

## New Collaboration Tools Are Creating More Productive Store Associates

By Paul R. Schottmiller, Cisco IBSG Retail and Consumer Products Practice

The “Great Recession” may or may not be over, but one thing is certain: a “new normal” now exists, with seismic changes in the economy, consumer behaviors, and technologies. These changes are disrupting traditional retail value chains, from concept to consumer, as they redefine benchmarks for speed, efficiency, effectiveness, and overall productivity.

The Cisco® Internet Business Solutions Group (IBSG) has identified impact zones—centered on innovation, knowledge sharing, decision making, and complex execution—where collaboration will transform core retail processes and performance. Cisco IBSG believes collaboration could *double* the historical rate of productivity gains for retailers, achieving a 17 percent increase over the next five years.

One of the greatest opportunities for retailers lies within store operations. This area has become the primary domain of the “millennials” (also known as Generation Y), the most connected, collaborative, and tech-savvy generation in history.

### Challenges

With geographically distributed store resources, retailers have built hierarchical organizational structures to scale processes effectively and operate efficiently. Unfortunately, these hierarchies are challenged in communicating and collaborating across geographies—especially in terms of “listening” to their associates, who are closest to their customers.

Furthermore, these associates (the majority of whom are millennials) are provided with few of the tools they use regularly in their personal lives to communicate and collaborate with others, such as mobile communications, social media, and video.

In addition to missing out on opportunities to use these skills and technologies to increase productivity and performance, retailers are creating a countercultural work environment for millennials, further exacerbating chronic and expensive associate turnover (see Figure 1).



Cisco Internet Business Solutions Group (IBSG)

**Figure 1.** Characteristics of Millennials—Young Adults Aged 18 to 29 Who Make Up the Majority of Store Associates

93% own cell phones  
 66% own laptops  
 55% go online via phone  
 81% access internet wirelessly  
 72% use social networking sites  
 37% create and share content  
 33% post comments to blogs  
 72% get general news on-line  
 90% watch video on video sharing sites



Source: Pew Internet, 2009

## Opportunities

Cisco IBSG has identified four collaboration impact zones that drive business value: innovation, decision making, knowledge sharing, and execution (see Figure 2). Here are four examples of how retailers can use these levers to improve store operations. Each example embodies the use of all four collaboration impact zones:

- Video delivers expertise and key messaging—live and on-demand—to store associates.
- Associate-generated video communicates store-level problems, and can be used to share resolutions among associates and across stores.
- Social media communities engage associates, capture innovation, resolve issues, and share best practices among associates.
- Mobile devices manage tasks, resolve real-time issues, and deliver real-time expertise to customer-facing associates.

**Figure 2.** Impact Zones Are Where Collaboration Drives Business Value

<b>Collaboration Impact Zones</b> Move faster, make better decisions, and improve execution across time and distance			
Innovation	Decision Making	Knowledge Sharing	Execution
Efficiently harnessing the collective wisdom of diverse and dispersed groups	Linking critical expertise and key decision makers to rapidly solve problems and realize opportunities	Processing feedback, observations, experiences, and expertise; communicating rapidly	Increasing alignment, coordination, and speed of execution across complex and dispersed value chain partners

Source: Cisco IBSG, 2010

Implementing these levers will increase coordination across the store network, boost responsiveness to operational issues and market signals, improve overall store performance, and reduce associate turnover and travel costs.

## Retail Collaboration in Action

Retailers are beginning to respond to opportunities created at the intersection of emerging technologies and the millennial workforce.

Store associate intranet portals are being implemented with social media capabilities such as ratings and discussion. Mobile employee devices are expanding from simple inventory tools to more broadly and effectively manage store tasks among associates, while simultaneously delivering expertise where and when it is needed. And video content is being delivered—streamed or on-demand—in ways that are making associates more connected, more informed, and more productive.

## ... But There's More to It

These tools can help the broader organization by allowing headquarters to “listen” better and engage more effectively when reacting to what is happening on the front lines with both associates and consumers. With 70 percent to 80 percent of most retail labor located in stores, improvements in listening to and engaging with store associates pays major dividends in customer satisfaction and market responsiveness.

For more information about how collaboration is transforming retail, please contact:

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### More Information

Cisco Internet Business Solutions Group (IBSG), the company's global consultancy, helps CXOs from the world's largest public and private organizations solve critical business challenges. By connecting strategy, process, and technology, Cisco IBSG industry experts enable customers to turn visionary ideas into value.

For further information about IBSG, visit <http://www.cisco.com/go/ibsg>.

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