



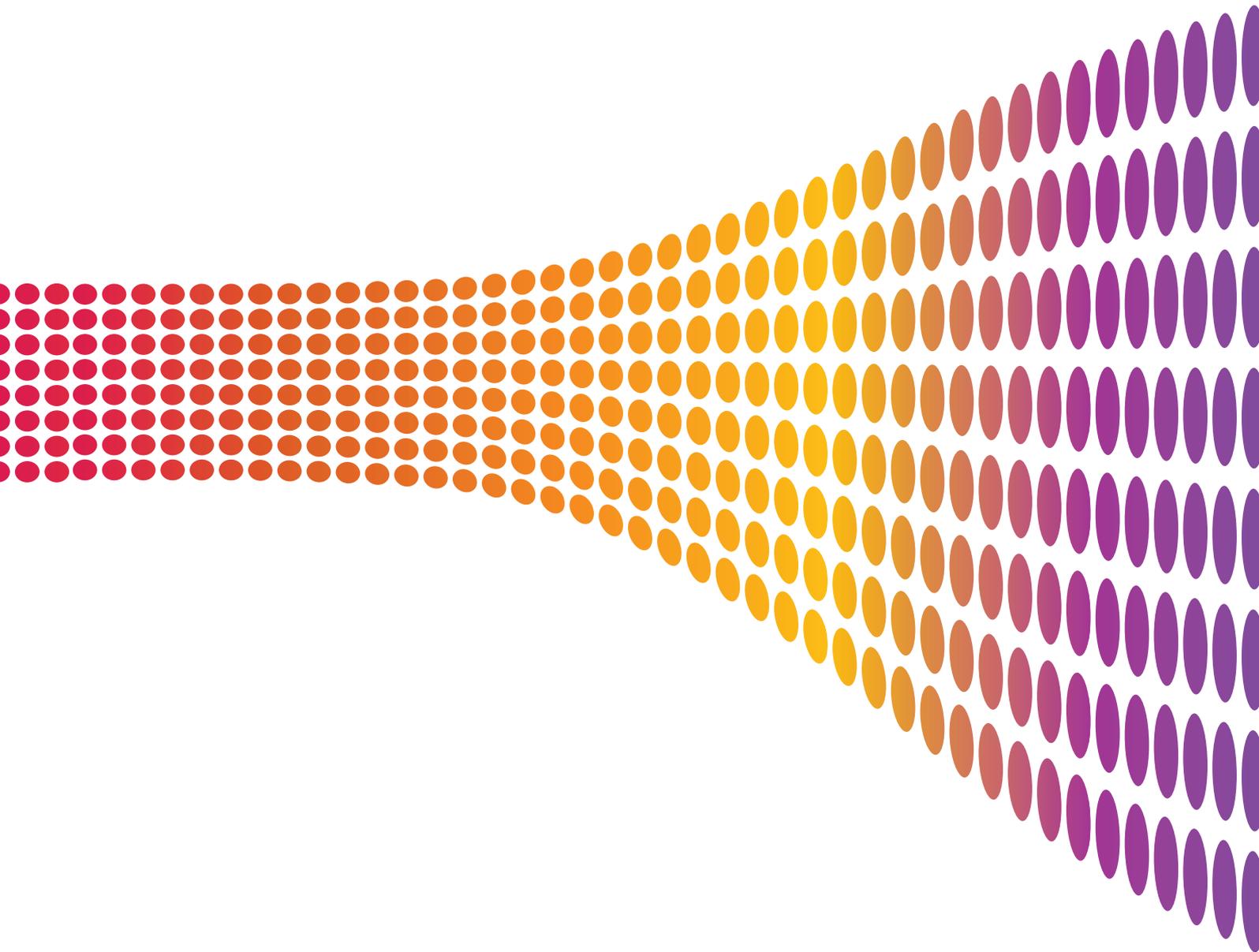
Grant Thornton

An instinct for growth™

2016

RETAIL REINVENTED

Leading digital transformation in the omnichannel age



“THE RETAIL INDUSTRY IS ON A CHANGE ROLLERCOASTER WITH NO PROSPECT OF SLOWING DOWN”

