

THE
Parker Avery
GROUP
presents

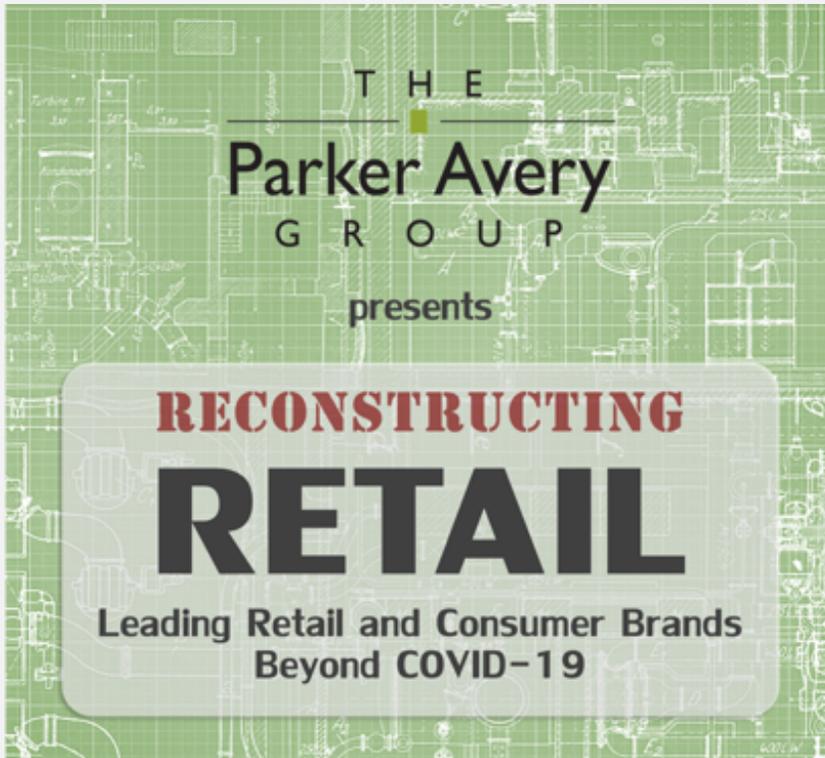
RECONSTRUCTING RETAIL

Leading Retail and Consumer Brands Beyond COVID-19

Webinar Series Introduction

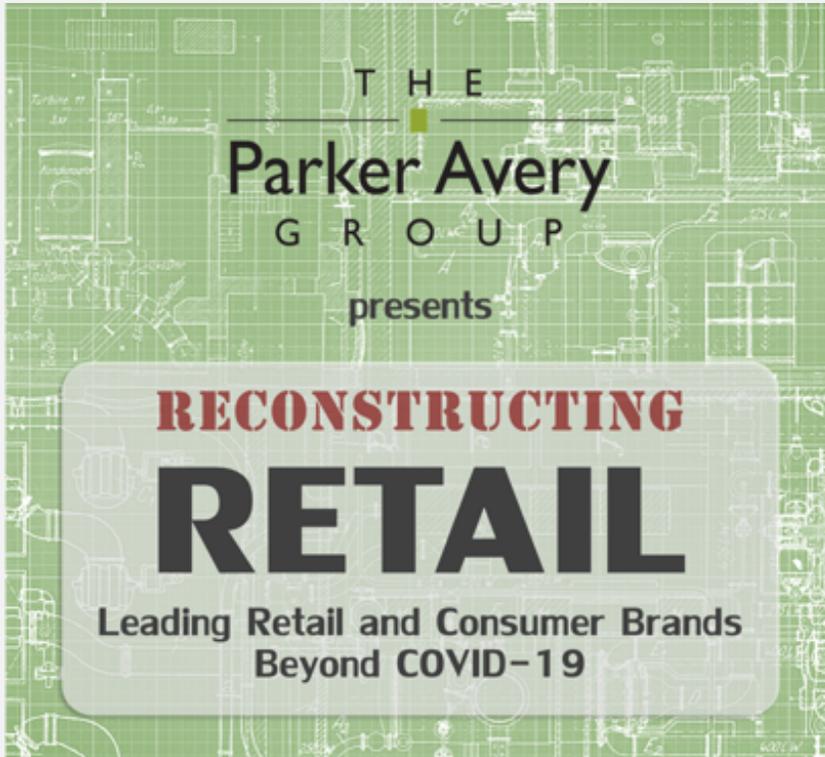
We are

- Grateful to our healthcare professionals and first responders
- Thankful for our retail industry workers and colleagues
- In this together
- **Here to help you**



