Ask Questions?

greg@ihlservices.com

About IHL

- **Helping Retailers/Restaurants Make Better IT Decisions**
  - Managed RFP Process, Contract Reviews
- **Syndicated Research and Data Services**
  - Retail Benchmarking
  - IT Forecasts - WorldView
  - Sophia Data Service
- **Advisory Programs**
  - Retail Executive Advisory Program
  - Strategic Operations Exchange

Sample Clients

4

Oh Great…A new term!

Unified Commerce is one step beyond Omnichannel and appears to largely satisfy all new technology enabled retail functions required in this age of customer centric retail, serve the consumer where, when and how they desire.

Richard Mader
Letter from America: Goodbye EPOS, hello unified commerce
15 July 2015

Trends impacting Unified Commerce

- ## Store growth continues
  - ### 3.2% in 2015
  - ### Store transformation accelerating

- ## IT spend is growing but at a constrained rate vs Unified Commerce
  - ### Unified Commerce spend >overall retail sector IT spend.
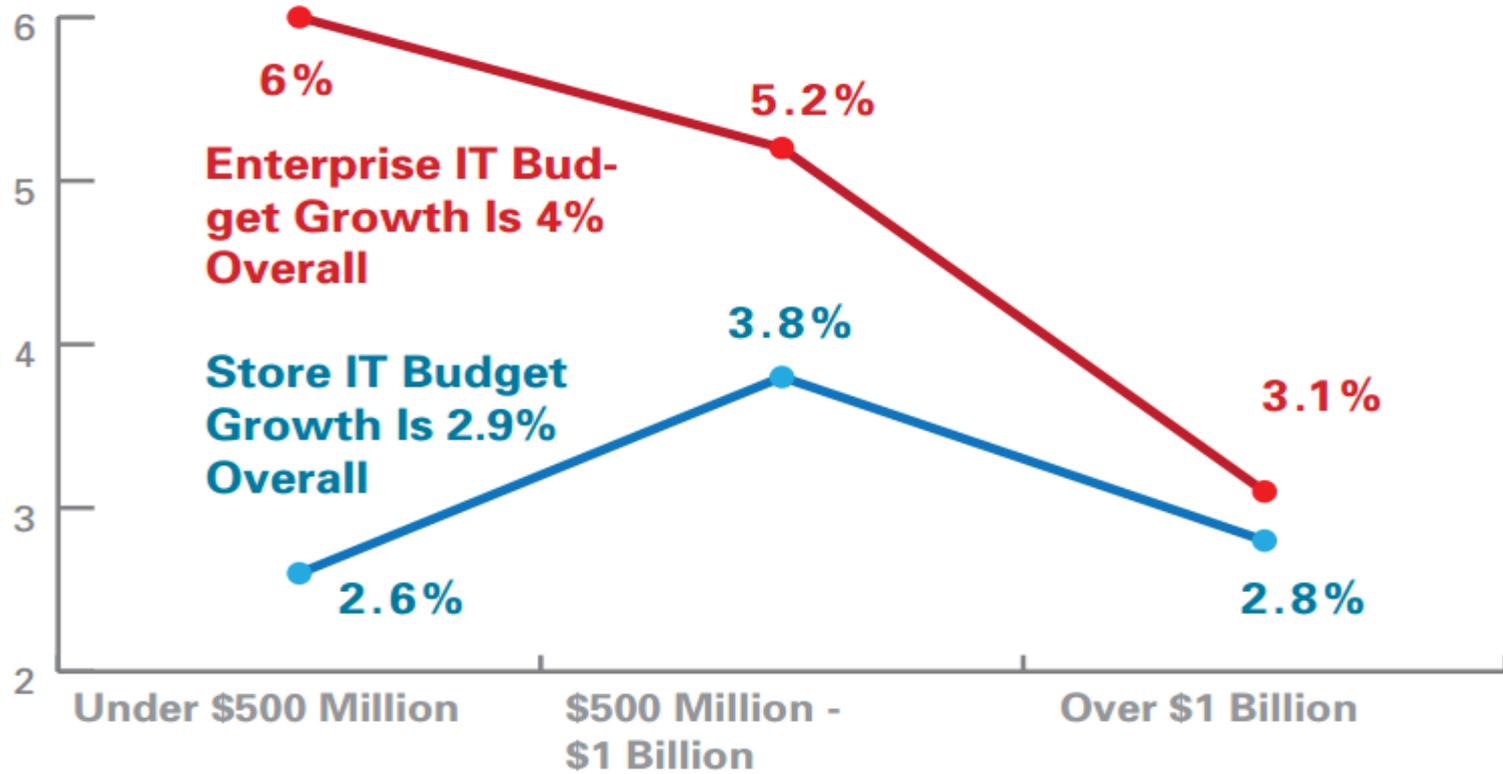
- ## Unified Commerce important- but we aren't ready!

