

Retail risk in Covid and post-Covid times - scoring an own goal

By [Ben Jansen van Rensburg](#)

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Ben Jansen van Rensburg, director at Neo Retail Solutions, shines a spotlight on what the real issues are for retailers during the pandemic and reveals what they should be focusing on if they are to survive.



Ben Jansen van Rensburg

I think few would argue that retail in normal times is an extremely challenging and competitive arena. But in Covid times the reality is that the sector is predicted to take the biggest hit as the full commercial impact of lockdown decisions is revealed. [Investec Property Fund notes](#) this is a global trend, with retailers facing the biggest business impact of the pandemic. South Africa will not prove to be immune to this world shift.

Social distancing has left many retail stores with fewer shoppers at any one time and consequently forced them to reduce staff numbers if they are to keep afloat. Retail managers and owners face immense pressure around staff optimisation at a time when maximising sales opportunities is crucial.

There is a growing realisation that finding new ways to work is now mission-critical, but also a rethink is required on the physical layout of stores and most important of all, on how staff are managed and monitored.



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Monitoring performance

Let's unpack some concepts through an analogy – sport. Retail, like sport, is a competitive environment that contains a series of tasks that staff (players) need to complete. Today, the use of technology in the [analysis of sports performance](#) is the norm amongst professional teams.

Modern sports teams employ a range of technologies that assist in monitoring player performance. This in turn aims to prevent injuries and manage workloads. GPS vests are used to measure distance, heart rate and speed, in conjunction with other platforms, with the objective of creating competitive advantage. The main objective is to ensure that improved individual performance translates into benefits for the team.

Monitoring athletes' physical activity allows clubs to acquire a clear picture of players' current physical condition and so much more. Managers must choose what kinds of technologies facilitate scrutiny of efficiency but even more importantly, how data can be processed and turned into useful information that leads to better decision making.

For example, a goalkeeper who saves 20 shots at goal may appear to be giving a top job performance result, but this scenario also implies other weaknesses on the team – i.e. weak defence.



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Andrew Dawson 16 Mar 2020



On the retail level, a store owner or manager who constantly walks the floor could be seen as 'hands-on', but one needs to dig deeper to discover the true reason for the ever-present, and unquestionably sleepless nights.

It possibly has more to do with the fact that they are stressed about empty shelves; missing price labels on products; expired produce – sell by stamps on food [became law in SA in 2012](#) making it illegal to sell, relabel or donate any food that is past its use-by date; frequent stock outs; long queues; delivery trucks not being offloaded and staff socialising in receiving areas and more.

So where lies the own goal?

Store managers can end up inadvertently being the biggest instrument of reduced revenues in an industry sector that is reported to have one of the highest employee turnover rates. The [US Bureau of Labor Statistics](#) for example lists retail as one of the top five verticals with the highest turnover.

It is apparent that successful completion of tasks, on all levels around stock management, in a timeous manner, ensures that stores can be more lucrative than shops that rely purely on manual checklists, or intuition.

If transparent individual and store team performance could be visible and easily available, store owners and corporate head offices could shape operations to be far more responsive to stock imbalances, seasonal changes and inefficiencies. This would in turn result in a more competitive, efficient shop that can be performance ranked along the rest of the chain to determine where interventions are required.

Retail businesses not focusing on performance management, accountability and taking a holistic view of each cog in the

performance wheel – during and after Covid-19 times – are shooting themselves in the foot.

We need to monitor workload to see if there is a problem and address it in real-time but to do this visibility is required. One of the main lessons to be learned from sports management that is highly applicable to retail is that we need to be more efficient; competitive and answerable.

Accountability, particularly, will be key in post-Covid retail so perhaps we should look to applying some of the lessons gleaned from the management of sports teams.

In my next article in this series of two I kick off with insights from the most successful soccer manager of all time, Sir Alex Ferguson, who stopped being a coach so he could manage the crucial ingredients of success – the players.

ABOUT THE AUTHOR

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