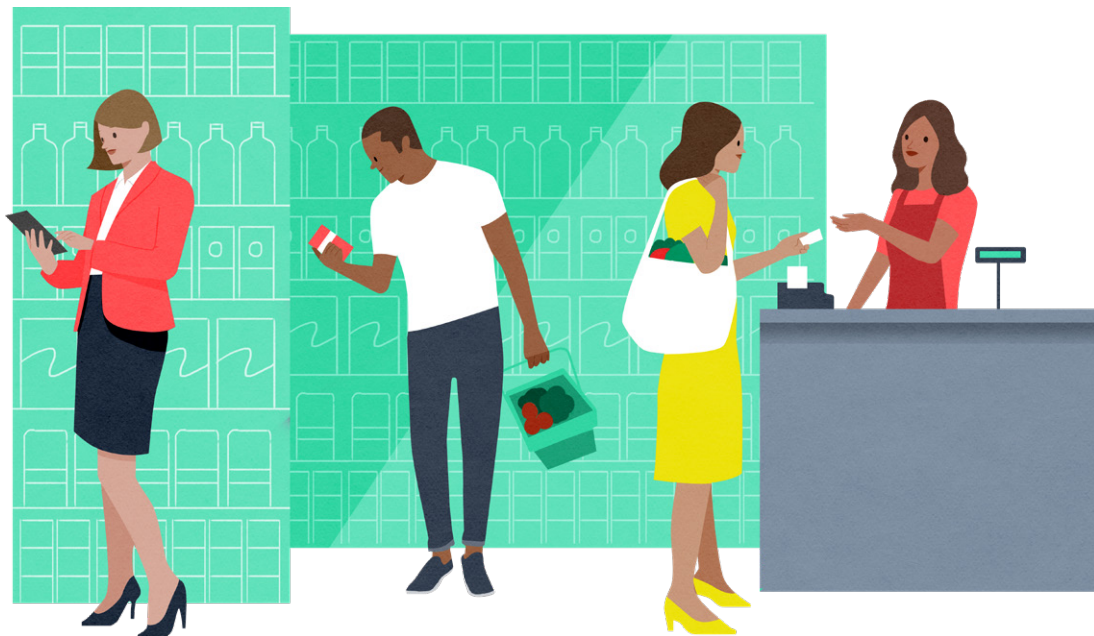


The 9 ways you need to **run your stores** **differently** from today.



Earning every last cent from your store network has never been more important. So the **world's smartest retailers are rapidly adapting** how they:



Align stores to
their priorities.



Activate their
store teams.



Improve sales
and other KPIs.

ALIGN STORES TO YOUR PRIORITIES



1

Stop overwhelming your Store team with data.

Today:

Your store team is kind of busy right now. Sending them pages of reports or expecting them to 'drill into' a clunky BI dashboard each day/week just isn't helpful and distracts them from delighting customers and coaching their team.

Tomorrow:

Just give each Store 3-4 daily next-best-actions (Quorso calls them 'Missions') guaranteed to drive Sales or other KPIs at their store. No Store Manager can fix every problem, so you need to help them prioritize where they spend their time.

Insight:

The average Store Manager spends 5 hours¹ (i.e., 12% of their time) each week interpreting and reviewing business info. And what actions do they really take off the back of it....?

2

Go agile, or go bust.

Today:

Your priorities change from week to week: a new seasonal range, an important promotion, flare-ups in labor, waste or cost. Yes, these drive your high-level KPIs, but how useful are these metrics really in steering your Store teams' day-to-day actions?

Tomorrow:

Use your most current priorities to steer the 3-4 Missions each store takes each day. These might be, e.g., fixing the shirts display, or reducing waste for steak. Then robustly track the impact on your core KPIs, e.g., Sales, Conversion, Availability.

Insight:

90%² of companies only update their goals once a year. Hmmm...quite a lot has changed since January 2020.



Forget last year... it's ancient history.

Today:

The pandemic has made comparing performance vs. last year meaningless.

Tomorrow:

The only game in town now is benchmarking vs. comparative stores. But, ranking stores within simple clusters does not do justice to the sophistication of your business and may just annoy your store teams. Instead, sales should be benchmarked at category, sub-category and product level vs. those of other stores with exactly the same range, space and demographics. Only this will show accurately how each shelf in your stores is performing, and where each store can improve.

Insight:

Last year was never a great baseline anyway. In 2019, the average store's sales fluctuated +/-4% each week vs. last year³, making it hard to measure the impact of changes. And category sales are even more volatile, diverging by more than 10% each week from last year.

ACTIVATE YOUR STORE TEAM



4

It's all about great store execution.

Today:

Analyzing data to find new insights and ideas is interesting and fun. But most businesses aren't short on insight. They're struggling with execution instead. Basic things slip through the cracks... empty shelves, delayed sets, scheduling errors.