COMPETITION IS INTENSIFYING AND CONSUMERS' APPROACH TO PURCHASE DECISIONS IS EVOLVING. DIGITAL DISRUPTION IS FORCING RETAILERS TO REINVENT BUSINESS MODELS WHILE ENHANCING OPERATIONAL EFFICIENCY AND STRENGTHENING BRAND LOYALTY. MANY ESTABLISHED RETAILERS ARE FACING CUTBACKS WHILE, AT THE OTHER END OF THE SPECTRUM, INDIE BRANDS ARE GOING GLOBAL FROM DAY ONE. MEANWHILE, TODAY'S CUSTOMERS EXPECT TO BE AT THE CENTRE OF RETAIL DECISION-MAKING, WITH PERSONALISED ATTENTION BOTH IN STORE AND ONLINE, 24-HOUR ACCESS THROUGH MULTIPLE CHANNELS AND ENGAGEMENT WITH THEIR FAVOURITE BRANDS VIA SOCIAL PLATFORMS.

When responding to this new buying behaviour, Australian retail industry innovation has lagged behind the rest of world. Now more than ever the average mid-size retailer is challenged not only by larger competitors like Amazon that readily invest in innovation, but also by smaller, niche players that are agile and flexible enough to launch revolutionary concepts.

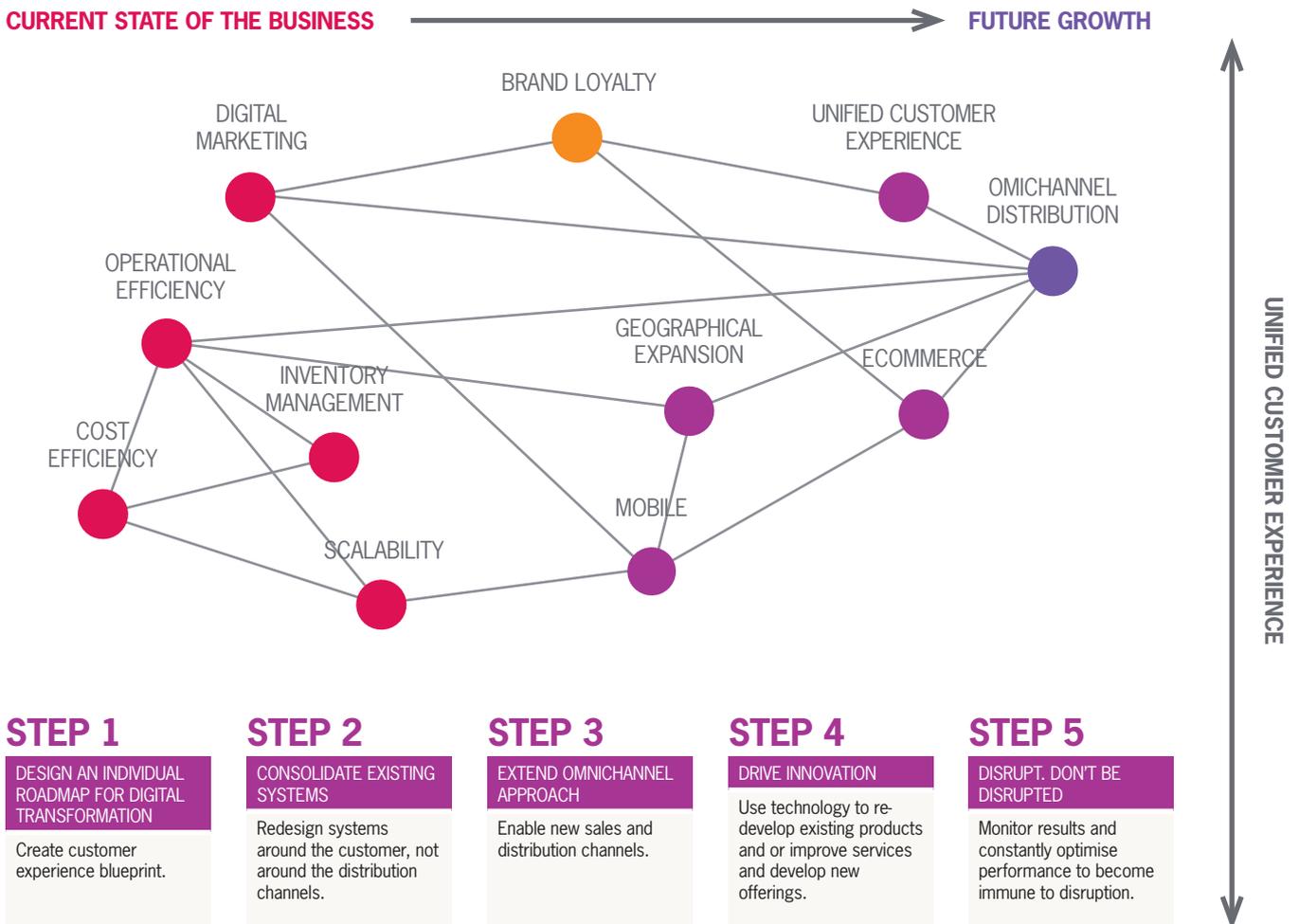
Two factors loom large amidst the current turmoil: the importance of creating a unified customer experience and the pivotal role of technology in doing so. Aligning IT systems and organisational processes to business strategy can make the difference between delivering an engaging and seamless customer experience, and losing brand equity due to operational glitches, inventory management issues and off-target marketing campaigns.

