EBOOK
Retail
The smarter way to workflow
MANAGING THE TRANSITION

Retailers’ digital transformation efforts are under intense pressure to deliver. And the retail environment is changing faster than ever before. Those unable to adapt quickly are going under.

“Cloud-based platforms that connect the dots by creating workflows between data, physical assets, human resources (HR), customers, and applications can speed everyday responsiveness and continual adaptation to business needs while improving customer service and productivity. Thirty-five percent of IDC survey respondents reported that they are investing in technology to close the gaps in digital transformation programs.”

Recent events abruptly pushed the retail world into a contactless- and online-only mode, accelerating operational changes that have been underway for some time. Consumers were forced to experiment with different shopping and delivery methods; and developed new expectations and behaviors that will likely remain for foreseeable future.

Speed and convenience matter more than ever before. From ship-to-store to curbside pickup to contactless delivery, brick-and-mortar retailers must keep pace with the promises of e-commerce competitors. If it’s not easy for customers to immediately get what they want, they’ll move on.

Retailers have been working hard to digitally transform the customer experience for more than a decade, with much of the focus on direct customer-facing initiatives. But to truly transform the customer experience, digital transformation must go deeper. Operations must become more agile and efficient. Future leaders will adapt quickly to fluctuations in demand, anticipate the needs of niche customer segments, and manage supply chain disruptions and unexpected events—while still delivering consistent service.

While disruption and fierce competition are certainly nothing new for retailers, the pace and intensity of COVID-19-related change and its effect on consumers is unprecedented. This is a pivotal time where we’re seeing not only changing loyalties and a shifting leaderboard, but an opportunity to really connect with consumers in new ways as they reformulate their habits and decision journeys.


Read more about how ServiceNow helps retailers accelerate their digital transformation to drive meaningful change.

View our brief
THE CHALLENGE

Implementing transformative changes to become more agile and efficient is easier said than done. Among the challenges plaguing the retail industry:

- Back office complexities
- Operational cost pressures
- Constant disruption
- Workforce turnover and retention
Back office complexities

Most legacy systems were not built for cross-functional case management or escalations. Siloed departments and data make it even more complicated to get everyone on the same page quickly. There is still a heavy reliance on emails and phone calls across different areas of the business to coordinate responses.

Only 15% of [loyalty] members had their problem resolved immediately whereas 24% of non-members felt their issue was resolved on their first attempt. This finding is exacerbated as ~60% of members stated it took more than one day to resolve their issue compared to ~40% for non-members.


THE CHALLENGE

Back office complexities

Operational cost pressures

Constant disruption

Workforce turnover and retention
Operational cost pressures
Retailers know they need to invest in technology to make operations more adaptable and efficient, but margins are tight. Tensions run high between delighting investors and delighting customers. Pressures to make operations leaner can't be at the expense of customer experience. Digital transformation investments need to do a better job of demonstrating value and making an impact fast.

A mandate to retail businesses: Accelerate the pace of your digital transformation to ensure you can meet ever-changing customer requirements.
(Source: TotalRetail, “Why digital transformation in the retail sector is more important now than ever”)

THE CHALLENGE

Back office complexities

Operational cost pressures

Constant disruption

Workforce turnover and retention
Constant disruption

High levels of uncertainty are rattling the retail industry. Consumers are testing new brands, platforms, and delivery methods. Supply chains are stressed, with unexpected disruptions creating fluctuations in inventory. Cyberattacks continue to escalate in frequency and severity. Many retailers are managing these issues in a fog with disjointed information and slow manual processes that make it difficult to prioritize the most critical issues.

60% of retailers who experienced a breach said it was due to a vulnerability for which a patch was available. An average of 10 days is lost due to coordinating patching across teams.

GET THE REPORT

Workforce turnover and retention

Keeping and attracting good talent is difficult even in the best of times. Volatile shifts in demand across product categories and channels—combined with enabling new ways to work remotely—makes workforce management even more challenging than usual. As workforce levels spike up and down, retailers need simpler processes to onboard and offboard people, so resources can be re-allocated quickly.
THE OPPORTUNITY

Strategic technology investments are key to enabling retailers to quickly scale, automate, innovate, and manage complexity. Those who emerge as leaders will focus their digital transformation efforts on:

- Taking customer service to the next level
- Harnessing the full potential of data
- Creating more resilient, agile operations
- Making work better for employees
Taking customer service to the next level

Digital transformation must tackle the big operational challenges that weigh down retailers’ responsiveness to customers. The middle and back office need better tools to collaborate seamlessly with frontline workers and customer service reps, so everyone works as a united front. Automation can route customer questions to the right place, so issues are addressed correctly the first time.

