

The background of the slide features a white central area with abstract blue geometric shapes on the left and right sides. The shapes consist of overlapping triangles and polygons in various shades of blue, from light sky blue to a deep navy blue. The text is centered in the white area.

# University of Windsor Odette School of Business

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# Agenda

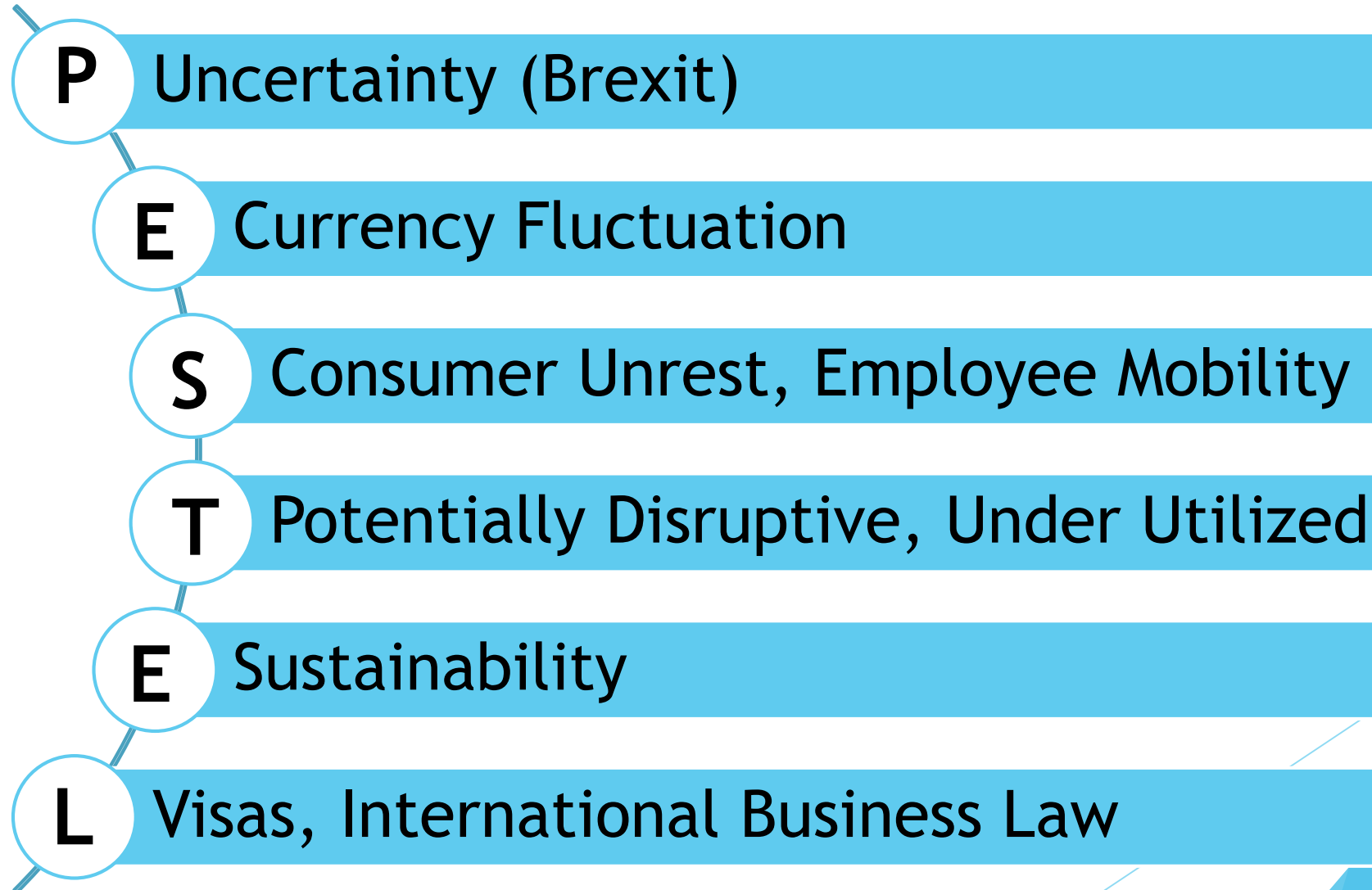
- ▶ Key Issues
- ▶ Industry Analysis
- ▶ Financial Analysis
- ▶ Alternatives
- ▶ Recommendation
- ▶ Implementation Plan
- ▶ Contingency Plan
- ▶ Risk and Mitigation
- ▶ Q&A