At Grant Thornton Australia we believe that mid-size retailers should bet on technology as the real differentiator when it comes to creating and delivering a unified client experience. We've brought together industry experts and technology specialists to support organisations as they navigate from bricks-and-mortar operations to omnichannel retailers. Our blend of technological acumen and understanding of digital transformation allows our teams to support you in shaping your business operations and technology to respond to today's requirements, and to create tomorrow's trends.

HOW TO BECOME AN OMNICHANNEL RETAILER

The digital transformation journey to omnichannel can be a challenging one. Legacy systems, combined with resource scarcity and varying levels of IT literacy among staff, can create significant issues for retailers aiming to diversify distribution channels while at the same time maintain levels of service and delivery.

Grant Thornton Australia experts have put together a roadmap for retailers seeking a successful transition from traditional to omnichannel retail. From strategy to disruption, we help mid-size retailers implement innovation and navigate change effectively while keeping an eye on costs.



STEP 1: START WITH STRATEGY

Some retailers simply need to hone their existing omnichannel approach and reconcile their current technology with their growth ambitions. Others are starting from scratch, adding ecommerce capabilities to their bricks-and-mortar business. Yet another category is in a reverse loop, considering either adding store locations to their online business or geographical expansion, and aiming to improve efficiency across the supply chain.

We help mid-size retailers make a paradigm shift: from a focus on immediate revenue targets and technology challenges to a future-oriented mindset. We reimagine the future of each business, and make innovation pivotal to sustainable growth. Only when this shift is completed do we address the technology necessary to enable the future state of the business.

To tackle each of these challenges, Grant Thornton Australia advisors focus on strategy first. Knowing that no software can fix all problems and that the greatest strategy can fail if not implemented properly, we start with the basics. We work with you to establish your goals in the short and medium term, as well as to understand the following key aspects of your organisation.

- 1 Current state of the business: key industry trends distribution channels, supply chain logistics, and geographical range.
- 2 Future state of the business: projected changes to business model, omnichannel approach, expansion strategy.
- 3 IT systems in use: ERP, CRM, inventory management and ecommerce, among others.
- 4 Technology capabilities necessary to implement the growth strategy.
- 5 Available resources: allocated budgets and teams.

Working with you, we'll deliver a digital transformation strategy and roadmap, always keeping in mind the end goal when offering our recommendations: that of using technology to create and maintain a unified customer experience across all channels.

STEP 2: CONSOLIDATE EXISTING SYSTEMS

Successful creative disruption rests on resilient technology. In other words, it's unlikely that a retailer relying on disparate systems and a string of legacy platforms will be able to deliver a consistent consumer experience in an omnichannel environment. It's essential that retailers invest in adequate technology solutions, and adapt their processes accordingly.

