



RESHAPING PRODUCTIVITY

The top 30 retailers winning the margin battle

AT A GLANCE

A glaring productivity spotlight continues to shine on boardroom tables up and down the country like never before. Driving efficiency within an enormous workforce remains challenging, amid a backdrop of tough sales, the continual distraction of digital transformation and either fixed or rising costs. But, as this report shows, it's a challenge that's far from insurmountable.

In *Reshaping Productivity*, Retail Week, in association with Soldo, reveals

the top 30 most productive retailers. As a disclaimer, it should be noted that these brands are not all necessarily enjoying growth – N Brown being a case in point. But they are mitigating a tough trading environment with staff efficiencies.

So who are they? What are the secrets of their staff profitability? Which tech solutions are not only aiding digital transformation, but also fuelling staff efficiency and engagement? And what are the quick wins that can be gleaned?

WHAT DOES THIS REPORT UNCOVER?

- The UK's most productive retailers in 2019
- Key trends in staff efficiency
- How retailers are engaging staff
- Insights from an emerging start-up retailer as it grows its business
- The new wave of technology and tools powering retail productivity

METHODOLOGY

PROSPECT 

The productivity rankings in this report are based on retailers that have the lowest global staff costs to sales ratios – a key performance indicator for productivity. Retail Week's in-house intelligence service Prospect analysed 180 UK retailers, with data

compiled using the latest available financial year for which retailers had filed their annual reports or accounts at Companies House. Retail group sales, staff costs and employee numbers were analysed to calculate the ratio, with retailers then ranked accordingly.



PARTNER

VIEWPOINT



CARLO GUALANDRI
CHIEF EXECUTIVE, SOLD O

Amid increasingly tough conditions in the retail industry, making productivity gains is crucial for businesses to bolster profit margins and remain competitive. With labour costs being the biggest outlay to businesses, boosting employee productivity is essential.

Unlocking productivity undoubtedly lies in increasing employee engagement. To do so, retailers must create a culture in which employees are incentivised to increase their own efficiency. Fundamental to this is providing the digitally savvy millennial workforce with the appropriate tools.

Cloud technology has democratised software and given retailers of all sizes the ability to use relevant software to drive operational efficiencies. Moreover, it has

allowed for the creation of mobile solutions – especially relevant for increasingly remote working lifestyles.

Internal payment and expenses are often an area overlooked in the search for productivity gains, but by investing in an online payment and expense solution such as Soldo retailers can empower employees to spend on their behalf with control – improving staff efficiencies and delighting employees.

This insightful report provides retailers with practical advice as to how best to utilise digital tools to drive employee engagement and staff efficiency. The results of the top 30 most productive retailers is evidence to the fact that cultivating an engaged workforce is no longer optional, but key to winning market share.



Retailers must create a culture in which employees are incentivised to increase their own efficiency



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THE TOP 10

1. Victorian Plumbing
2. Feelunique
3. Shop Direct
4. Jessops
5. Asos
6. MandM Direct
7. Aldi
8. Birchbox
9. BrandAlley
10. N Brown

For the full list, turn to page 7

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CHAPTER I:

THE PRODUCTIVITY CHALLENGE

- Achieving staff efficiencies is a pressing issue for UK retailers – and the wider economy
- Employee engagement and company spending initiatives are key to retail productivity

The retail sector has long faced a productivity challenge. Government figures show productivity has stagnated of late, falling to a two-year low in the third quarter of 2018.

According to the Office for National Statistics (ONS), labour productivity for the period grew by just 0.2% year on year, marking the weakest period since the third quarter of 2016. ONS data also shows that UK workers produce less per hour than their contemporaries in France, Germany and the US.

Retail Week research in 2017 revealed that two-thirds of retailers believe the industry has a productivity problem, while 56% feel the issue had moved up the boardroom agenda over the past decade.

The link with engagement

A lack of engagement appears to be at the heart of the problem, with research over the past 10 years highlighting the link between employee engagement and productivity.

Leadership advisory company Gallup reported in 2009 that companies in which workers are mostly engaged generate 2.6 times more revenue than organisations whose workers are less engaged. In a second report, in 2013, it also found that highly engaged teams are 21% more productive.