## Key Issues

**1.) Future of Retail -  
Technology**

**2.) Brexit - Employee  
Mobility**

# Industry Analysis - PESTEL



# Financial Analysis - Sales to Net Assets

	2013	2014	2015	2016	2017
Sales	\$9,541.30	\$ 10,171.50	\$ 10,942.60	\$ 11,018.80	\$ 11,374.20
<b>Sales Growth</b>		<b>6.6%</b>	<b>7.6%</b>	<b>0.7%</b>	<b>3.2%</b>
Net Assets	\$1,901.50	\$ 1,781.70	\$ 1,518.80	\$ 2,065.10	\$ 2,055.40
<b>Growth in Net Assets*</b>		<b>-6.3%</b>	<b>-14.8%</b>	<b>36.0%</b>	<b>-0.5%</b>
* - 2016 growth a result of an increase in exceptional items (7.9 to 129.3 million)					

# Sales to Net Assets



# Financial Analysis - Profit Comparison

	2013	2014	2015	2016	2017
Profit for the year	\$ 101.00	\$ 101.60	\$ 143.50	\$ 223.20	\$ 353.50
<b>Change in Profit</b>		<b>0.6%</b>	<b>41.2%</b>	<b>55.5%</b>	<b>58.4%</b>
Normalized Profit	\$ 343.30	\$ 376.40	\$ 342.70	\$ 305.50	\$ 370.40
<b>Change in Profit</b>		<b>9.6%</b>	<b>-9.0%</b>	<b>-10.9%</b>	<b>21.2%</b>

# Normalized Profit





# Alternatives

- Superstore
- Merge with Marks & Spencer
- Tech Utilization

# Alternative #1 - Superstore



- One stop shop
- Consolidated costs

- Doesn't address future online needs
- Reduces business unit agility
- Potential to violate Customer Principal

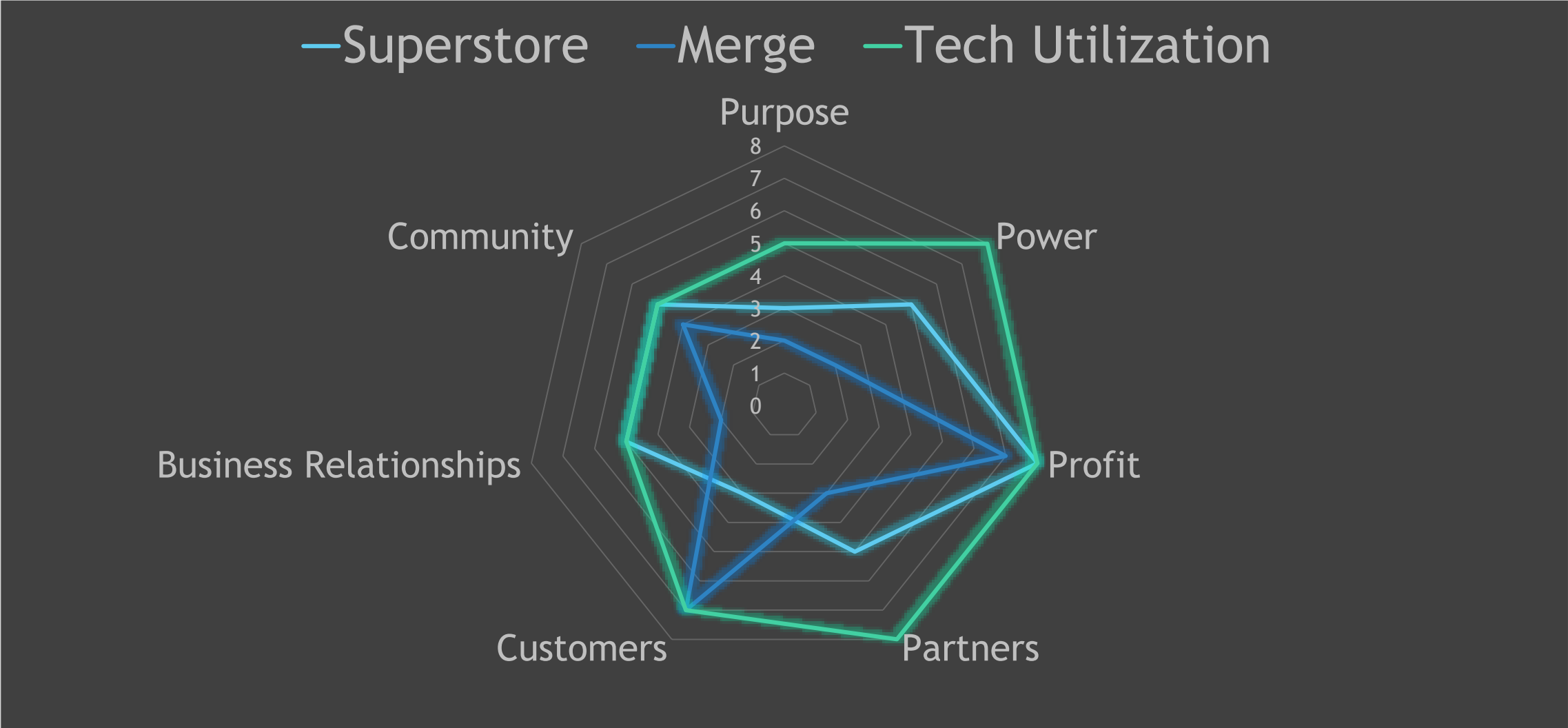
# Alternative #2 - Merge with Marks & Spencer



