

Developing the multi-channel business



Client

Founded in 1930, Wilkinson remains one of the few privately owned mainstream retailers in the UK. It still follows its original value for money principles and has expanded rapidly to offer a range that encompasses everything from hardware to toiletries and from DIY to textiles and gifts. Trading from over 300 outlets it achieved total sales of around £1.5bn in 2009.

Goals

- ◆ Overcome constraints in technology, integration and process to realise sales potential
- ◆ Keep pace with changing customer demographics
- ◆ Integrate Wilkinson's direct business to enable a true multi-channel experience for customers

Charteris' Role

- ◆ Apply the Charteris Customer Centric Framework to the day to day trading context
- ◆ Create an action-orientated roadmap to take the business forward

Results

- ◆ Process and technology clearly mapped to business and customer needs
- ◆ Tangible ROI established to enable resources and funding to be secured for the change programme

Wilkinson is one of UK retailing's quiet success stories. It may lack the high profile advertising presence of some of its rivals but when it comes down to the trading basics it understands its customers and how to meet their needs and wants profitably. Like many, it had invested in its direct channel in a way which reflected its legacy and its predominance as a store based retail operation, but recognised it needed to move on. It chose Charteris to help define the journey, capture the requirements and plan the roadmap of change to get things done.

The business challenge

By late 2009 Wilkinson's direct business (incorporating catalogue, call centre and on-line channels) had established itself as both a profitable and strategic arm of the company. However, its new management team recognised that in order to keep pace with the changing demographics of customers attracted to its brand and exploit its full potential, they needed a rethink.

Wilkinson had already embarked on a major modernisation programme across its stores ('One Touch') which was delivering fantastic results. Customer demographics were changing and digital savvy shoppers were beginning to realise that its combination of range and value, coupled with the convenience the company's multiple channels could provide, was a winning formula. It needed to take the next step and begin to integrate its direct business to enable it to

offer truly a multi-channel experience to its increasingly profitable customer base.

Wilkinson had entered into dialogue with a range of partners, (technology, business and strategic) to help it identify what it needed to do and how best to do it. It chose Charteris because from the outset the Charteris team understood and was able to articulate in detail what opportunities and constraints the business faced and how to unlock them.

Wilkinson turned to Charteris to develop an action plan - a roadmap - to take the business forward. This needed to be more than a planning exercise. It required an action-orientated approach to initiate change across the business. Wilkinson had always had a customer culture and one of the reasons Charteris was successful was it based its approach on its Customer Centric Framework.



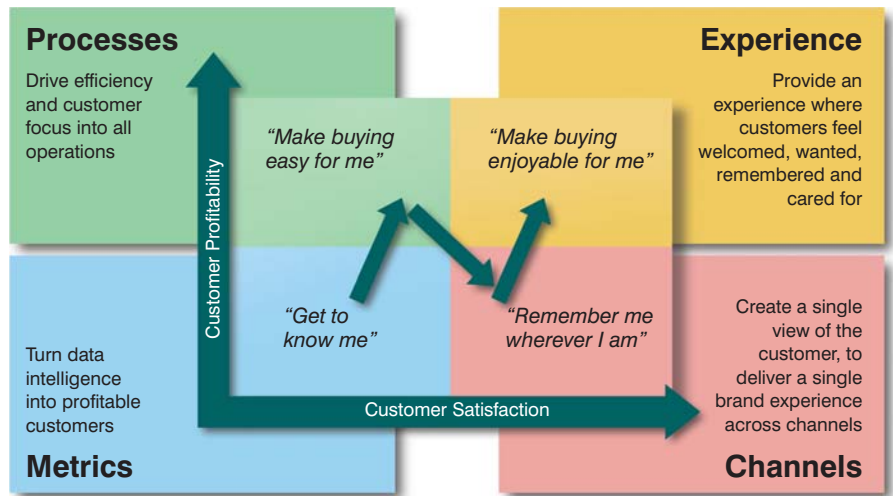
The solution

Charteris worked closely with the existing business management team and staff. The team comprised a small force of experienced and creative experts covering retail business, analysis and technology/architectural skills.

The programme of work kicked off with a "Goals and Constraints" exercise; an inclusive workshop which explored the opportunity using the four enablers for building Customer Centricity embedded within the Charteris approach: Metrics, Processes, Channels and Experience.

The role of Customer Insight

A crucial first step was whether Wilkinson's online customers fell into the same demographic segments as their store customers. Without this, their marketing and merchandising focus could be misplaced. The team ran a short programme of work to establish behavioural profiles of the dominant groups of customers buying from the key product categories, and then validated this by looking for evidence in the web order data that these customer groups were buying as predicted.