Harnessing the full potential of data

Retailers have an overwhelming amount of data sitting in disparate silos across the organization, but limited visibility hinders its potential. With predictive analytics and machine learning, retailers can extract insights faster from different sources to make better (and faster) decisions and create more personalized customer experiences that bolster loyalty.
Creating more resilient, agile operations

With customers expecting speed and convenience, retailers are turning to automation to accelerate highly manual processes that slow work. Digitized workflows eliminate bottlenecks, creating better processes that help everyone work more productively and quickly. And consider the potential impact on inventory management. With a cloud platform that connects systems and data across the supply chain, retailers gain better visibility and control over inventory levels to react quickly to fluctuations in demand.

Now, consumer and retail companies realize automation is a powerful way to answer the ever-mounting pressure to boost efficiency, innovation, and speed. Moreover, the cost of automation is falling—thanks to better, less expensive technology and off-the-shelf solutions—and demand is rising. In automation, being bold involves moving beyond the typical targets and into corporate functions, where the same tools and logic have been used for generations.

Making work better for employees

Giving employees access to the right tools and technology to effectively do their job can dramatically impact job satisfaction. And employee satisfaction ultimately influences customer satisfaction.
Digital transformation is key to helping retailers move faster and smarter, but where should resources be directed? What will deliver the greatest value? While there is no universal answer, here are five areas where digital transformation can have a big pay-off:

- Reduce friction points for customers
- Enable employees to work more efficiently
- Create a more intuitive, engaging work environment
- Enhance IT security and reliability
- Improve supply chain visibility
Reduce friction points for customers

Confusing navigation, long wait times, and agents who are not empowered to offer acceptable solutions leave negative impressions, even with the most loyal of customers—and it can be difficult to win them back. Put more control into the hands of customers with self-service tools, reducing back-and-forth over the phone or email. Better yet, resolve issues before customers are aware of any problems by continuously monitoring across systems for issues with inventory or deliveries. Immediately remediate issues and notify customers of the potential impact using automation.

Expectations for service and support continue to rise. Creating an experience to meet customer expectations must include digital service channels, but this isn’t enough. Learn how to achieve service excellence from customer service and support executives.

WATCH THE WEBINAR
Enable employees to work more efficiently

Work gets done faster when everyone can access the same information in real time. But technologies and systems across the organization and supply chains don't necessarily talk to one another, making it difficult to achieve that level of visibility. Gain clarity with a single platform that connects different systems. Replace manual and siloed processes with cross-functional digital workflows. With a more connected organization, less time is wasted searching for answers and waiting for responses.
Create a more intuitive, engaging work environment

Technology plays an important role in helping employees feel supported and valued at work, especially with a workforce that might span hundreds of different locations. Make work easier with more intuitive workspaces where employees can create, access, and share knowledge easily. Create simpler HR processes that are easily accessible through self-service portals and can intelligently address common questions. Accelerate onboarding processes, so new and seasonal employees can start quickly.

When you think about employee experience as a holistic problem you design better solutions. Learn what top global companies are doing to make the employee experience a coordinated effort between IT and HR teams.

READ THE EBOOK
Enhance IT security and reliability

The stakes are too high in retail for systems to go down or data breaches to occur. IT is under pressure to ensure the reliability and security of technology across the entire organization. Having a single platform that provides a comprehensive, real-time view of where potential problems lie and how they are being addressed is invaluable. Every second counts when it comes to mitigating vulnerabilities.

Retailers can dramatically reduce the risk of being breached by improving end-to-end vulnerability response processes.

LEARN HOW
Improve supply chain visibility

Many retailers struggle with developing a comprehensive view of inventory levels across different channels, making it difficult to respond quickly to swings in demand. Using a cloud platform to connect different systems and processes across the supply chain will make it easier to see what’s happening with inventory in real time. Retailers can respond with greater speed and agility when disruptions occur or consumer interest shifts.
WHAT DOES SUCCESS LOOK LIKE?

