

# Retail's Agile moment is now.

Many industries have already changed gear to a new operating system for their organization.

*Retail is about to become **Agile, Simple, and Human.**  
Welcome to a new era in retail store management.*

# Retail's Agile moment is now.



I've said it for over a decade, and I'll say it again: the winners in retail will be led by enlightened executives that use systems thinking to view the business holistically; an imperative for using technology as a tool to develop smart, consumer-centric solutions; and most importantly, the need for agility in pivoting, building or buying solutions, and rethinking business models based on a complex, evolving retail marketplace.

So, let's talk agility. It's especially critical in the wake of an international pandemic that accelerated fundamental changes in retail. We've just experienced the brutal convergence of three fronts of a perfect storm: mobile as a transactional powerhouse; the customer as point-of-sale; and the pandemic which has separated the winners from the losers. Agility is a synonym for resilience, the greatest competitive edge and most powerful survival skill in running a relevant, meaningful business. And agility is the key to emerging from the perfect storm with a stronger, more vital business.

Agility, on every level of retail management, enables leaders of an organization to anticipate the future, not catch up to it. Agility management empowers employees (retail's greatest natural resources) and liberates managers from meaningless hours of tedious, distracting reporting and documentation. The currency for successful retail operations today, eliminating as much friction as possible, is speed. And I'm not talking about a race to the bottom, I mean an Agile plan to deliver customized products and services to customers when, where, and how they want them. Bluntly, the brands that cannot deliver this will be toast.

Say what you may about the unstoppable force of technology, but when all of its assets are used as tools, it will make business and consumers' lives more Agile in the future. When combined with human intuition and empathy, agility management will redefine consumers' relationship with retailers and retail leaders' relationships with their partners and workforce. And that is a permanent game changer.

*The Robin Report works with Quorso as a member of our Innovators Network to connect their startup brand with our 35,000 leading retail and brand executives. The Network includes 10 well-respected brands with unique solutions to improve the experience and profitability of retail brands.*

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SOURCE OF RETAIL  
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## With thanks to

### Agile Program Contributors

**Alex Genov**, Head of Customer Research, Zappos

**Brian Reaves**, former COO, DXL Group

**Chris Richardson**, VP Ops, Party City

**Chris Taylor**, ex-Chief of Staff, Marks & Spencer

**Chris Walton**, Co-CEO, OmniTalk

**Dan Goldman**, VP Strategy & Business Development, GAP

**Daniel Slowe**, CPO & Co-Founder, Quorso

**David Gore**, Head of Industries, BJSS

**Elinor Noble**, Global Head of Retail Excellence & Operations, LOEWE

**Hasan Javed**, Product Manager, Microsoft

**Julian Mills**, CEO & Co-Founder, Quorso

**Julia Raymond**, Editor in Chief, RETHINK Retail

**Kris Kohler Burrows**, Alvarez & Marsal

**Mike Simoncic**, MD, Consumer & Retail Group, Alvarez & Marsal

**Mohit Mohal**, MD Consumer & Retail Group, Alvarez & Marsal

**Ollie Banks**, Retail Transformation Show

**Robin Lewis**, Founder & CEO, The Robin Report

### Agile Report Editorial

**Gabrielle Reason**, Editor-in-Chief

**Phil Thorne**, Editor

**Sophie Slowe**, Editor

### Design

**Hatched London**

# forget everything you know about retail consulting ...

We won't throw buzzwords about transformation at you.  
We will help you solve business critical problems with  
people who care so you can fly above the competition.

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**How?** We optimise your staff, stock and customers.  
We work with the biggest retailers in the world.  
We make digital transformation work for you.

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can help you lift off.



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## Why retail must go Agile, today.

*The pandemic has been a defining moment for retail. Everyone has had their term for how to think about it – “the great acceleration”, “the great convergence,” “the great restructuring”. The overarching theme is that agility and adaptability are no longer a nice to have, they’re imperative to retail’s survival.*

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- P.8** Data overload is drowning your stores.



## Agile impact in action.

*You may be surprised which retailers have gone Agile already. Some of the biggest companies out there have transformed their operating model and are starting to see results. Using Quorso's data, we're actually able to show you how impressive those results can be.*

- P.12** The future of the store: fusing the physical with the digital.
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## What makes a store Agile?

*Agility is a word almost every retailer has used in their boardroom in the last 12 months, but Agile goes beyond an adjective. 'Agile' is a revolution in the management mindset, extensively adopted by the tech industry over the last 20-years to drive rapid growth and engagement. But what does it mean for retail?*

- P.9** The Agile Stores Manifesto.
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## Applying Agile to your business.

*You can start being Agile tomorrow. It doesn't need a 5-year plan. We provide some practical advice for retailers to think not only about themselves beyond the 4-walled box of a retail store, but also to adopt an Agile mindset and culture – and embrace technology as part of this.*

- P.20** Your four point plan for going Agile.
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# The four trends that demand Agile stores.

Even before the pandemic ever hit, retail was in the midst of the biggest transformation it has ever seen. As the digital revolution disrupted, retail found itself grappling with four new realities:

- A consumer demanding frictionless flexibility
- A retail universal standard
- A fractured operating model
- A workforce lacking in motivation

Addressing any one of these themes would be a once in a generation task for many executives. Coupled with a pandemic, they are giving rise to the type of volatility which is threatening but a potential huge opportunity. As new markets are made, so too are the opportunities to capture market share for retailers who can best adapt to them.

## Mobile consumers expect their worlds to revolve around them.

78% of people alive today were born before the iPhone came into existence 13 years ago, yet its invention has transformed all our lives. With information, access, collaboration, and inspiration in everyone's pocket, whole industries have been transformed and none more so than retail.

Whereas 99% of goods would have been both bought and delivered to you in store ten years ago, the mobile device has allowed shopping from anywhere with enough phone signal. And yet ecommerce is becoming far bigger than just appending a website: it's now about understanding the impatience of consumers to have their goods delivered and enjoyed in ever more flexible, frictionless, and

personalized ways. The complexity of selling goods in multiple channels, physical and digital, and offering multiple delivery and return options (in store, BOPIS, last mile) is now the norm.

And competitors are no longer limited to other retailers: competitors are emerging beyond ecommerce players. Social media companies, like Facebook and Instagram, now have shops. Delivery companies, like Instacart and DoorDash, are now becoming retailers.

The rise of mobile asks fundamental questions about the role of stores, the relationship with suppliers (direct-to-consumer becoming increasingly prominent), and optimal organizational design. Mobile is applying an evolutionary pressure to retail that makes it a volatile and exciting sector to play in.

## Back to basics: Quality, value, convenience.

Most people look at Amazon in the wrong way. They see it as a competitor that is out to eat their lunch, Jeff Bezos's shadow lingering over boardroom discussions with constant undercutting and impossible-to-replicate fulfilment options.

What every retailer needs to now realize is that this is not the competition: it's the universal commodity standard. This standard consistently sees ways in which it can provide better value and convenience to the customer. If you cannot provide a better blend of quality, value, or convenience to your customer than Amazon, your retail model is not differentiated and no better than this commodity standard. The key is understanding the areas of differentiation.