With the roadmap for digital transformation finalised, companies are ready to embark on the next step in the journey: the consolidation of existing systems and, if necessary, the implementation of an integrated enterprise resource planning (ERP) platform. This transition, from a traditional bricks-and-mortar, multi-system approach to an integrated digital platform, can be time and resource-consuming. However, it's a critical step in developing a solid technology architecture for future growth.

Three technology attributes are critical to building a thriving business in the digital world: flexibility, scalability and cost-efficiency. When Grant Thornton Australia experts assist mid-size retailers in the purchase and implementation of IT solutions our recommendations, are centred on these requirements, and informed by the latest technology trends. We provide support throughout the duration of our engagement, delivering results-driven project management and budget control, as well as change management and training.

STEP 3. EXTEND OMNICHANNEL APPROACH

Each company chooses the speed at which they transition from traditional retail to an omnichannel approach, based on their growth ambitions and available resources. In our experience, retailers who aspire to drive innovation and achieve high growth invest in building the operational core of their business: a fully integrated platform that seamlessly connects engagement systems with record systems, providing a superior customer experience across all channels.

Through our partnerships with leading cloud software providers selected for the flexibility, scalability, and cost-efficiency of their platforms we provide superior technology solutions like NetSuite and Adaptive Insights.

Platforms such as NetSuite provide multiple advantages in an increasingly competitive omnichannel environment.

- 1 A customer-centric approach: consistent shopping experience across all channels.
- 2 360° customer view: targeted marketing actions based on individual purchase history.
- 3 Intelligent order management system: leveraging cost efficiencies across the supply chain.
- 4 Improved inventory management capabilities: clear view of available stock and delivery time for all warehouses and store locations.
- 5 Unlimited expansion possibilities: an easily scalable system with customisable functionalities matching your company's specific needs.
- 6 Single cloud platform: cost-efficient and accessible 24/7 from all devices, the platform allows all employees and locations to access up-to-date information at all times.

NetSuite eCommerce is a platform designed specifically for mid-size retailers with bold growth aspirations. This fully integrated cloud solution enables exact targeting, streamlined distribution and accurate inventory management, so that retailers can focus on what matters most: creating a unified customer experience. By the time they have successfully completed this step in their digital transformation journey retailers will benefit from an integrated ecommerce systems and social media interoperability.

STEP 4. DRIVE INNOVATION

Having defined the blueprint for digital transformation, selected and implemented adequate technology platforms, and enabled omnichannel interactions with consumers and suppliers alike, retailers are ready to use technology to innovate:

- 1 Create personalised marketing campaigns to retain existing customers, recover 'abandoned carts', and maximise new sales opportunities.
- 2 Achieve operational and cost efficiencies by leveraging the full capabilities of the supply and distribution chains.
- 3 Reach customers on all available channels: deliver a seamless brand experience from bricks-and-mortar to mobile.

Once the transformation from traditional to omnichannel is complete, retailers are ready to tap into new growth opportunities domestically and internationally. With a firm foundation, integrating emerging technology like new payment systems, location technology and social innovation becomes possible to keep you growing and responding to change.

Grant Thornton Australia can support organisations with strategic advice and tangible solutions to turn technology into a real innovation driver.

STEP 5. DISRUPT. DON'T BE DISRUPTED

With 70 per cent of successful digital business models relying on processes designed to shift with customers' needs, omnichannel retailers need to focus on innovation and to embrace disruption as a growth driver. Once equipped with adequate technology capabilities, companies can leverage the potential of digital channels: ecommerce, targeted marketing and social media branding among others.

The next step in growing your retail brand is to not only cater to, but be able to predict individual consumers demands and adapt your marketing strategy accordingly. This can be achieved by means of powerful analytics which transform each online shopping experience into a personalised journey. Furthermore, analytics enable continuous optimisation: measuring customer interaction and brand engagement informs innovative and increasingly targeted marketing activities. Retailers keen on enhancing conversion rates for purchases, maintaining customer loyalty and attracting new clients through targeted promotions can now achieve these goals through cost-effective technology platforms like NetSuite and Adaptive Insights.

GRANT THORNTON'S CONSUMER PRODUCTS AND RETAIL CAPABILITY

With our local knowledge and international reach, we provide audit, tax and business advice for consumer product and retail companies at every stage of their development. We help organisations grow with advice that solves issues today and anticipates market conditions tomorrow.