This data demonstrates the fact that the more engaged staff are, the more likely they are to drive productivity and, in turn, deliver higher business outputs in terms of revenue and profits.

Despite this, 77% of UK retail employees are not engaged with their company brand

Companies with higher
**EMPLOYEE
ENGAGEMENT**
are **21%**
MORE PRODUCTIVE



values, according to research by brand engagement agency Maverick carried out in 2013.

It is likely that a reputation for minimum-wage jobs, transient frontline staff, and – in some cases – poor working conditions impact negatively on employee engagement within the retail sector.

Yet the tide is changing. For retailers today, cultivating an engaged, highly productive workforce is keenly on the agenda as brands seek out new ways to improve operational efficiency and control company spending.

CONTROLLING SPENDING IS ON THE AGENDA

In a report by Soldo in 2018, 2,000 employees and 2,000 financial decision-makers were asked about their key concerns around spend management.



For **45%** of SMEs, the level of control over company spending was one of the biggest challenges to their business.



For **17%** of medium-sized businesses, the main challenge was controlling situations in which employees could spend company money.



For **16%** of medium-sized businesses, monitoring exactly what employees and departments could spend money on was the key concern.

The British Retail Consortium (BRC) reported in 2016 that by 2025 there could be 900,000 fewer jobs in the retail sector. However, the BRC added that remaining jobs are likely to be both “more productive and higher-earning”.

While many retailers’ productivity initiatives are no doubt driven by a desire to cut costs, reviewing productivity is more than a money-saving exercise. For example, faster growth may be achieved if labour capacity is deployed elsewhere.

So how can retailers increase productivity to make savings and achieve growth? While there is no one-size-fits-all productivity solution, a comprehensive

review of all activities taking place throughout the company must be the first step to begin the process.

With technological developments racing forward, and a turbulent economy to contend with, tactics that work for retailers today may not be the best solution tomorrow. Any new labour models that are created to drive up productivity must be agile enough to be quickly adapted.

This report analyses the UK’s top 30 most productive retailers to uncover how they have driven staff efficiency.

What can retailers struggling with 2019’s challenges learn from the success of these productive businesses?

SOLDO'S ACTION POINTS

- Utilise digital tools to automate manual processes, freeing up employees’ time for tasks that will generate greater ROI.
- Ensure retail finance teams have a real-time comprehensive view of company spend to identify cost-saving opportunities.

WHO ARE THE TOP 30 MOST PRODUCTIVE RETAILERS?

Retailers ranked by group staff cost to sales ratios based on the last financial year reported

RANK	RETAILER	GROUP STAFF COST TO SALES RATIO	YEAR
1	Victorian Plumbing	4.38	2017-18
2	Feelunique	6.36	2017-18
3	Shop Direct	6.83	2017-18
4	Jessops	7.10	2017-18
5	Asos	8.01	2017-18
6	MandM Direct	8.19	2017-18
7	Aldi	8.32	2017
8	Birchbox	8.34	2017
9	BrandAlley	8.54	2017
10	N Brown	9.00	2017-18
11	WiggleCRC Group	9.22	2017
12	Lovehoney	9.24	2017-18
13	Missguided	9.26	2017-18
14	Made	9.27	2017
15	Loaf	9.52	2017-18
16	Iceland	10.10	2016-17
17	Boohoo	10.17	2017-18
18	Green Man Gaming	10.39	2017
19	Dixons Carphone	10.66	2017-18
20	Sainsbury's Argos	11.01	2017-18
21	Mothercare	11.03	2017-18
22	Game	11.17	2017-18
23	Morrisons	11.23	2017-18
24	Ikea	11.48	2016-17
25	Primark	11.65	2016-17
26	Matchesfashion.com	11.66	2017-18
27	Sports Direct	11.71	2017-18
28	Mint Velvet	11.85	2017-18
29	Asda	11.87	2017
30	QVC	11.88	2017

Source: Retail Week Prospect – data extracted February 2019

CHAPTER 2:

TRENDS AMONG THE TOP 30 RETAILERS

- Staff efficiency is high among pureplays
- Northern Powerhouse cities are popular with retailers leading the charge
- Fashion dominates in the productivity stakes
- Retail staff efficiency can take time to get right: short-term pain vs long-term gain

THE LEADER OF THE PACK: VICTORIAN PLUMBING



Victorian Plumbing has scaled its operation without harming productivity. For managing director Mark Radcliffe, employee engagement has been a crucial contributor

to the company's high productivity levels. Speaking to the *Financial Times* in 2017, he said: "Each of my staff has been homegrown and promoted internally... I have now delegated recruitment to my PA, Stephanie, who was promoted to business manager and oversees everybody. My staff are absolutely fantastic."