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Triaging Your Inventory: Decisions for Stability

April 16
2pm



Mobilizing & Sustaining a Resilient Organization

April 23
2pm



Beginning the Journey: Emerge from COVID-19

April 30
2pm



Predicting the Future: Retail's New World

May 7
2pm

Today's Panel



Clay Parnell

President & Managing
Partner

The Parker Avery Group



Amanda Astrologo

Associate Partner

The Parker Avery Group



Rob Oglesby

Senior Manager

The Parker Avery Group



Joe Skorupa

Retail Industry Influencer,
Consultant, and Strategic
Advisor

A hand holding a handheld barcode scanner in a warehouse aisle with metal shelving units.

Reconstructing Retail

Triaging Your Inventory: Decisions for Stability

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The Future

We don't know

- When 'Day 1' will be
- What demand will look like
- How shopping will change

We do know

- We will leave our homes again
- Consumers will shop
- We need to be prepared

Store Closure Timeline

03/15

2020

Store closures begin and quickly snowball over the next two weeks

03/29

2020

Many retailers initially anticipate reopening in late March or early April

04/12

2020

Most 'non-essential' physical stores remain closed

04/26

2020

'Stay at home' orders begin to lift—retailers anticipate reopening

05/03

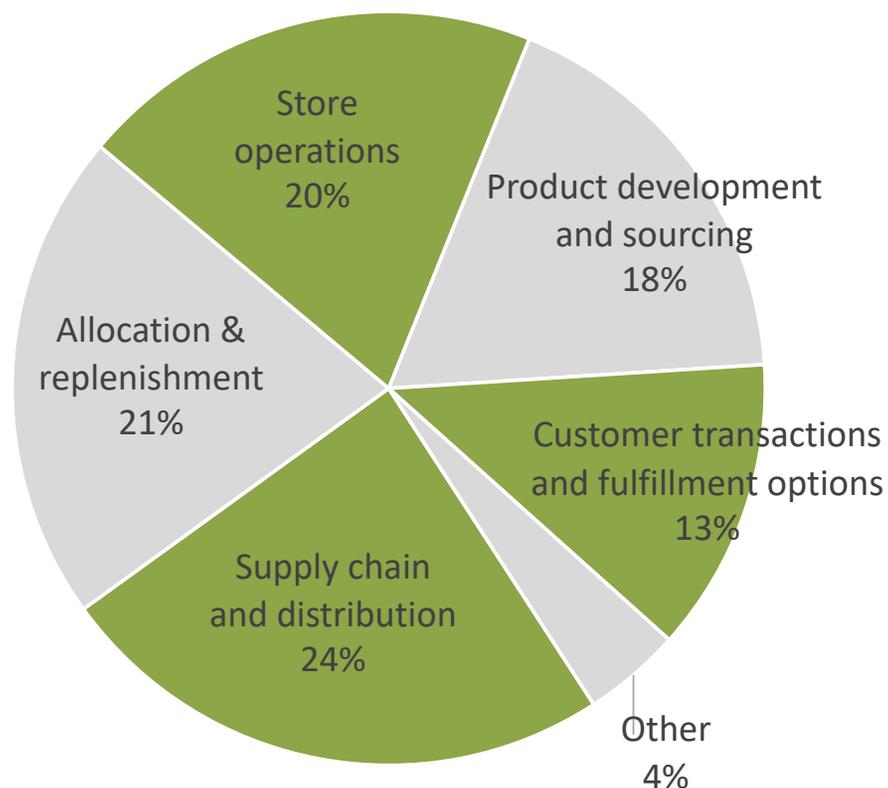
2020

Retailers open select stores, based on reduced virus spread

Immediate Business Model Changes

“Having inventory stuck in stores which are not open is a bad place to be.

We are doing everything we can to get stores open for OMNI fulfillment, so that we can utilize store inventory.”