Trend #1: Store growth for 2015!
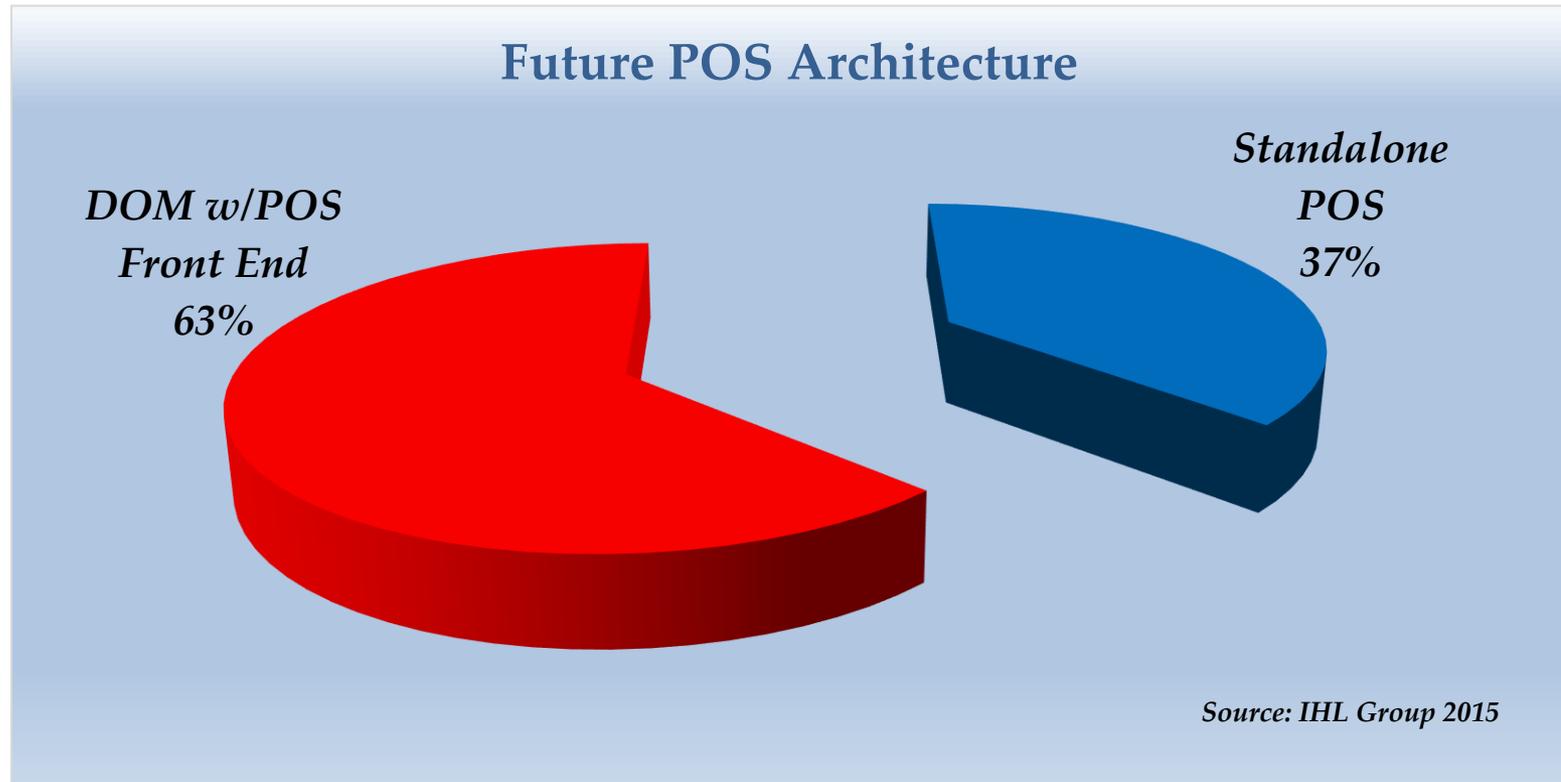

YEAR-OVER-YEAR STORE COUNT AND REMODEL GROWTH

Store Count **3.2%**

Store remodels **3.1%**

SHOP

Trend #2: IT spend by retail size

YEAR-OVER-YEAR IT BUDGET INCREASE

Enterprise IT Budget Growth Is 4% Overall

Store IT Budget Growth Is 2.9% Overall

6% — Under $500 Million (Enterprise)
5.2% — $500 Million - $1 Billion (Enterprise)
3.1% — Over $1 Billion (Enterprise)

2.6% — Under $500 Million (Store)
3.8% — $500 Million - $1 Billion (Store)
2.8% — Over $1 Billion (Store)