In 2018, Radcliffe reinforced this commitment to staff engagement when he announced that the business would continue "to invest in software, in skills and in staff". "Our biggest challenge is recruiting at the rate we need to with the level of growth we are enjoying."

Fast-forward to 2019 and Radcliffe has underlined the business' priority as "continued growth". "We've made a considerable investment in our infrastructure and brand," he said. "We aim to continue taking more market share by offering market-leading service and the widest range of products."

Victorian Plumbing enjoyed record turnover of £118m for the financial year ending on September 30, 2018, with pre-tax profits of £3.5m – its best performance to date. The company has announced it is on track to reach turnover of £145m in 2019, projecting growth of nearly 23%.

Companies House data shows that between 2016-17 and 2017-18, the online bathroom retailer decreased staff costs from £5.5m to £5.2m, while increasing headcount from 196 to 266. These decreased staff costs can be attributed to salary levels.

Recruitment business Indeed reports the average Victorian Plumbing salary for a warehouse worker as £16,344 per year – more than 12% lower than salaries offered by similar businesses in the market.

Over the past two years, the retailer's group staff costs to sales ratio has remained steady at 4.4. Some of its productivity success can also be apportioned to its heavy

online focus: 99% of sales were made online in 2016-17 and the other 1% made via its one Merseyside showroom.

Victorian Plumbing's rocketing sales figures also suggest that garnering a huge social media following across all channels is not imperative for retailers. While pureplay fast-fashion retailers often have Instagram followings comfortably in the multimillions, as of March 11, 2019, Victorian Plumbing had 8,604 followers on Instagram, and just 7,275 on Twitter. On Facebook, it's a very different story. The bathroom retailer has more than 98,000 followers – perhaps linked to the social platform's typically older demographic, who are more likely to be in the market for a bathroom upgrade.

Despite operating almost exclusively in the online domain, the retailer invests heavily in traditional marketing such as TV advertising. It also runs canny press campaigns with celebrity ambassadors – for example, its 2018 competition to find Britain's worst bathrooms, which received widespread news coverage.

99%

of Victorian Plumbing's
SALES are made
ONLINE



Laurence Llewelyn-Bowen fronted Victorian Plumbing's campaign to pick "Britain's worst bathroom"

Pureplay vs bricks and clicks

The top three most productive retailers are pureplays. Operating exclusively online (or, in the case of Victorian Plumbing, 99% online – see page 9) gives them a significant advantage compared with bricks-and-mortar retailers when judged on output.

Pureplays spend significantly less on staff than store retailers. And, as there's no need to employ workers on the shop floor, staff costs are often significantly lower, giving productivity levels a marked boost compared with store estates with hundreds, or thousands, of frontline employees.

Shoppers may associate traditional retailers with a high-quality in-store experience, but by offering flash Sales and online discounts, and making more products available online, retailers could boost sales and staff productivity simultaneously.

Of the top 30 most productive retailers in the list, 13 are pureplay. Another 16 offer a mixture of bricks and clicks. The challenge that remains, of course, is the cost of fulfilling those online orders as this, in turn, can often add to costs. But, at the same time, this approach can drive staff efficiency.

