

Taking On the Supply Chain Crisis with Advanced Decision-Making





Our thanks to Board International for underwriting three white papers on this topic and sponsoring this webinar.

Board International is a leading software vendor in the fields of BI, Corporate Performance Management, and Advanced Analytics.



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Al McClain

CEO, Co-founder, RetailWire

Al McClain has spent 30+ years in the retail, tech, and CPG spaces. Al's career highlights include sales and management stints with Luzianne-Blue Plate Foods, Bestfoods, Red Rose Tea, and Progressive Grocer (Trade Dimensions and Retail Insights divisions).

Al has also spoken extensively at industry events such as Shoptalk and for the National Grocers Association, the Institute for International Research, the Magazine Publishers Association, and the Category Management Association. He has written for publications such as Nielsen Wire, Loyalty Management and Forbes.com.

The retail industry's premier online discussion site.

The screenshot displays the RetailWire website interface. At the top, there are social media icons for Twitter, LinkedIn, Facebook, and YouTube, followed by the user name 'RICK MOSS' and options for 'LOGOUT' and 'NEWSLETTER SIGN UP'. The main navigation bar includes 'FRONT PAGE', 'DISCUSSIONS', 'RETAIL NEWS', 'RESOURCES', 'BRAINTRUST', and 'MARKETING'. The date 'WEDNESDAY, 06/12/2019' is shown on the right.

The main content area features three discussion cards:

- Has Barnes & Noble found its savior(s)?** (June 12, 2019, 17 expert comments). The article text states: "The retail graveyard is filled with well-known brands that have fallen victim to excessive debt loads and their own dated business practices." The author is Dick Seest, Principal, Retailing in Focus LLC.
- What does FedEx's break with Amazon mean?** (June 12, 2019, 16 expert comments). The article text states: "I suspect Amazon is placing unreasonable cost demands on FedEx. Glad they are ending it." The author is Paula Boardman, Managing Partner, R&R Research.
- Kroger is high on the CBD sales opportunity** (June 12, 2019, 11 expert comments). The article text states: "CBD in retail is expected to be a \$2B business by 2022. Retailers who aren't already making moves to take advantage of this \$2B opportunity have missed the boat." The author is Bethany Aline, Vice President Marketing, Coburn.

On the right side, there is a section titled 'IRI EARLY VIEW 2019: Consumer Food and Beverage Spending Trends' with a 'GET A COPY!' button and the IRI logo. Below this is a 'TRENDING' section with a list of categories: Consumer Marketing, Online Retail, Management Strategy, Products Brands, Human Resources, Operations, Customer Service, Category Management, Amazon, and Retail Tech.

At the bottom, there is a 'RESOURCES' section with three featured articles:

- 'Your POS should be a point of engagement' (with a photo of a person at a computer).
- 'IRI's Early View 2019: Consumer Food and Beverage Spending Trends' (with a photo of a person in a grocery store).
- 'See How Retailers Can Lead with Unified Commerce' (with a photo of hands on a laptop).

Uniquely engaging

Three active, in-depth online discussions each business day

Influential community

Mid to top management from a variety of retail disciplines

Collective thinking

Sharp editorial, plus the combined expertise of over 125 RetailWire BrainTrust panelists.

Today's agenda

INTRODUCTION:

Reflections on the Current State of the Global Supply Chain

- David Food, Head of Supply Chain Marketing, Board International

PANEL DISCUSSION

- Ken Morris, Managing Partner, Cambridge Retail Advisors
- James Tenser, President, VSN Media LLC
- David Food, Head of Supply Chain Marketing, Board International
- Al McClain, CEO, Co-founder, RetailWire – Moderating

AUDIENCE Q&A

Featured presenter

David Food

Head of Supply Chain Marketing, Board International

Dave has spent over 30 years working with supply chain solutions, spending time at a range of solution providers, generally at the strategic end of the product use and design.

Dave currently heads up supply chain within Board International, developing tomorrow's thinking for decision support platforms with advanced intelligent analytics that enable supply chain executives to make informed, effective decisions. He is particularly interested in how companies can become disruptive by leveraging emerging technologies and approaches.

