

A Manhattan Magazine 2023/2024

COMMERCE TRENDS

MOVE LIFE AND COMMERCE FORWARD

**Attaining the flow of commerce
and supply chains**

**Emmelibri's ongoing pursuit
of operational excellence**

**Skechers finds a partner
to grow with**

 **Manhattan**

A unified supply chain is:



Sustainable



Profitable



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Unify distribution, transportation, labour and automation for more efficient, more intelligent, more responsible logistics. When you want to elevate your operations, Manhattan makes it possible.

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Henri Seroux
Senior Vice President EMEA
at Manhattan

The pursuit of flow

Accessing flow state is about creating that perfect alignment between your skills and the challenge at hand and immersing yourself fully in the moment. It's an important theory and psychological construct when you consider the complexity and challenges presented by today's globalised commerce and supply chains networks.

Today, enabling supply chains and commerce requires not only a fast flow of goods but also of data and processes. It requires modern, always up-to-date, fully integrated platforms and systems within which data can move freely without barriers.

At Manhattan, we like to talk about the unification of systems and processes, or as we refer to it, Supply Chain Commerce. And, at the very core of this concept is that interoperability and transparency we live and breathe, daily, as an organisation.

Organisations that need to manage all those fast - and often complex - flows of goods and data face a great challenge. To succeed, it is important to achieve a state of flow as an organisation, however, that is easier said than done, as it does not simply happen on demand.

With inspiring stories from customers, partners and employees, our eighth edition of Commerce Trends, will take you on a journey of exploration to a place where, as an organisation, you can hopefully find that special 'flow state' every team is looking to achieve.

Attaining the flow of commerce and supply chains

Aren't we all looking for ways to make our organisations more productive and creative? Both are necessary to perform at the top in these challenging times. While new innovations can help organisation take big strides forward, it is only by unifying technology that you truly increase the chances of attaining that smooth flow needed to operate commerce and supply chains effectively.

Wind force 6 on the high seas. High waves make the water splash across the bow and into your face. Today, you need all your attention to keep your sailboat on course. You see how the boat cleaves through the water and how the sails bulge in the wind. You experience how the boat reacts to every action and feel exactly when to tighten or loosen the lines. While you are completely immersed in sailing all sense of time disappears and you manage to get the most out of the boat. You become one with the boat and the elements. And you get an enormous kick out of the unprecedented speed.

Flow

This is what it feels like to be in *flow*, a mental state to which Hungarian American psychologist Mihaly Csikszentmihaly has devoted most of his life to exploring. He describes *flow* as a state of supreme concentration and intrinsic motivation in which we are completely engrossed in the activity we are engaged in. The world around us seems to disappear. Time flies before us. When we are in a *flow*, every action or thought is a logical consequence of the previous action or thought. As we maximise all our knowledge and skills without it seeming to take energy, we achieve unprecedented productivity. *Flow* is the state top athletes are in when they achieve the legendary top performances that we talk about. It is also the state we experience at work when everything seems to happen by itself. Research shows that during this state we are five times more productive and creative than normal – unfortunately, getting into *flow* is not that easy. It doesn't just happen to most of us. Yet we can say something about the conditions for achieving such a state. We only get into a *flow* if we have sufficient knowledge and experience of the activity and outcome we want to achieve. The activity must offer an above-average challenge, but at the same time, we must have enough confidence that we can bring it to a successful conclusion.

Complexity

Not only individuals can get into a state of flow, but organisations can too. Now that we live in a time of continuous change and challenge, one of the keys to long-term success is to achieve a state of flow as an organisation. In the business context this is a state where employees collectively apply their skills to achieve a mutually agreed goal despite constantly

changing, challenging circumstances.

"It should be clear that complexity in commerce and supply chain has increased tremendously in recent years. We are confident that with the Manhattan Active® Platform, we have the technology to enable retailers, wholesalers and brand owners alike to achieve their flow and successfully execute their commerce and supply chain processes to achieve a collective goal," states Henri Seroux, Senior Vice President EMEA at Manhattan. Getting and staying in such a flow as an organisation requires leadership, investment, and communication, but also experience, alignment and continual innovation. Manhattan is a major contributor to the latter three components. Just consider all the experience the company has gained during projects around the world since its foundation in 1990. More than three decades of knowledge which today is incorporated into each and every new project it delivers, and also informs the ongoing innovation and development of the Manhattan Active Platform.

Unification

But the Manhattan Active Platform is more than a collection of business-to-business and business-to-consumer experiences. The unification of Manhattan Active Omni, Manhattan Active Warehouse Management and Manhattan Active Transportation Management create possibilities that were unthinkable until recently. "Previously, we had static, disconnected systems that were anything but real-time. With the unification of our solutions for order management, warehouse management and transportation management, processes are more aligned and synchronised than ever before." Take the example of a retailer that receives shop orders until four in the afternoon. Before its transportation management system can create a planning schedule, it must first check in with the warehouse management solution whether all ordered goods are in stock. Once the transportation planning can be finalised with this information, the WMS can start planning the order picking activities. The result after a few hours of work are two separate plans for the transport and warehouse activities. But what if a shop wants to adjust its order? Or if it turns out that goods that were not in stock have since arrived in meantime? The possibilities to adjust both schedules are limited and cumbersome, which in practice leads to sub-optimisations. Seroux adds: "The Manhattan Active Platform puts an end to this. Unification means that warehouse and transport operations are fully synchronised, allowing adjustments to be made without friction until the moment the truck actually drives away from the dock." ➤

“WITH THE UNIFICATION OF OUR SOLUTIONS FOR ORDER, WAREHOUSE AND TRANSPORTATION MANAGEMENT, PROCESSES ARE MORE ALIGNED AND SYNCHRONISED THAN EVER BEFORE.”

**“THIS ALL CONTRIBUTES TO BETTER
FLOW IN THE WAREHOUSE AND HIGHER
TURNOVER RATES, LOWER HANDLING
COSTS AND SHORTER LEAD TIMES”**



“THE SYSTEM CAN EVEN GO INTO THE DETAIL OF LISTING THE NAMES OF THE FOUR MOST SUITED ORDER PICKERS BASED ON EXPERIENCE AND PERFORMANCE – ALL WITHIN JUST A FEW MOMENTS.”

Yard Management

New innovations strengthen the unification of systems, such as Manhattan Active Yard Management.

Developed over the past year in cooperation with a handful of customers, this solution is the missing puzzle piece between Manhattan Active WM and TM. “With it, we increase the span of control from the warehouse to the outside yard and thereafter, the outside world. This opens up new possibilities. For example, when allocating docks to trailers with incoming goods.

When yard and warehouse management work together, it is possible to choose the dock that results in minimal driving distances during the inbound process. By matching the allocation of docks to the inbound and outbound locations in the warehouse, internal transportation distances decrease to a minimum and efficiency increases,” continues Seroux.

Unification of yard with transportation management provides insight into the expected arrival times of trailers scheduled for loading and unloading. If a trailer is delayed by an hour, the reserved dock can be used for loading or unloading one or two other trailers. “This all contributes to better flow in the warehouse and higher turnover rates, lower handling costs and shorter lead times,” Seroux says. “And the great thing is, anyone who wants to use yard management only needs to turn it on in Manhattan Active WM or TM. Previously, this would have required a lengthy integration process, which could take months or years for companies to enjoy the benefits – that is not the case today.”