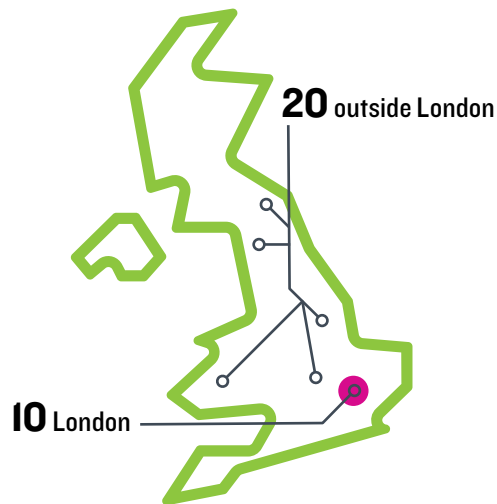
Case study: Primark

Just one retailer in the list does not operate online: Primark, which has more than 350 stores. This can perhaps be explained by the fact that Primark is synonymous with low-cost fashion at a time when consumer financial confidence is decreasing.

Primark's sales rose 4% over the 2018 festive period, although like-for-like sales fell slightly (a "modest" decline mitigated by increased selling space, which led to an increase in market share).



LONDON VS NON-LONDON RETAILERS IN THE TOP 30



Regional retail hot spots rule

Twenty retailers in the top 30 operate from head offices outside of London. Two of the top three – Victorian Plumbing and Shop Direct – are based in Liverpool. N Brown – in 10th place – is headquartered in Manchester, as are fast-fashion companies Missguided (13th) and Boohoo (17th).

Being situated outside the capital can pay dividends for retailers as it enables them to cut costs on business rates and hire talent for less – meaning a London HQ does not have the same appeal to retailers as it once did.

According to cost comparison database Expatistan, the total cost of living in Manchester in February 2019 for one person was 36% less than the cost of living in London. As a result, prospective retail employees in cities outside the capital are likely to accept lower wages for a similar role.

When lower commercial rent is factored in, it is easy to see why the most profitable online retailers are increasingly found in Northern Powerhouse cities.

January 2019 data from serviced office broker Instant Offices reported that flexible office space in London costs an average of £650 to £1,500 per person per month, compared with £300 to £400 for Manchester and £150 to £300 for Liverpool.

Fashion and food reigns

When divided by sector, fashion and footwear was the clear winner. Of the top 30, 10 fell into this category.

This is perhaps a result of the fact that fashion and footwear retailers catering to digital-savvy millennials (born between 1981 and 1996) and Generation Z (born after 1996) typically perform well online, and online retailers often boast higher productivity levels.

Grocery also performed well, with Aldi, Iceland, Sainsbury's Argos, Morrisons and Asda ranked among the top 30. Most supermarkets performing well in the productivity stakes are firmly associated with everyday low prices. This can be linked to the rising number of shoppers seeking

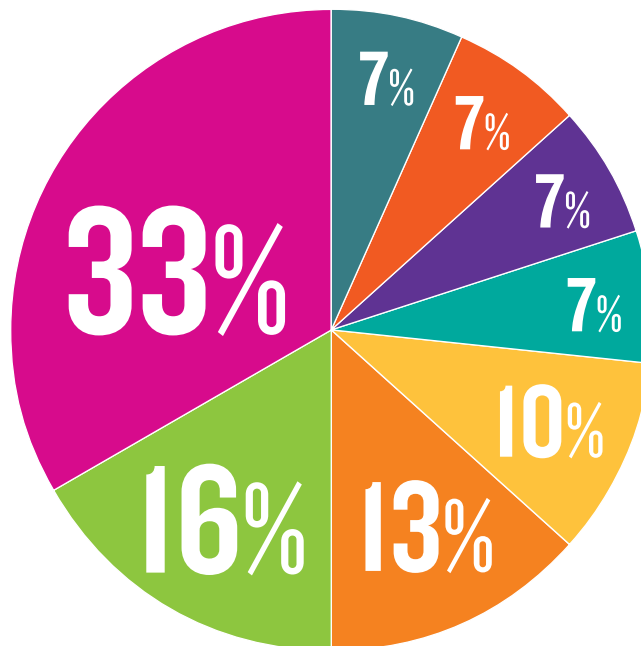
to cut costs resulting in increased group sales. In a recent report by Kelkoo and Retail Week, 70% of consumers named food and grocery among the top three retail categories they most like to save money in.

Case study: Missguided

Despite a slew of discouraging headlines regarding retail consumer confidence, there are many examples of growth retailers with an efficient business model.