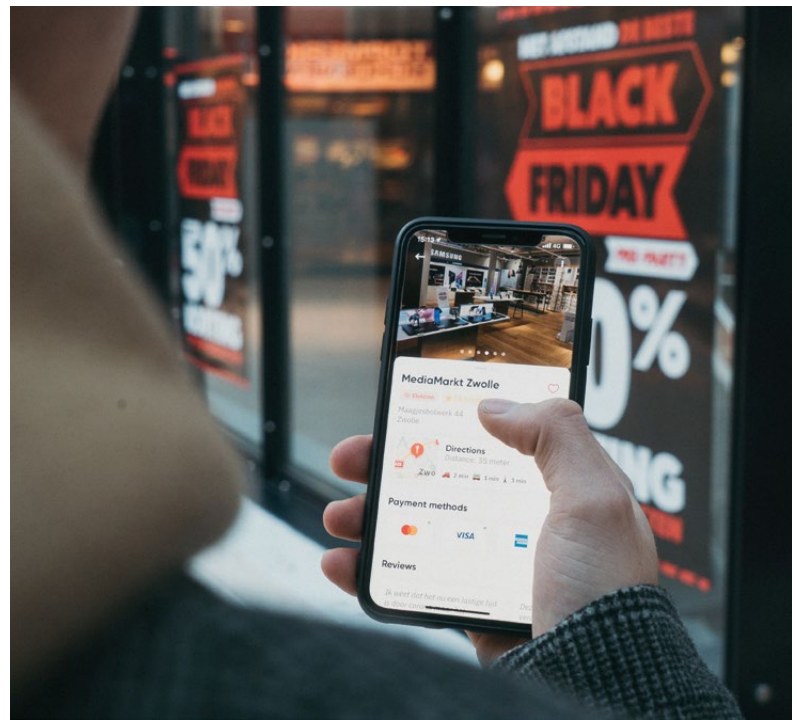
There has been a general theme that 'experiential retail' is the appropriate response to Amazon. Yet creating experiences is not the only level. There are also areas like quality of service, value and ongoing relationships – just ask any luxury retailer or successful independent store. This is not just about looking to the future, but also focusing on what has made retail successful in the past. Creativity, pride, and entrepreneurial spirit used to be at the heart of being a shopkeeper. Sam Walton's first success as an independent merchant was to put a candy floss maker outside his store to drive footfall.

The new universal standard demands that retailers discover how they can rapidly and sustainably create differentiated products and experiences, so that their offering is indispensable and delightful to customers.

## Frankenstein retail feels disjointed and uncomfortable.

From its position of stability, most retailers have reacted to a changing landscape by adding new departments. Themes like omnichannel, store of the future, and data analytics have risen up over the last few years to answer changing customer behavior.

In some cases today you see stores with separate ops and ecommerce teams, tasked with different activities under the same roof, reporting into



two different people. While this may have made sense as these trends were starting, retail's evolution today demands a less siloed and more collaborative approach between departments. Customers have shown themselves to be fickle, and an individual coming to the store is just as likely to also require delivery or seek BOPIS. Different preferences, different times.

The Frankenstein approach to retail is preventing companies from providing a uniform and coordinated approach to customers. Words like omnichannel and digital now seem outdated – these are just the norm now as simple modern retail.

## Disengaged staff means disengaged customers.

Over the course of the last 20 years, retail has looked to increasingly reduce store labor, unable to pass on rent and wage inflation to customers. The standard model has been a push for centrally-decreed consistency and uniformity across stores. Workers have felt like robotic task compliance agents, and retail has lost its luster as a place where you can grow a career.

The next decade will be a time of rapid change and volatility, often differentiated at local levels. The frontline is the frontier of any retailer's relationship with their customers, and thus key for cultivating their brand and learning what changing


dynamics need to be supported. Therefore, when a workforce becomes disengaged, it inevitably prevents lasting customer relationships from being built and stops retailers from being able to adapt and learn their way to future success.

## Agile: flexibility for customers, and stability for business.

The common themes throughout are increasing volatility, more competitive threat, and a need to radically simplify and engage workforces. Agile has been the organizational success story of the last two decades, with its focus on customer value, small teams working in rapid growth cycles, and aligned collaborative organizations. It allows business to offer both the dynamism and personability of a small independent boutique, with the stability and scale of a large enterprise. Retailers no longer have to make a trade off between flexibility and reliability.

The most valuable and fastest growing companies in the US – Apple, Amazon, Microsoft, Facebook, Google – operate under Agile values and principles. Top retailers like Walmart have also adopted these ways of working, and many more are planning to do so. As it gives companies such an advantage over competitors, it's not even an option for the remainder: go Agile, or go bust.





# Why retail should think like a mobile app for rapid engagement and improvement.

Love them or loathe them, one of the greatest growth stories of the last 10 years has been the rise of mobile apps, built using Agile methodologies. Such processes, which constantly optimize these products to meet our needs and desires, explain their explosive success, and they have changed the way we communicate, our daily habits, and the way we share. More fundamentally, they've shifted the relationship that we have with our internal selves.

Such social tools are starting to encroach on retail in three ways. Firstly, in the relationships with customers who spend a significant amount of their day on them and expect everything to be as easy. Secondly, as tools to manage and engage their employees. Finally, as potential retail competitors themselves – something that has been developing in China for the past five years and more recently in the US.

So what lessons should retailers take from the biggest business growth story of the last decade? What pitfalls should we learn from it to take into account?

## Get these principles right, and you'll find your retail business reaching viral levels of growth.

There are three areas that lie at the very heart of what makes large social media and mobile giants successful, and are now expected as default by consumers. If an offering falls short of these new deal-breaking technology standards, brands can end up bleeding market share to in-tune competitors or failing to get off the ground early on.

### *Simple user experiences.*

Instagram is about following, Facebook is about friends, Twitter is about re-tweeting, and all are about liking. In every one of the main social media tools, it is both easy, intuitive, and rewarding to figure out the basics of what you need to do to grow yourself on these platforms. Through this simple structure, creativity, discipline, and ingenuity are rewarded with short bursts of dopamine, peer status, and money

if you manage to cross the follower threshold into 'micro-influencer'. In a few years, influencers have created mini-industries for themselves by providing highly rewarding and easily accessible content and communities. With the rise of social commerce, individual influencers are becoming storefronts in the palm of everyone's hand.

But it's not just relevant to the customer-facing part of your business: you should be taking it as seriously for your back office. Whilst simplicity and convenience have transformed the shopping experience for your consumer, retail managers are still stuck with poor UI, or worse, no technology at all. Many still find themselves drowning in multiple spreadsheets and reports, and hundreds of varied tasks per week to get done. Whilst it may be tempting to think that customer experience is solely an issue for the storefront and shop floor, there is a wealth of untapped opportunity to digitize and simplify management and supply chain. The power of simplicity is a focused view of success for everyone, that they know to continuously improve towards.

bjss

Our Agile retail clients are **three times** faster at implementation and **two times** more likely to take bold risks.

Achieve the same with BJSS Enterprise Agile® >

“

The need to increase experimentation is vital to keep up with these new digital companies.”

#### *Gamification and reward.*

I got off my Peloton this morning 1,247th out of 12,428 people (humble brag: my first time in the top 10%!), achieving 375 kJ versus my personal best of 370 kJ. I was ecstatic.

