



ShopTalk Fall Spotlight

NOVEMBER 2024

Last month, we attended **ShopTalk Fall**, where thousands of brands and retailers across the globe gathered in Downtown Chicago to discuss how they're not only finding **opportunities to drive growth but to differentiate themselves** in a competitive, ever-evolving marketplace. In this Spotlight, we dive into the most important themes that retailers need to consider for their performance today, next year, and beyond. **By leveraging artificial intelligence, strategic business planning, and decision-making tools**, brands can carve out their unique, individual paths for immediate improvement *and* continuous excellence in all areas of their business.

TALK ACROSS THE SHOP



INTENTIONAL AI

Brands must build **intentional business cases** that clearly **show the value-add** of Artificial Intelligence for the business.

The Home Depot guides itself with the **measurable goal of 'saving time for the customer'**, which helps clearly identify in which AI tools to invest and which to ignore. This clear objective also **enables the organization to use the tools for their intended purpose: save time.**

Without **data-driven purpose**, we may simply invest in AI for the sake of it, which can be costly and ineffective for the organization.



INSIGHTS THAT ENABLE ACTION

Dashboards, reports, and key performance indicators (KPIs) are only valuable if they enable teams to take specific actions that drive results.

From the store to the site to the call center, Target identifies **patterns in their data**, enabling them to turn their **root cause insights into actionable steps** towards solving their customers' challenges.

If brands can't action their own insights, they miss out on **opportunities to continuously improve** their metrics, processes, and customer experiences.



RIGHT IS MORE

In a fast-moving, tech-focused world, it can seem like 'more is more' when it comes to technology investments. However, the reality is that the **right technology is important.**

Ulta developed their **own mobile app**, which enables associates to easily use their own mobile devices to engage in **micro-learnings** to better understand and help customers in stores.

While retailers are concerned about *introducing* new technology, many are concerned about their people not *using* it. For an investment to be worthwhile, it **must be easy for employees to understand and use.**



EXECUTION IS EVERYTHING

When implementing any kind of change in an organization, execution must be flawless. Retailers can develop ways to **empower their people to accept, embrace, and adopt change.**

Dermalogica supported their AI implementation with **'business cases that people care about'**. The brand identified pioneers to lead the transformation, empowered engineers to explain the technology and started with managers to adopt the tools. Through lectures and hackathons, Dermalogica helped their employees understand how the tools were developed and what's possible with their use. **By communicating AI as another set of hands** for them, associates can get on board fast.

BRAND STORIES THAT INSPIRE

ThredUp Uses AI to Refine and Reinvent



ThredUp leveraged Artificial Intelligence (AI) to unlock avenues of success that were uniquely critical to their business. First, the organization used AI to influence new customers to change the way they shop. By using AI to bridge the gap between shopping new versus second-hand online, ThredUp **unlocked a new customer and ultimately, a new revenue stream.**

In addition to unlocking a new customer, ThredUp used AI to unlock their future potential as an organization. ThredUp needed to transform their business model from just another retailer into what they truly are: a technology company. Through their restructuring process, they used AI to reduce headcount, save costs, and simplify processes that were essential to the ongoing health and success of the business. In their case, AI was not seen as a new shiny tool to keep up with the market, but purely a necessary tool to **refine their customer acquisition strategy and reinvent themselves from the inside out.**

David Yurman's Path to Intelligent Inventory



Before any strategic planning or implementation, David Yurman (DY) self-reflected on where they stood on the AI maturity scale today versus where they wanted their organization to be in the future, identified the requirements to achieve each step, and lastly, decided internally how much and where the company wanted to invest.

Next, to effectively implement AI and improve their capabilities, David Yurman created a two-step framework: First, Automate the Foundation, and Second, Generate Next-level Intelligence. This approach enabled them to **automate tasks to create time and bandwidth, and then take on deeper, richer insights to be able to action for continuous improvement.**

DY knew that their strategy was right, so they took their people along the AI journey to ensure the culture surrounding it was right, as well. By framing **AI as a 'control room'** for the organization to scenario plan functions like inventory planning and marketing spending, DY helped their people let go of mundane tasks and rise above the data. **Putting their people first helped** DY not only effectively implement their AI toolkit, but helped their people become smarter, more efficient, and more effective in their individual roles and teams and how they collaborate cross-functionally.

ANKURA PERFORMANCE IMPROVEMENT FUNDAMENTALS

We have a proven track record of executing strategic plans to achieve sustainable performance improvement and targeted operating results aimed at maximizing EBITDA, cash flow, and ultimately shareholder value.

We work side-by-side with management and other stakeholders to guide companies through periods of uncertainty and subsequently accelerate growth and value creation.

Ankura's Performance Improvement professionals leverage the deep expertise across the firm to bring the appropriate specialized resources to deliver solutions to complex problems to create optimal outcomes.

OUR EXPERTS



Keith Jelinek
Senior Managing Director
keith.jelinek@ankura.com



Chris Ventry
Managing Director
chris.ventry@ankura.com



Rick Maicki
Senior Managing Director
rick.maicki@ankura.com



Devon Holland
Director
devon.holland@ankura.com

Ankura Consulting Group, LLC is an independent global expert services and advisory firm that delivers end-to-end solutions to manage conflict, crisis, performance, risk, strategy, and transformation. Ankura has over 2,000 professionals serving 3,000+ clients across 55 countries. Collaboration and experience drive our multidisciplinary approach to Protect, Create, and Recover Value™.