Generative AI

If there is one new innovation that helps organisations get and stay in a flow, it is perhaps generative AI. This is the form of artificial intelligence that is capable of generating new, texts, images, code or other media. Anyone who has experimented with GPT4 knows the power of this technology. “Generative AI will radically change the way organisations use our software. They will no longer have to scroll through screens themselves to find answers but will instead ask a simple question,” Seroux states.

As an example, take a team leader who, as he walks around the warehouse floor, gets the idea that work is piling up at the packing tables. He does not have to walk to his office first to conjure up the right dashboard on the screen. All he has to do is type or even ask the question to find out what the state of play is. The answer is clear: the packing department is indeed behind and needs four extra people for an hour and a half to catch up. “Then the team leader can ask where to get those four people from. Without having to click through dashboards and data fields, the system answers, providing four order pickers that are almost done with their work. The system can even go into the detail of listing the names of the four most suited order pickers based on experience and performance – all within just a few moments.”

Dialogue

Seroux admits that Manhattan had not considered the possibilities of generative AI when developing the Manhattan Active Platform, but its cloud-native architecture has allowed it to innovate into this space fast. “The platform was developed to enable the unification of our order, warehouse and transportation management solutions. But now it also offers the ability to interact with these additional new innovations and generate advice or provide the rationale for a decision at the moment you need it, without having to search for answers in the system manually.”

“Generative AI creates unification at a higher level – not only of software solutions, but also in terms of the application of the software solution by the end user. If we talk about flow as a state in which one action or thought follows logically from the previous one, in which everything seems to happen naturally without consuming energy, generative AI is undoubtedly a game changer,” Seroux ends.

Navigating the winds of change

In the dynamic world of retail and logistics, change is the only constant and these changes regularly reshape the industry landscape, impacting people, processes, and technology.



Martijn Graat,
Founder of
LogisticsMatter

Change, while often a challenge in and of itself, is also often a catalyst for growth and innovation too. In the retail and logistics sector, it's driving a fundamental shift in how businesses operate and how people work, requiring businesses to be flexible, nimble, and willing to change. Many retailers are rethinking their networks altogether, focusing on the route to the consumer and the route from their suppliers into the network they control. This shift again is driven by the changing nature of consumer behaviour, with more people increasingly demanding instant gratification. Moreover, the rate of change is accelerating, and the breadth of change that companies are experiencing is increasing. This means that businesses, and the people within them, must be prepared to adapt and evolve faster than ever before - one key enabler that can help companies and people navigate these winds of change is flexible, agile technology that puts innovation centre stage.

The key enabler of change

In the retail industry, technology is not just an enabler, it is a driver of transformation too. The increased popularity of omnichannel retailing blurs the lines between physical and digital retail, driving the need for integrated systems that provide a seamless shopping experience across every channel. In the logistics sector, technology is pivotal to

enabling and responding to change. On the hardware front, advancements in areas such as automation and robotics are revolutionising warehousing and transport operations. These technologies are making it possible to handle larger volumes of goods more quickly and accurately, improving efficiency and customer satisfaction. On the software front, the rise of cloud-native, digital platforms is further transforming logistics, driving richer and more visible logistics data. And, as we all know, end-to-end supply chain visibility is essential for efficient logistics operations. Being able to make last-minute changes in orders creates the flexibility you need to respond to the continually shifting expectations of your customers. Connecting order, transportation, warehouse, and inventory management creates a holistic view of a unified supply chain and is the key to delivering success at both the consumer and business level.

The younger generation

Finally, there is one important area we mustn't forget. The younger generation. As digital natives, they play a crucial role in driving tomorrow's world. Their comfort with technology and expectations for speed and convenience are continually pushing businesses to innovate, adapt and transform. To thrive in this rapidly shifting retail landscape, businesses must embrace change, leverage technology, and engage the younger generation. One thing is clear: as we navigate these winds of change, the future of retail and logistics is here, and it's digital, dynamic, and customer-driven - all that remains to be seen is whether you decide to embrace it or not.

“CHANGE, WHILE OFTEN A CHALLENGE IN AND OF ITSELF, IS ALSO OFTEN A CATALYST FOR GROWTH AND INNOVATION TOO.”

The antidote to the retail returns dilemma



The growth of ecommerce and explosion of returns have put immense pressure on retailers. It has become essential for brands to better manage returns processes to ensure customer satisfaction and loyalty, reduce operational costs, and increase profitability.

That growth, along with higher customer expectations, creates an urgent need to more effectively manage returns.

Businesses must take measures to both efficiently deal with returns and minimise their costs.

Addressing these challenges now is essential to ensure shopper satisfaction and loyalty, reduce operational costs, and increase profitability. That requires creating a streamlined, customer-centric returns management process.

Unique opportunity

The surge in retail returns offers businesses a unique opportunity to differentiate themselves by optimising their returns management processes. With the right technology, businesses can drive shoppers back to the store, deliver impactful customer experiences, and offer enhanced transparency throughout the entire returns process. This can help to reduce operational costs, improve service, and ultimately increase profitability. Taking advantage of this opportunity, by offering seamless experiences across channels, enables brands to set themselves apart from competitors and build a competitive edge.

Returns Done Right

- Manhattan Active Omni offers a range of capabilities that make customer service a brand differentiator, reduce store inefficiencies, and enable associates to spend more time on revenue-generating tasks.
- Expedited refunds and exchanges drastically reduce retailers' time to process refunds and exchanges, allowing them 3 to 5 days earlier - risk free.
- Self-service returns facilitate box-less and printer-less returns and exchanges through branded, post-purchase experiences. As a result, retailers reduce administrative burdens, drive brand loyalty, and enable customers to initiate and track refunds/exchanges digitally.
- Omni returns facilitate 'buy anywhere and return anywhere' capabilities. As a result, retailers save shipping and handling costs, drive shoppers to the store, increase the number of resold returns, and convert returns into exchanges.
- Return routing optimisation determines the optimal location for returns with sophisticated algorithms. This helps retailers to circumvent cross-border shipping, reduce shipping costs and carbon footprint, optimize inventory placement, reduce refund wait times, and increase the sell-through rate of returns.
- Automated returns resolution eliminates associates' manual, time-consuming, and error-prone returns processing. The result: retailers will reduce costs and errors while redeploying agents for higher priority work.

More than ever, returns are an issue for retailers. By optimising your experiences, you can turn returns processes into a differentiator.



Returns processes can make or break loyalty

Every customer return is a test of your operations.



of shoppers will leave a brand after two bad experiences³



of shoppers will return to a retailer that offers smooth returns⁴

³Emplifi: 11 key things consumers expect from their brand experiences today
⁴Freight Waves: E-commerce returns: Give the customers what they want



Skechers finds a partner to grow with

In support of its growth plans, Skechers utilised a foundation built with reliable, scalable and innovative technology.

So when it came time to evolve its omnichannel operations, the global lifestyle and athletic brand found the ideal solutions with Manhattan.



As the Comfort Technology Company™, Skechers delivers its range of footwear, apparel and accessories to retailers and consumers across the globe. By offering a range of in-demand products that consumers

desire, Skechers has become one of the top three athletic lifestyle companies in the world. And the company is planning for continued growth with a goal of \$10 billion by 2026. This growth would not be possible without a streamlined distribution network. Skechers has 12 distribution centres (DCs) in North America, South America, Europe and Asia, with new DCs opening in India and Canada as well

“ANYONE CAN REALLY WALK INTO ANY OF OUR DOZEN DISTRIBUTION CENTRES AND START WORKING IMMEDIATELY.”