Competition and reward done in the right way can be incredibly motivating. What these social media tools have learned is that competition for competition's sake isn't appropriate. Competition needs to be relevant, reward needs to feel deserved and genuine.

As well as motivating users to strive, gamification can actually improve real-world problem solving as well. When humans are given a pure logic problem to solve, a huge proportion gets it wrong. However, if the exact same problem is positioned as a real-world scenario, then the inverse happens and most people get it right. Gamifying problems within a social context or narrative means that almost anyone can become a self-taught strategic problem solver. Whereas there are few who can get their head around chess or cryptic crosswords, millions from all walks of life do so within Call of Duty or Minecraft. Transforming cryptic BI data and insights into a compulsive and social game could be – quite literally – game-changing for your sales and KPIs.

The challenge retail has often had on this is two-fold. Firstly, a lack of fair ways to judge competition. When comparing just last year LFL performance, there can be so many different factors that impact sales: a change in local competition, weather, a pandemic! It is often felt that being in the right place at the right time is what gets rewarded, rather than whether someone's actions drove results. Both leadership and managers have told us that they feel that reward goes to the best performing stores, and not necessarily the best performing managers. Secondly, the rewards don't feel genuine, often because they come through a corporate program that lacks human interaction.

#### *Always iterating to better.*

Amazon, Facebook, Netflix, and Google run thousands of experiments a year. Using test paradigms like A/B testing, they will rapidly experiment with 1-2% of their user base to see how a change hypothesis impacts key metrics, quickly stopping what doesn't work and rapidly scaling what does. The importance of the data isn't in the act of capturing it, but how the data can prove or disprove proposed ideas and plans and ensure that the whole company learns from and replicates success. These companies have become successful so quickly by creating the most sophisticated and efficient experiment engines in the world. At its very essence, they ensure they get it right almost all the time, versus competitors who navigate on gut and a 50:50 chance of making the right decision.

For most retailers the idea of running one new project a quarter is scary. But introducing this kind of experimentation isn't an option – it's a necessity to compete with the digital companies encroaching on the retail space.

Thankfully, the move to Agile is actually more rapid and undistruptive than most think. It's an ongoing process rather than a standalone one, gradually becoming adopted day-to-day with little training needed. With the same time and resource that a retailer might put towards a quarterly review, they could be on their way to becoming an Agile retailer and market leader.

While it's easy to think that Agile methodologies might just have been an operational way to develop the most successful platforms, it loses sight of the fact that Agile was also a crucial factor in their strategy. By having a process which is continuously re-evaluating audiences and then rapidly designing product to adapt to change, Agile allows adopters to deliver the highest quality product, with lean resources, and get it to market before their competitors.

Agile B2C technology companies have paved the way for the growth formula of the future, mixing simplicity, gamification, and rapid experimentation to continuously and sustainably build innovation for the future. When rapid progress is made there will always be unforeseen issues to iron out, but these innovations remain transformational and have set a new standard for consumers that they also demand from retailers. Those who do not keep up will lose out to those that are already using Agile to deliver to these needs.



# Data overload is drowning your stores.



*Julian Mills founded Quorso in 2016 with Daniel Slowe, and is CEO.*

Every store we talk to is suffering from data overload. Retail managers don't know where to focus their attention. Sales are lost, customers feel disappointed.

According to [Microsoft in 2015](#), the human attention span is now just 8 seconds, the same length as a goldfish. Worrying as this may sound, it's hard to deny when I look around.

When I started at McKinsey in 1999, execs expected 20-30 page presentations. When I left 20 years later, they were complaining about anything longer than two. Baby Boomers watched broadcast TV and read broadsheets, Millennials prefer Netflix, YouTube and blogs, while Gen Z watch TikTok and get their news from Instagram. My phone used to be for making calls. Now it pings me every 30 seconds with a call, a text, an email, a whatsapp, a Slack, a LinkedIn alert...

As life has got faster, busier, and more fragmented, we no longer have the time or cognitive capacity to absorb, analyze, and digest information. Instead, the demand for quick, easy, and intuitive interactions has sky-rocketed.

## While the world goes bitesize, stores have become more unwieldy than ever.

But while we are all moving towards bitesize simplicity, the retail industry seems to be doing the opposite. Management used to center around the P&L, monthly meetings, and annual reports. Now, with more access to data, this has exploded into multiple dashboards, charts, and spreadsheets. This data overload not only takes store managers 4-5 hours a week just to analyze, but also leaves them feeling overwhelmed, exhausted, and confused.

They are also having to multi-task and tackle issues on several fronts all at once, meaning no single task gets their full attention or brainpower. And this has been proven time and again (in this case by [Stanford University](#)) to result in poor performance.

## Store operators are crying out for simplicity.

The retail operators we speak to are all focused on finding ways to streamline and simplify. Information needs to be bitesize – obvious to understand, quick to digest, and easy to act on. And issues need to be dealt with one at a time, according to their scale. But stores are complex – tens of thousands of SKUs, hundreds of customers, dozens of colleagues, and now more omnichannel responsibilities as well (online fulfillment, click &

collect, returns). So simplification and prioritization are easy to aspire to, but a lot harder to deliver. And when either is done wrong it leads to lost sales, staff churn, and unhappy customers.

## Technology turns big, messy data into simple, prioritized actions.

Holding back all that valuable data from the stores is clearly an option. But how about letting technology do the heavy lifting, so that store colleagues don't have to? The human brain has a finite capacity to process data. Give it too much and it becomes overwhelmed, can't figure out what information is relevant, and ultimately makes poor decisions. Software, on the other hand, is specifically designed to handle this.

That's where Quorso comes in. Our [Agile Stores app](#) turns reams of retail data into a handful of personalized, prioritized actions for each store. Managers can see at a glance where to focus their efforts and exactly what actions they need to take each day to drive Sales and improve other KPIs. They no longer need to solve multiple issues simultaneously and are shown the exact impact of everything they do. Store teams feel liberated, confident, and motivated, and store performance sky-rockets!

Looking for a simple solution to your store operations?

**Quorso is honestly so simple even a goldfish could use it.**

# The Agile Stores Manifesto.

## Quorso's 'Agile Stores' Manifesto.

*The Agile movement has brought the speed, innovation, flexibility and enthusiasm of entrepreneurial startups, to businesses of all shapes and sizes. Our Agile Stores Manifesto empowers retail organizations to shift their mindset and rapidly adapt and succeed in the face of change.*

20 years ago, a group of software developers recognized that product management was too slow and cumbersome to keep up with market demands. Their solution was the Agile Manifesto, a new approach to management that has been adopted by and driven rapid growth across many industries.

Since the 1960s the retail industry has become more and more complex and, accelerated by the volatility of 2020, has now reached a similar inflection point. The Agile Methodology has already been adopted by fast fashion, supply chain and ecommerce, but we believe now that the stores must also join this Agile movement.

So we have taken the four values of the Agile Manifesto and translated them for the Retail Store:

1. **Engaged humans** over compliant task-doers
2. **Action** over insight
3. **Store networking** over central instruction
4. **Learning and adapting** over following a plan

We use the same 'over' construct as the original manifesto. That is, while there is value in the items on the right, we value the items on the left more.