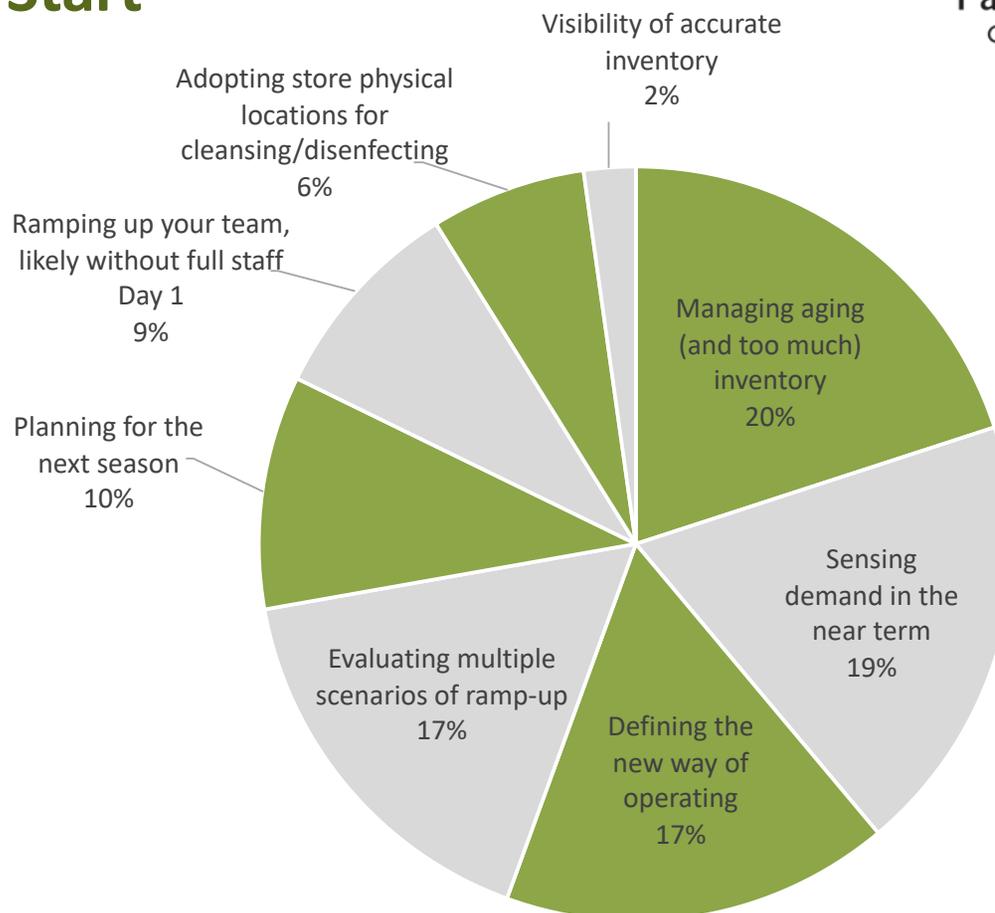


Challenges for a "Re-Start"

Balance the new demand with the inventory pipeline:

identifying the ramp up period and a return to "normal" shopping behaviors.

Likely a 6- month impact.



What does triage look like?

tri·age (/trē'äZH/) • assigning degrees of urgency to a situation

1 CRITICAL

What we address now

- Customer and associate care
- Current inventory
- Store re-openings and labor management
- Fulfillment options

2 URGENT

What's in flight

- Future assortments
- Vendor agreements
- Supply chain needs
- Demand changes

3 RECOVERY

What's next

- Buying and planning options
- Sourcing opportunities
- Business capability and technology priorities
- Supply chain evaluation



