



VALUESCAN



Context and Project Scope

Context

The Covid-19 crisis highlighted weak points along with **new opportunities for retailers**.

In order to have a leverage post-Covid crisis, retailers **must quickly analyze the impact of the crisis on their key processes**. *This will be the first step before preparing, or if the case, revising, the action plan for the upcoming period.*

Example of main challenges

- Reacting to changes in consumer behavior
- Identifying possible fraud
- Approaching operations and the supply chain
- Evaluating commercial strategy

Processes or functional areas

Commercial
Finance
e-commerce
Supply chain
Sales

Approach



COMPARING RELEVANT KPIs

Before

During

After

the COVID-19 crisis

Outcome



ASSESSMENT OF RETAIL KEY PROCESSES (VALUESCAN)

Focusing on 1) Variations 2) Root causes 3) Solutions

Key Process Assessment - Framework

Our approach aims to a comprehensive integration of the KPIs in the analysis, with the purpose of *linking the indicator to the process*, at a deeper level.

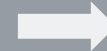
- ✓ In this sense, we **identified a list of KPIs** that might have been overlooked, but that can offer **valuable insights** (how functional areas performed during the crisis).
- ✓ Much more, we can spot on the bottlenecks and pinpoint **solutions** by *reviewing the business process*.

3 steps analysis providing a data driven Process Review

1 DATA ANALYTICS

Process flow:

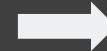
- KPI selection
- Raw data acquisition
- VLM analytical process: data consolidation



OUTCOME: VARIATIONS During | After Covid-crisis

2 PROCESS REVIEW

Revision of business process (identification of key roles and frequency of operations)



OUTCOME: ROOT CAUSES IDENTIFICATION

3 OPTIMIZATION ROAD MAP

Improvement roadmap based on process review.
List of quick wins and improvements initiatives ranked by impact



OUTCOME: SOLUTIONS for business optimization

Key Process Assessment – Overview

KEY AREAS OF PROCESS REVIEW

5 E-COMMERCE

KPIs: Fulfillment rate of online orders, Refunds for online orders.



4 FINANCE

KPIs: Double Payments, Invoice matching, Changes in Suppliers' bank account



3 SALES

KPIs: Shrinkage, Out-of-stock, Changes at category levels (sales)

2 SUPPLY CHAIN

KPIs: Service level, Lead Time, High variations in Goods Receipt – impact on workload and litigation process