By using this approach to thinking about what needed to be done, the team quickly identified the areas of strength and weakness in the current operation. However, to identify possible solutions this understanding needed to be more informed. The task needed a more concrete baseline for managing change.

The design principles that the team were able to establish from this work were invaluable aids to informing and shaping the overall roadmap for change.



“By late 2009 we knew we had to overcome a series of constraints in technology, back office integration and business process. These needed to be addressed urgently if we were to realise the potential of the business. We had talked to a range of suppliers but what impressed me about Charteris was that they didn't need to be told what our issues and challenges were. Quickly and easily they identified the constraints and could add value and present fresh ideas in exploring how best to tackle them.”

Matt Gibson,
 Commercial Accountant,
 Wilkinson

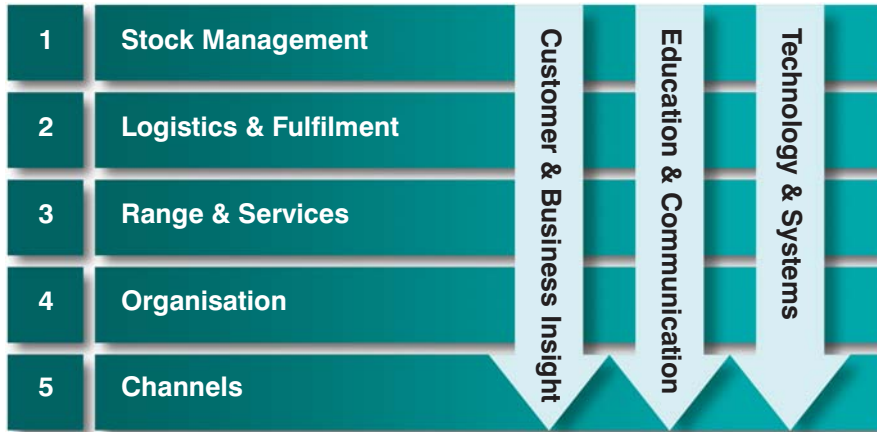
Developing the roadmap

Once these design principles were established, five areas of focus quickly began to take shape. These five areas are set out in the diagram below. Each required a detailed appraisal of capability, including an assessment of where process and technology met the needs of the multi-channel vision and where change was needed in order to deliver it.

The roadmap of change was laid out and the return on investment was established giving management an invaluable tool with which to secure the resources and funding needed to take the business forward.

Looking forward

Wilkinson is now planning the next step in its strategy - how to execute and implement the roadmap in line with the



“The Charteris approach to Customer Centricity struck a chord with Wilkinson at the outset. By using tools such as “The Voice of the Customer”, embedded within the Charteris Framework, we were able to challenge intelligently in ways that the Wilkinson team respected. Using the customer’s perspective to shape change is very powerful because people find it much easier to embrace change when it’s the customer telling you how they want you to work.”

One of the successes of the project was Charteris’ ability to provide this information in a readily accessible form. Instead of pages of requirements simple heat maps and RAG analysis tools were used to illustrate where capabilities were robust and where they needed to be developed if a best practice approach was to be achieved.

other key changes being driven by the business. It remains true to its core values and customers but acutely aware of the need to move forward with the times.

Once this had been mapped and captured it was then a relatively easy task to begin planning how to sequence and schedule the changes needed to develop the operation to a point at which the constraints and frustrations of the multi-channel customer would be removed.

By leveraging Charteris’ understanding and awareness of multi-channel business and technology it was able to take advantage of a fresh perspective. One of the most interesting and successful brands on the High Street is doing more than keeping step with the competition - it’s keeping ahead.

Chris Nutt,
Charteris Retail Practice



“Charteris challenged some perceived orthodoxies around our customer and order data. We began to see how Customer Centric principles could be applied in a real world context. It helped us get the working mix right and for people to see tangible results early on. The team began to realise that unlike some “strategy” exercises they had been involved in before, this time they were going to get something of value they could really make use of in a day to day trading context.”

Chris Preston,
Head of eCommerce, Wilkinson

About Charteris

Charteris helps improve business performance through tangible change and the strategic application of the latest proven technologies. Our clients include leading retailers and other well-known organisations in Finance, Media, Government, Manufacturing and Services.

Offering a rare blend of business expertise and technological flair, Charteris' services and solutions are based on the high level of expertise of its skilled practitioners: business consultants who understand technology - technologists who think business.

Our hands-on business systems integration experience, as well as a sharp focus on Smarter Retailing, can dramatically improve customer service and selling opportunities. Our expertise in providing flexible, standardised, cost-effective ways to integrate systems and collaborate across the value chain, from suppliers to customers, is particularly relevant to multi-channel retailers.

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