Source: IHL Group 2015

Rise of Distributed Order Management

Future POS Architecture

DOM w/POS Front End **63%**

Standalone POS 37%

Source: IHL Group 2015
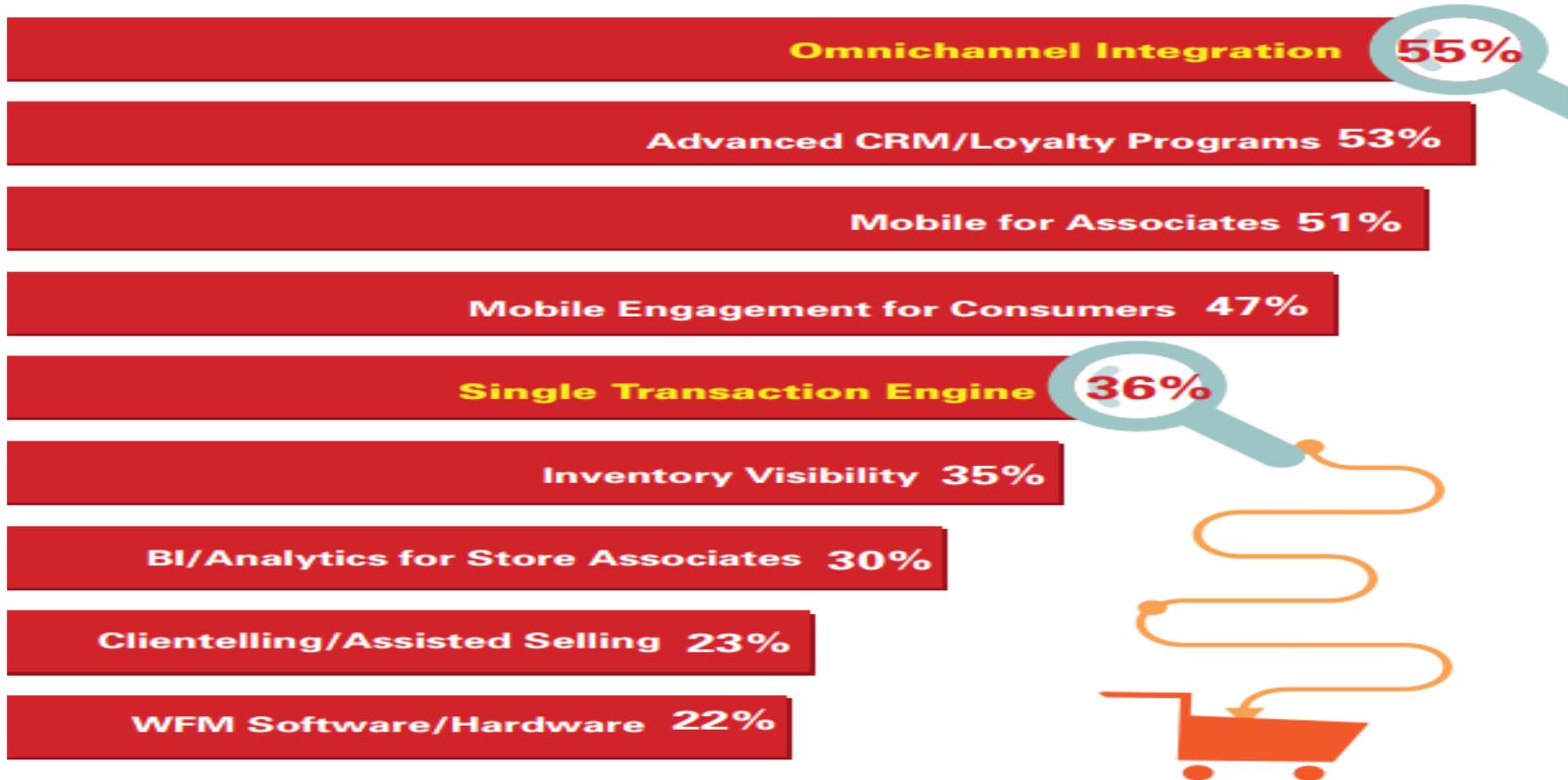
- Specialty Soft (31%), Specialty Hard (27%), Food /Grocery (19%) looking in this direction
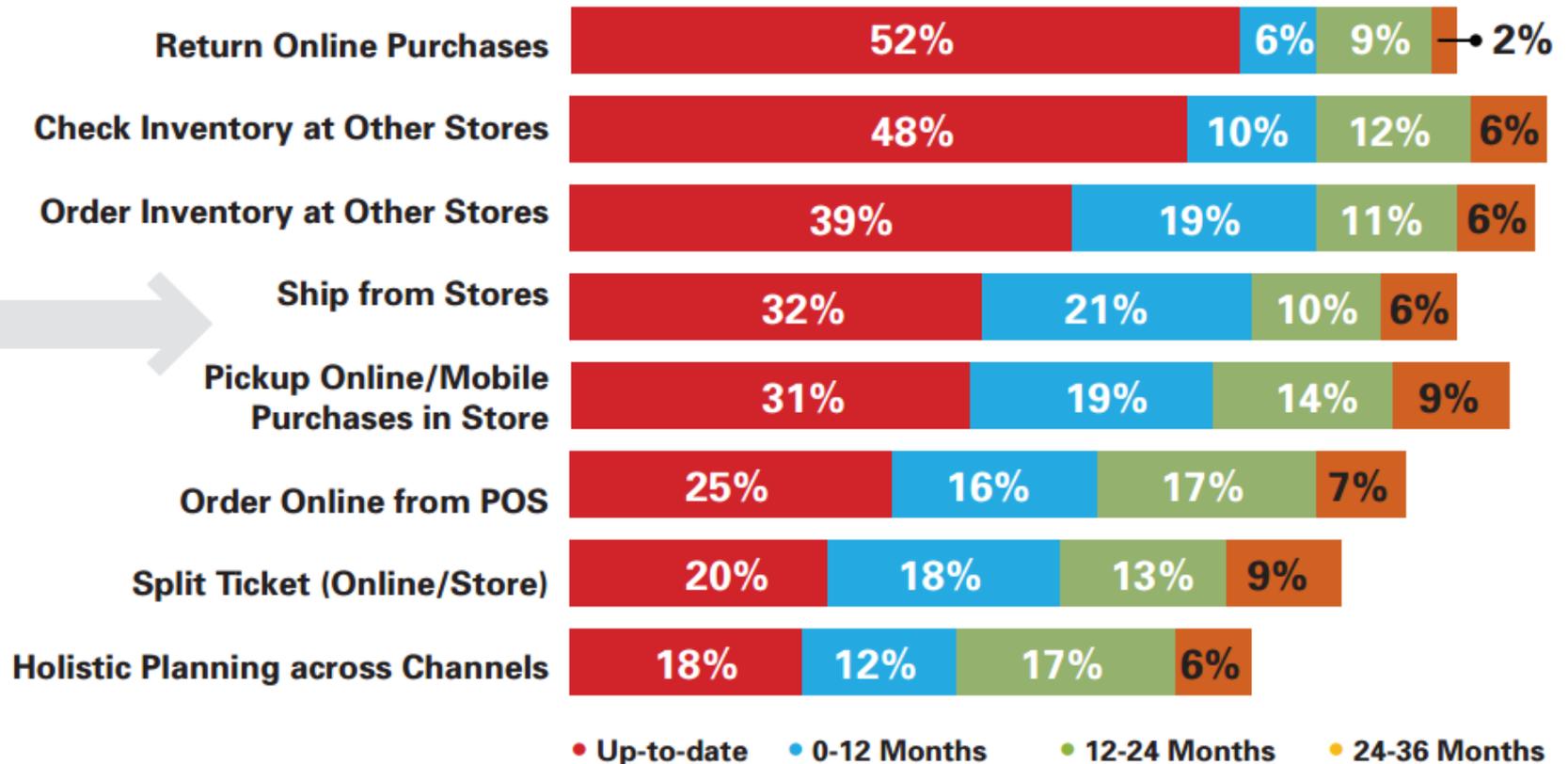- Tiers II & III more prone to move (less capital investment to abandon)

Trend #3: Unified Commerce Is focus…but painful

TOP STORE PRIORITIES FOR 2015

Priority	%
Omnichannel Integration	55%
Advanced CRM/Loyalty Programs	53%
Mobile for Associates	51%
Mobile Engagement for Consumers	47%
Single Transaction Engine	36%
Inventory Visibility	35%
BI/Analytics for Store Associates	30%
Clientelling/Assisted Selling	23%
WFM Software/Hardware	22%

Source: IHL Group 2015

Ready or Not Unified Commerce is coming!

