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# A FAST AND FLEXIBLE FUTURE FOR RETAIL

A Blue Prism Industry Roundtable

A discussion on the role of Intelligent Automation  
in re-shaping retail



## BRINGING RETAILERS TOGETHER AFTER THE MOST CHALLENGING YEAR

**In this virtual roundtable, Blue Prism brought together leading innovation and business leaders from across the retail industry. They shared their experiences of automation and digital transformation over the last year; a year in which many retailers have been pushed to their operational limits, and where automation has played a pivotal role in enabling some retailers to respond successfully to the pandemic.**

The purpose of the discussion was to identify common challenges around automation, discuss ways to overcome these barriers, and explore how strategic intelligent automation can be used to address the biggest operational and transformational priorities for retail organizations today and in the future.

The session included senior figures from retailers across a range of industry segments, each with their own unique automation story and their own stage of maturity on their automation journey.

The topics discussed during the session are summarized below, including anonymized quotes from delegates.

It is hoped this paper will be a useful reading for automation and business leaders as they look to transform their retail organizations for the future and embed the operational agility and speed that will be so critical to compete in the coming years.



### **The whirlwind year - a challenge like never before**

When asked to describe the biggest challenges they have faced over the last year, delegates unanimously pointed to uncertainty and the constant need to adapt to a rapidly evolving environment.

One delegate beautifully captured the enormity and unprecedented nature of the challenge retailers have been facing:

“No retailer that I’m aware of had ever previously been required to suddenly spin the company down, stop operations and inventory flow, whilst also maintaining employee, supplier and customer relationships, at a time when you have no cash flow. And then to spin the company back up almost instantaneously and meet soaring customer demand. That’s what has been so challenging for our business and many others.”

While the various segments of the retail sector have fared differently over the past 12 months, one shared truth is that businesses have been required to innovate quickly to survive.

Digital transformation, intelligent automation in particular, has played a critical role in enabling the agility and resilience required to deal with this uncertainty and change. Long-term strategic transformation programs, which had been part of three or even five year plans, were executed and delivered in a matter of weeks.



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### **A new mindset: The lasting legacy of COVID on retail operations**

Overall, the changes that have been implemented over the last 12 months are seen as having a positive ongoing impact on the retail industry.

Delegates spoke about the new levels of dynamism and flexibility that their companies have had to implement; for instance, transitioning their workforces from on-premises to remote, and their hope that this approach remains long after the pandemic.

One delegate said: “Previously, there was a mentality in our company that you needed to be on premise to maintain relationships and be productive. But now we have a different mindset – people recognize that flexibility is a good thing and that a hybrid model can deliver better engagement and results.”

The delegates discussed how leadership teams have learned to trust people working remotely, and to focus on deliverables and KPIs, rather than physical presence in an office or store.

In some instances, the pandemic has exposed shortcomings in established business continuity and disaster recovery plans; therefore, companies have had to innovate in real-time to maintain operations and meet customer and employee needs.

Longer-term, retailers will be far more open to ‘what if?’ scenarios in their contingency planning. As one delegate put it: “There will be no more complacency, no more, *‘Oh that will never happen, that’s just a tick box exercise for the disaster recovery plan,’* type of mentality. Business leaders know they need the agility, resilience and culture to cope with anything.”

### **Digital workers as the building blocks for transformation**

Digital transformation has long been a strategic priority for retailers. Delegates spoke of transformation initiatives that started 10 years ago with long-term roadmaps for major systems overhauls. A lot of existing systems have been built ‘bespoke’ to meet the needs of certain areas of the business at certain times.

But as one delegate said, “It becomes a bit of a spaghetti mess, and it takes a lot of unpicking. We had to develop a pretty substantial plan just to update the systems we have.”

This is where automation can be so powerful, negating the need to rip and replace legacy technology by using Blue Prism digital workers to act as the integration layer between systems.

One delegate, who heads up intelligent automation and international architecture for a large global department store retailer, said: “Automation allows you to drive value into problem areas where you’ve previously been throwing bodies to patch things up. So even whilst you’re working towards a strategic long-term vision for an automation or AI-enabled operating model, you can be fixing day-to-day problems and alleviating a lot of pain within the business.”

Delegates agreed that a no-code approach to automation allows you to develop and put in place required functionality very quickly. It enables retailers to develop the architecture they need over the top of the legacy technology which sits below, however messy it might be. And that means that when they do come to swap in new systems and processes, they already have a very good idea of what they are trying to achieve in terms of user interface and user experience.

### **Re-imagining the customer contact center**

One area that has been put under enormous pressure by the pandemic is the customer contact center. Retailers have had to transition their entire call center staff to remote working in a matter of days. Many, at the same time, were dealing with a significant increase in customer inquiries as a result of spikes in e-commerce transactions.