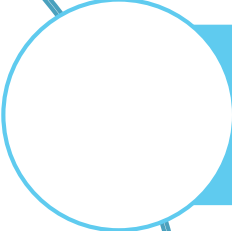
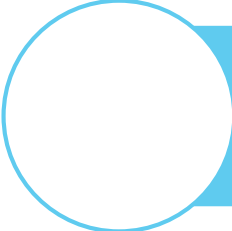

- Wider reach
- Diversify employee base
- Competition integration
- Access to new suppliers and customers

- Violation of principles
- Loss of control
- Company culture
- Speculative

# Radar Chart



# Alternatives

-  Superstore
-  Marks & Spencer
-  Tech Utilization

# Recommendation - Tech Utilization

## Tech

- Platform Development

## Operations

- Self-serve checkout installation

## Delivery

- Grocery delivery

## HR

- Rewards program revamp, benefits

## Warehouse

- Warehouse contract

# Implementation

## Part 1 - Technology Utilization

S -

- To develop a platform to collect data and analyze consumer trends

M -

- Budget 2% of current assets (32 million)

A -

- Will provide data to improve decision-making

R -

- Successful model when executed

T -

- 8 months

# Implementation

## Part 2 - Operations Program

S -

- To install self-serve checkouts across all stores

M -

- Budget \$5,000,000 (\$3,000 each, 4 per store, 387 stores)
- Save \$50,000,000/yr over the long run (25,864 ave. salary, 5 employees, 387 stores)

A -

- Product has already been developed, improves efficiency

R -

- Small percentage of current assets to install

T -

- 8 months



# Implementation

## Part 3 - Delivery Program

S -

- Hire local labourers to deliver groceries to people homes

M -

- Budget \$45,000,000 (approximately 2,000 employees)

A -

- Will increase convenience and customer service (increasing revenue)

R -

- 3% of total current assets

T -

- Ongoing to serve demand

# Implementation

## Part 4 - HR Benefits Program

S -

- Personalize rewards to cater to each partner

M -

- Average of \$1,430 per partner (current cost)

A -

- Will increase employee satisfaction

R -

- No change in costs

T -

- Immediately

# Implementation

## Part 5 - Warehouse Program

S -

- Contract warehouse operations

M -

- Cost savings from wages and building expenses

A -

- Minimizing Brexit impact with Eastern European employees

R -

- Risk mitigation tactic, need to find suitable contractor

T -

- One year

# Contingency Plan

**Sell  
Data**

- **Additional revenue stream**

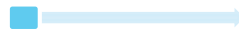
**Online  
Focus**

- **Emphasis on growing market**

# Risk and Mitigation - Exchange Rate Risk

**Currency  
Exchange  
Rate Risk**

- **Implement before completion of Brexit**



# Risk and Mitigation - Self-serve Checkout

## Detriment to Culture

- Emphasize benefit of reducing Brexit risk and cost to all partners

## Potential Risk to Customer Service

- Accentuate benefits of ease of use and speed

# Risk and Mitigation - Home Delivery and Online System

**Non Tech Savvy Customers**

- Phone and in-store support

**Resistance to Embrace Change**

- Added features and benefits, not removing

# 2028 and Beyond

**7 Principles**

**Technology**

**Sustainable  
Competitive  
Advantage**



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# Thank you

Questions