Bud Biggs, Vice President of IT for distribution centres at Skechers

as expansion in China. From all these locations, wholesalers are supplied, retail locations are stocked and direct-to-consumer orders are fulfilled.

Growing together

For more than 20 years, Skechers has utilised Manhattan’s warehouse management system (WMS) as the backbone of its DC operations. “That consistency offers great advantages. We know which processes take place at which location at which time, because they run the same everywhere. And we know how productive and how accurate those processes are. Anyone can really walk into any of our dozen distribution centres and start working immediately,” says Bud Biggs, Vice President of IT for distribution centres at Skechers. Just as important is empowering IT administrators to make integrations, adjustments, and implementations themselves. Manhattan’s WMS makes that possible. “A good relationship with our WMS vendor is a must. That relationship allows us to grow and develop together,” says Sophie Houtmeyers, Vice President of Distribution Operations at Skechers.

Innovation is essential

Pushing boundaries and setting trends are in Skechers’ DNA, as evidenced by every new collection it launches. “That drive for innovation resonates throughout the company,” says Biggs. “Even when it comes to distribution, innovation is evident in all that we do because we know it is essential to growth.”

“WE HAVE A PASSION FOR LOGISTICS, WHICH WE SEE REFLECTED IN MANHATTAN. THAT IS ONE OF THE CORE VALUES WE HAVE IN COMMON. OTHER CORE VALUES ARE KNOWLEDGE AND - MOST IMPORTANTLY - ATTENTION TO CHANGE MANAGEMENT.”

Sophie Houtmeyers, Vice President of Distribution Operations at Skechers

The partnership with Manhattan started when Skechers commissioned its first automated distribution centre well over 20 years ago. Since then, the need for automation has only grown. Biggs added: “We basically do the same as many other consumer product manufacturers. We pick, pack and ship. Only, the way we do it is just a bit more innovative.” One example is the use of robots in the Japanese distribution centre. “It is important that we were able to use Manhattan’s knowledge and experience in this. We can now use that again in subsequent projects in other distribution centres”, says Houtmeyers.

Houtmeyers confirms that confidence in Manhattan is high. “Skechers is an amazing company. Its growth is one of the biggest in the footwear sector. We need a partner that can keep up with our growth rate, especially as we head towards \$10 billion in sales. It’s important that we not only look at today’s business, but also at tomorrow’s and the day after tomorrow’s business. Manhattan understands what we will need, five or ten years from now.”

New fulfilment methods

Early in the pandemic, Skechers worked with Manhattan to quickly introduce new fulfilment methods and chose Manhattan Active Omni for a unique use case around buy-online, pick-up in store and curbside pick-up. Chris Coye, Senior Vice President of Information Technology at Skechers said: “As our stores closed, we leveraged the platform and did a 14-week engagement to get Active Omni rolled out and enable BOPIS and curbside pick-up at all of our North American stores.”

The efficiency and success of the solution has prompted Skechers to roll out Manhattan Active Omni across the company. “We want to use the platform globally as a link between our ecommerce business and our distribution centres. We had been running several systems geared towards the U.S. market, and faced a daunting task to adapt those systems for each country. Leveraging a global Active Omni deployment has enabled us to move rapidly and adapt with ease as we launched our global ecommerce business.”



“IN OUR MORE THAN TWO DECADES OF BUSINESS TOGETHER, MANHATTAN AND SKECHERS HAVE COMPLEMENTED EACH OTHER WELL AS WE’VE STREAMLINED OUR PARTNERSHIP.”

Chris Coye, Senior Vice President of Information Technology at Skechers

SKECHERS®

Omnichannel concepts

With Manhattan’s retail technology, Skechers has a platform for distributed order management. This makes it easy to introduce new omnichannel concepts, such as buy-online, pick-up in store and curbside pick-up. In addition, Skechers rolled out ecommerce sites across Europe and Japan and is now running Active Omni in these markets. Coye added: “When we went to the market for a distributed order management system, we were really down to two choices. The long-term relationship we have built with Manhattan over 20 years, and the quality of the solutions we use, made us decide to stay with Manhattan. We look for partners who ensure stability, scalability, and innovation. With Manhattan, we have found such a partner. We hope to grow this partnership further in the future.”



Protecting pockets before planet

The Manhattan 2023 omnichannel survey has just launched. There is one thing that stood out for me - consumers' deprioritisation of sustainable purchases.



Natalie Berg,
Founder of NBK
Retail

Don't get me wrong, there still very much appears to be a desire to shop in an environmentally conscious way - but consumers are currently less willing (or able) to pay for it. Of the 6,000 global consumers surveyed by Manhattan, 45% said they still consider sustainability a top or important consideration when choosing where to shop, but this is down slightly on the 50% who agreed with that statement last year.

Price premium

Persistent economic concerns have curbed consumers' appetite for sustainable shopping. In the current climate, frugality trumps sustainability. The perception, and at times reality, that green products come at a price premium has led shoppers to abandon their eco credentials to switch to low-cost alternatives. The Manhattan survey presented consumers with pairs of priorities (ie. 'cheaper' vs 'environmental friendliness' in terms of brand, product and delivery) and asked them to select which they are currently choosing. Unsurprisingly, 'cheaper' prevailed the majority of the time. But challenging financial times do not impact all consumers equally. More mature demographics are likely to be most insulated, with 1 in 5 (20%) consumers aged 65 years and over reporting that there is that the cost-of-living crisis has had no impact at all on their shopping habits. Yet this is the group least likely to take sustainability into consideration when choosing where to shop: over 20% of older shoppers said that sustainability is not important or not at all a consideration for them when selecting a retailer. This contrasts

sharply with the 55% of 18-24-year-olds who consider sustainability an essential or important consideration.

Elephant in the room

So what does this tell retailers? It's never been more important to know your customer! One size most certainly does not fit all. At a strategic level, retailers need to roll out the red carpet for their most loyal customers and ensure they are living up to their brand values. At an operational level, hyper-localised product assortments and more targeted, real-time promotions will help them to cater to varying customer demands.

The survey also addresses the elephant in the room - the environmental impact of e-commerce deliveries. When consumers were asked about their most important delivery consideration, only 8% cited the impact on the environment. Cost and convenience are naturally going to be top considerations, but I think the lack of transparency and awareness around the carbon impact is also a factor here.

The uncomfortable truth is that retailers have spent the past decade training shoppers to expect fast and free delivery, regardless of the financial or environmental cost. The tide, however, is beginning to turn. Some retailers have quietly started charging for delivery and returns, while others have implemented more sustainable delivery options in a bid to decarbonise the last mile. Reduced packaging for home deliveries and 'packageless' collections and returns are starting to gain momentum.

RETAILERS NEED TO BECOME MORE TRANSPARENT AND ULTIMATELY PROVIDE CONSUMERS WITH COMPELLING INCENTIVES TO ALTER THEIR SHOPPING HABITS.

Smarter decisions

And, with many retailers now able to provide near real-time inventory visibility, consumers can make smarter decisions about which stores to visit or which delivery options to choose, which can significantly minimise miles travelled and open up a variety of greener last-mile delivery options. Retailers are still in the nascent stages of giving customers greater control post-purchase, but this will evolve in the future as retailers recognise the triple benefits - profits, pockets and planet. So what exactly can be done? Offering no-rush/green delivery, letting shoppers select the day of their delivery, encouraging shoppers to consolidate orders and even letting them make basket edits *after* the transaction.