Taking on the current supply chain challenges with Advanced Decision-Making



David Food

Head of Supply Chain Marketing



Current State

What are we learning?

If we don't learn and change from the pandemic, we have missed the opportunity.

2021 Retail PEST Analysis

P	E	S	T
Political	Economic	Social	Tech
			
<ul style="list-style-type: none">• Trade wars• Tariffs• Trade restrictions• New US administration• Brexit• Protectionist policies• Tax incentives for domestic reshoring• Non-essential store shutdowns possible• Legal cannabis, hemp	<ul style="list-style-type: none">• Global recession risk• Job losses• Federal stimulus packages• Widening income disparity• Value shopping rising• Luxury shopping rising• Unstable major economies• Decline of department stores, malls and commercial real estate• Retail consolidation	<ul style="list-style-type: none">• Mass protests• COVID-19 health and safety risks all along the supply chain• More working and learning from home• Sustainability• Purpose-led brands• Diversity and inclusion• Health and wellness• Low consumer confidence	<ul style="list-style-type: none">• E-commerce fuels curbside pickup, mobile pay and fast delivery• E-grocery step change• Small brands go online• Global automation (5G, AI, big data, robotics)• Tech giants want a piece of e-commerce jackpot• Social commerce, including livestreaming

Sources: Bain & Company, Bloomberg, Boston Consulting Group, The Economist, Forbes, MarketWatch, Reuters, Washington Post



So what is being done?

- Risk mitigation alternative sourcing and routing
- Improve synchronization between SC actors
- Exploring balanced omnichannel alternatives
- Desire to return to better inventory models

68%

Decrease in stock turns

37%

Moved to a more flexible sourcing model

126 / 320

Have significantly increased the use of partners

Our retail customers

Bata

LAPERLA



Walgreens Boots Alliance



SLOWEAR
VENEZIA

OTB



KOHL'S

GRUPPO
Unicomm

DAISO
JAPAN



CHARLES
TYRWHITT
JERMYN STREET LONDON



Loro Piana



PIAZZA ITALIA

Salvatore Ferragamo



SOGEGROSS
self service all'ingrosso



KERING

MaxMara



Champion

euronics

G K R O Y U S P

STELLA McCARTNEY

RICHTER + FRENZEL

HARVEY NICHOLS

BOLTZE
Home Collections

OTTO

MARCOLIN
EYEWEAR

Pomellato

BOTTEGA VENETA

lifestyle



The
cheesecake
Factory



GUCCI



YVES SAINT LAURENT

METRO | NCM
SETTING THE PACE IN FOOD AND TECHNOLOGY



SPIELE MAX
BABY + SPIELZEUG + MODE

Move from any shore to right shore

- Any shoring – to find supply
- Near shore – to reduce cost and risk
- Right shore – to bring balance