### Engaged humans over compliant task-doers.

Retail success depends on store teams who really care and will go the extra mile for customers and colleagues. So, while ensuring conformity and consistency is important, motivated and engaged store teams are even more so.



### Action over insight.

Having insights is clearly important for focusing and prioritizing efforts. However endless analysis, meetings and reports must not get in the way of actually getting work done, fast.



### Store networking over central instruction.

The center is responsible for setting important company-wide goals. However, each store faces its own challenges on the ground. Stores, and their peers who are closest to the problem, should collaborate to best fix them.



### Learning and adapting over following a plan.

Plans are important, but they cannot be too rigid to accommodate inevitable changes in the environment, the customer, or – most critically – the things that are learned along the way.

12 Principles of Agile Software Management	12 Principles of Agile Store Management
Our highest priority is to satisfy the customer through early and continuous delivery of valuable software.	Our highest priority is to satisfy the customer, through both consistency and delight.
Welcome changing requirements, even late in development. Agile processes harness change for the business's competitive advantage.	Welcome responding to change, in a way that is aligned with the priorities of the company.
Deliver working software frequently, from a couple of weeks to a couple of months, with a preference for the shorter timescale.	Set continuous and frequent action plans, from a couple of weeks to a couple of months, that aim to drive improvement, with preference for a shorter timescale.
Businesspeople and developers must work together daily throughout the project.	Support effective daily coaching and best practice sharing across the organization by breaking down silos.
Build projects around motivated individuals. Give them the environment and support they need and trust them to get the job done.	Empower teams of motivated people, informed with the right information, to collaborate and get the job done.
The most efficient and effective method of conveying information to and within a development team is face-to-face conversation.	Centrally accessible and easily digestible digital communication trumps excessive physical documentation.
Working software is the primary measure of progress.	Improving trading performance is the primary measure of progress.
Agile processes promote sustainable development. The sponsors, developers, and users should be able to maintain a constant pace indefinitely.	Promote sustainable working. Teams should be able to maintain a constant pace indefinitely.
Continuous attention to technical excellence and good design enhances agility.	A focus on quality and excellence enhances agility.
Simplicity – the art of maximizing the amount of work not done – is essential.	Simplicity – the art of maximizing the amount of work not done – is essential.
The best architectures, requirements, and designs emerge from self-organizing teams.	Great teams will build the best ways of working.
At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behavior accordingly.	Regularly reflect on how to be more effective and adjust appropriately.



# A DAY IN THE LIFE OF AMAZING ABBIE:

## AGILE STORE MANAGER

07:20

WHILST HAVING A HEARTY BREAKFAST, ABBIE GETS SOME INCREDIBLE NEWS. WHAT A GOUDA WAY TO START THE DAY!



We did it, Jo! You're BRIEliant!

Sent to Jo – Head of Dairy

### NOTIFICATIONS

09:00



WITH THE CHEESE CHALLENGE CONQUERED, IT'S TIME TO UP THE STEAKS - LITERALLY!



JAY, I NEED YOU TO CHECK ON-SHELF AVAILABILITY EVERY 30 MINS! WE CAN'T AFFORD ANY 'MISSED STEAKS'! LET'S DO IT!

### MESSAGES

Saw you went from #132 to #1 in cheese sales. Amazing! 🎉

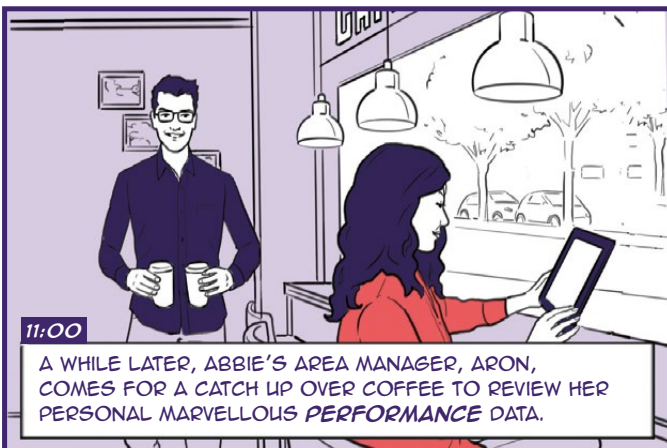
From Sam

09:15

Please teach me your ways store sensei 🙏

From Sara

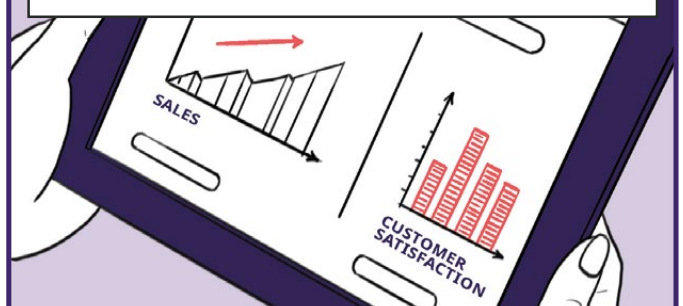
Thanks guys, I'll send you a video of Jo.



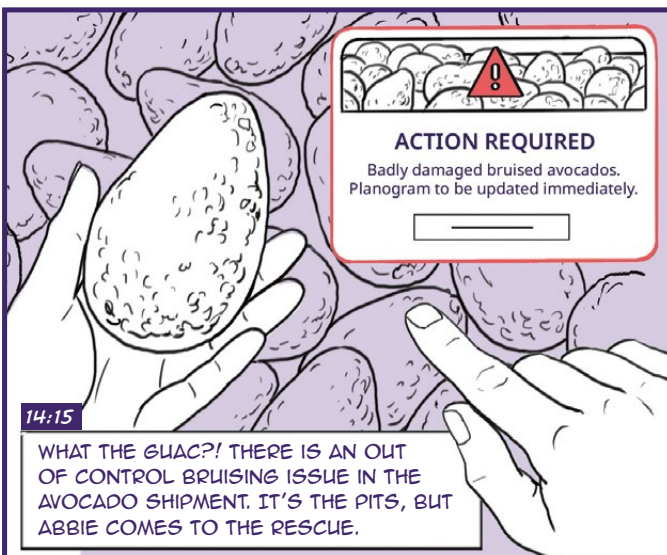
11:00

A WHILE LATER, ABBIE'S AREA MANAGER, ARON, COMES FOR A CATCH UP OVER COFFEE TO REVIEW HER PERSONAL MARVELLOUS PERFORMANCE DATA.

UH-OH, WHILST SALES ARE UP-UP-AND-AWAY, CUSTOMER SATISFACTION IS DOWN. BUT FEAR NOT, ARON SHOWS WHAT'S WORKED AT OTHER STORES AND THEY SET A PLAN.



### ALERT



14:15

WHAT THE GUAC?! THERE IS AN OUT OF CONTROL BRUISING ISSUE IN THE AVOCADO SHIPMENT. IT'S THE PITS, BUT ABBIE COMES TO THE RESCUE.



NOW THE AVOCADO PLANOGRAM IS TAKEN CARE OF, IT'S TIME TO CHECK IN ON JAY'S MEAT.




17:00

THIS JUST IN! JAY'S STEAK SALES ARE UP. AND SO ENDS ANOTHER HEROIC DAY FOR AMAZING ABBIE AND HER TEAM!