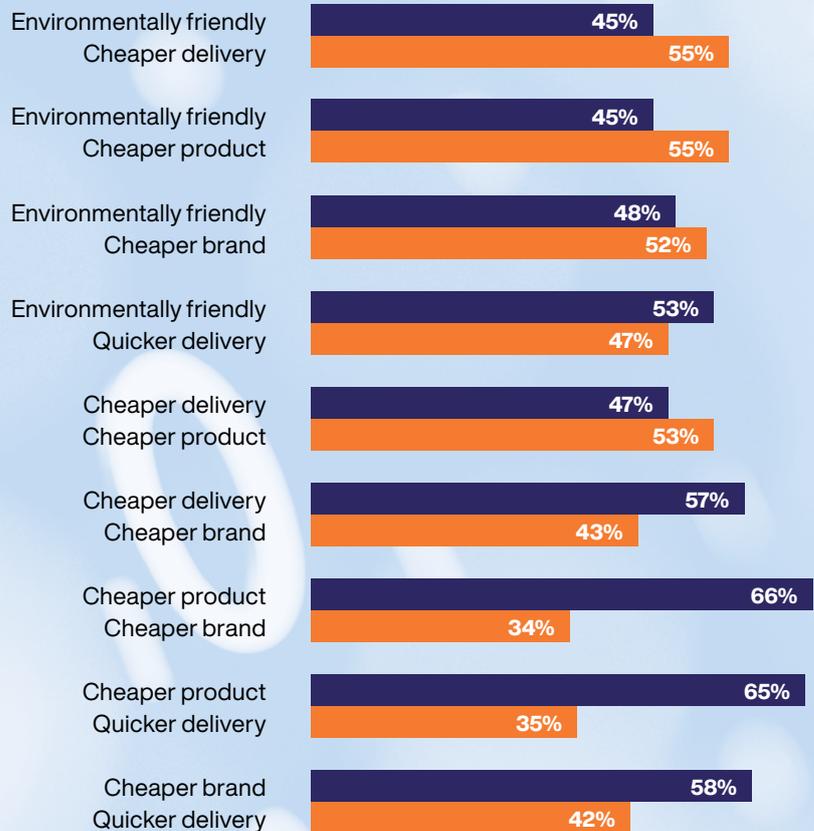
That's right, in the future, more retailers will allow shoppers to alter online orders right up to the point a shipment leaves the warehouse, store or microfulfilment centre. With these longer 'order modification' grace windows, retailers can not only enhance the customer experience but also reduce split-shipments and, in theory, unnecessary returns.

Change

Ultimately, the onus is on the retailer to initiate change. When retailers were asked to select their top 3 business priorities for 12 months, only around 1 in 5 retailers called out creating a more sustainable and environmentally aware supply chain (21%) and doing more to minimise the environmental impact of their organisation (22%). I believe, broadly speaking, that consumers want to make better choices but the lack of awareness, lack of alternatives and perhaps a view that the onus should be on the *retailer* – not the *consumer* – to fund this shift is hindering progress. Consumers may think of themselves as altruistic, but at the sake of convenience? I don't think so. Retailers need to become more transparent and ultimately provide consumers with compelling incentives to alter their shopping habits. Perhaps we will only see meaningful change with regulation, but as a starting point retailers should be prioritising operational efficiencies that allow them to simultaneously progress the sustainability agenda. After all, financial and environmental sustainability often go hand in hand.

IN AN IDEAL WORLD, TAKING A LOOK AT THE FOLLOWING PAIRS OF PRIORITIES, WHICH WOULD YOU RATHER CHOOSE?

Based on a survey conducted by Manhattan among 6,000 consumers in 12 countries and 4 different continents



Retail is a relationship

The idea that the consumer buying journey is a linear, transactional process is a concept long outdated. What should be a cornerstone of retail is relationship. Relationship is a virtue, as well as a goal, of unified commerce in order to offer a complete and fluid shopping experience - a notion also endorsed by the interpretation of data from the latest Netcomm Forum in Italy, May 2023.



Roberto Vismara
Sales Director Italy
at Manhattan

Shopping is no longer a mere act of purchase, but an expression of the person, driven by values, needs and new points of contact with the retailer. Previously, retailers and brands tried to manage their online and offline channels with the sole objective of ephemeral sales, but now the goal is to establish a lasting relationship with the consumer. This relationship is strongly based on values and needs such as the personalisation of the offer, the flexibility required, or even convenience, as well as the visibility of an order or sustainability and transparency.

Losing customers

Some retailers, lacking critical vision and a broader context in terms of merging digital and physical experiences, miss important opportunities to grow their business; while consumers, with their values and needs, rely on different channels in their buying journey, creating buying processes that need unified commerce and omnichannel. Retailers that lag behind in this respect create difficulties in the buying process and risk losing customers.





“A NEW ERA OF CONSCIOUS CONSUMERS IS RESHAPING COMMERCE AS WE KNOW IT”

As confirmed by the Netcomm Forum 2023, “the relevance of online channels in guiding offline purchasing has increased: in 40 per cent of cases, consumers consult at least one online service before buying in shop. And the reverse is also true, although with less incidence: almost one in four online purchases is influenced by a visit to a physical point of sale.”

This means that people are making omnichannel shopping their ‘tool’, where online is not only the primary shopping channel, but also serves as a window to get more information about the product or service; and thus, make a considered and better choice based on values and needs.

Conscious consumers

With the rise of online shopping and ‘digital sharing’, which has made consumers more aware and demanding, in recent years the shopping experience required is increasingly personalised, integrated, varied, flexible, fast, transparent and low-cost.

A new era of conscious consumers is reshaping commerce as we know it. With so many people embracing new values such as sustainability, mental health and inclusivity, retail brands and brands need to become like them and adapt to the new demands that have changed the shopping experience, engaging and blending the physical and digital worlds.

SIX FOCUS POINTS

Analysing the Netcomm Forum data we can outline key areas that retailers will need to focus on from now on for unified commerce experiences and relationships:

- 1 Personalisation** - Companies need to be able to understand what the needs are and create an experience that lives up to consumer expectations.
- 2 Flexibility** - This also includes the availability of multiple payment and delivery options; as well as the possibility to change the order even after purchase.
- 3 Product visibility** - Every single stage of the buying journey needs to be taken into account in order to have an overview of the products that can be allocated and sold through the different channels.
- 4 Convenience** - The reason for buying is - and always will be - a favourable price, but increasingly taking into account time savings and a simplified, efficient experience.
- 5 Digital touchpoints** - The buying journey is filled with a series of digital moments that take precedence over physical ones.
- 6 Timing** - Around 80 per cent of consumers consider home delivery the most important service of order fulfilment, in terms of waiting time. This means that companies should pay attention to the last moment of the customer experience.



The retail sector is now accustomed to dealing with macro and disruptive changes, but also with those ‘closer’ to the end customer. However, an effort is still required from the less innovative and more perplexed brands and signs in these terms. It is time to reinvent retail, not only by listening to consumers, but by opening up to a relationship that allows for continuous two-way refinement.

By supporting people, by offering products in line with their values, by being more transparent, by being ready with different service options (from product search to shipping to payment), retailers can achieve unified commerce based on a lasting relationship.

Transforming Retail

- ✓ Personalize discovery
- ✓ Accelerate catalog enhancements
- ✓ Improve customer service



Learn more
cloud.google.com/ai

Emmelibri's ongoing pursuit of operational excellence



For more than three years, Emmelibri has relied on Manhattan SCALE to supply bookstores in Italy. The warehouse management system has led to savings in time and costs, allowing Italy's largest wholesaler of books, to constantly adapt its operation to its ever-changing marketplace.