Tomorrow:

The key to success is disciplined plugging of those leaks. First, prioritize the areas where you are leaking most sales or cost. Second, log clear Mission plans to fix them. Third, measure the \$ improvement of each Mission. Fourth, rinse and repeat. Fifth, scale up what you see working at individual stores across your network.

Insight:

The average retailer leaks 8% of sales and 9% of costs⁴ every day, through basic in-store execution errors.

5

Don't put (all) your trust in task management.

Today:

In the last few years, retailers have embraced task management tools – in essence 'smart checklists' – to specify the activities that store teams should do each hour of the day. These help set expectations and monitor compliance. But, by focusing on input actions, they risk making your team 'busy fools' who overlook glaring 'output' problems elsewhere in store. And they can be easy to cheat....

Tomorrow:

Alongside task management, you need a tool which supports the Store and District/Area Managers's traditional, yet business-critical, role. A tool for monitoring store performance, investigating where things are unexpectedly going wrong, problem solving how to fix them, and confirming that the remedy actually worked.

Insight:

One large US retailer found that, despite high compliance in their new task management system, they were 20 planograms behind in many of their stores⁵. Store teams were able to cheat the tool by sharing photos of 'sets' and putting a single item from the stockroom through check-out.



Coach every store every day.

Today:

The days of a District Manager turning up once a week/fortnight to walk around your store and pass on their wisdom are over. It's just too infrequent, ineffective, expensive – and treats all stores the same, regardless of performance or team quality.

Tomorrow:

Every District Manager should be alerted each day to trading problems or emerging issues in their stores. They should monitor in real time the Missions each store is taking on to fix those issues, collaborating remotely to coach their teams when they get stuck.

This streamlining frees up most of their week to be on the ground in the 20% of their stores that truly need their hands-on help.

Insight:

CEO's quote - "I pay a lot of expensive middle-aged people to drive around the country, but have no idea what the ROI is on that."

IMPROVE SALES AND KPIs



Measure the \$ impact of what you do... or you are probably scaling failure.

Today:

Your stores implement many decisions each day...markdowns, outposts, promotions, schedule changes. Why don't we track whether these changes were successful and actually improved sales or other KPIs?

Tomorrow:

The \$ impact of every management Mission should be automatically tracked – just as it is in online commerce. By doing so, your company can rapidly learn everything that works; from the best place to outpost flowers in a specific store, to how to reduce shrink on cucumbers.

Insight:

Only 55%⁷ of Missions actioned by store teams improve core KPIs when they first start using Quorso. (Fortunately, this increases to 80% within a few weeks!)



Stop fighting the same battles.

Today:

Too many managers spend the whole of their career tackling the same issues in the same stores. E.g., they fix replenishment for bananas so sales improve, but when they turn their attention elsewhere banana sales decline again. If you spend your days keeping the same plates spinning, you're ensuring your store against getting worse, not investing in making it better.

Tomorrow:

Every action that a manager takes to improve a store should be passively monitored for the next 6-12 months to make sure that the hard-won improvement doesn't evaporate as soon as their attention turns to another problem elsewhere in the store.

Insight:

A year ago, the Quorso app introduced 'passive monitoring', whereby managers receive an alert if the gains they banked on a past Mission start to erode. Now 86% of all improvement is retained for at least 6 months⁸.



Celebrate each store's wins every day.

Today:

Business is tough right now, and your store team's morale is fragile. Focusing on big, company-wide sales numbers can feel demotivating, especially if you're in a category where footfall is down.

Tomorrow:

Show each store and each manager every day exactly how (and how much) the 3-4 daily Missions they carry out are improving sales and other KPIs. You will drive unprecedentedly high engagement in your team. Quorso typically sees 93% of all store teams completing Missions to improve performance as often as every day or week. And with teams this motivated, most retailers drive a c.2% increase in sales within 3 months.

Insight:

The average Mission executed in Quorso drives a 17% sales increase, or an 8.5% cost saving⁹ in that line item. So even in times when the bigger business numbers are harder to hit, it's still possible for teams to make a real impact, every day, in their own store.

Footnotes

- 1 Forrester Total Economic Impact Study for Microsoft, September 2017
- 2 McKinsey survey of 2,174 executives
- 3 Quorso analysis of \$15bn of retail sales during 2019-20 across the Grocery, Home and Apparel sectors
- 4 Ibid. Leakage is calculated by benchmarking each line item at each store against fine-grained control groups which take account of, e.g., footfall, range, demographics, weather etc. 'Leakage' due to human error is then assumed to be the gap between actual performance and the median performance of that control group
- 5 Quorso interview with VP, Stores of a large convenience retailer
- 6 Quorso interview with CEO of a \$300m European apparel retailer
- 7 Quorso analysis of 2,500 actions taken by store managers in the retail and QSR sectors
- 8 Ibid
- 9 Quorso analysis of 21,000 actions taken in Quorso. Improvement is calculated for that line item relative to a productivity adjusted control group of similar stores

Agile. Simple. Human.

**Are you ready for a new era
of store management?**

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