TIMEFRAME FOR OMNICHANNEL ADOPTION

	Up-to-date	0-12 Months	12-24 Months	24-36 Months
Return Online Purchases	52%	6%	9%	2%
Check Inventory at Other Stores	48%	10%	12%	6%
Order Inventory at Other Stores	39%	19%	11%	6%
Ship from Stores	32%	21%	10%	6%
Pickup Online/Mobile Purchases in Store	31%	19%	14%	9%
Order Online from POS	25%	16%	17%	7%
Split Ticket (Online/Store)	20%	18%	13%	9%
Holistic Planning across Channels	18%	12%	17%	6%

Source: IHL Group 2015

IT and Business Assessment
To Develop A Roadmap Plan

Mike Martin
July, 2015

sodexo

Sodexo Around the World

18.2 billion euro consolidated revenue

420,000 employees

18th largest employer worldwide

86 countries

34,300 sites

75 million consumers served daily

sodexo
QUALITY OF LIFE SERVICES

Sodexo in Brief

Sodexo, Inc. is the leading Quality of Life Services company in North America, delivering On-site Services in Corporate, Education, Health Care, Government, and Remote Site segments, as well as Benefits and Rewards Services and Personal and Home Services.

- **$8.8 Billion** revenue

- **125,000** employees

- **9,000** sites

- **700** facilities management sites

- **Over 15 million consumers** served daily

Our Mission

Improve the Quality of Daily Life of our employees and all those we serve, and contribute to the economic, social and environmental development of the communities, regions and countries in which we operate

Quality of Life Services

Sodexo designs, manages and delivers an unrivaled array of Quality of Life Services through three activities:

■ On-site Services

> From foodservices to construction, from reception services to medical equipment maintenance, from technical maintenance to leisure cruises, from building maintenance to energy management... Sodexo delivers a wide array of on-site services

> Available in 7 client segments: **Corporate, Education, Health Care, Senior Living, Government, Remote Sites, Sports & Leisure**
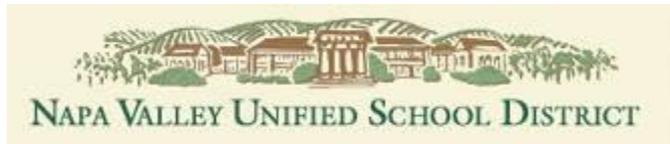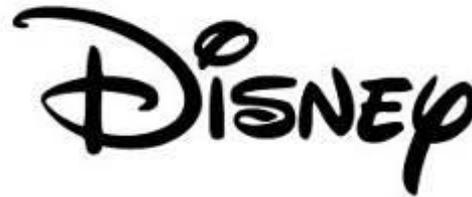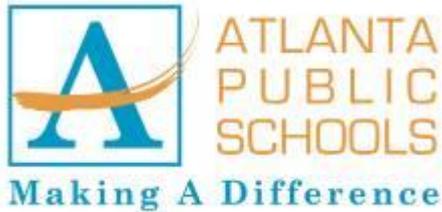
■ Benefits & Rewards Services

> Employee Benefits to attract, engage and retain employees

> Incentives and Recognition programs to help organizations achieve their qualitative and quantitative objectives

