

Retailers and the 'new normal' – responding to disruption with Microsoft Dynamics 365 Retail

Achieving success in retail post 2020

Retailers and the 'new normal'

'The new normal' is the way that many people are describing life and business post the first wave of business shutdowns in 2020. For many businesses and industries, technology is helping to navigate a way through disruption and outsmart uncertainty with modern enterprise solutions.

In the retail industry where businesses were hit hard, early investment in application modernisation has proved to be the new life-blood for retailers moving their operations from face to face to virtual selling.

In 2020, DXC Technology's Microsoft Business Applications practice in retail and distribution helped their retail customers adapt to a rapidly changing business environment with practical, outcomes-focused projects.

These retailers are now reaping the rewards.

We explore the challenges of the 'new normal' for ANZ retailers during these unprecedented times and how they have responded successfully to adversity with Microsoft technologies.



New ways of working

There's no doubt that 2020 was a period of disruption for all industries, with retailers and distributors hit hard. As snap lockdowns caused many bricks and mortar stores to close - retailers had to respond or risk permanent closure.

When disruption hit, many organisations didn't know what was coming next - and likewise, many consumers halted their non-essential spending as they were very much in a period of unknown.

Since then, however, a 'new normal' has emerged as people continue to shop, and there has been a progressively steep uptick in online purchasing, driving retailers to have to think about online service offerings, supply chains, stock levels, delivery, and click & collect, to name a few.

The challenge is in enabling a consistent engagement and customer experience, akin to what they would have had in physical stores.

To successfully change business models, retailers must deconstruct previously successful, old ways of working and reconstruct processes as digital workflows, on top of keeping their business running day-to-day.

As a result, IT teams need to re-prioritise and accelerate projects, scaling up the digital part of the business and moving to a virtual sales and distribution model. This was done by adopting application software solutions like Microsoft Dynamics, to explore new ways to maintain consistent and reliable customer service and delivery.

By moving to cloud-based solutions, retailers become more responsive to the turbulent market, meaning they can focus on better customer interactions, serving customers faster, and locating stock more efficiently.

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One of the first things we did was to use Microsoft Power BI to empower our business units by giving them new insights into their data in various ways, such as dashboards.

And we've opened up opportunities to run AI and machine learning on top of our cloud environment to add predictive analytics and features such as personalised product recommendations.

With Dynamics 365, we can map great technology to outstanding business processes that will help us continue to expand our markets and adopt new business models. Everyone benefits from that. The company benefits, the customer benefits—it's a win-win for all.

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Matt Keays,
Chief Operating Officer
Michael Hill

Reliable retailers able to deliver

Further to this, retailers can leverage data and analytics to make the overall experience more personalised and streamlined through analysing and predicting customer preferences, behaviours and future needs.

This data-driven decision making opens the doors of opportunity for almost all industries to make informed decisions and change the way they engage with customers within the realms of this 'new normal'.

While the future of bricks and mortar retail remains uncertain - it's those retailers who pride themselves on a continuation of experience across all touch points and platforms, who will emerge as winners.

The competitive landscape is rapidly changing for every business, which means sticking with outdated systems is no longer a viable option and applications modernisation has become a business priority.

DXC has been the Microsoft Dynamics implementation partner for Michael Hill for five years.

This long relationship established the trust that was needed to digitally transform the business by creating a cloud-based, retail operations platform using Microsoft technologies.

With every store integrated with production, warehousing, distribution, and online payments through Dynamics 365, Michael Hill added curbside pickup to give customers a contactless option for picking up their orders.

Although the company made this change as a response to store disruption, it is planning to continue the practice as part of their on-going customer service offering.

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I'm particularly pleased with our results given the challenging environment for our business – continuous store closures throughout the half, significant decline in foot traffic in all markets, the material impact of 3,709 lost trading days, and not a single day of all stores open.

In spite of all these obstacles...our comparable profits increased by 41%, due to the focus and energy of our team and the transformational change agenda at Michael Hill. *

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Daniel Bracken
CEO
Michael Hill

* Michael Hill International Limited – ASX and ANZ Announcement FY21H1 results
<https://investor.michaelhill.com/static-files/6144e27e-69d4-4dff-b59e-428966253e3c>

Shifting models to eCommerce

2020 was the year of the reluctant homebody, leaving consumers with ample time to re-evaluate their interior design. In April 2020, online furniture sales increased by 306% compared to the previous year*. Furniture and homewares retailers with e-commerce offerings and direct-to-consumer plays had a leg up.

DXC helped Città shift from a legacy system to Dynamics 365 Commerce.

This gave Città a single source of truth, the ability to make instant changes to their e-commerce website, and the ability to integrate their online orders and stock control for greater flexibility fulfilling customer orders.

Most importantly, going live with Dynamics 365 Commerce in February 2020 allowed Città to continue retail sales operations during the regional lockdown.

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Città continues to invest year on year with technology.

We believe it's at the forefront of everything we can do as a business. So, I think we'll continue to evolve and develop alongside DXC Eclipse as well as Microsoft, as long as we possibly can.

DXC Eclipse really understand what we do fundamentally as a business. They enable us, they really ensure that our end-to-end systems are considered whenever putting any new implementations in. They really work alongside of us to make sure that the solution is accurate.

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Emmett Vallander
Chief Operating Officer
Città

* Online Furniture Sales Up 306% in April, Exceeding Black Friday Velocity by 81%.
<https://www.businesswire.com/news/home/20200504005061/en/Online-Furniture-Sales-Up-306-in-April-Exceeding-Black-Friday-Velocity-by-81>

A compelling reason for action

DXC's Microsoft Business Applications practice is the largest independent Microsoft Dynamics systems integrator in the world.

In Australia, New Zealand and the Pacific, there is a team of over 550 people supporting over 1,200 customer sites across the region. This team successfully delivered the with the first Dynamics 365 Commerce implementation in the ANZ region.

Most importantly, DXC was the first partner in the region to implement Microsoft Dynamics in the cloud. DXC continues to work closely with Microsoft research and development teams, licensing DXC proprietary apps for integration into the core Dynamics 365 solution.

DXC is the trusted partner for Microsoft Dynamics 365 Commerce.



About DXC Technology

DXC Technology (NYSE: DXC) helps global companies run their mission-critical systems and operations while modernizing IT, optimizing data architectures, and ensuring security and scalability across public, private and hybrid clouds. The world's largest companies and public sector organizations trust DXC to deploy services across the Enterprise Technology Stack to drive new levels of performance, competitiveness, and customer experience. Learn more about how we deliver excellence for our customers and colleagues at www.dxc.com.

For more information visit www.dxc.com/au/en/practices/microsoft

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