One well documented success story is online fast-fashion brand Missguided (ranked 13th), which after starting out in 2011-2012 with £8.7m in sales took £215.9m in 2017-18 (although, after opening two huge stores to support its digital-first model, the overall business made a loss last year).

THE MOST PRODUCTIVE SECTORS



- Fashion and footwear
- Grocery
- Home and DIY
- General merchandise

- Leisure, outdoor and sports
- Entertainment
- Electricals
- Health and beauty



**RANKED
NO 13**

While its headcount has shot up during this time (from 31 staff in 2011 to 436 in 2017), sales per employee have also rocketed from £281,800 to £472,075.

This has enabled the brand to maintain its high productivity score, which, standing at 9.3 in 2017-18, is almost unchanged from the 9.4 rating in the brand's first year.

Case study: Lovehoney

While low-cost fast-fashion and budget grocers win big in 2019's tough financial climate, brands outside of everyday necessities are also holding their own.

Lovehoney (ranked 12th), purveyor of sex toys, lingerie and erotic gifts, posted group sales of £72.8m in 2016-17, which climbed to £84.9m in 2017-18 – its highest

annual sales to date. In 2017-2018 the brand also increased productivity, with its group staff costs to sales ratio dropping from 9.9 to 9.2.

Case study: Birchbox

Beauty subscription box service Birchbox (ranked eighth) hit headlines in 2016 when it scaled back expansion plans, letting go around 80 of its 300 employees after struggling to generate investment.

However, having cautiously raised its staff spending from 2015's £898,000 to £1.4m in 2017, the results of its business strategy appear positive. In 2016 its UK online sales rocketed by 131% year on year and, in 2017, it experienced another huge rise of 87%.

These significant financial gains align with increased productivity. In 2015, each UK employee was generating £209,800, while in 2017 this figure had more than doubled to £573,465. Furthermore, its group staff cost to sales ratio has improved dramatically, dropping from 22.5 in 2015 to just 8.3 in 2017.

Case study: BrandAlley

Brands considering making cutbacks to improve productivity must tread lightly, though. Online fashion retailer BrandAlley (ranked ninth) is now thriving after cutting staff costs to £1.9m in 2014 (down from the previous year's £3m), but initially its sales suffered dramatically, almost halving from £20.2m to £11.8m year on year.

However, the cuts to staff costs meant the retailer was able to keep its profit margin relatively steady and could work to improve productivity, which, after dropping slightly in 2014, has been on an upward trajectory ever since.

Productivity is now at 8.5 for its group staff cost to sales ratio (compared to 2014's 15.7) and staff costs fell every year to 2016. Despite this, sales have rocketed back up to £20.7m – higher than in 2014.

This suggests that while scaling back can work long-term, brands planning to do so must be prepared for – and confidently able to survive – a dramatic financial impact in the short term to make productivity gains in the future.

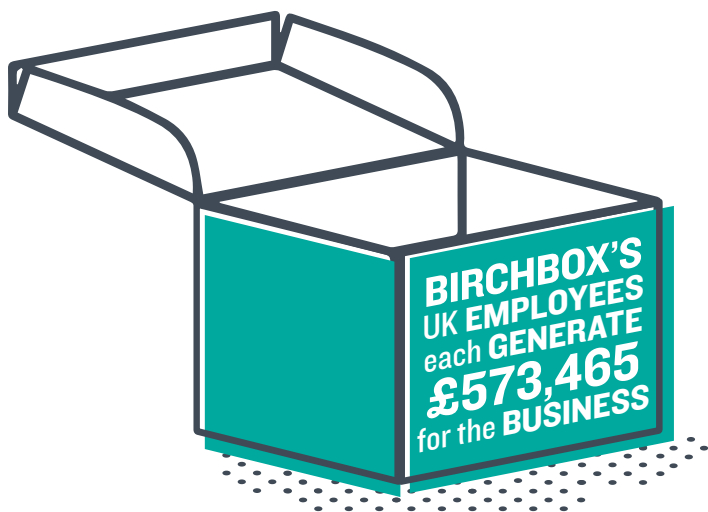
Case study: Feelunique

Unsurprisingly, the general trend among the top 30 was that the more spent on staff costs, the higher the sales and, therefore, productivity levels.