Emmelibri has a rich history in books dating back almost 110 years and today, more than 800 publishing houses trust the company to distribute their books across the whole of Italy. As a result, one in two Italian books comes from one of its warehouses in northern Italy. "Being in the market for such a long time, means that we have experienced all the major transformations that the book industry has undergone over the last century, and we have survived these transformations, maintaining or position as a leader in the distribution of books in Italy," says Pino Omodei Salè, responsible for Emmelibri's business applications.

Operational excellence

Book distribution is one of Emmelibri's two lines of business. For that, the company uses a warehouse of over 80,000 square metres in Stradella. The other business unit concerns Emmelibri's wholesale arm, which supplies bookshops throughout the country with a complete range of books. This takes place from a 15,000-square-metre warehouse in Carpiano. The emphasis in both warehouses is on operational excellence, Omodei Salè says. "Being a leader means having a focus on innovation and being strongly committed to servicing our customers.

We are aware of their needs and know that their turnover depends on our performance, punctuality, speed and accuracy. For this reason, technology innovation is key to making our logistical operations more effective and efficient." This access to technology innovation is one of the reasons why the warehouse in Carpiano runs on the Manhattan SCALE warehouse management system. "As a leader in our industry we wanted to have the best solution available in the market and Manhattan is recognised as the leader in the WMS market. In addition to that, Manhattan also showed its commitment to us by opening an office in Italy with local consultants and support."

Saving time and costs

One of the advantages to Manhattan's SCALE solution lies in the architecture of the system and the ability to configure the system to Emmelibri's needs. "That was one of the problems we had with our previous warehouse management system. The system was not adaptable enough and could not be adjusted to our evolving business needs."

Omodei Salè stresses that books are a heavy product which causes logistical issues in itself. "The handling and transport of books needs to be extremely effective and efficient. With SCALE, we have been able to adapt a number of logistics processes, saving time and costs. For example, the implementation of batch picking, and business rules allow us to free up space and make better use of the available stock. SCALE contains a wealth of functionality that we continue to use to achieve our main objective of becoming a more efficient and cost-effective operation." Thanks to SCALE, Omodei has no worries about the future. "We have already experienced many disruptions in the history of this company, such as the launch of book sales in supermarkets and Amazon's entry into the Italian market. In the future we will see many more changes in products and sales channels, but with SCALE, we will be able to adapt our warehouse operations to the new challenges posed by this continuously changing marketplace."

"WITH SCALE, WE ARE ABLE TO ADAPT OUR WAREHOUSE OPERATIONS TO THE NEW CHALLENGES POSED BY THIS CONTINUOUSLY CHANGING MARKET."

Pino Omodei Salè, Director of Application Developments

Generative AI and supply chains: a match made in heaven?

When ChatGPT burst onto the scene in November last year, few beyond the labs of OpenAI would have predicted the impact it would go on to have in just a few short months. Trained on colossal amounts of data from articles, websites and social-media posts gathered from across the internet, as well as transcribed interviews that capture the nuances of human speech, GPT-4 is undoubtedly a transformative step towards general awareness of Generative AI, but also its practical applications.



Sanjeev Siotia
Chief Technology
Officer at
Manhattan

By detecting linguistic patterns and familiar phrases, OpenAI's large language model (or LLM) has learned to infer what word is likely to follow from a sequence of words, thus providing almost 'mind reading' capabilities for users. While many established tech brands have been quick to downplay the significance of generative AI, reactions from tech giants such as Google and Microsoft, suggest otherwise, sparking somewhat of a 21st-century AI 'gold rush'.

Mainstream technology

The Gartner Hype Cycle for Artificial Intelligence predicts that generative AI will become a mature mainstream technology in non-supply chain applications in two to five years, and while OpenAI's creation caught the fields of education and academia completely by surprise, GPT-4 itself is unlikely to have a material impact on how supply chain decisions are made in the near-term future. The reason Gartner believes this is based on the

way that the application fundamentally learns. Trained with over 570 GB of data gathered from all corners of the internet and more than 300 billion words, it has a vast data lake from which to learn. Marko Pukkila, Gartner Supply Chain's vice president, analyst and chief of research, says, "Because supply chain models are so complex and specific to each company, the expected arrival (of Generative AI) into the mainstream is anticipated to be 10 years out." In a best-case scenario, that's five times longer than non-supply chain applications. A decade is a long time in the tech space, but that does not mean supply chain leaders can afford to simply sit back and hope that generative AI simply fizzles out. Ever since the rise of voice assistants like Alexa, Google Assistant and Siri, I have believed that human-to-computer interaction will fundamentally change from menu-driven click interfaces to more natural conversational interfaces. The advent of first ChatGPT and now GPT-4, has made me double down on the belief that we are not far from the days when user interfaces will see a fundamental shift to become more conversational and computers will be able to interpret human asks without a strict menu or button-driven user interfaces.

“TECH LEADERS WHO DON'T THINK ABOUT HOW TO APPLY GENERATIVE AI IN THE FUTURE ARE LIKELY PUTTING THEIR COMPANIES AT A LONG-TERM DISADVANTAGE.”



Benefits and concerns

If you ask GPT-4 about how it could potentially be applied to benefit supply chains, it has some interesting and entirely plausible responses. In summary, “GPT-4 can be a useful tool in the supply chain, helping to automate processes, provide insights and facilitate communication and collaboration between different stakeholders,” it returned. While the application of AI to business (and consumer) functions is by no stretch a new topic, the sudden media buzz and avalanche of consumer interest (almost overnight) around generative AI has transformed the broader artificial



intelligence conversation into a mainstream topic from boardrooms to dinner tables - much, in the same way, the pandemic thrust supply chains into the public’s consciousness.

Besides the technical implementation of generative AI in supply chains or any other industry, other issues need to be considered too - not least legal and ethical concerns.

Many major tech companies have avoided introducing similar products to Open AI’s, due to legal and ethical concerns. For example, can a company take credit for content generated by a chatbot? Or how should we share the work that AI generates?

Generative AI brings both rewards and risks, raising legitimate concerns over its use in business. Steven Mills, chief AI ethics officer for Boston Consulting Group, says, “The best way to address those concerns is to work closely with employees, consumers, and customers to develop responsible AI principles, generating confidence with these key stakeholders. These guidelines can dictate how an organization will and will not deploy AI, keeping this powerful technology in check.”

Ethics aside, the question many people will be asking themselves is whether their companies should be investing in these types of technology today, given analyst predictions indicating they are unlikely to be ready for practical use any time before 2030.

Rethinking the question

With all the recent news bulletins about the negative aspects of AI, understanding what questions we should be asking about its development is not always easy. But what if these types of negative questions aren’t the right question to be asking at all? Maybe we should rethink the whole narrative and ask, can we afford not to explore the application of generative AI?

Neither an abstract, theoretical technology accessible to only coders or data scientists, nor a dystopian sci-fi plot line, Open AI has introduced both businesses and consumers to a completely different category of tools that put the power and potential of AI on display for all to see.

Tech leaders who don’t have their application development team thinking about how to apply generative AI at some point in the future are likely putting their companies at a long-term disadvantage. And therein maybe lies the truly transformative quality of generative AI to businesses large and small, far and wide, not just supply chains – it’s not necessarily about the application of generative AI today, but rather, how it has fundamentally changed our way of thinking about what could be possible tomorrow.

