

## Four Ways to Level-Up Retail Operations

by Charlie Vallely | Jun 12, 2019



In an environment where scan guns and old-school technology are often the norms, a critical question deserves consideration in the retail world: how much value is lost if innovations are not integrated into the management of damaged, returned, or unsold items?

With new technologies rapidly becoming mainstream, retail has an opportunity to re-imagine store management structures while finding massive value in the process. Transformative opportunities exist, and retailers must consider them to stay competitive.

Below are four solutions that will help you determine if you've "leveled up" your retail operations across its entirety, or if you

have some work to do.

### **Solution 1: Put Big Data to Work**

While “big data” is a buzzword, it has real-world applications. How can big data help your business? Let’s start with the obvious: sound decision-making depends on access to the right information. Big data collection can provide this insight.

Your organization may think it knows everything it should about handling damaged, returned or unsold items in the most cost-effective and sustainable ways possible. However, without a consolidation of this data, there is likely no mechanism to share this information with the people who need it most: hourly employees making frontline decisions.

Through big data, your employees can access tools to make cost- and waste-reducing decisions at every step. Data sets that document every piece of useful information—from resale value to waste categorization to sustainability options—can be built and reside in one location. You’ll also have the capacity to record and measure hundreds of characteristics about every product you sell. Armed with this documentation, you can build software that puts the information to work (while making you look pretty darn smart at the same time). Win, win.

### **Solution 2: Meet Employees on Their Turf (Screens)**

Retail employees often use phones loaded with apps—software that is both aesthetically pleasing and intuitively designed.

Technology companies put tremendous energy into creating these “perfect” apps.

What if retailers invested similar energy into the creation of in-store item management systems that are easy to use and widely accessible? One possible answer: businesses and their employees may become a lot more efficient.

If you struggle to train your employees and ensure efficient, accountable operations, there’s a decent chance you need to consider a more robust technology solution.

### **Solution 3: Making Better Decisions**

Good news: your in-store technology generates content-rich data about your inventory. Nice work. So, you’re all done? Not entirely, because measuring inventory data is just part of the equation.

Another big piece of the picture? Your staff, of course. If employee decision-making processes are not measured, they cannot be optimized. Moreover, if these processes are not optimized, your business may be flying blind—and potentially losing money.

How do you know you’re getting the data you need to optimize decision making? Start by answering the following questions:

- Do I know how long it takes for employees to manage an item?

- Do I know what decisions were made about an item?
- Do I understand why particular choices were made?
- Do I know the cost of the decision?
- Do I know there wasn't a better way?

If you answered “no” to any (or all) of these queries, don't fret. However, do realize it's time to start asking hard questions about how to improve your system—and your profits.

#### **Solution 4: Start a ‘Snowball Effect’**

Retailers that successfully optimize in-store operations can identify and address small inefficiencies, and these management corrections can unlock substantial savings in both time and money.

Even seemingly minor changes can create powerful momentum. For example, if a major retailer is aware that a particular item is regularly damaged or returned and then optimizes interactions with the item in one store, these changes may be adopted in thousands of other locations with hundreds of thousands of SKUs. Things can add up quickly—like a snowball.

#### **So, How Did You Do?**

If you got through this article and just yawned, then bravo! You must be maximizing the potential benefits of new data and software solutions. You also must have gotten a great night's sleep. However, if reading this leaves you with more questions,

it's time to put on your big data hats and get to work. Remember: making small changes upfront can lead to bigger bottom lines later.

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