■ Personal & Home Services

> Concierge Services

> In-Home Care

> Tutoring & Adult Learning

sodexo
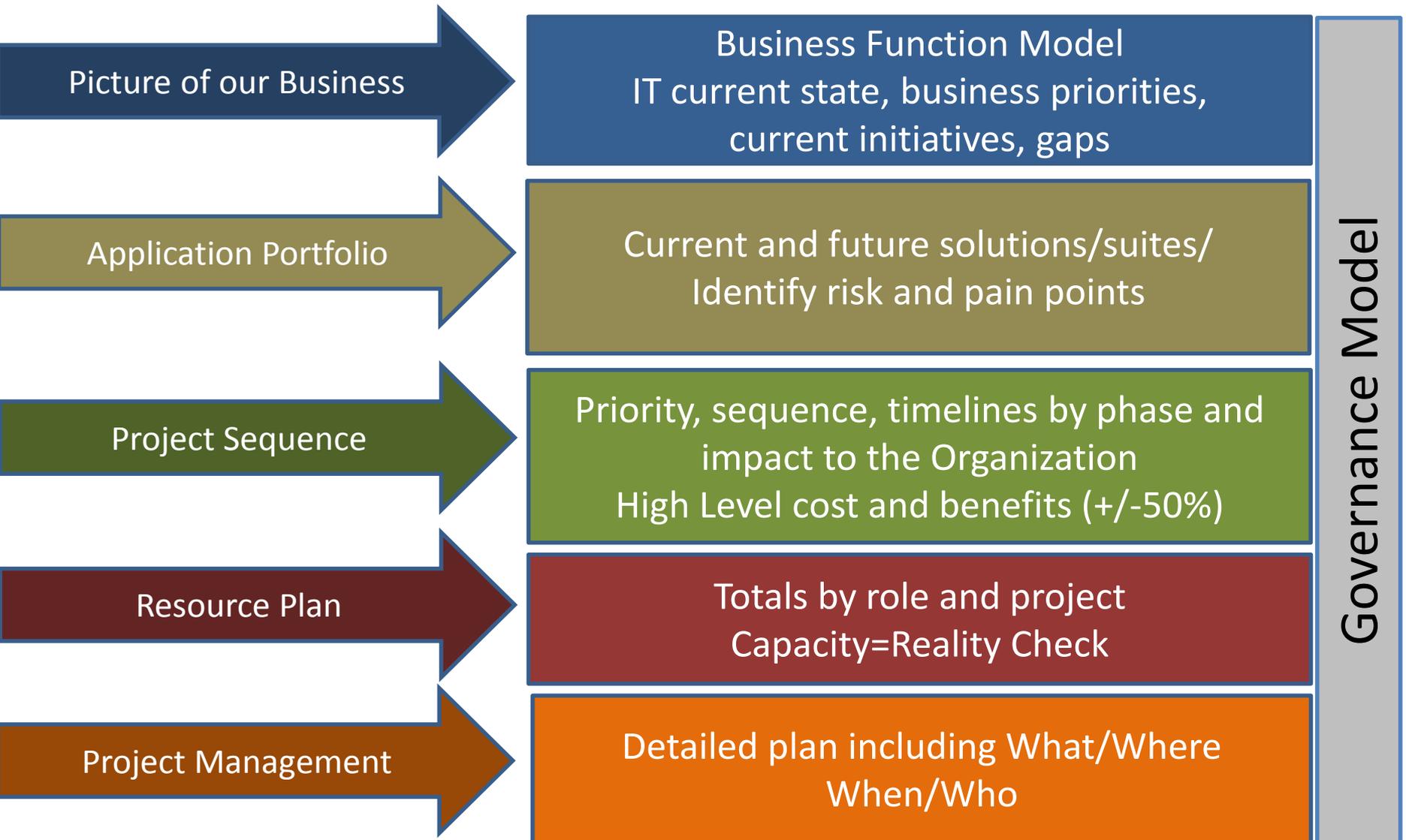**QUALITY OF LIFE SERVICES**

Our POS "Roadmap" Evolution

1 Months
"Simple" POS

2 Months
Turned into "Scope Creep"

2 Months
Need for Suite Strategy evolved

3 Months
Vendor Selection

6 Months
Governance Model and Overall Roadmap developed

Our Sodexo Roadmap Journey

Picture of our Business →

Business Function Model
IT current state, business priorities, current initiatives, gaps

Application Portfolio →

Current and future solutions/suites/ Identify risk and pain points

Project Sequence →

Priority, sequence, timelines by phase and impact to the Organization
High Level cost and benefits (+/-50%)

Resource Plan →

Totals by role and project
Capacity=Reality Check

Project Management →

Detailed plan including What/Where When/Who

Governance Model

Key Learnings – Roadmap and Integrated Retail Suite

1. Need Roadmap for Visibility to all work underway

2. Focus on Core Platforms first – Enablers

3. Data and Integration – secrets to success

4. Select strong vendor partners

About C-CORE Consulting Group, Inc.

Frank Urbaniak & Dan Grady

- Ex retailers, IT Senior Management, 30 + years each in Store Operations and IT
- Now in 14th successful year
- Partners with IHL Services since 2005
- Viable alternative to large consulting engagements
  - Content rich methodology - we never begin a project with a clean sheet of paper
  - Methodology and execution based tools offset need for additional consultants
  - Our process facilitates defining scope and objectives, pain point, prioritized requirements and vendor evaluation/selection in highly compressed timeframe
  - Vendor agnostic for selection and services- we work for the Retailer

Our Focus:

- Efficient and comprehensive Roadmap Planning assessments

- 24 "POS" evaluations in past 9 years

- Multiple WFM evaluations and project management support through go live

- A large part of our business is repeat customers who embrace our efficiency and value proposition

C-CORE RAPID Project Toolkit™

Systems Audit
and
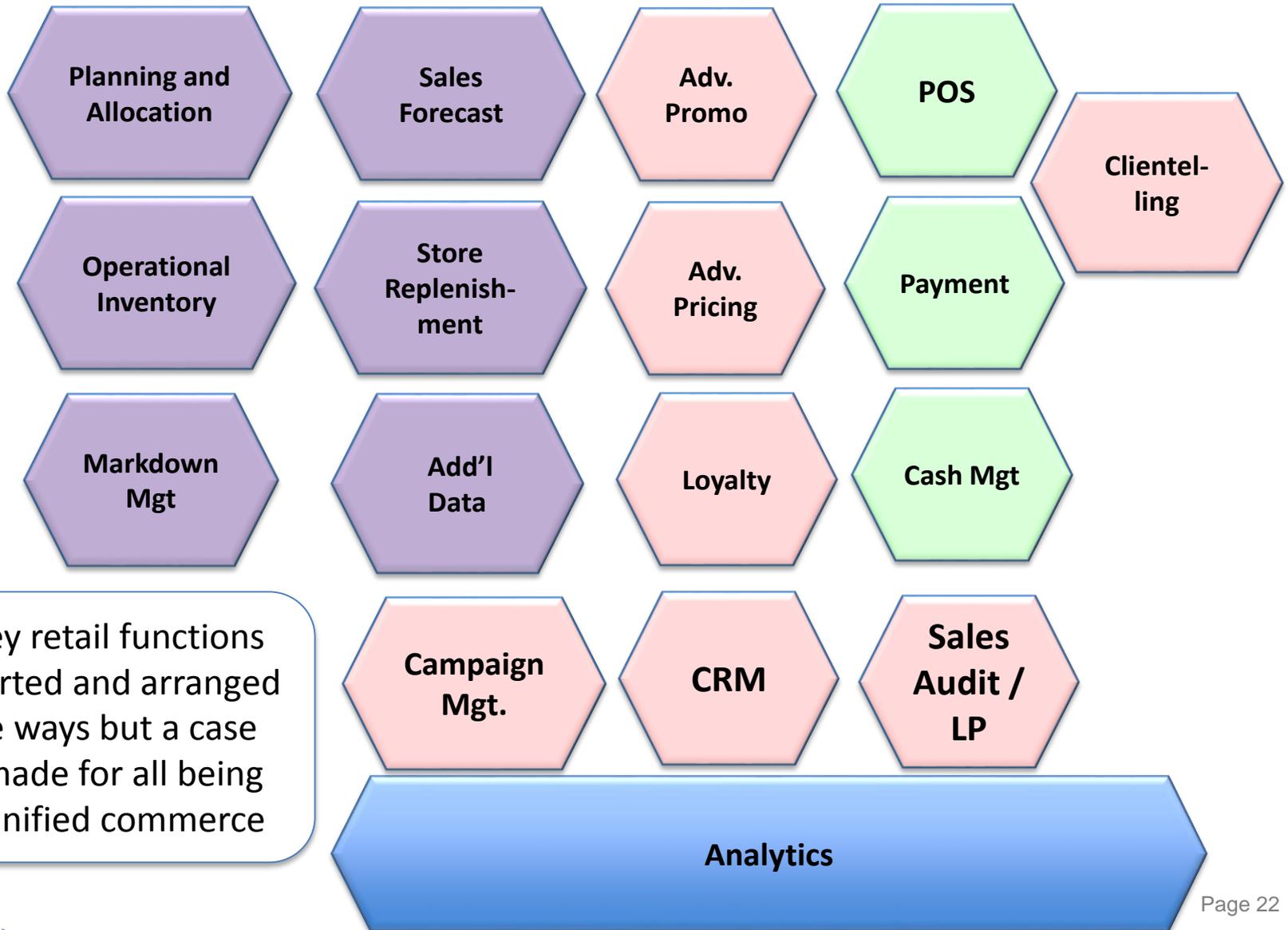Retail Roadmap
Development