One day there will just be leaders

The number of women in tech is growing, but as of 2022 only a quarter of the total workforce is represented by females. To meet the future demand for tech workers, we need to encourage more women to pursue careers in this burgeoning space.



Bella Shea
HR Director
at Manhattan

Historically, encouraging more women to join the tech space has been a challenge for a number of reasons, but maybe one of the most significant is the lack of female role-models at the top. Without role-models to aspire to, it can prove difficult to change entrenched societal stereotypes. It is critical that women in tech keep talking about the obstacles they have encountered and share experiences, tips and advice to the next generation too – as with so many challenges, with collaboration and communication, often barriers can be broken down more quickly.

Contrary to long-standing misnomers 'lack of ambition' is not something that holds women back from the top jobs in tech. Nor is there any difference in willingness to take risks – another quality regularly found in senior leaders.

Even the fact that fewer women choose a technical education, need not necessarily be a barrier. While a technical background can often be beneficial at the start of a career, it is not a prerequisite for a successful career in the tech industry.

Obstacles

So what are the obstacles women face on their career paths? At the top – perhaps not surprisingly – are child care responsibilities, which are still unevenly distributed and viewed within Western society. Significantly, 80% of women want flexible working hours so they can better divide attention between work and family. Among men, only half want flexible working hours.

Another significant obstacle concerns the endemic

“SURE, WE ARE ALL SPECIAL WOMEN, BUT NO ONE CAN DO EVERYTHING AT ONCE.”

Ann Sung Ruckstuhl, Chief Marketing Officer at Manhattan



prejudice that still persists around women in tech. As with many other industries, women often have to go 'above and beyond' to prove themselves - especially when it comes to technical competences - in order to achieve the same recognition and seniority as male counterparts.

Imposter syndrome

At Manhattan Exchange 2022, several female tech leaders spoke openly about the obstacles they had encountered and overcome in their careers. Sian Baker of Asda mentioned that she had



Laura Manni

OMS Program Director
Gucci

Sian Baker

Senior Manager, Solutions
Implementation, Asda



never had a female role-model. “In my career in supply chain, I have only encountered men so far. In addition, I sometimes struggle with imposter syndrome. I am constantly comparing myself to others (men). Am I good enough? Can I handle this job?”

Laura Manni of Gucci recognises that feeling too. “When I started my engineering degree, only 16 out of 600 students were women. When I started my career, I had a CIO who really had to get used to the idea of women in tech. Even within a company like Gucci, this is sometimes still a concern, even today. When this is the case throughout your career it’s inevitable that you do sometimes start having doubts. Am I even suitable for a position in tech? But women certainly are – of that I am convinced.”

Spinning plates

The stories shared in Berlin underline how tough it is to combine a busy job with the duties as a mother and/or carer. “Three children and a full-time job. I sometimes have no idea how I manage to keep all the plates spinning. Sure, we are all special women, but no one can do everything at once. We have to remember to take time for ourselves and to refuel energy levels,” commented Ann Sung Ruckstuhl, Chief Marketing Officer at Manhattan.

Laura Manni considers herself lucky to have such a supportive husband. “I am a mother of two children. We shared family responsibilities together, which was anything but common in Italy. We had no help from the government and just shows why it is so important to have a good support network. Apart from my husband, that consists of friends and family. “Besides this immediate network, an employer plays a very important function as an enabler for female success too. I work for a company that encourages me to succeed and have managers who empower me along the way,” Manni added.

Great achievements

From Gucci’s Laura Manni and Asda’s Sian Baker, to NBK Retail’s Natalie Berg and L’Oréal’s Johanna Bittan, we heard inspiring stories of women who have achieved great things in their respective companies in the tech and supply chain spaces. At Manhattan, we are committed to telling these types of stories and will continue to invest in our own Women’s Initiative Network. We are also dedicated to continuing to breakdown societal stereotypes and giving more women the opportunity to rise to the top in tech – in the process creating the vital role-models needed to encourage future generations of female tech leaders.

*From left to right:
Natalie Berg,
Johanna Bittan,
Ann Sung Ruckstuhl,
Laura Manni,
Sian Baker,
and Bella Shea
at Manhattan
Exchange 2022.*

What customers say

It's not just technology that is moving faster. The nature of relationships between retailers and customers, warehouses and associates, carriers and shippers is experiencing evolutionary shifts. Manhattan Active Solutions allow enterprises like PacSun, Lamps Plus and Brooks Brothers to optimise large and complex operations, adapt to market and demand changes, and iterate and innovate with speed.

PacSun finds 'saviour' in ship-from-store & delivery fulfilment

PacSun is a leading lifestyle apparel brand for the Gen Z consumers in the United States. Before implementing Manhattan Active Omni, the retailer was forced to ship ecommerce orders exclusively from a lone central distribution centre. That became a problem when all 330 stores were forced to close during the pandemic. "It was a shock to our system", says Michael Relich, Co-CEO at PacSun. During the pandemic, PacSun and Manhattan worked together to finish implementation of ship-from-store capabilities in just two weeks. They were able to ship roughly 40,000 units a day out of their stores, seeing some of the highest margins in PacSun history. Most importantly, those items that were in danger of being out of season instead flew off the shelves and were sent directly to customers.

With Manhattan Active Omni, PacSun now has a pipeline of innovation at their fingertips. "The faster and more reactive to the market we can be, the more successful we're going to be."



PAC SUN

"MANHATTAN ACTIVE OMNI ENABLED OUR STRATEGY WE HAD DURING THE PANDEMIC. SHIP-FROM-STORE LITERALLY SAVED THE COMPANY."

Michael Relich, Co-CEO at PacSun



Lamps Plus: The benefits of next generation POS

In 2018 Lamps Plus decided to move on and pivot toward next-gen omnichannel capabilities. At the time, its legacy point of sale software did not provide the visibility necessary to execute a unified commerce experience across multiple channels. Lamps Plus felt it was leaving transactions on the table by catering only to the needs of the physical retail store. Due to the success of Manhattan's WMS, order management and store and inventory solutions, Lamps Plus trusted that point of sale software developed by Manhattan would offer more of the same best-in-class agility. The implementation of Manhattan Active POS spanned 36 retail locations in the United States and was completed in just six months. Thus far, the solution has increased point of sale throughput by 35 percent, when scanning items into cart, taking payment and printing receipts. Added capabilities include an on-premise gift card system, increased credit card security with secure payments, a loyalty



card capture system and web returns in-store. Bill Gratke, Senior Vice President Supply Chain, Planning & Reporting at Lamps Plus: "Peaceful is a good word for how we've handled the last four years. In a retailer's life, the less you have to worry about something, the better it must be doing. If you don't have to concentrate on it, you're putting your time into other stuff which is selling more and making more revenue."

LAMPS PLUS



"WE'VE BEEN LIVE ON MANHATTAN ACTIVE POS FOR FOUR YEARS. IT'S GIVEN US THE RELIABILITY FACTOR THAT OUR ASSOCIATES WERE LOOKING FOR. IT'S MODERN. IT WORKS."

Bill Gratke, Senior Vice President Supply Chain, Planning & Reporting at Lamps Plus

Brooks Brothers: 'The holy grail of endless aisle'

The oldest apparel brand in the United States saw its entire business becoming a digital business when the pandemic erupted. "We went from 35% to 100% digital overnight", says Todd Treonze, Senior Vice President and CIO at Brooks Brothers.