Delegates spoke in detail about the role intelligent automation played in enabling this transition, in easing the burden on customer-facing agents, and critically, in continuing to deliver seamless customer experience.

Retailers who were already running their contact centers in the cloud easily switched people to home working. And, in some cases, they were actually able to enhance customer experience by using digital workers to deal with standard, process-driven tasks and allowing agents to spend more time with customers, giving them support and empathy at a time when they needed it most.

Without doubt, digital workers have provided a safety net where retailers have faced big spikes in demand. One retailer, facing massive increases in return and cancellation requests, was able to rapidly develop an automated online return process, which gave it an extra 45 FTEs worth of capacity overnight. Without the use of digital workers, there is simply no way the company could have recruited, hired and onboarded that many new people during the pandemic, in anywhere near as little time. And, of course, the cost would have been hugely prohibitive.

One delegate described how his team automated 27 processes over 5 weeks, working closely with every function across the business to minimize the impact of the pandemic on the business. Tellingly, he admitted, “If COVID had happened two or three years ago, before we had reached a level of maturity with our automation, then it would have had a far bigger impact on our business.”

One significant challenge that retailers have had to overcome when increasing their use of digital workers within a remote contact center environment has been around security. One delegate described receiving “massive pushback from InfoSec because the accounts we needed to set up for our digital workers were not associated with people. Trying to change their mindset was extremely difficult.”



The approach around this, as is so often the case with automation, was to start with small steps, allowing security colleagues to get a better understanding of digital workers and the inherent built-in security they offer. By working through every concern and then demonstrating the value they can bring, the retailer was able to get support from the security team.

Interestingly, many of the changes that have occurred within contact center operations over the past year are unlikely to be reversed. Retailers will deploy a more flexible customer services function, with teams working remotely and then coming together for certain activities where it helps to all be in one place, such as training, reviews and planning.

One delegate reported how feedback has been positive; communication has improved across the workforce as a result of remote working. “Within a contact center environment, you tend to only know your immediate team who you sit with. There is often very little interaction with others. But with remote working, and some of the initiatives we’ve run, people have engaged with and [gotten] to know a much wider pool of people.”

### **A growing pipeline for automations and the need for speed**

As the momentum around automation has grown over the past year, many automation leaders now find themselves facing a lengthy backlog of process automations.

One delegate described how they had conducted a “road show of automation in the organization to understand where else we can look to implement it. So, for this year, we have got a roadmap of 20 processes and we have started to map out quite few of them.”

Other organizations spoke of even greater numbers of processes that have been identified as potential automations. Again, having presented a number of use case examples to demonstrate the potential and prove the ROI across different areas of the business, the organization was inundated with suggestions from staff for processes that could be improved by deploying digital workers.

The delegate said: “Having showed these examples, we now have a backlog of more than 400 automations waiting to be analyzed and then executed. So we’re now really focused on increasing the velocity of our program. Already, the automations we’ve put into production are saving over 120,000 hours a year, and we know we can increase that significantly.”

Across the board, delegates spoke about a real gearshift in their automation programs over the past 12 months.

### **Getting the balance right between centralization and a federated model for Automation**

When it comes to the governance around automation, retailers are moving towards a hybrid approach, which harnesses the skills and capabilities of a specialist, centralized automation function, alongside the insight and operational understanding of people across the business.

Many organizations have moved towards a federated model, where responsibility for the delivery of process automation is distributed across departments. Business units are trained and mentored by a central automation team to a point where they are able to build their own automations and serve their own needs. This

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allows organizations to scale their automation programs more quickly and to continually optimize their automations based on the real-world needs of people on the ground in each function.

One delegate, who heads up automation within a large multi-channel retailer, described the benefits, commenting: “This approach means that the business can go after all of that low-hanging fruit that we simply don’t have time to get to. And the IT and automation team can focus on the more complex, organizational-level work.”

Another delegate stated: “The automation opportunity must come from the business as that is where the knowledge of each process resides. IT can deliver a certain level of automation, but the real value is in the business processes.”

Across the board, the engagement and uptake from people across the business wanting to play a role in identifying processes for automation and to become part of a citizen developer community within their business units has been phenomenal.

This federated model needs to be supported by a strong and highly skilled central team or Center of Excellence (COE). In most cases, the COE manages the platform and runs all of the automations on an ongoing basis. The business owns the process and they own the data, but the COE runs the processes for them.

One challenge to this model, which was discussed in some detail, happens when the processes that are being automated within the business are part of core systems that are managed by centralized IT teams. When those core systems themselves then go through a change or update, it’s essential that this is communicated to the various citizen developer communities, so they can make the appropriate changes to automations simultaneously.