POS

Workforce Management

PMO and Project Management, Deployment

Demand Planning and Store Replenishment
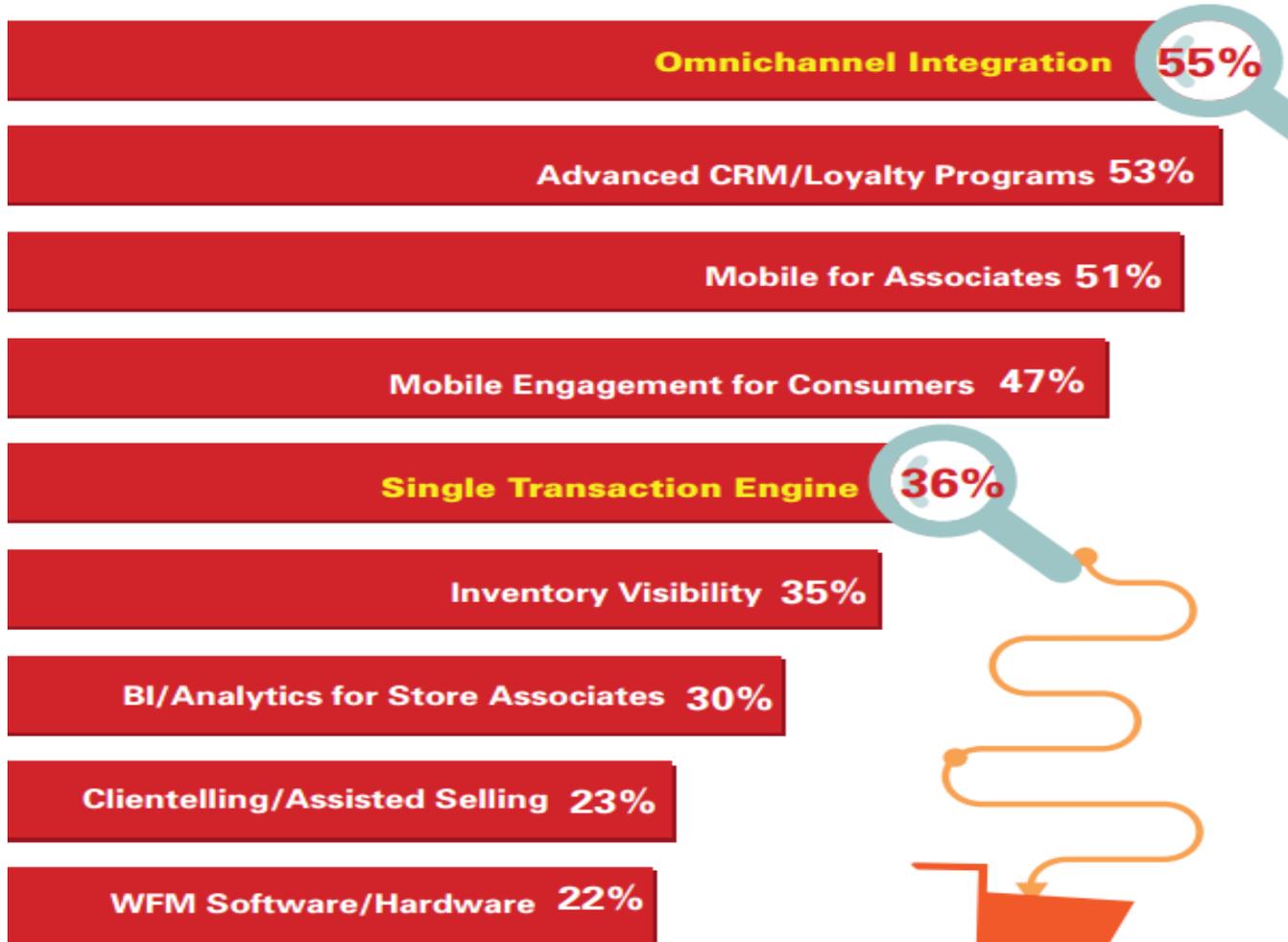
Core Merchandising System

Fresh Item Management

Unified Commerce Evolution

Planning and Allocation

Sales Forecast

Adv. Promo

POS

Clientel-ling

Operational Inventory

Store Replenish-ment

Adv. Pricing

Payment

Markdown Mgt

Add'l Data

Loyalty

Cash Mgt

These key retail functions can be sorted and arranged multiple ways but a case can be made for all being part of unified commerce

Campaign Mgt.