At the time Brooks Brothers was on the verge of rolling out Manhattan Active Omni. Its scalable and adaptable order management fulfilment capabilities such as ship-from-store and pickup in-store not only allowed Brooks Brothers to thrive during the pandemic, but it helped transform its omnichannel capabilities moving forward to allow new avenues of customer fulfilment. With Manhattan Active Omni Brooks Brothers has access to the latest and greatest technology, with automatic updates that occur seamlessly and without disruption. "The nature of how quickly the product was being infused with new features and functions quarterly really excited us", says Treonze. After a few years with Manhattan Active Omni as the driving force in its omnichannel network, the goal is now to keep building upon and taking advantage of the best-in-class capabilities that are available. "There are a lot of new things that we're



looking forward to doing with the platform, eventually integrating with Manhattan Active Warehouse Management and rolling out Manhattan Active Point of Sale."

Brooks Brothers



"WITHOUT HAVING THE SCALABILITY OF THE MANHATTAN ORDER MANAGEMENT SYSTEM WE NEVER WOULD HAVE MADE IT THROUGH THAT HOLIDAY SEASON."

Todd Treonze, Senior Vice President and CIO at Brooks Brothers.

Unified commerce: the future of retail

Unified commerce is a retail business approach that combines all retail systems together to provide a consistent shopping experience across all selling channels. This allows associates to track cross-channel customer data, view enterprise-wide inventory, and access all order history, while simultaneously providing customers the flexibility to purchase products and navigate the retail experience seamlessly, either digitally or in-store. In order to provide this experience, retailers need a unified commerce platform.

A unified commerce platform leverages real-time data regarding customers, inventory, and distribution network in one place-effectively connecting the back end of retail operations to the front end. Point of Sale (POS), inventory management, customer relations management (CRM), order management, and fulfilment management are all accessed within a single view and delivered symbiotically in one solution. With a unified commerce platform, retailers possess the technology capabilities required to

keep the promises they make and meet modern omnichannel customer demands.

When executed properly, according to the 2023 Unified Commerce Benchmark for Specialty Retail: “A unified commerce approach ensures every shopping journey becomes a brand loyalty opportunity” and “represents a significant opportunity to grow revenue.” Retailers who use a leading Unified Commerce strategy see a revenue increase of 3 to 6 times compared to those who do not. A specialty retailer could benefit from extra revenue by improving their unified commerce maturity.

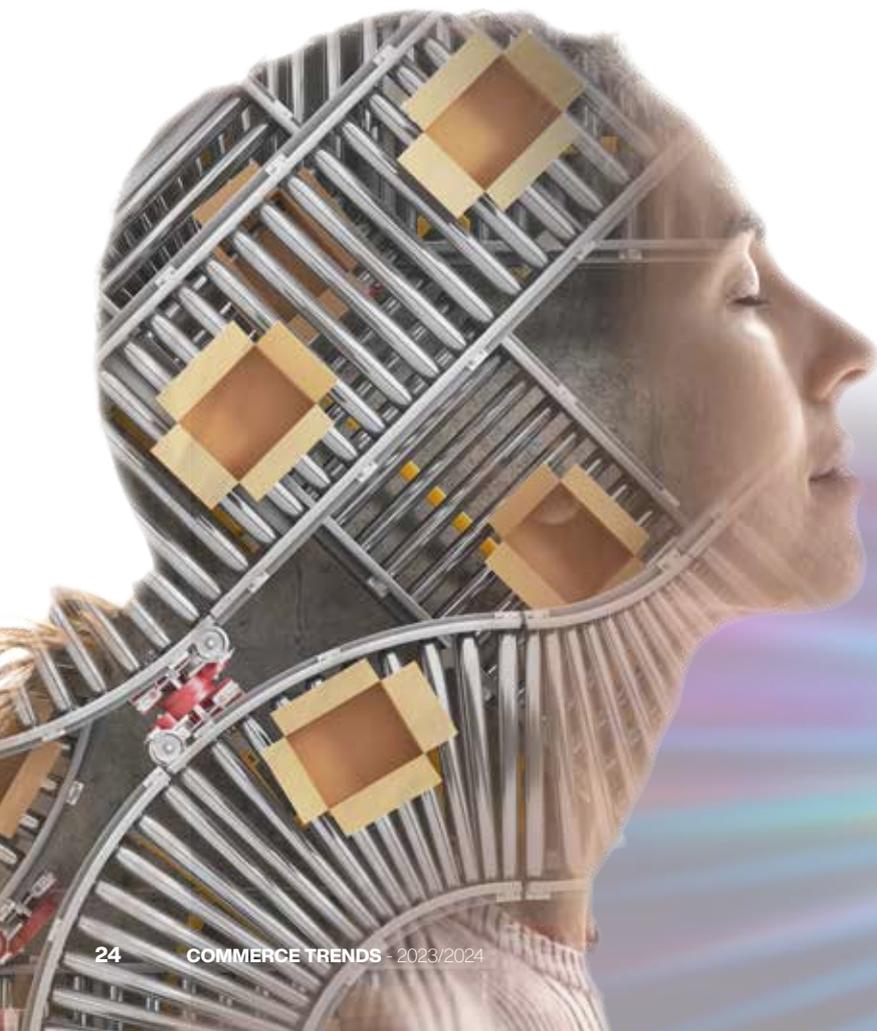
Four components

Unified commerce is made up of components that enable optimised scalability, adaptability, and visibility, as well as seamless connectivity of customer and associate interactions. The four main components of unified commerce are:

1 Systems

With a unified commerce platform, all back end and front end systems are connected and work as a cohesive unit to provide retailers with the ability to adapt and scale all functionality to their specific business needs. It enables unification of all stores, customer services, and distribution processes to achieve business goals, and doesn't require time and resources spent on multiple solution providers. This unification provides access to actionable enterprise-wide data from multiple touchpoints with all customer and inventory data accessible from a single view, regardless of channel. And when all systems are working from one centralised platform, it allows integration of new technologies and seamless receiving of solution upgrades that address and keep up with omnichannel trends.

RETAILERS WHO USE A LEADING UNIFIED COMMERCE STRATEGY SEE A REVENUE INCREASE OF 3 TO 6 TIMES COMPARED TO THOSE WHO DO NOT.



BEING ABLE TO UNDERSTAND WHY A CUSTOMER IS SHOPPING WITH YOUR BRAND AND TAILORING EXPERIENCES AROUND CUSTOMER INTENT CAN MAKE CUSTOMERS FEEL SEEN AND HEARD THROUGHOUT THEIR BUYER JOURNEY.

2 Channels

By unifying all sales channels within a single unified commerce platform, retailers can easily keep track of all cross-channel purchases, sales and promotions, accommodate omnichannel fulfilment requests—such as buy online, pick-up in-store (BOPIS), buy online, return in-store (BORIS) curbside pickup, ship from store, and endless aisle option—and gain access to data from every channel to review performance and fine-tune inventory strategies.

3 Products

Enterprise-wide inventory visibility and management allows everyone—from warehouse staff to retail associates and even customers—to see important product information, including what product is available, where product is in the retail network, where inventory is low and how quickly can product be sent to either a retail location or customer for fulfilment. With a unified commerce platform, customers should be able to access any ready inventory for purchase within the store network and choose the most convenient method of purchasing that product item that works for them.