Amazing work Jay and team!

WELL DONE Jay, it's RARE to see someone BEEF up steak sales that fast! 🙌

From Aron



# The future of the store: fusing the physical with the digital.

At NRF 2021, the role of the store was center stage. After years when physical retail had been second fiddle to the glitz and glamour of a rising ecommerce, many asked the question: what is the role of physical stores in retail? And now, after everything we've learned from the pandemic, we're asking whether this role changed once again?

Physical's demise has been visible over the last decade. Yes, in many sub-sectors (e.g. toys), ecommerce has risen to around the 50% mark. And yes, after a period of mass expansion the US became over-stored. But we forget two factors.

Firstly, that physical still plays a crucial part in how consumers purchase and want to be fulfilled. Ecommerce is currently hovering around 20% of total retail sales. Even in a pandemic year, physical is still the way most customers choose to shop. 2021 has also shown the importance of the store as a logistical hub, both as part of ecommerce last mile delivery, but also for the rise of BOPIS.

Secondly, the store still plays a very important brand role, highlighted by Doug Stephens as the 'store as media'. When customers enter your store, there is the possibility of a transaction but there is also the absorption of a brand experience. In the same way that every click to a website is valuable to a brand, so should be every in-store visitor: 100k store visitors is the brand value equivalent of ~\$100k.

Stores are vital, yet their role is moving beyond a four-walled box simply to transact goods into something broader. For the store to succeed, we need to re-examine two crucial questions:

1. How we measure store performance
2. The role of those charged with coordinating performance across stores – Area Leaders.

## We need to move beyond just Last Year Like for Like Sales growth.

Ever since Italian monks discovered double entry bookkeeping, retail has looked at the P&L and Balance Sheet as the cornerstone of performance. Despite the exponential rise of available operational and financial data, stores have still been viewed and incentivised on like-for-like sales growth and inventory stock turns.

Such metrics now look less relevant as the cornerstone of store performance today: Firstly, they ignore the broader role a store now plays across brand and fulfillment. Secondly, these are lagging indicators that are the outcomes of buying and shopping activities, rather than inputs that lead to sales. Thirdly, and perhaps key, we need to start harmonizing physical and digital performance metrics to be able to better understand and evaluate effectiveness across all channels in retail's omnichannel

approach today. The pandemic has shown that an omnichannel approach is no longer just physical + website, but physical + BOPIS + curb side + social + last mile. Customers want to shop where they want, when they want, and how they want.

*Table 1* on the next page provides a view of how some digital and physical performance metrics can be better harmonized and even learn from each other in some of their core funnel and value metrics.

From ecommerce, the ideas of traffic, conversion, customer acquisition cost ('CAC') can be equally useful in understanding store performance. But online can equally learn a lot from physical stores.

Ecommerce's strong focus on pure growth and capturing market demand has often come at the expense of cost efficiency – for example, the growing issue of returns. Optimizing costs is a core area of focus for Store Operations. Shrink and waste, for instance, have the support of full asset protection teams. A similar focus is needed on the ecommerce side, providing a great opportunity for performance improvement and improving margins.

Table 1. Example of harmonizing physical and ecommerce performance metrics

	Physical	Ecommerce
<b>Sales funnel</b>		
Traffic	Footfall	Site traffic
Conversion	Transactions per footfall	Click through rate
Basket Size	Average Order Value ("AOV") # Items per basket	
Time per visit	Average store visit time	Average session duration
<b>Delivery</b>		
Wastage	Shrink	Shrink Returns
<b>Fulfilment</b>	<b>Store labor + rent</b>	<b>Last mile distribution costs</b>
Customer Acquisition Cost	(Labor + rent + other costs) / Customer transactions	Marketing spend + distribution cost / Customers transactions
Customer Value	AOV/CAC	AOV/CAC

Harmonization is not just important for assessing the relative value of the different channels, it is also key for agility. Digital channels have been able to rapidly experiment and learn and scale what works for consumers, in a way stores haven't to date. Retailers should also see the potential of every store as an experiment engine where, with the right measurement in place, they can test, measure, learn, and scale what is driving the most value for the consumer.

### Area Leaders: From Store visits to continuous Agile coaches.

Combined with measurement, the way that Store Managers are coached and upskilled also needs an urgent rethink. Typically this has been the role of the monthly (at best fortnightly) Area Leader store visit.

The challenge with the store visit is that it has become a mostly compliance-focused activity over the years. Checks and balances to see whether inventories have been properly checked and stores and presentations laid out correctly are very limited views of the business.

To be more growth-oriented, the relationship between Area Leaders and Store Managers should evolve in two ways.

Firstly, it should be growth-focused. It should be about setting OKRs – objectives and the measurable key results to drive them – as introduced by Andy Grove, who used this approach to build rapid growth at places like Google, Microsoft, and Uber.

Secondly, the role needs to be more cross-functional and understand how a store's success is driven by the collaboration between different stakeholders, merchandising, supply chain, marketing, and other departments. To date, store operations have been too siloed, only focusing on the execution challenges from an operator's perspective.

### The store isn't dead, but has a lot of new roles to play.

After a decade of being seen as the less favored child in retail, stores remain critically important to the overall experience retailers provide to their customers. Rather than being digital versus physical, it's how both

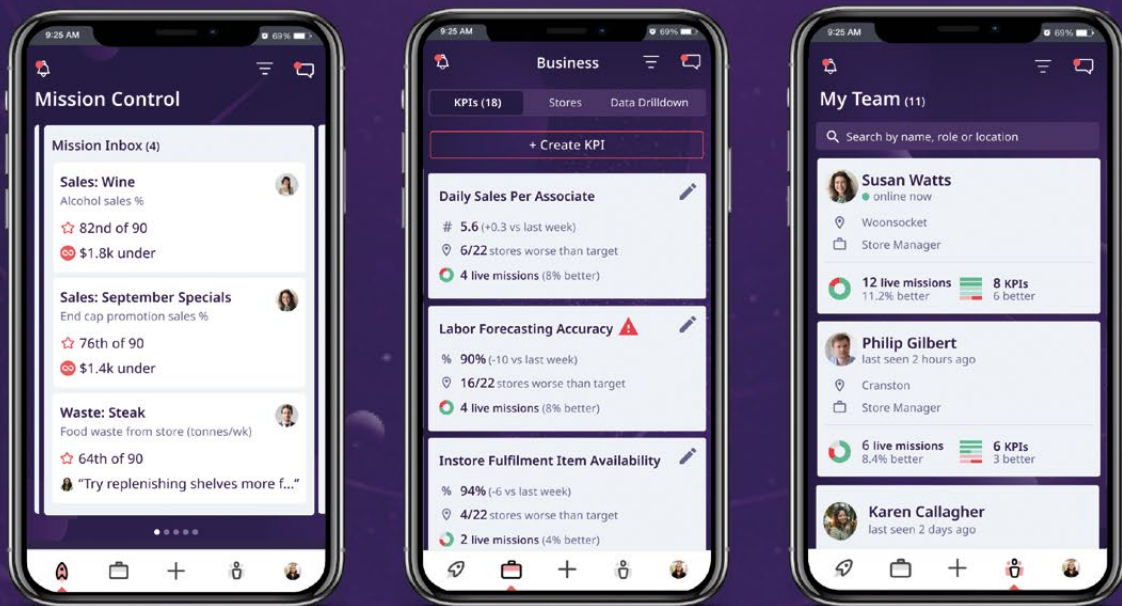
are blended to provide customer value that will drive their success in the future. Both the old steward of the store and the young newbie of digital can learn from the other's experience and results. Yet in both their measurement and in outlook, there is an urgent need to turn to focus on harmonization and growth, rather than a backward and compliant view of performance.