Sourcing now also includes routing

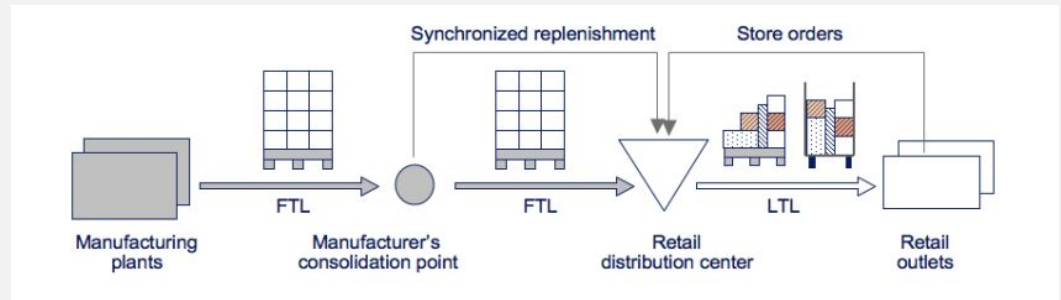
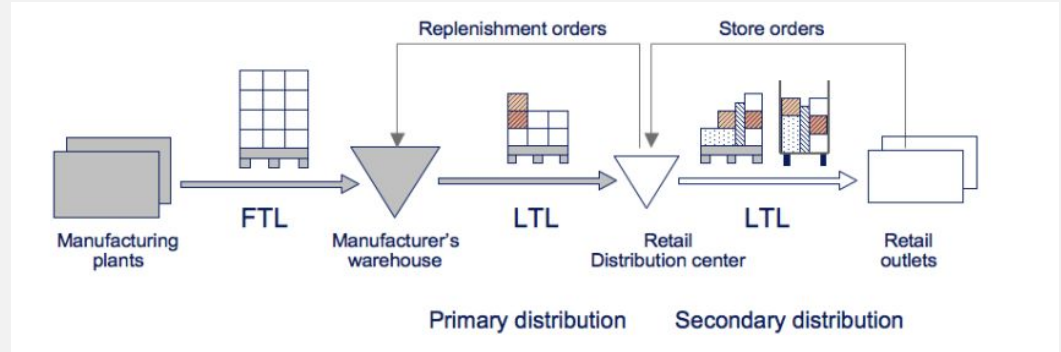


Synchronized replenishment in the planning

Need for better synchronization in planning.

Through:

- Great visibility
- Synchronized decisions
- Deeper awareness of customer orders
- Appropriate granularity
- Improving the rhythm

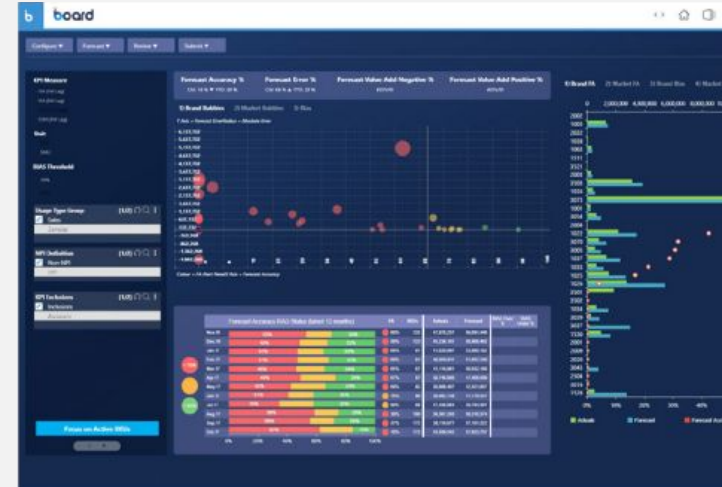


Exploring Omnichannel alternatives

COVID is leaving its mark in the increase of customer expectations.

- Omni-channel – experience is still siloed
- Exception management cannot be a manual process
- Planning needs to include the alternatives
- Digital transformation needs to be from the inside out

Making the experience customer centric requires more flexibility.



Return to better inventory models

Expectations are turnover stock will return to acceptable levels.

Safety stock to protect against variability is less clear.

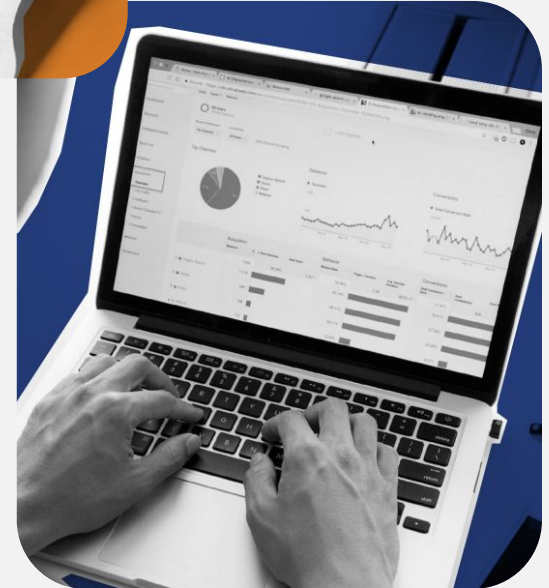
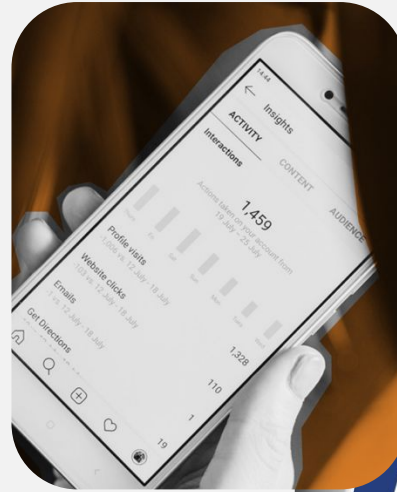
- Due to
- Ongoing lead time variability
- Port bottlenecks affecting delivery predictability
- Demand switching