Case studies

▷ Wayfair
▷ Overstock.com
▷ Beachbody
Wayfair

**Company:** Wayfair is one of the world’s fastest-growing e-commerce businesses with more than 10 million products.

**The Challenge:** Wayfair relies on a team of DevOps engineers to enable its software community to deliver over 300 software releases every day—an average of one every five minutes. Operating at this pace requires highly optimized continuous integration (CI) and continuous delivery (CD) pipelines. Individual tools provided performance information, but there was nothing bringing it all together. To optimize performance and accelerate revert times, Wayfair needed a more comprehensive view of its pipelines, operations, and code changes.

**The Solution:** Wayfair integrated its monitoring tools into ServiceNow, followed by its CI/CD toolchain, providing a consolidated view across its web stack infrastructure, applications, and services for the first time. ServiceNow sends a Slack notification to the operations team when issues are identified. A team member then analyzes logs and correlates them with recent software changes.

**The Result:** With ServiceNow, Wayfair software releases get to market faster. Revert times dropped from 12 to two minutes. The quality of software releases improved as well—production code rollbacks for software releases were cut in half within six months, dropping to 4.5% from 9%.

"Using ServiceNow, we don’t just see what’s happened—we can see why. For example, if there’s a spike in incidents, we can use ServiceNow data to track them to test suites or code changes and revise our tests to reduce the number of issues making it into production."
—Tameem Hourani, Director of Production Operations, Wayfair
Overstock.com

**Company:** Overstock.com is a leading online retailer with more 1,500 employees.

**The Challenge:** Overstock.com wanted to transform the onboarding process for its 300+ new hires annually, so they could hit the ground running with a place to work, a laptop, an email account, and access to various corporate systems. But manual onboarding processes were incredibly time-consuming and error prone. Each new hire wasted an average of three days waiting for everything to fall into place. Overstock.com needed to create a more efficient process for everyone involved, including new hires.

**The Solution:** Overstock.com created an enterprise onboarding strategy powered by ServiceNow and Workday that united different departments into a single workflow. When a new associate is hired, ServiceNow receives key data about the employee from Workday, identifying exactly what that employee needs to start working. The IT department and facilities manager are alerted via ServiceNow, which tracks all activities, so they are completed before the associate’s first day.

**The Result:** ServiceNow automated 115 tasks for Overstock.com, improving accuracy and efficiency. Onboarding new employees became simpler, requiring less than eight interactions for each new hire to get started instead of the 60 previous interactions. Service technicians can now give more attention to areas that give the company a strategic advantage.

“Associates have what they need from day one. And because everything is automated, we’re not afraid to hire 400 or more people if we have to.”
—Brian Wagstaff, director of technology services, Overstock.com
Beachbody

Company: Beachbody is a worldwide leader in fitness, nutrition, and weight-loss solutions, serving more than 23 million customers.

The Challenge: Beachbody needed a better way to manage change requests around last-mile communications. Notification emails about change requests were often ignored, and as a result, many changes were never approved. Employees started to bypass change requests and move forward with undocumented changes. The IT team needed a new approach.

The Solution: Beachbody integrated ServiceNow's capabilities with Slack to eliminate the email burden and provide an easy way to collaborate and get quick approvals. Slack was already the primary messaging and collaboration platform, making the transition quick and simple. Approvers are now notified of all change requests via Slack. They can view all necessary details within the platform and approve or deny requests immediately. ServiceNow supports the underlying logic, ensuring integrity and compliance with every step.

The Result: Documented change requests increased by 250%. With better documentation, Beachbody now has better visibility into the cause of problems, improving service quality.

“We only have a small IT operations team, so we’re constantly looking for creative ways to get things done faster and better. Integrating ServiceNow and Slack was easy—and we’re seeing remarkable benefits. And, we haven’t stopped at change management. For instance, we can raise ServiceNow incidents directly from Slack, including automatically gathering information from our monitoring systems. That reduces effort and means that we resolve issues more quickly.”
—Eric Landsness, Director of Network Operations, Beachbody
GET STARTED

About ServiceNow

ServiceNow creates more connected retail operations, empowering employees to move fast and efficiently to create exceptional customer experiences. Anticipate and quickly react to threats, opportunities, and changing retail trends with a more agile and intelligent organization.

For more on ServiceNow’s retail solutions, visit: https://www.servicenow.com/solutions/industry.html