However, this formula only works if retailers continue to generate more revenue as staff costs increase – the output has always got to be more than the input to achieve higher productivity levels.

A good example of this is Feelunique (ranked second). The online beauty brand has consistently increased staff costs, and sales have jumped from £11m in 2009-10 to £87.5m in 2018, without dipping year on year.

Despite increasing group staff costs from £4.4m in 2016-17 to £5.6m in 2017-18, the jump in sales prompted improvements in its productivity ratio from 6.7 to 6.4.



SOLDO'S ACTION POINTS

- Provide employees with digital tools to increase their productivity and empower them to take responsibility.
- Establish incentive schemes to motivate retail employees.

CHAPTER 3:

HOW RETAILERS ARE ENGAGING STAFF

Companies with higher employee engagement are not only 21% more productive, but also outperform their peers by 147% in earnings per share, Gallup studies show.

According to the leadership advisory company, “a highly engaged workforce means the difference between a company that outperforms its competitors and one that fails to grow”. Here’s how a few of the top 30 retailers have used staff engagement to drive productivity.



**RANKED
NO 5**

A rewards culture

Asos was named as the top UK company that employees want to work for in a 2018 LinkedIn report. Among its initiatives, the retailer has implemented long-service awards to reward employees for their time at the company. These include getting a product named after them on the website, financial incentives and extra holidays.

Speaking in 2018, Holly Middlemiss, Asos’ talent brand and engagement manager, said: “Our employees live and breathe our values of authenticity, creativity and bravery in everything they do. It’s equally important for us to reflect these through our employer brand, bringing to life our unique culture internally and externally.

“We do things not just to simply tick a box; rather, we genuinely care. We want to do the right thing and see the value in doing so. Employees spend most of their lives at work, so why shouldn’t it be with an organisation they love, where they believe they’re making a positive difference and feel truly valued?”



**RANKED
NO 19**

Health is wealth

For electronics retailer Dixons Carphone, “healthier workforces are happier and more productive”. To support the wellbeing of its staff, the company runs an initiative called Average 2 Awesome. Running for 12 weeks every year, the programme gives cohorts of staff access to a specialised personal trainer, a tailored nutrition plan, fitness technology and regular weigh-ins.

While the initiative helps staff improve their personal fitness, the retailer says it has more benefits to the business.

Its company website explains: “Participants develop a strong bond and continue to make positive changes. Many now run regularly as part of their new healthy regime and are taking on new challenges and events as a direct result.”

One such challenge is Race to the Stones (a 100km endurance event to the Avebury stone circle). In March 2019, the European Sponsorship Association Awards credited the company’s sponsorship of the event as the best use of employee engagement in sponsorship.



**RANKED
NO 7**

Listening and learning

Value-driven supermarket Aldi seeks to give “power to the people” by regularly speaking to its employees to find out how it can improve and help them progress.

Since 2016, it has run an annual employee engagement survey “using feedback to focus on key areas like training and development”.

This feedback contributed to the launch of the Aldi Academy, a centre for learning and development based at its Bolton distribution centre in Greater Manchester. Courses at the academy are attended by more than 13,000 employees.

Outlining its staff focus on its website, Aldi says: “It stands to reason that engaged employees are more productive, so we work hard to create a culture of openness and transparency.”



**RANKED
NO 10**

Doing it with ‘GUSTO’

N Brown has developed a series of values to engage its staff using the acronym GUSTO: Glow, Understanding, Saving, Togetherness and Opportunity.

On the ‘Saving’ value, N Brown says: “Waste is the enemy and working smarter will solve the problem. We value the saving of resources and time, showing our customers and stakeholders that simplicity works.”

To encourage its team to work smarter and “show appreciation” for their efforts, the brand offers employees a package of benefits that includes an annual profit share scheme, employee discounts on all its ranges, free life insurance and a holiday allowance starting at 24 days and rising to 30, plus bank holidays.



**RANKED
NO 17**

Investing in education

On its company website pureplay retailer Boohoo says: “We continue to invest in our people, who we encourage to develop and grow with the business.”

