

Retail opportunities in the global community: Overcoming the complexity of expansion

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Supply-chain complexity comes from balancing both local and foreign sources to meet the localized consumer demand, on a global stage.

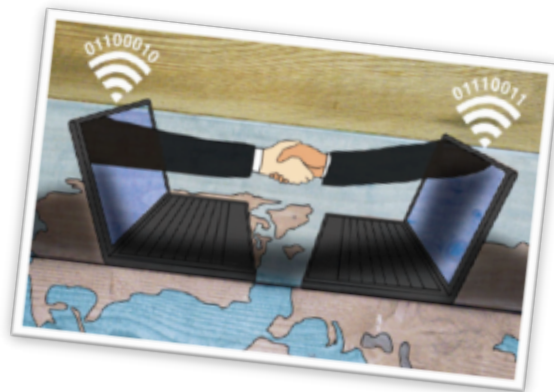
Emerging markets don't represent opportunity for every retail vertical. First, you need to know:

- What is your goal in expansion and how are you going to measure success?
- Who is your customer in this new market?
- Is the culture going to accept your brand, or do you need to create a new brand?
- Is there enough demand to achieve your goal?
- Who will your competition be and how are they likely to react to your presence?
- What does your offering look like in this new market?
- How will you manage your supply chain – distribution, allocation and replenishment?
- How will you manage the people and processes in a global environment?
- How will you deal with trade challenges such as tax complexity and product restrictions?

Integrating Processes

How we can make it work:

- **Use of partnership** – technology and fluid processes that blend the relationship into a strategic workflow
- **Value driven approach** – common goals, measured results.
- **Process Efficiencies in** – demand driven sourcing, multi-channel selling.
- **Leverage technology and partners** – reduce system complexity, eliminate artificial boundaries.



What is the difference between a business process outsourcing (BPO) challenge and an IT challenge?

In many cases current enterprise systems and business processes are what constrain retailers from taking advantage of business opportunities. Today, every initiative have to show rapid, significant return on investment . If the current operating model is too restrictive then the cost can outweigh the short term benefits and fail to deliver that return on investment. This means that BPO has to be strategically planned, controlled and have the flexibility to be change, reflecting a retailers changing strategic priorities. The IT challenge is then to integrate the BPO with the entirety of their global supply chain.

Simplifying the complexity

Retail is complex and it gets more complex every day. Global expansion and localization challenges are at the heart of this complexity. We can't eliminate these challenges, but we can embrace them and simplify the processes and the way solutions are delivered.

Key components of a successful strategy:

1. Combine strategic partnerships in 'end2end outsourcing' (not offshoring) that creates result-driven alliances
2. Continuous process refinement that strengthens these partnerships and allows open sharing of ideas
3. Seek process innovation (not just technology) – because retail is changing every day and solutions need to evolve at the same pace
4. Embrace processes that localize assortments and create a dynamic supply network that integrates factory to shelf visibility

Seeking innovative partnerships

A new look at partnerships will change the landscape of global solution delivery in retail. In order to get the most out of these relationships, the partners must create fluid, transparent communication based on information, not just data – giving trust and authority to both sides in order to steer the relationship in the most efficient direction. Integrating business processes to make partners an integral part of idea creation, solution development, delivery and support.

Fundamentals of successful partnerships:

- Require a joint business plan with an incremental multiplier on potential revenue and margin
- Provide a compelling and unique selling proposition – it is not sufficient to just offer a service
- Address global market-space rather than look to multiple partners to solve one problem regionally. It needs to focus on a global service provider
- Eliminate barriers to entry – IT, barriers due to corporate scalability, technology.

Get resources on how to adapt to the challenges of today's retail market [HERE»](#)