Ultimately it's those retailers who blend best the benefits of both who will be the most successful.



# Get **agile** in days.

Tired of wasting hours **lost in complex reports?**  
Struggling to see who and **what drives improvement?**  
Keen to engage and **grow every manager?**



Quorso simplifies your data into **3 top priority daily actions** (we call them 'Missions') for every store, guaranteed to engage teams, increase Sales and drive KPIs. It then helps your teams **launch** their Missions, **measure** their impact and **scale** the ones that work.

Through a user experience everyone is wild about, retail Executives steer their businesses, knowing which actions are driving improvement. Area Managers coach and motivate every team member. And Store Managers only focus on what matters.

See Quorso's **Agile Stores App** in action.  
[www.quorso.com](http://www.quorso.com)

**Agile.** Simple. Human.



# When Agile works, it really works.

When Agile store management works, it really works. Retailers that are already living and breathing Agile find they're reaping incredible benefits – take a look at our Quorso data to see what you could also be doing.

Value #1.

## Agile engages your staff to become problem solvers, not robots.

Everyday, stores face barriers to sales and improvement.



29%

of these issues need **creativity and collaborative** problem solving to be fixed. So compliance checklists and SOP **won't cut it**.

These issues cost you, but **each one addressed** gives an average improvement of

+14%

And people learn from their success, so their missions **continue to deliver improvement** even when they've ended, driving a

+37%

increase in sales for the next 3 months.

And feeling that successful all the time makes Agile pretty addictive.

95%

of Agile store managers **complete improvement missions each week**, compared with average engagement of 45% for other enterprise software.

And when people are successful, they take on more missions, and those missions **deliver even more improvement than the last!**



Which leads to a **great feedback loop** for your managers.





Value #2.

## Agile means insight **doesn't get in the way** of action.

For all the missions that are suggested to teams daily,

**84%**

go from issue to action **within the day.**

That's insight to improvement, the same day!



How long does it currently take you to dig data, prepare a report, agree on an action plan, and **know when it'll start improving?**

**Weeks?**

**Months?**



**82%**

of a mission's total improvement will be **delivered with Agile** in the

**first week!**



The **top 3 priority** missions suggested cover for

**14%**

of total lost sales at a given store in any given week.

And it pays to know where this rapid action is **needed most.**

A one-size-fits-all approach leads to **mediocrity.**

Value #3.

## Agile gives central teams **control**, and stores **flexibility.**

Your HQ needs visibility and control to ensure your business is going the right way. But your stores need to respond to challenges and local nuances in real-time, on their own.



**30%**

of missions are only relevant to a **single store.**

**89%**

of the time a mission is sent to **less than 2%** of your store network.



Central improvement models assume problems are identical and consistent across all stores. But analysis shows that the product lines causing issues for any store actually **vary week-to-week**.



Agile technology helps stores quickly identify and correct their unique problems.



So **95%** of missions get **solved in store**, or with help from peers in the network.

Which means central teams don't become a bottleneck to decisions and action, but still have **complete visibility** of everything that's going on and **overall control**.

With day-to-day operations taking care of themselves, **HQ can focus on the issues of the future**.

Technology  
Sustainability  
Brand perception  
Customer trends  
Product  
New markets  
Disruption  
Talent

Value #4.

Agile allows you to **learn and adapt as you go**, rather than blindly following a plan.

Agile allows you to **test, measure, and learn** rapidly: an average mission lasts

**3.1 weeks**

which means **ongoing evaluation** and **continuous improvement** for your business and your teams.

Agile managers learn fast, so they get it **right more often**. Typically, managers' actions only improve things 55% of the time. **Managers completing Agile missions drive improvement 80% of the time.**

Which store do you think will knock their competitors **out of the water**?



And when you learn something new, and need to pivot to a new KPI? Get your whole business working on it in...

**5 minutes**

**Ready. Set. Go.**

Switching to Agile means great results, fast. Getting there before others do will decide whether you smash your targets for the year, or fade into irrelevance.

Learn more about the results possible with Agile missions at [quorso.com/results](https://quorso.com/results)



# Why your teams will love Agility.

The release of our recent [Agile Stores Lab](#) piece we will admit is heavy on the numbers, showcasing some exciting data on how stores are becoming more Agile and the impact it's having on retail businesses.

## But what about the human side of Agility?

Retail is a people business, all about the teams that come to work every single day. A common question we get asked is, "Why is an Agile Stores operating model good for my people?"

Let's answer this by looking at some of the research behind the four values of our [Agile Manifesto](#) and how they correlate with these core pillars of building successful, happy teams:

1. **Employee engagement and motivation**
2. **Employee learning and development**
3. **Employee resilience**

## Employee Engagement and Motivation: Why focusing on engagement over compliance is great for staff and great for business.

The idea of focusing on engagement over compliance is admittedly the area where we see retailers raise their eyebrows most. The idea of conformity to predefined tasks and pre-populated checklists has been industry dogma for many years.

To overcome this we think retailers need to turn the point on its head and recognise that compliance also comes as a result of engagement. I.e. People are more likely to do accurate, efficient and effective work if they feel more engaged in the company.

A 2017 Gallup Survey provided clear evidence for this. Almost any business metric you are trying to improve – productivity, engagement, customer satisfaction, absenteeism, shrinkage, turnover – benefits from more engaged staff.

## How we put this into practice at Quorso.

Our user experience has been designed with an engagement-first approach. Two of the KPIs we use to measure this are: how many users are writing weekly Missions in Quorso (~92%), and how often users are engaging with colleagues via Quorso in efforts to improve the business (X times/week).

A 2017 Gallup Report tells us that organizations with engaged staff enjoyed the following improvements (Reilly, 2014):

- ◆ 17% higher productivity
- ◆ 21% higher profitability
- ◆ 10% percent higher customer metrics
- ◆ 41% lower absenteeism
- ◆ 24% lower turnover for high-turnover organizations
- ◆ 59% lower turnover for low-turnover organizations
- ◆ 28% less shrinkage
- ◆ 70% fewer employee safety incidents
- ◆ 40% fewer quality incidents (defects)

## Employee Learning and Development: The latest science promotes 'learning on the job' and knowledge sharing networks.

Historically the Learning and Development approach has been around a philosophy called instructivism. Instruct people on what to do, with the learner being the passive recipient of that knowledge e.g. a lecture.

If you consider the learning approach at most retailers, through courses and Learning Management Systems (LMS), this continues to be the main method used.

However, there are two other styles of learning that are now being recognized as equally important to include in the mix: **Constructivism and Connectivism**.

### Constructivism: Action over insight promotes learning by doing.

Constructivism is a learning approach that emphasizes how important it is to learn from self-guided exploration, reflection and evaluation.