Part of this investment in its staff is focused on providing learning opportunities. The company works in partnership with Burnley College and the University of Central Lancashire to support existing staff on apprenticeship programmes. In 2017, it introduced English lessons via a third-party partner “to enhance staff progression”.

SOLDO'S ACTION POINTS

- Provide retail staff with the means to advise on operational processes.
- Regularly review new technology solutions – retailers shouldn't wait until they have an inefficient system to find a better way.



CHAPTER 4:

CASE STUDY: LONDON GRACE

- Early-stage nailcare brand is managing productivity as it scales
- Start-up creates staff efficiencies by hiring from within and focusing on communication
- Director says employee engagement has been enhanced by placing genuine value on employees' opinions and ideas

Emerging retailer London Grace – a chain of boutique nail and cocktail bars retailing own-brand nail varnish – launched in January 2015 and has focused on managing productivity to help it get off the ground. As a start-up in pursuit of fast growth, driving productivity has not been without its challenges. Managing director Lauren Williams explains that the company has battled with prioritising recruitment of in-store employees over head-office staff, leaving the business with less capability to grow internally.

“Knowing when to hire and expand your team is always going to be a challenge for a growing retail brand as the industry can be very temperamental,” she says. “You might have a better than expected quarter and consider expanding your team, only to suffer a dip the following quarter.”

Managing growth

London Grace has taken a “patient approach” to hiring to justify any new employee’s salary. During its growth from one store to seven, the start-up had just four office workers supporting around 100 store staff.

After opening eight stores, the time was right to hire additional team members in customer services and product development.

Hiring its head-office team cautiously made the numbers in its business account easier to swallow, but, with few hands on deck at the start, other issues inevitably

arose. There were not enough heads in the team to manage the business and not “enough hours in the day”, says Williams.

To counteract this and keep staff motivated, company founder Kirsten Hazell took a view that the company needed to develop its own talent, so two team members from one of its stores were promoted into office-team positions. Empowering these employees to develop their skills had the double benefit of ensuring they were engaged while also helping existing head-office staff to gain first-hand store knowledge.

The retailer also runs a number of schemes to boost employee engagement.





“There’s a focus on new ideas, not complaining,” explains Williams. “If employees believe their opinion is valued and they’re playing an important part in the growth of the brand, this can be incredibly motivating and therefore increases productivity.”

Incentivising staff

Bonuses are offered to staff, which vary in structure depending on the role. Incentives aren’t solely financial either: employees are rewarded with gifts, team socials, awards at biannual company-wide parties and more. “Recognising great performance is

naturally going to increase productivity,” says Williams. “This can be anything from a simple ‘thank you’ email from the retail chief executive to a monetary bonus for a manager who has smashed their quarterly target.”

The same approach applies to recruitment. “The beauty retail industry isn’t known for progression opportunities, and employees often move around from brand to brand as there isn’t room for them to grow,” Williams acknowledges.

“We’ve made it our mission to change this and we’re proud that more than 65% of our current managerial and office-team positions were promoted from within.”

LONDON GRACE



✓ Launched in **January 2015** by then 26-year-old Kirsten Hazell



✓ Now has **8 stores** across London and Essex



✓ More than **100 employees** and **60,000** customers served



✓ **65%** of current management positions **promoted from within**



CHAPTER 5:

HOW TO EMPOWER YOUR WORKFORCE

- Innovative technology is making it easier for retailers to benefit from staff efficiencies
- Asos and Made are among the retailers leveraging automation and collaboration

To improve productivity, retailers must arm themselves with the best technology. Automating certain tasks frees up employee time to focus on more complex or manual activities. In the past decade there has been a data revolution and now businesses – recognising the power of information – are collecting and analysing data to adapt and improve.

Productivity is a key area in which data can be a huge asset. If retailers can clearly see where time and money is wasted, they can confidently make changes to plug gaps and optimise resources. So which tech should retailers invest in to increase productivity?

Expenses and invoicing

Business expense and invoicing solutions slice through needless red tape, ridding retailers of excessive paperwork and time-sapping systems. Financial teams can make huge efficiency gains through the data insights this technology offers, such as checking a cash flow overview on the go.

