



CAN INNOVATIVE SOURCING ENABLE RETAIL SECTOR PROFITABILITY?

The retail sector is currently facing extreme pressures - with globalisation, consolidation, divestment and acquisition activities adding to the accelerating complexity. Customer demands are increasing at a pace never seen before and competition has become more intense, particularly with the sub-prime crisis negatively affecting Western world spending. In addition, the implementation of new technologies such as electronic fund transfer, self-scanning point of sale and the increasing use of web-purchasing with all its associated security issues, has meant that, until recently management time has largely been devoted to front-office business issues and processes. The back-office has been seen as a supportive overhead.

As a leader in Retail you will be acutely aware of the growing pressures on your company and have questions to answer, such as:

- Where will you find the savings needed to offset the stagnation or decline in top-line growth?
- Are there innovative ways to continue to fund and support investment in improved 'customer experience' at the same time as reducing costs?
- Can back-office services be transformed so that they become an enabler of growth and competitive advantage?
- Is there a way to harness the tremendous capacity, resources, innovations and capabilities of the back-office provider-community to your advantage?

THE SPOTLIGHT IS RETURNING TO THE BACK OFFICE...

Retail organisations are beginning to look more carefully at back-office functions not only to support front-office initiatives and processes, but as part of a cost reduction strategy to shore-up profitability at a time when top-line performance is static or in decline. There is also an increased interest in back-office transformation as an enabler or facilitator of rapid response to market changes and demands; such as entering new geographies, early adoption of new purchasing trends (internet, mobile, self-scan) and other competitive advantages stemming from instant feedback and real-time customer / competitor

information, improved planning and execution and data leverage.

It is our view that the conditions are now right for the Retail Sector to re-examine the role and cost structures of the back-office; redefining the balance of in-house and external resources, taking advantage of the innovation, capacity and experience that the service provider community now has and provide better services for less cost. This review process can be a relatively short exercise and comprises of phases one and two of the EightyTwenty Insight methodology.



All sectors think they have unique challenges. The retail sector really does; it is such a dynamic industry and competition is so intense – successful organisations cannot afford to stand still for a moment.

THAT'S WHERE WE CAN HELP

EightyTwenty Insight have acknowledged experts in strategic sourcing with both public and private sector experience. Our success is partly attributable to our unique approach to helping our clients think through and develop the optimum sourcing strategy. We are able to do this as we understand the pressures facing organisations and are therefore able to help meet your business objectives whilst delivering value-for-money services, and presenting the provider best able to meet the clients' needs.

EightyTwenty Insight differs from the major consulting firms in several ways, one being our experienced team. Our approach is to give you direct access to experienced practitioners, with decades of experience in transforming in-house services, negotiating outsourced deals and clienting major contracts; to make sure that you get the best advice first hand and to work with your teams – complementing your skills and capabilities. Our vast experience means that we are able to send in a lean team, bringing down the overall cost to your organisation.

At EightyTwenty Insight we believe in applying our methodology systematically – and then leaving it with you to use again in the future. We believe that the best results will come from helping our clients to manage the sourcing process and learn from it, rather than becoming dependent on the long-term support of external resources. This provides our clients with extra value that will not only empower your staff, but will assist you in future business activities.

About EightyTwenty Insight

EightyTwenty Insight, the sourcing advisory company, was formed in 2007 to provide strategic and pragmatic advice in a changing sourcing market. It builds clients' business value through scoping, designing, contracting and helping deliver tailored sourcing solutions. It provides both public and private sector advice across all process areas including human resources, information technology, finance & accounting and procurement.

With EightyTwenty Insight, organisations (multinationals, nationals, public and private) are able to navigate their way through market diversity, a crowded set of providers and the complex delivery models available to them. EightyTwenty Insight prides itself on its expert staff, the experience-rich methodology it uses, its ability to think about tomorrow's needs as well as today's, and the empowering way in which it transfers knowledge and skills to its clients.

For more information, please go to www.8020i.co.uk

INSIGHT

For more information on our thought leadership, methodology and/or additional resources, please view the retail section of the EightyTwenty Insight website at www.8020i.co.uk/retail

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