CRM

Sales Audit / LP

Analytics

C-CORE
CONSULTING GROUP, INC.

Unified Commerce Scope

TOP STORE PRIORITIES FOR 2015

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WFM Software/Hardware **22%**

# So……what does this mean?

1. Retailers are still thinking of these as separate projects

2. Retailers need a Roadmap to help clarify the scope, timing and phasing plan for large programs like Unified Commerce

C-CORE RAPID Project Toolkit™

Customers engage in search for Unified Commerce based on their timing and application portfolio

Systems Audit and Retail Roadmap Development

POS

Unified Commerce Plan

Workforce Management

PMO and Project Management, Deployment

Demand Planning and Store Replenishment

Core Merchandising System
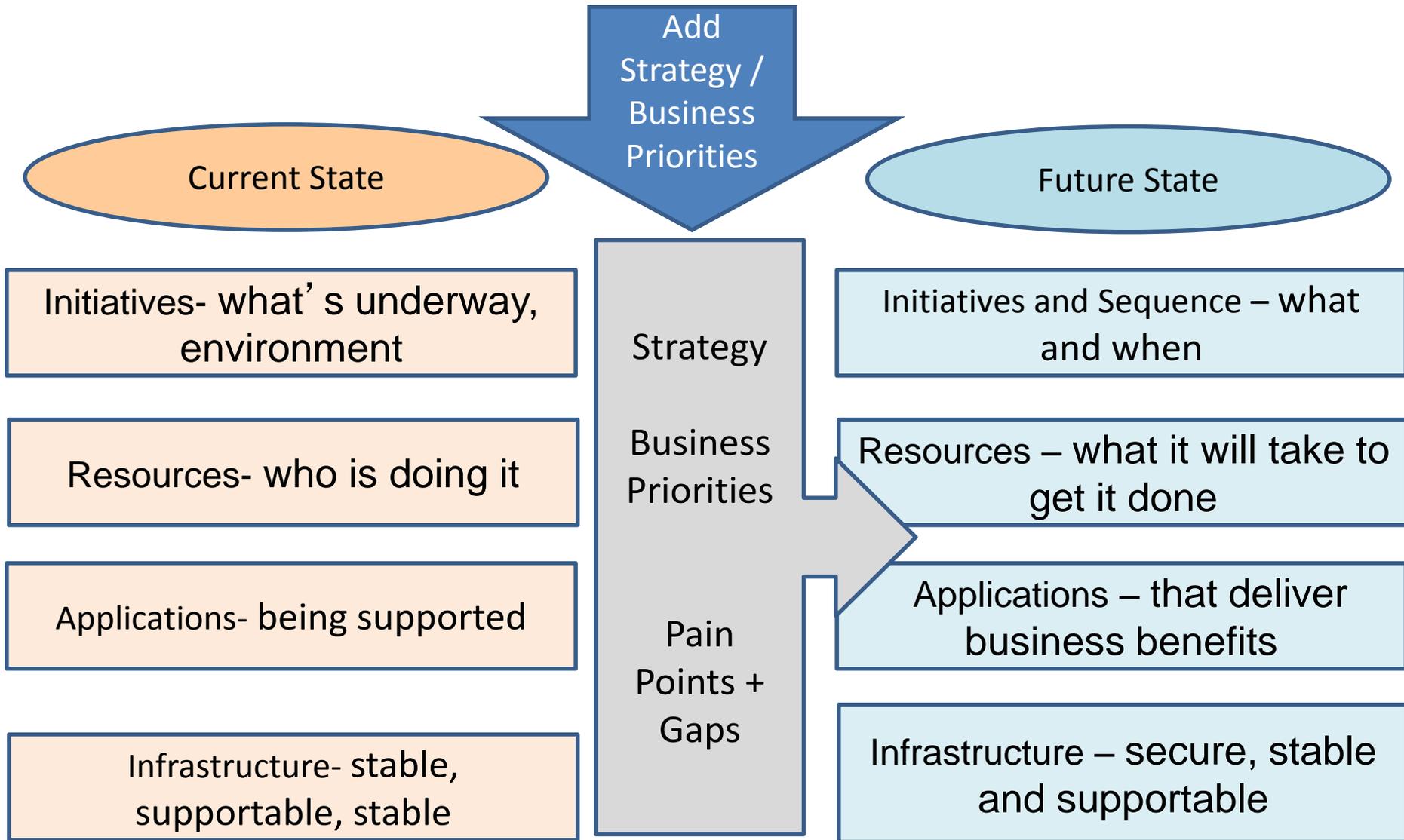
Fresh Item Management
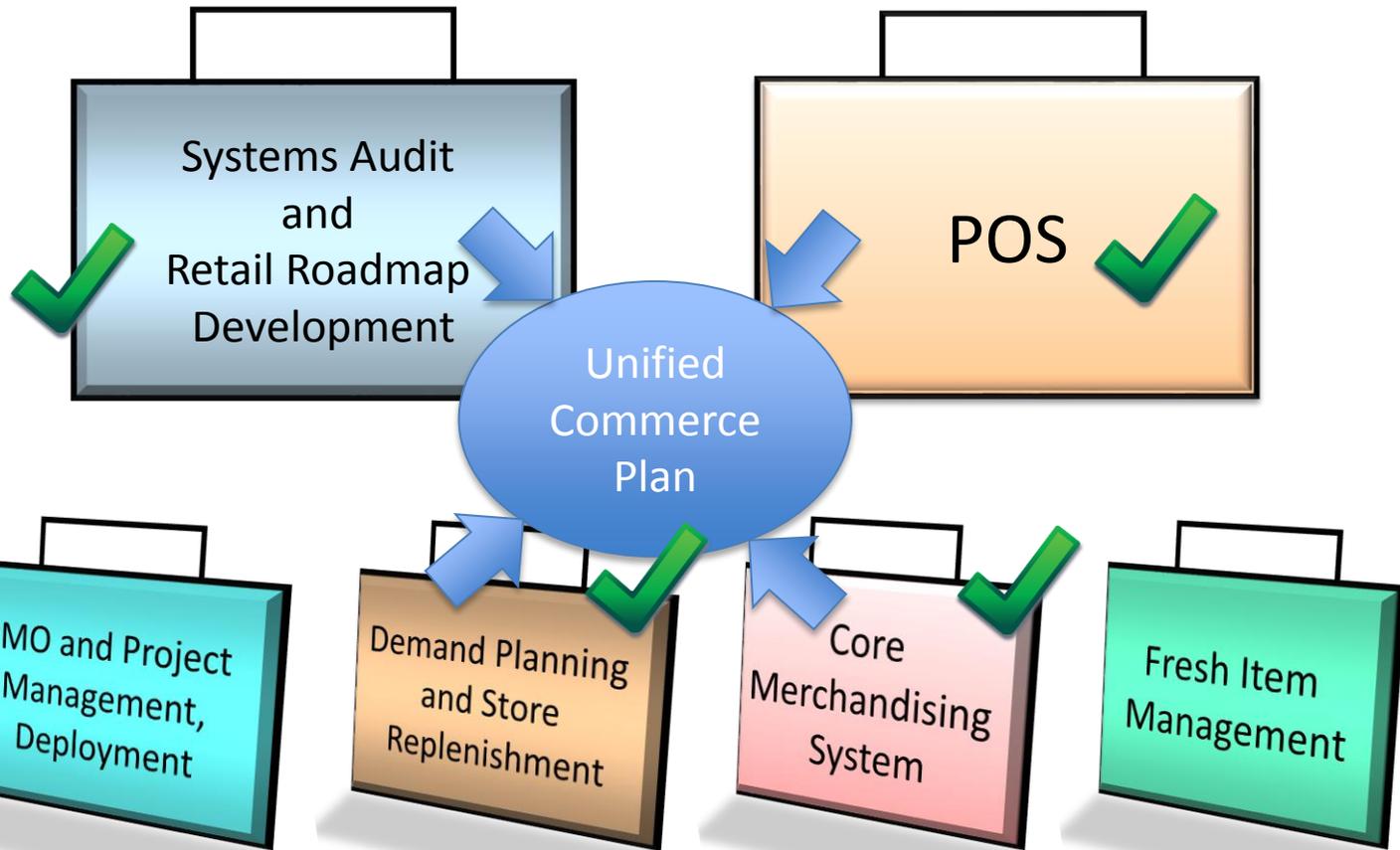
IT Assessment and Roadmap