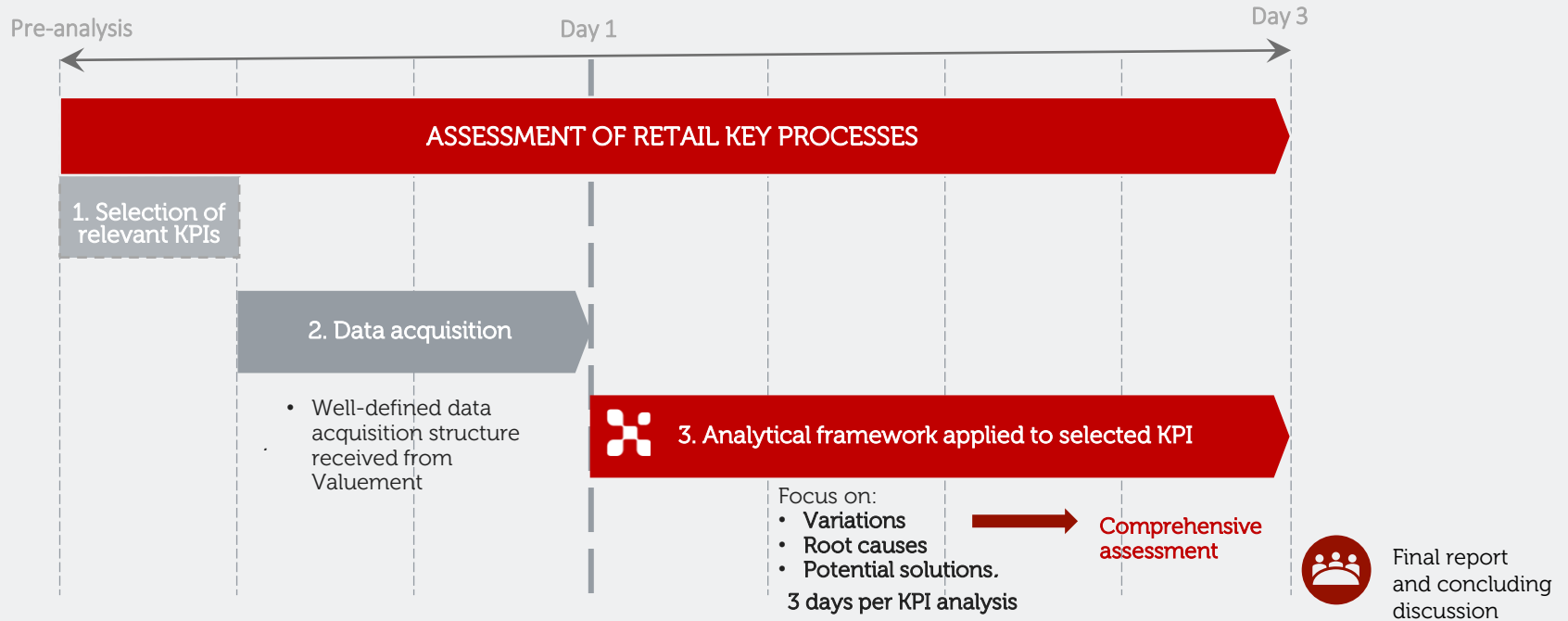


1 COMMERCIAL

- KPI: **Product listing:** Changes in new product listing process with *priority in increasing the category depth for high demand items.*
- KPI: **Supplier listing:** Diversification of supply (new supplier listing - mitigate delivery risk)



Timeline



KPIs by area and by monitoring responsibility

Identification of root cause to establish appropriate course of action and timely response



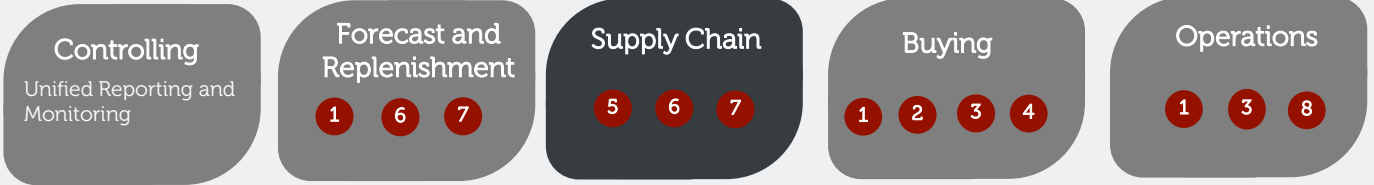
During Covid-19 crisis

- 1 Changes in supplier's SKUs availability **determined new product listing, product delisting** and **new suppliers' integrations (listing)**:
- 2 Impact of Covid -19 on the entire supply chain influenced also the pricing strategy: KPI - **Price Changes**
- 3 Changes in consumption behavior with impact on KPIs: **accuracy of the forecast/ changes at category level - spikes or drops in demand: high variations**
- 4 The focus on keeping key processes afloat kept the negotiation process for **Promotions** in the background, *with lower priority*
- 5 Cost of transportation might have been higher during COVID **Truck filling rate** at a lower level. Priority on sending the goods to the stores
- 6 **Service level** lower due to disruption in 1) ordering process and customer purchasing pattern 2) problems with suppliers' distribution network
- 7 Impact on **Lead Time**. Assessment of this indicator in order to adjust the process for future unexpected variations
- 8 Service Level, Lead time and accuracy of the forecast can impact **OOS levels**



Some KPIs are interlinked and for a better understanding of the impact they need to be analyzed together

ALLOCATION BY KPI'S MONITORING RESPONSIBILITY



ACTION PLAN BASED OF ROLES, MONITORING RESPONSIBILITY AND FREQUENCY OF OPERATIONS