Triage: Level 1 CRITICAL

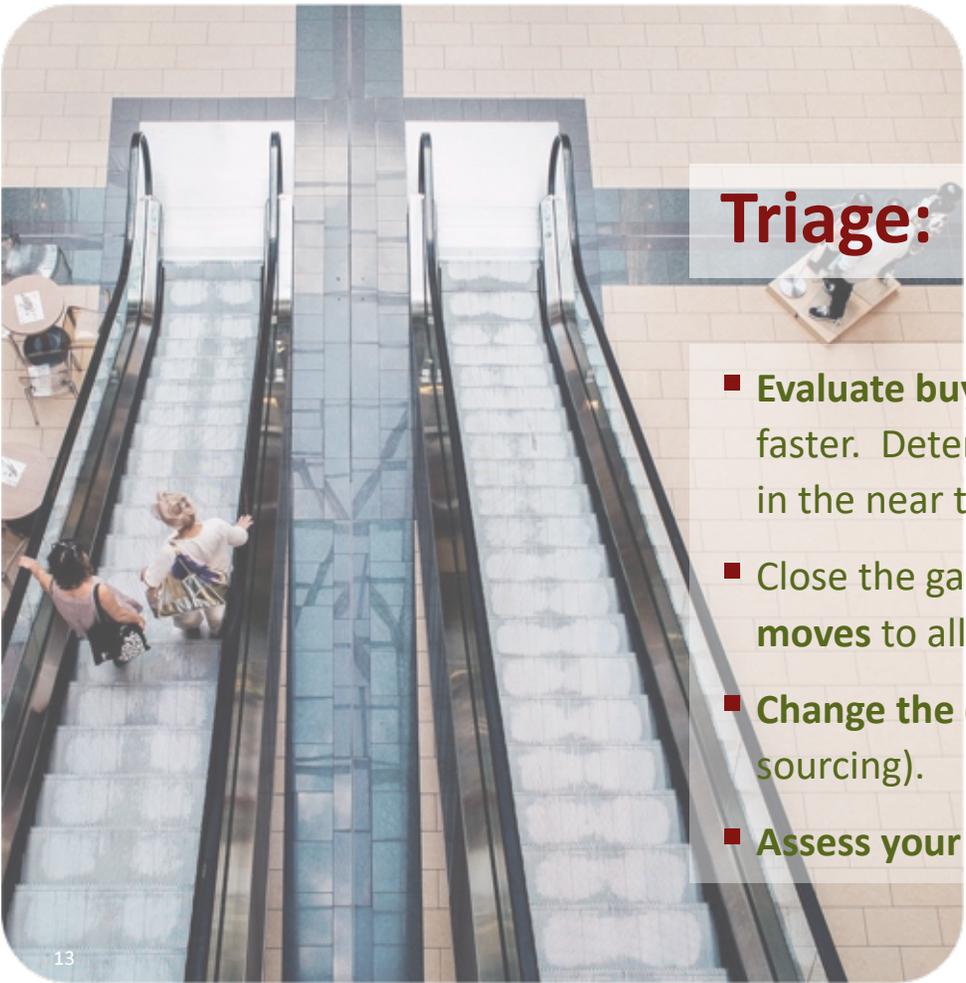
- Your customers and associates are your life blood—ensure they are part of your decision process.
- Understand and evaluate your current inventory options.
- Evaluate real estate options and work with local authorities.
- Assess your fulfillment options—what changes you can make and which you need to make *now*.



Triage: Level 2

URGENT

- **Evaluate next assortments** and what's in flight.
- **Partner, partner, partner.** Know your vendors and their vendors. Understand your levels of risk. Push traditional limits.
- **Evaluate your supply chain.** Take steps now to react quickly to changes in business. Now is the time to be bold.
- **Address demand changes.** Evaluate inventory moves or re-directs.



Triage: Level 3

RECOVERY

- **Evaluate buying and planning cycles.** Smaller, faster. Determine if you can live like fast fashion in the near term.
- **Close the gap. Evaluate lead times and address moves** to allow for better decision making.
- **Change the design mindset** (and the definition of sourcing).
- **Assess your business and technology roadmap.**

Determining What's Next

No matter what is next on your horizon, it will be increasingly important to build an organization and model that has flexibility and can adapt quickly to changing environments.



*“**Flexibility** is more critical than ever, as is thinking outside of the box. Providing clear direction for how to spend time productively in a chaotic, unpredictable environment, understanding what you can affect, leverage - what you can't , how be prepared and what is needed when that circumstance changes.”*

Flexibility

*“Be ready and **flexible** to make major adjustments on short notice. Make sure that Demand Generation & Fulfillment Capacity remain in sync.”*



Key Takeaways

- **Take care of your customers and your associates.** Loyalty and trust are long-term investments that pay multiple dividends.
- Inventory productivity and margins in the short-term may be maximized but **will likely still be well below original projections.** Do what you can with the situation, but don't over-analyze that which cannot be improved significantly.
- Be innovative with ways to reach your customers but do it intelligently. **They will remember the experience** sometimes more than the product they purchase.
- Be a good partner—it is **a united effort to build retail's new world.**
- **Keep the full lifecycle of an item in mind.** Customers buy, return, and exchange.



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Thank you!

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