Results are a more complex but measurable for planning.



What next – what is on tomorrow's agenda?

- Increased customer centricity
- Better planning to reduce the last 50-meter challenge
- Online insights to improve allocation decisions
- Sustainability dashboards and scorecards



The # 1 Decision-Making Platform

Business Intelligence

Dashboard
Reporting
Analysis
Scorecarding

Planning

Scenario Management
Workflow
Collaboration
Demand Forecasting

Predictive Analytics

Simulation
Clustering
Optimization
Machine Learning

board



Strategy



Sales



HR



Operations



Marketing



Finance

Ken Morris

Managing Partner, Cambridge Retail Advisors

Ken was CEO and President of LakeWest Group and founder of CFT Consulting and CFT Systems, a retail software company. Earlier in his career, he held retail information technology executive positions at Lord & Taylor, Filene's (Macy's), Talbots, Stop & Shop Supermarket Company and Sears. His experience is with strategy, selection development and deployment of retail management systems and processes.

James Tenser

President, VSN Media LLC

“Jamie” is an analyst and consultant to the retail and consumer products industry. His firm, VSN Strategies, focuses on retail technology, merchandising, marketing, consumer behavior, shopper media, category management, service practices and all-channel retailing.

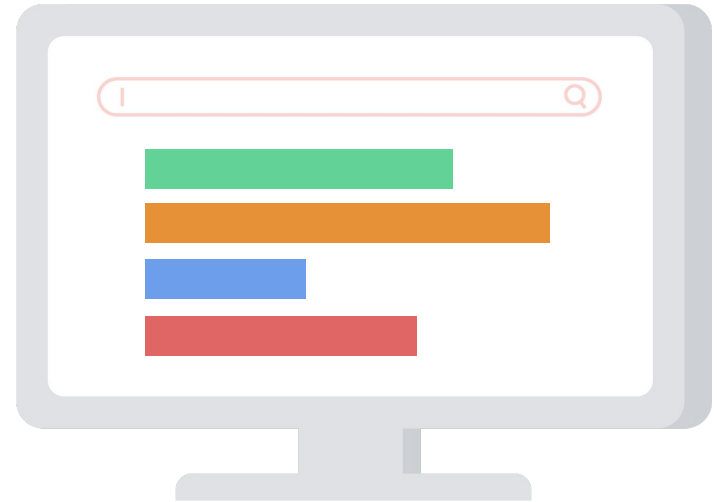
Since founding VSN in 1998, he has helped a diverse range of clients, including: Board International, American Express Co., Dial Corporation, Eastman Kodak, Del Monte Fresh Produce, Gourmet Award Foods, IBM Global Services, Cisco Systems, DemandTec, and many others.

1. On a scale of one to five, how bad have your business-related supply chain headaches been this year?

Poll Results (single answer required):



Audience Poll #1



Panel Discussion: Taking on the Supply Chain Crisis with Advanced Decision-Making



#1: Cost/benefit conundrum

Gap recently took a wallop to its stock price after revealing plans to air freight 35% of its holiday assortment and absorb \$450 million in related costs in efforts to get ahead of supply chain shortages.

