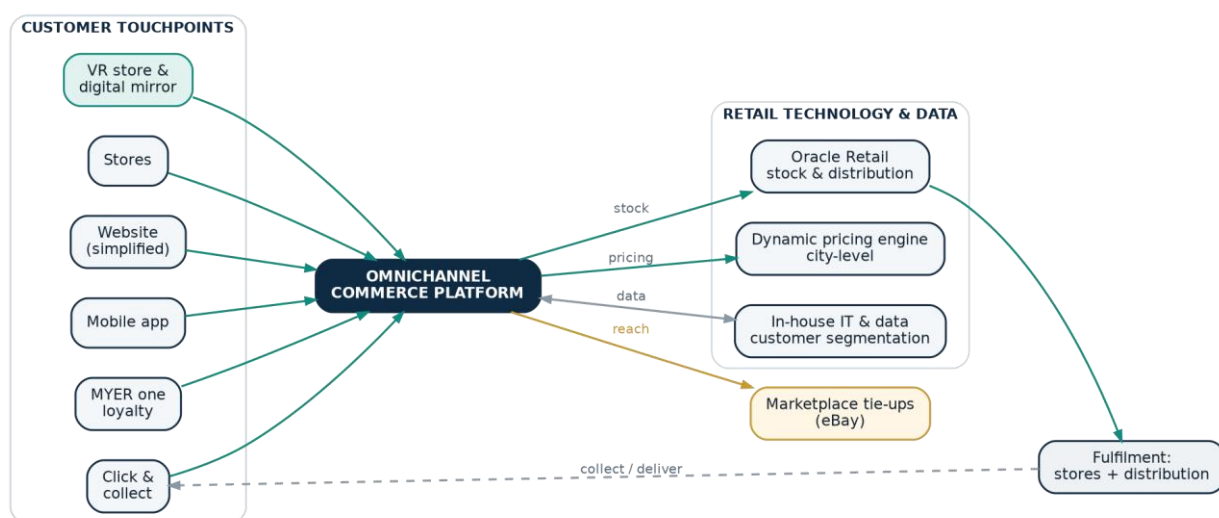
TRANSFORMATION APPROACH



SOLUTION DESIGN

Every customer touchpoint, store, website, mobile app, click & collect, loyalty, pricing engine and the VR and digital-mirror experiences, feeds one omnichannel commerce platform, which is served by Oracle Retail for stock and distribution, a city-level dynamic pricing engine, in-house

IT and customer data, and marketplace tie-ups, with fulfilment shared across stores and distribution.



OUTCOMES & BUSINESS VALUE

In the first year of New Retail Organization the digital strategy delivered strongly. Online sales grew 74%, with profit growing faster than sales, and the customer response to the omnichannel offer helped lift total sales 2.9% to \$3.29bn (up 3.0% on a comparable basis) and sales per square metre 5.6% to \$4,131. More than 850 new and upgraded brand destinations were introduced, Retail Organization won the Roy Morgan Customer Satisfaction Award for online in 2016, and the group delivered net profit in line with guidance. The business emerged measurably stronger and firmly on an omnichannel footing.

+74% ONLINE SALES GROWTH	+2.9% TOTAL SALES, TO \$3.29BN	+5.6% SALES PER SQUARE METRE
850+ NEW BRAND DESTINATIONS	5M+ LOYALTY MEMBERS	2016 ROY MORGAN ONLINE AWARD

TECHNOLOGY TRANSFORMATION

DIGITAL & CUSTOMER

- Mobile app for a new generation of online customers

RETAIL TECHNOLOGY & DELIVERY

- Oracle Retail for stock management and distribution

- Rebuilt, simplified website with a reduced, curated range
- Click & collect and full omnichannel across store, web and mobile
- RETAIL ORGANIZATION one loyalty revamp, and a VR store with eBay plus in-store digital mirrors
- City-level dynamic pricing engine and flash sales for local demand
- IT development brought in-house for faster, customer-focused delivery
- Agile, lean and design thinking; voice-of-customer; marketplace tie-ups

ORGANISATION & CULTURE CHANGE

The transformation was as much cultural as technical. Teams moved from a selling-first mindset to a customer-experience focus, supported by agile, lean and design-thinking ways of working and by voice-of-customer input into decisions such as ranging and stock. Bringing IT development in-house built lasting capability and shortened the path from customer insight to live service. Investment was steered by data: Retail Organization segmented its customers and concentrated the offer on its highest-value segments, so the digital and store experience was designed around real customer needs rather than legacy assumptions.

STAKEHOLDER & EXECUTIVE GOVERNANCE

Delivery required alignment across merchandise, marketing, stores, supply chain, technology, digital and the executive team, with the program contributing to the board-level New Retail Organization strategy. The recurring leadership challenge was to move fast on digital and omnichannel while protecting store trading and service, and to translate customer data and technology choices into commercial outcomes the executive could back.

WHAT THIS ENGAGEMENT DEMONSTRATES

Proven ability to lead the digital and omnichannel transformation of a major national retailer, turning a store-centric department store into a customer-led, omnichannel business with measurable online growth, modernised retail technology, and a lasting shift in culture and capability.