Grant Thornton is passionate about the consumer products and retail industry. Our clients include some of the largest independent retailers, buyer groups, franchisor networks, wholesalers and distributors, and upcoming retailers, as well as global retailers undergoing significant change and seeking opportunities to grow their business.

We work with our consumer product and retail clients to determine the best approach to industry issues such as:

Omnichannel strategies

Technological evolution

Changes in consumer behaviour

Global competitiveness and the impact of global retailers

Opportunities in other markets

Finance, tax and profit improvement

M&A opportunities

Inventory and supply chain management

Currency fluctuations.

As part of our commitment to provide value-added services to our clients in the consumer products and retail sector, Grant Thornton actively promotes thought leadership and research, and partners with retail bodies to remain at the forefront of industry issues and best practice.

DELIVERING MEASURABLE RESULTS

Grant Thornton's technology experts focus on delivering measurable results. Our specialised consultants bring together in-depth industry expertise and technological know-how to deliver real improvements to retailers across Australia. We commit to meeting you where you are, and partnering to take you to the next level so that you can grow your business sustainably.

ABOUT GRANT THORNTON

Grant Thornton helps dynamic retailers unlock their potential for growth by providing meaningful, forward looking advice and solutions. We combine service breadth, depth of expertise and industry insights with an appropriate “client first” mindset and a broad commercial perspective.

Our Technology Advisory and Solutions team has been delivering innovative solutions for over 10 years to companies of all sizes. We achieve results because we take the time to understand your business and implement proven technology to drive the outcomes you seek. Our implementation methodology offers planning, design, building, testing, deployment and training support to cover the full lifecycle of a project. We future proof your investment by ensuring that solutions are flexible, secure and scalable.

We are an official partner of NetSuite, and provide the full scope of services in terms of planning, implementation, system improvement and training.

42,000+

PEOPLE GLOBALLY

130+

COUNTRIES

\$4.6BN

WORLDWIDE REVENUE
2015 (USD)

1,200+

PEOPLE NATIONALLY

OUR SERVICES TO DYNAMIC BUSINESSES

TAX

- Business planning tax advice
- Corporate tax risk management
- GST & indirect taxes including fuel tax credits
- Fringe benefits tax
- Employment taxes
- International tax
- Transfer pricing
- Expatriate taxes
- Research & development
- Corporate advisory services

AUDIT & ASSURANCE

- External audits
- Internal reviews
- Reviews of financial reports
- Technical IFRS & accounting advice
- IFRS training
- Expert accounting & audit opinions
- Systems & controls reviews
- Compliance audits & reviews

PRIVATE ADVISORY

- Business & strategic planning
- Compliance services
- Tax advisory
- Outsourced accounting solutions
- Private wealth advisory

FINANCIAL ADVISORY

- Capital markets
- Corporate insolvency
- Corporate simplification
- Debt advisory
- Complex & international insolvency
- Due diligence
- Expert witness
- Family law
- Financial modelling
- Initial Public Offerings
- Investigations
- IT forensics
- Mergers & acquisitions
- Personal insolvency
- Raising finance

- Restructuring & turnaround

- Valuations

- Transaction advisory

GROWTH ADVISORY

- Asia practice
- Business risk advisory
- Internal audit
- Legislative & regulatory compliance
- Risk management
- Internal control & process risk
- Governance
- Data analytics

Performance improvement

- Business & growth strategy
- Operational improvement & effectiveness
- Finance function transformation
- Supply chain improvement
- Implementation strategies for M&A

Leadership, talent & culture

- Business strategy & planning
- Leadership

- Talent & capability

- Cultural transformation

- HR Direct

- Public sector advisory

- Policy strategy governance

- Organisational design & implementation

- Regulations

- Technology advisory

- Technology strategy & optimisation

- Technology audit & reviews

- Technology project governance

- ITIL enablement

- IT security

- Project scoping & management

- Technology solutions

- ERP/CRM/ eCommerce

- Corporate performance management

- Process automation

- Data analysis

- Mobile enterprise applications & document management

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