- A roadmap is the output of a systems assessment, and provides a prioritized, sequenced set of initiatives that gets you to the desired end state efficiently and within acceptable risk levels.

- It is the guide used to prioritize:
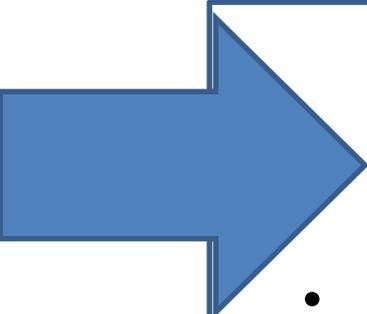
  - **WHAT** should be done
  - **WHEN** (project schedule and phases)
  - **WHO** (Initiative Owners)
  - **WHERE** (regions, banners, store formats, depts).

- The **WHY** question should be answered in the strategy.

- The **HOW** question is answered once an initiative becomes an actual project.

Roadmap Methodology

Add Strategy / Business Priorities

Current State

Future State

Strategy

Business Priorities

Pain Points + Gaps

Initiatives- what's underway, environment

Resources- who is doing it

Applications- being supported

Infrastructure- stable, supportable, stable

Initiatives and Sequence – what and when

Resources – what it will take to get it done

Applications – that deliver business benefits

Infrastructure – secure, stable and supportable

2 New Advisory Programs

2 New Advisory Programs

www.ihlservices.com

Strategic Operations Exchange

- **Available to Retailers, Restaurants, Hospitality Establishments and CPG Companies**

- **Free – 30 minute confidential consultation with analysts or contract review.**

- **1 or more IHL/C-CORE analysts/consultants**
  - **Contract Review**
  - **Vendor review/positioning**
  - **Review of your place on your own technology roadmap**

  An outside, objective review that helps understand and/or confirm
  "Am I leaving anyone or anything out?"
  "Is this the right decision?"
  "Do you know anyone that can help with _____"

Retail Executive Advisory Program

Vendors, Consultants or Retailers

- **Series of 8 Executive Research Studies**
  - Total Retail IT Sector Revenue (HW, Software, SaaS, IT Services)
  - Total Retail Software and SaaS Revenue
  - Total Retail IT Services Revenue
  - Total Retail Hardware Revenue
  - Total Store Systems Revenue
  - Enterprise Order Management Revenue
  - Assortment and Planning Revenue
  - POS Software Revenue
    - **Each to include Market Size and Key Components, Key players, Trends, Drivers, Barriers and Forecast for market growth.**

- **Advisory Inquiries, Analyst Briefings (with entire team)**
- **IHL State of the Industry Briefings for your entire team**
- **Webinars, Analyst OnSite Days and Presentations**
- **Enterprise License, No Seat License Games**

Retail Orphan Initiative
Helping Vulnerable Children Worldwide
www.RetailROI.org

Research Event

SuperSaturday 2016
January 16, 2016

PwC Building, Manhattan

In 6 years, SuperSaturday has helped generate over $2million and helped over 175,000 children.

www.retailroi.org/Supersaturday

Questions

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Jeff Roster - IHL Group – jeff@ihlservices.com