So for instance within Quorso, the process of planning how to take action on an opportunity (Mission), taking that intended action, and getting continuous feedback on whether it is working, provides managers with self-guided discovery which helps them upskill on the job.

### Connectivism: Store networking over central instruction promotes more connected learning.

In 2016, Degreed did a survey about how the workplace learns. The response was at odds with how most companies set up their L&D, as Table 1 shows.

Employees state they learn most from self-directed networks, boss/mentors or peers. Whilst most investment is in traditional, top-down L&D and LMS.

Top employee preference	Top company investment
Self direction e.g. Google search (90%)	L&D dept (21%)
Boss or mentor (69%)	LMS (28%)
Peers (55%)	Intranet (17%)

At Quorso, we promote more social learning through direct coaching experiences between District Leaders and Store Managers and through automated sharing of best practice across the whole store network.

## Employee Resilience: Learning and adapting enables teams to thrive in response to change and adversity.

If the last 24 months has taught us anything, it's been the critical need for a resilient workforce. A whole slew of research has been coming out from the likes of Deloitte and Aon, highlighting the enormous value of resilience in the workplace.

What has been interesting about these reports is that although they do state the importance of factors such as wellbeing programs and ethics for building resilience, there is another core pillar that has come up. Individuals want themselves and their companies to reach their potential. Achieving that requires a mindset of continuous improvement and an agile approach, where everyone is aligned around common goals and knows the company is doing its best to reach that potential.

## Key Takeaways: How Agile Stores help boost your people.

1. Focusing on **employee engagement** is suggested by surveys to boost almost every employee KPI
2. **Learning and development** benefits from a blend of self-discovery and learning from others, as well as the typical instructional approaches
3. **Resilience** comes from making rapid response to change the norm, rather than the exception

If you want to learn more about this, get in touch: [contact@quorso.com](mailto:contact@quorso.com).

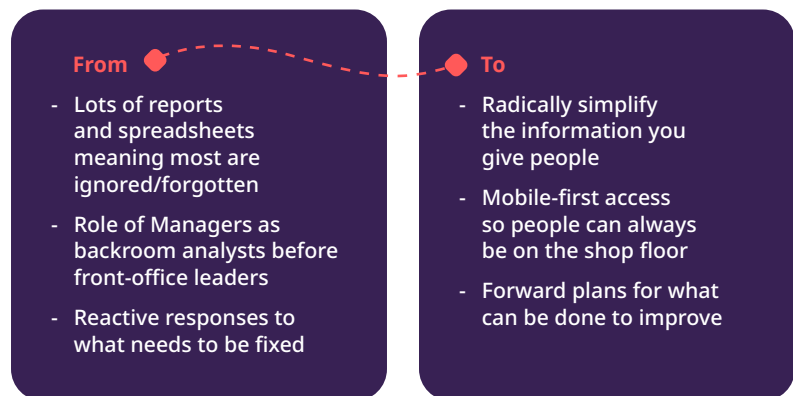


# Your four-point plan to becoming Agile.

Switching to an Agile mindset and methodology doesn't need to be complicated. Phil Thorne of Quorso and Chris Walton of Omni Talk set out their simple, four-step process.

Being Agile in your mindset and methodology doesn't need to involve massive organizational upheaval (Microsoft managed it in a year!). Here we outline four core steps any retailer can take to drive Agile performance and start reaping the rewards in months, not years.

## 1. Prioritize actions.



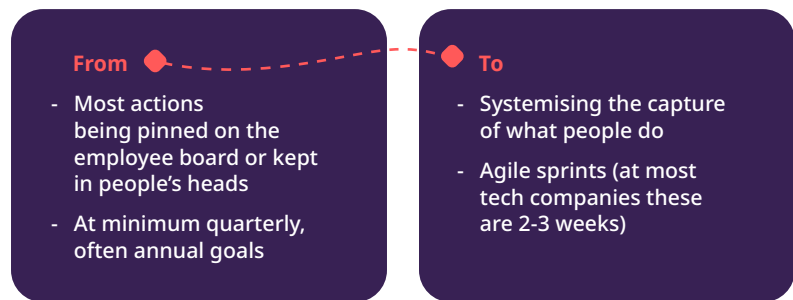
**Simplify** seems to be the mantra on most leaders' lips when we talk to them about front-line priorities for next year. Surveys have staggeringly shown that Store Managers only spend 25-35% of their time with their teams, the majority is spent being data analysts, bureaucrats, and firefighters.

And there is little evidence that all this analysis even pays off. Quorso's data shows that most weeks managers will improve their store performance at a rate no better than chance.

In Agile product management, the most important first step in any sprint is to prioritize – ensuring people are taking just the 2-3 actions that will drive the most value. Short standups at the start of every day focus everyone on what they need to ruthlessly prioritize. Everything else is ignored.

This requires investing in the right infrastructure, tools, and processes to give teams rapid insight into what's going on. There's no need to have Managers be calculators or trackers when software tools can do it for them.

## 2. Act & track.



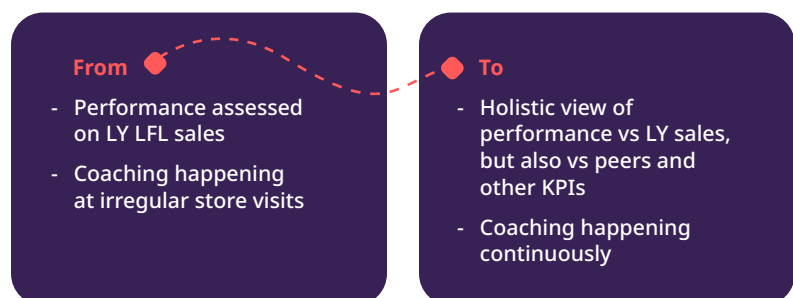
As Chris says, knowing what to do in retail is one thing, but actually doing it and tracking it, well that's another challenge entirely.

One of the tools Agile product companies use to track actions is a Kanban board. This simple layout of cards arranged in columns organizes and tracks activity in phases, e.g. "To do", "Doing", "Done". Each card has clearly assigned accountability and a delivery deadline. Critically important

is that these tasks are granular and measurable at a level that they can be done in a single sprint of 2-3 weeks.

"There's something really motivating about progress", says Phil, "people love to feel a sense of momentum and when you're moving actions forward every couple of weeks, you get more satisfaction than when you're waiting a quarter, or a year, to see if you've hit budget."

## 3. Measure & follow up.



One of the most critical components of Agile management is being able to set your short-term goals and know whether you have hit them. This is often where retail reporting can fall down.

With an obsession on just showing e.g. LFL topline sales growth vs Last Year, how can you tell a manager whether the granular actions they took to improve a certain part of their business actually drove value or not, e.g. an Apparel Manager changing their winter display to drive better relative performance? The more high-level your metrics get, the more noise there is from external factors (footfall, weather, a certain event last year etc.).

We believe most retailers need to radically rethink how they provide impact tracking to the field at a level of granularity that they can actually take action and show results.

*The route to improvement is in the follow-up.*

Today, the monthly 35-minute store visit remains the key coaching activity any Area/District Manager does. Only a fraction of which is spent upskilling workers rather than performing an audit.