What recommendations would you have for retailers when making such decisions to expedite delivery at the expense of margins?



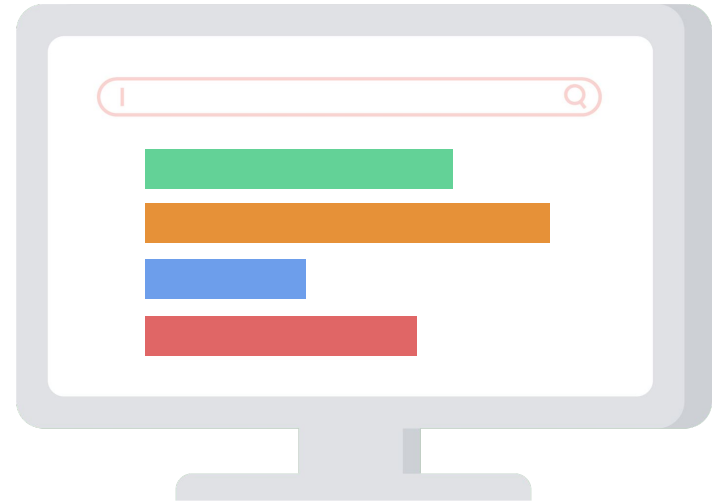
Photo credit: Gap Inc.

2. Which vertical presents the greatest challenges when using Business Intelligence to optimize the supply chain activities?

Poll Results (single answer required):

Grocery	11%
Apparel	37%
Mass discounters	32%
Off-price discounters	11%
Consumer electronics	11%

Audience Poll #2





#2: Off-pricer advantages

Ernie Herrman, CEO of TJX Cos, recently commented that their off-pricer retail model offers a “tremendous advantage” in managing supply chain shortages. He said, “We have been able to expand and contract categories and merchandise in our stores so that customers have full racks and shelves to shop when they visit.”

Do you agree that off-pricers have an inherent advantage in inventory management? What lessons are here for their “full-price” competitors?

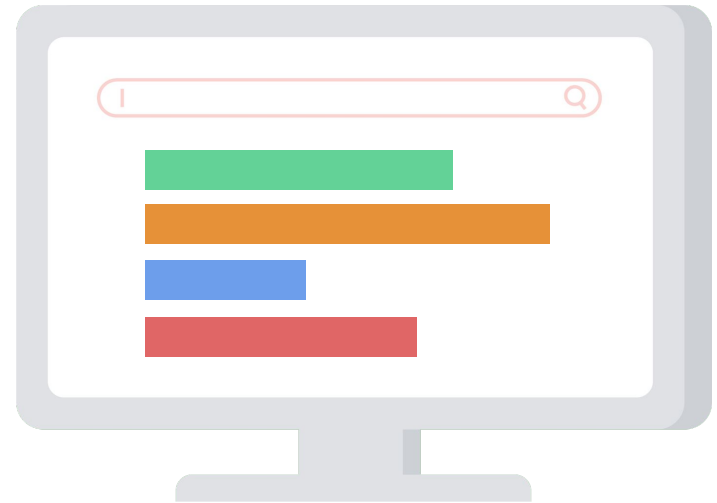


3. The pace of change in 2020 was through the roof and 2021 was a bit wild too. What will 2022 be like?

Poll Results (single answer required):

Back to pre-pandemic "normal"	0%
About the same as 2021	71%
Another wild ride like 2020	0%
Something different, but don't know what.	29%

Audience Poll #3





#3: The new never-normal

Perhaps one lesson we've learned in the last two years about the "new normal" is that the only normal we should count on is constant change.

What are your predictions for retail industry dynamics in 2022 and how they will affect supply chain management? How should retailers and brands make use of Business Intelligence to prepare for what 2022 will bring?



Your questions for the panel

David Food

Head of Supply Chain Marketing, Board International

Ken Morris

Managing Partner, Cambridge Retail Advisors

James Tenser

President, VSN Media LLC

Al McClain

CEO, Co-founder, RetailWire

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