Transparent business spending systems also enable retailers to keep a tighter rein on company expenditure. Research from Soldo, which provides prepaid business Mastercards for retail employees, found that 38% of employees admitted to filing expenses incorrectly. On average, employees surveyed admitted to incorrectly claiming £117 per month – equating to £1.9bn per year on a national scale.

Finance teams that deal with invoices manually can lose weeks chasing late payments and assessing what has been paid and when. Automated payments platforms

such as GoCardless ensure retailers are paid what they are owed on time.

This tech can also be integrated with other invoicing software to provide a clear interface with a transparent overview of transactions.

One invoicing platform popular with retailers is Celaton's InStream. Asos, for example, uses the artificial intelligence tool to bring both its digital and paper invoices together and automate the process so "little, if any, manual intervention is needed".

Asos chief executive Nick Beighton said that the technology has been "core to our growth strategy".

Workforce management tools

Productivity is famously hard to track, especially for retail employees in creative roles such as marketing or design. Workforce management tools allow managers to schedule tasks and send team-level or individual updates in real time, negating the need for lengthy email chains or time-consuming in-person meetings.

Tools with integrated instant messenger simplify communication between retail employees, allowing them to chat in a format they are familiar with. This is especially key when engaging Generation-Z employees.

In the Retail Week report *Generation Z: The Shopping and Work Habits of Retail's Chief Disruptors*, software provider Profitect's chief executive Guy Yehiav says: "The best way to engage these digital natives as employees is through the use of innovative technology.

"Brands need to ensure their employees feel productive throughout the day, with

clear actions on what to tackle and when.” Workforce management software When I Work is a good example of a collaborative tool for retailers to deploy.

Another area of retail that has been streamlined is HR. New tools on the market are set to transform the way businesses engage with employees. Early-stage HR management platforms, such as CharlieHR and Hibob, have been generating column inches, building client portfolios and attracting millions from investors.

Mobile retail workforce tools

These tools are especially useful for retailers that offer remote working, allowing them to ensure staff efficiency is tracked. Communication and collaboration tools such as Slack and Trello are designed to provide a transparent account of tasks.

Slack offers real-time messaging and file-sharing, coupled with a powerful search function. These features ensure every interaction is recorded and viewable by those who participated in it.

Trello uses a clear interface, allowing employees to gauge which tasks have been completed and those in progress. Managers can dip into different board interfaces to track projects and efficiency without disrupting their teams.

A similar service is Facebook’s online collaboration tool, Workplace. Furniture retailer Made relies on the tool for “tight communication” and has used Workplace’s support for photos, videos and live broadcast to “transform collaboration and cut down on emails”.

Innovative banking solutions

Digital banks have revolutionised personal finances over recent years. Now these challenger banks are offering innovative solutions for businesses also.

Starling Bank aims to provide an “uncomplicated” alternative to traditional business banking, with no monthly fees on electronic payments, domestic transfers, monthly account fees or ATM withdrawals, and in-built user-friendly accounting software. Crucially, you’re still able to deposit cash at UK Post Offices.

Meanwhile, TransferWise for Business is making it easier for retailers to process international payments. Retailers can pay invoices, buy inventory and handle payroll with the real exchange rates in more than 70 countries. Money can be sent directly from a retailer’s bank and recipients do not have to be a customer to receive payment.

SOLDO’S KEY TAKEAWAYS TO DRIVE PRODUCTIVITY GAINS

1 DRILL DOWN ON DIGITAL TRANSFORMATION

Pureplay retailers ranked heavily among the top 30 – and there was only one retailer among the 30 without an online store.



2 THINK BEYOND LONDON

20 of the most productive retailers are based outside the capital.



3 INVEST IN ONLINE TOOLS TO STREAMLINE PROCESSES, AND SAVE TIME AND MONEY

Getting expense systems sorted could save £117 per employee per month.



4 CONSIDERING MAKING EMPLOYEE CUTS?

Tread carefully. Analysis of the top 30 shows that, typically, the more money spent on staff costs, the higher the sales and, therefore, productivity levels.



5 FOCUS ON PERSONAL AND PROFESSIONAL DEVELOPMENT

Organisations with higher employee engagement have been found to be 21% more productive.



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