

TOP TIPS FROM RILA 2016

SEKO

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RETAIL SUPPLY CHAIN CONFERENCE 2016

RILA
RETAIL INDUSTRY LEADERS ASSOCIATION
Educate. Collaborate. Advocate.



DELIVERING
CHANGE

February 28 - March 2, 2016 | Gaylord Texan Resort & Convention Center | Dallas, TX

RILA Supply Chain conference is all packed up for another year, and we're bursting with new ideas and interesting topics we picked up. From sessions hosted by a variety of top industry insiders, to the conversations we had by our booth downstairs there were plenty of valuable insights to put to use in 2016.

Here's what we learned this year down in Dallas:

"This is one of the best conferences for retailers from a content and learning perspective, and we attend every year so that we can support and learn from the retail community and those focused in supply chain. We always come away with a better understanding of the challenges and new trends currently facing retailers, from their own perspective."
Brian Bourke, VP Marketing SEKO Logistics



Design your Omnichannel Supply Chain

Whether they're shopping online, in-store, on mobile – or with a combination of all three, customers expect a seamless experience, and it's up to your supply chain process to ensure they get it. As Peter Hunnewell (Michael Kors) said "We want to take a holistic view of customers, to be able to provide whatever it is they may want".

According to the panelists, 80% of the value of omnichannel initiatives is locked into the design of the supply chain network. Creating a digital model of the supply chain with integrated simulation and optimization will allow you to see how different solutions play out, and help you to make smarter decisions. Modeling using real-time data analytics means costs can be evaluated and processes tested before they are put into effect, and solutions can be continually adapting to predict and meet changing requirements.

SEKO MEDIA CONTACTS:

Brian Bourke, VP Marketing, SEKO Logistics T: +1 630 919 4966 E: brian.bourke@sekologistics.com
Jamie Roche, JRPR T: +44 (0) 1344 631880/1/3 E: jamie@jamierochepr.co.uk

Put People First

Visit your stores. Talk to customers. That's how you'll find the most revealing data and realize how reliable your supply chain really is. Then, invest in some 'Rockstar Talent' to use this data and evolve your strategy.

"What is rockstar talent? Someone bold who takes action, challenges the status quo, and holds others accountable"

Mike Robbins, JC Penney

Nurture your MVPs, allowing them autonomy and creative freedom, and the results will speak for themselves. Rigid processes prevent growth and drive sales towards more forward thinking competitors, but encouraging your team to speak up and think outside the box will foster innovation and make both your customers and your team happier. Put thought into the benefits that will attract the right kind of people, and tailor them locally to keep your rockstars on board. Finally, keep an eye on the competition and what others in your field are doing. The more you know about the industry and your competition, the better a leader you'll be.

Plan Your Inventory

New fulfillment capabilities such as buy online, ship from store, and direct to consumer from distribution centers have made better planning of inventory a necessity. As much as you can predict demand, you also have to prepare for what happens if you're off by a noticeable percentage. Sensitivity analysis has made a huge difference in planning, and it is the companies with the ability to adapt that are seeing success.

"3PLs are a huge part of our long term strategy...It gives start-ups the flexibility they need in planning supply chain"

The cloud provides a safe environment in which to test all the variables that are within your control, and see how different solutions will play out, allowing you to optimize your solutions. The main challenge here comes from data – both in finding out its source and reliability, and in cleaning it up, but it's the only way to see what's working and create an effective strategy. At the end of the day, this analysis and adaptation is not just about your supply chain – it will affect your entire process.

Invest in Tech

Drones, sensors, robots, and the Internet of Things: The technology of ecommerce and delivery has shown vast progression in the past couple of years, both in capability and usage. Tech has truly infiltrated the supply chain across the board, but how will this affect the in-store experience? As with anything coming into contact with disruptive tech, the answer is simply 'evolve or die'. The store must become a location to provide a customer driven experience, rather than just being a point of sale.

There is also a supply chain imperative that must be considered; Faster delivery has to be a priority – even if that means an increase in cost. It's not just what the customer wants, but what they expect, and with the rise of same-day delivery these expectations are only getting higher.

55% of Groupon's sales are now through mobile - it's the fastest growing sector of ecommerce

However, with so much to choose from, it's easy to get swept up in all the new and exciting technology that's on offer. Stay focused on what you want to achieve, and what's going to get you there, or you run the risk of wasting time and money on unnecessary gadgetry.

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Going Global

Thanks to ecommerce the world is opening up for retailers, and even companies that wouldn't necessarily label themselves as 'international' are seeing their product travelling further around the globe. Because of this, many companies are actively expanding internationally to realize greater growth and profits. This comes with its own set of unique challenges, not least of which is knowing who your customer is, and ensuring that wherever they are they're receiving the same high level of service.

About 9 out of 100 in-store purchases are returned, and 30 out of 100 ecommerce purchases

The main problems companies face expanding globally stem from not understanding the complexity of localization. It's not just costs that need to be considered, but also differences in bureaucracy. In new locations it's hard to know how the system works and where hold ups will occur, and it's important to research and plan so you can adapt to the local culture. Having the right partner – someone who is based 'locally' and understands the process in depth – will set you apart from the competition.

US De Minimus Changes

Perhaps one thing missed - understandably given the timing, was a discussion on the passing of a new bill last week which sees the US de minimus rate change from \$200 to \$800, enabling retailers to develop their ecommerce presence in the US without their customers incurring duty costs on orders valued under this higher rate. This makes US consumers much more accessible, and means retailers will be able to sell into the US, almost as they would if they were selling in their own territory. This will have a huge impact on ecommerce retailers, and in turn the supply chain, and we're excited to see what changes this will bring about in the industry as a whole.

About SEKO Logistics

We provide a suite of logistics services which enable you to use your supply chain as a competitive differentiator. As a customer centric organization, we are powered by the expertise of our people and our in-house-developed, best in class, customizable technology. It is this combination which gives SEKO its strength. With over 120 offices in 40 countries worldwide, SEKO's unique shareholder management model enables you to benefit from our specific industry sector expertise, coupled with vital in-country knowledge and unparalleled service at the local level. This unique model provides you with:

- Hands-on service and support
 - Personal relationships
- Creative, customized solutions
- Responsiveness and reliability
 - Flexibility and consistence

We have a flat management structure, with just three layers between you and the CEO, making us 'fast on our feet' in delivering solutions that can meet your exact requirements. This lean and nimble structure increases our decision-making speed and gives us an ability to implement customized solutions which far exceed those of our competitors. For more information visit our website www.sekologistics.com

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