Given the majority of store teams upskill themselves through Manager interaction, increasing coaching frequency is hugely valuable.

Many Agile product companies have remote-first offices, with teams spread across the world. Their Managers therefore rely on technology to coach and support teams on a daily basis. These tools are available to retailers too and can empower Area Leaders to spend less time driving around the country and more time upskilling their teams.

## 4. Learn & scale sprint impact.

### From

- Constantly moving onto the next thing
- Ideas come from the center and are pushed to the field
- Compliance focus to learning through Learning Development System

### To

- Making time to reflect and learn
- Ideas come from anywhere and the best ideas get scaled
- Encouraging peer and manager coaching

At the end of any 2-3 week sprint, one of the most important practices an Agile product company undertakes is a retrospective. A retrospective involves teams getting together and asking themselves, "Did we achieve what we set out to?", "What did we learn about our method or processes that we could improve?", "How could we do better next time?"

"I can't ever remember doing something like this in retail," says Chris, "we hardly ever made adequate time for it and, when we tried, we had no good way of systematizing it and recording it objectively. Oftentimes, it just came down to whatever the highest-paid person in the room thought." However the art of reflection is one of the most important parts of moving forward.





# BE AGILE. BE IN THE KNOW.

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COMMERCE TRENDS [WWW.RETHINK.INDUSTRIES](http://WWW.RETHINK.INDUSTRIES)



“

**Most problems  
get solved rapidly  
by the crowd.”**

Although finding a good process to learn from your own actions is important, there is another core group from which to learn that Store Managers should also embrace. Their peers. We see three barriers to this in most retail businesses:

**1. Vertical silos preventing peer sharing of ideas.**

Retailers with large store networks have many Managers facing the same challenges every day, but typically they only seek solutions advice from their Area Leader or store colleagues.

Agile technology companies, on the other hand, create forums and communities between users through wikis, so most problems get solved rapidly by the crowd.

**2. Promotion of central ideas rather than ideas from the field.**

As Alan Rushburger, author of *The Idea-Driven Organization* notes, 80% of any company's improvement potential lies in the ideas of the frontline.

Yet most retailers will push out ideas purely from the center. We've seen too many examples of this to list, but here is one of our favorites.

A Store Manager was thinking of a way to incentivize her team to hit the goals she was trying to achieve, and bought a set of poker chips. She created a sign on the employee board:

- Goal 1 – win 500 points (red chip)
- Goal 2 – win 300 points (blue chip)
- Etc.

Next to this sign was another, for 5,000 points: win 30 minutes off. 100,000 points, win a whole day off.

Within a couple of months, the store had become one of the best in the country. The Manager had increased performance with one of the best levers at her disposal, “time.”

It was nine months before the central team figured out that what she was doing had been so effective for her store.

**3. Only looking internally.**

One of the most surprising differences we find between retail and technology is the regular sharing of ideas. In technology, there is a host of podcasts, WhatsApp groups, forums, and meetups about sharing the best ideas in sales, marketing, design, and engineering.

Retail has 3-4 big events each year, but the general sense is that the focus is purely on the internal, and rarely do we see people learning as much from their industry peers.

**Agile teams are  
some of the most  
productive and  
engaged workforces  
on the planet.**

Agile isn't a magic elixir, but the stats are quite incredible. Tech companies that claim to be Agile have:

- 25% higher productivity
- Are 50% faster to market
- Have employees claiming they are >100% happier and more energized

There are obvious reasons behind this. Agile teams have the three core elements that pre-bake their motivation into their working practices:

- Autonomy – the ability to feel you are in control of your own destiny
- Mastery – the sense you are improving in your daily activities
- Purpose – the collective sense of what you and your team can achieve.

If you're not considering how to make your teams more Agile today, it is likely your competitors are, and they're more likely to be responding to customers and getting products to market quicker.

# Prioritize. Activate. Improve.

## All in a single tool.

In volatile times, **agility** is essential. But the store management process is clunky and inefficient...



Store managers spend ~6 hours a week reviewing dashboards and reports.



But the actions they take to improve aren't documented or tracked.



So their effectiveness is impossible to measure accurately.



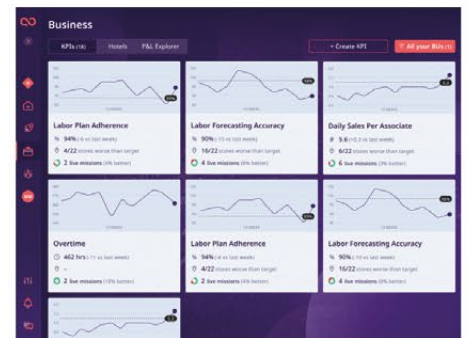
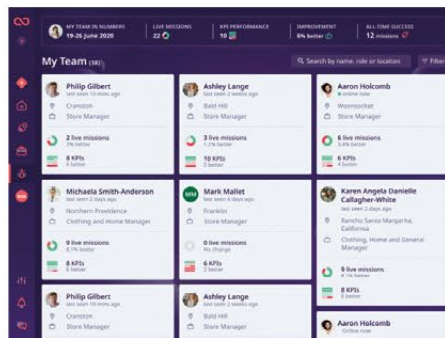
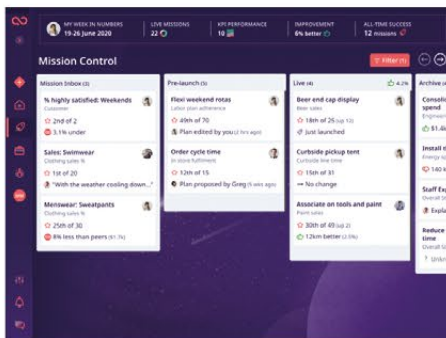
And, when they do get things right, their success is rarely scaled across the business.

As a result...

Most retailers leak **10.6%** of sales in every store, every week.

How Quorso helps.

By making sure every store fixes their **top 3 leaks**, every day.



**Prioritize.**

**Mission Control focuses every store's efforts.**

- Intelligent algorithms crunch your data to find the top 3 'Quorso Missions' for each store, each day.
- Root cause and best practice suggestions guide store actions.

**Activate.**

**Area Managers get the most out of their teams.**

- Coach, celebrate and motivate, even when not onsite.
- Focus store visits where attention is needed most.
- Get early-warning of any issues.

**Improve.**

**Businesses measure and learn...constantly.**

- Execs set KPIs easily and then see them improve.
- Impact of every store, team member and Mission is tracked.
- Success is automatically scaled.

Learn more at [quorso.com/the-tool](https://quorso.com/the-tool)

 Quorso



If you're interested in discussing any of the ideas in this report, then feel free to get in touch with me – I'm the writer so would love any input or feedback.

This report is just the first of a series – our next will be research from Quorso's own data on the results and transformative impact that an Agile approach can have on your sales, revenue, and overall performance.

Follow us on LinkedIn or Twitter, or sign up to our newsletter at [quorso.com](https://quorso.com) to make sure you don't miss it.

Or if your curiosity has already made you want to find out more, then get in touch to see a quick demo of how Quorso works.

**Phil Thorne**

[phil.thorne@quorso.com](mailto:phil.thorne@quorso.com)  
646 643 1257