### **Collaboration and sharing across the retail organization**

One emerging dynamic identified in the discussion was automation champions from across retail organizations coming together to share experiences and best practices, and also to share the building blocks of the processes that they’ve built. Where retailers are using low code, no-code automation, these building blocks are easily shared and redeployed in other areas of the business. This community of practice is removing barriers and opening up transparent, collaborative dialogue between different departments and regions in the spirit of innovation and a shared goal.

One delegate spoke about how this collaborative approach to automation, where assets are shared and exchanged between business units, can act as a real catalyst for accelerated automation and become a fundamental part of scaling in a cost-effective, high value way.

### **A more strategic approach to intelligent automation**

Everyone agreed that the events of the last 12 months have led retailers to adopt a more strategic approach to automation. Many retailers that were at an early stage in their automation journey had previously seen digital workers as a tactical tool to solve bottlenecks or pain points in individual processes, and only in specific areas of the business. This type of automation had worked and delivered impressive results, but it was limited to a certain number of processes, and it was only felt in small pockets of the organization.

Contrarily, the pandemic has opened many retailers' eyes to the transformational potential of intelligent automation, where it can enable organizations to completely rethink their operating and resourcing models, and reimagine the way they serve and engage with customers. This realization is being felt across the business, at board level and by the CIO, right through to call center staff.

Indeed, the delegates stressed the importance of ensuring all parts of the organization are brought into the automation journey. Employees must understand the role of digital workers and recognize the benefits automation presents, not only to the business but to individuals in their everyday work. And, in order to achieve this, retailers need to demonstrate how automation can free people up from repetitive or mundane tasks and enable them to focus on more interesting and rewarding work, which makes a real difference to customers and the business.

For intelligent automation to become a strategic lever for transformation within an organization, significant cultural change is required. People need to feel comfortable and confident working alongside digital workers, and that takes education, training, reassurance, and support. Organizations need staff to embrace automation, rather than fear it, so they take an active role in identifying areas where digital workers can be deployed to improve operational efficiency.

As well as general understanding across the workforce, delegates also discussed the importance of developing in-house skills to deliver process automations at speed. A big part of this is upskilling existing staff from across the business and redeploying them into the automation team. This is an effective way for the business to build up the skills required to scale their automation programs and to ensure their automation resources fully understand the processes they are automating. It also offers employees with an interest in technology and an appetite to learn a brilliant opportunity to develop a career in an extremely in-demand area.

As one delegate said: "One of the biggest things we want to look at is how can we start to build a pipeline of internal staff candidates to move them into the robotics space. Whether that is moving people from customer care or people on the service desk, we want that knowledge in our permanent robotics team. This will give us invaluable insight into other opportunities for automation."

### **The year ahead – accelerated innovation**

Delegates were under no illusions about the fact that the speed of innovation in retail will continue to accelerate, even once the pandemic has passed.

When asked to identify their strategic priorities for the next year, organizations will be focused on a range of customer-facing and back-office initiatives, but all will rely heavily on rapid and sustainable digital transformation driven by high quality talent and skills, all supported by digital workers.

Personalization is set to be a major focus for some retailers, using data and analytics to provide customers with relevant and timely communications and incentives. Aligned to this, brands will be looking to experiential as a way to differentiate in the market and drive customer engagement and loyalty. This stretches from ensuring refunds are processed and paid more quickly, right through to providing online and in-store shoppers with truly innovative and immersive experiences.

One delegate spoke about plans to optimize merchandising and stock control to address the age-old problem of over-ordering and over-spending on products that then sit in a warehouse for months.

Everyone agreed that their organization will be looking to continue and accelerate their use of intelligent automation and digital workers in order to drive transformation and deliver on both tactical and strategic goals.



## Key Findings

- Retailers have become more dynamic and agile in their operations and mindset over the past year, and this new willingness to innovate quickly is set to remain long after the pandemic has passed. Retail leaders have seen the benefits that rapid digital transformation delivers and are eager to build on the momentum they've built up.
- Intelligent automation has played a critical role in providing retailers with the agility and resilience they've needed to react to changing customer needs and spin operations up and down at a moment's notice during the pandemic.
- Retailers are now pursuing a federated approach to automation, empowering the business to identify and build process automations based on their unrivaled operational knowledge. This must, however, be underpinned by centralized expertise and governance to maintain consistency and quality, and to ensure automations are fully integrated with core systems.
- Retailers are increasingly adopting a more strategic approach to intelligent automation, still reaping the short-term benefits of each process automation, but looking at the bigger prize of digital and business transformation and competitive differentiation.

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Blue Prism is the global leader in intelligent automation for the enterprise, transforming the way work is done. At Blue Prism, we have users in over 170 countries and more than 2,000 businesses, including Fortune 500 and public sector organizations, that are creating value with new ways of working, unlocking efficiencies, and returning millions of hours of work back into their businesses. Our intelligent digital workforce is smart, secure, scalable and accessible to all; freeing up humans to re-imagine work.

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