4 Interactions

Being able to engage with customers in every selling channel from every touchpoint unlocks customisation and personalisation of a single customer's buying journey, from the moment they first interact with a retailer's brand to well after the sale. A unified commerce associate experience means access to a customer's order history, wish lists, omni cart, brand interactions, and social engagement opportunities whenever and wherever customers need it, via store associates or contact centre employees. This not only helps build a deeper understanding of what customers want but most importantly allows the retailer to keep the promises it makes to its customers.

These components that make up unified commerce lead to beneficial outcomes for retailers who leverage it properly. But what exactly are the benefits of unified commerce? And why is it so important to the future of retail?

Consumer benefits

Unified commerce not only unifies the digital and physical retail world but also allows retailers to understand their customers on a personal level. The consumer experience benefits from unified commerce are substantial and play a large role in whether or not that customer will turn into a repeat shopper. These benefits include:

- Enabling customers to research an item online - with real-time, network-wide inventory visibility - and providing the option to buy online, pickup in-store, ship-from-store, ship to another store location, or local delivery.
- Arming retail associates with tracked real-time customer data, unlocking personal customer insights, preferences, and habits in every channel to further nurture and customise the retail experience.
- Allowing digital customers to continue their shopping experience in-store, where they can cancel their initial order or shop for items to add to their existing omni cart, while also providing retail associates cross-sell/upsell opportunities during customer pickup/check out.
- Empowering retail associates to switch fulfilment methods or make order changes based on customer requirements and requests via two-way communication.
- Enabling customers to initiate cancellations and modifications or returns and exchanges after their purchase with digital self-service, regardless of initial sales channel.
- Providing customers with order update notifications and the option of engaging the contact centre or associates via communication regarding order cancellations, shipping status, and order info.

Being able to understand why a customer is shopping with your brand and tailoring experiences around customer intent can make customers feel seen and heard throughout their buyer's journey. It lets them know that their needs are the top priority, with a level of personalisation and transparency that ultimately leads to brand loyalty.





Supply chain decarbonisation: an industry's global challenge

Supply chains are responsible for generating around 60% of all carbon emissions globally, according to a recent study by Accenture. That means addressing supply chains sustainability is an essential step in achieving net zero goals and maintaining global temperature increases to the 1.5 degrees set out in The Paris Agreement.



Pieter Van den Broecke
*Managing Director
Benelux, Denmark,
Germany and
Eastern Europe
at Manhattan*

The topic of supply chain decarbonisation represents a giant, (until now, largely) untapped opportunity to address the climate crisis. However, reducing Scope 1, 2 and 3 emissions is easier said than done.

To meet climate goals, Scope 3 greenhouse gas emissions are particularly important. But, it is clear that decarbonising supply chains is not something that can be achieved overnight, or at the click of a switch, due to the challenges of measurement, reporting and reductions within broader value chains beyond the direct control of any one organisation.

Costs

Interestingly, the costs of getting to net zero may not be as expensive as previously thought as only a small proportion of emissions are produced during final manufacturing, with most embedded in the

supply chain; such as in base materials, agriculture, and the freight transport needed to move goods around the world. According to Boston Consulting Group, even full decarbonisation across five key global industries would only increase end consumer prices between 1% to 4% in the medium term. To put that into context, that's less than €1 on a €40 pair of jeans, €600 on a €35,000 new car.

If not prohibited by price then, what is preventing the decarbonisation of supply chains and the pursuit of net zero goals? In short, it's much the same as the challenge behind mapping Scope 3 emissions - complexity, lack of a clear path forward and a lack of tangible incentives.

Four steps

Here are four steps worth considering ahead of making any meaningful move towards a more sustainable, decarbonised supply chain:

“WE MUST DO MORE TO ACTIVELY REDUCE THE CARBON FOOTPRINT OF GLOBAL SUPPLY CHAINS, NOT FIVE YEARS FROM NOW, NOT NEXT YEAR, BUT RIGHT NOW.”

1 Redesign products for sustainability by making sustainability part of design decisions, increasing recyclability and using more sustainable materials at the outset

2 Design the value chain and sourcing strategy with sustainability front of mind to consider emissions in the value chain design choices: for example, rethinking make-or-buy decisions and limiting the need for long-range logistics. Nearshoring can not only reduce transport emissions, it has the secondary benefit of making supply chains more resilient to shocks too

3 Integrate emissions metrics in procurement standards and tracking. Setting procurement standards for suppliers is one of the most powerful direct ways to address upstream, Scope 3 emissions. Defining and measuring strong standards linked practices for procurement decisions, including the mandate of a specific share and quantity of renewable power, required levels of process efficiency, or a required share of recycled materials is key

4 Build a value chain emissions baseline and share data transparently with suppliers. Establishing a comprehensive, scientifically grounded emissions baseline is a crucial first step. Defining a baseline using emissions factor databases, paired with direct supplier data is key to the transparency and accuracy of measuring continued progress

Supply chains have a vital role to play in the long-term, health of our planet, and visibility and transparency (of goods and data) is the key to actively pursuing net zero, decarbonisation goals. It begins with mapping your organisation's wider value chain for emissions assessments and benchmarking, and ends with companies collaborating as an ecosystem of partners and suppliers to create long-term, actionable sustainable impact by defining, measuring and reducing Scope 1, 2 and (especially) 3 emissions.

Digital core

Having a strong digital core founded in innovation and business agility will enable companies to improve visibility across (and optimise) their networks, processes and inventory, not only benefiting overall operating and business performance, but also providing data to drive progress toward greater sustainability goals.

The message is clear. As an industry, we must do more to actively reduce the carbon footprint of global supply chains, not five years from now, not next year, but right now. Thankfully, with the power of digital technology, companies have the tools and data available to reimagine their supply chains for new levels of resilience, agility, growth and sustainability across the entire value-chain. While the short-term cost of pursuing net zero and decarbonisation strategies is tangible, it is not as prohibitively expensive as you think. The long-term cost of inaction and unilateralism far outweighs any monetary value. We have the technology to solve the climate crisis, we just need the will to accomplish what needs to be done and starting with supply chains is as good a place to begin.

SCOPE 1, 2 AND 3

Chances are you'll likely have heard of Scope 1, 2 and 3 emissions talked about in the press or within Environmental, Social & Governance (ESG) circles, but you may be less familiar with what they actually mean – here's a short overview:

- **SCOPE 1** emissions are 'direct' emissions – those that a company causes by operating the things that it owns or controls. These can be a result of running machinery to make products, driving vehicles, or just heating buildings and powering computers.
- **SCOPE 2** emissions are 'indirect' emissions created by the production of the energy that an organisation buys. For example, installing solar panels or sourcing renewable energy rather than using electricity generated using fossil fuels can cut a company's Scope 2 emissions.
- **SCOPE 3** emissions are also indirect emissions – meaning those not produced by the company itself - but they differ from Scope 2. Scope 3 emissions are the indirect upstream and downstream emissions that result from a company's operations. These are typically over 11 times larger than Scope 1 and 2 combined, and supply chains are a major source.



Change is the New Normal in Warehousing

Disruption and volatility have put warehouse operators under pressure to adapt to continual change.



Which of these disruptions are you navigating?



Rapid growth of e-commerce



Higher volume of orders



Rise in item-level fulfillment



Shorter delivery times



Unpredictable availability of inventory



Labor shortages



High turnovers



Employee safety concerns

When Responding to Supply-Chain Disruptions, Start at the Front Line of Your Operations

1

Identify and prioritize operational challenges you need to solve

2

Start with the core: worker and workflow optimization

3

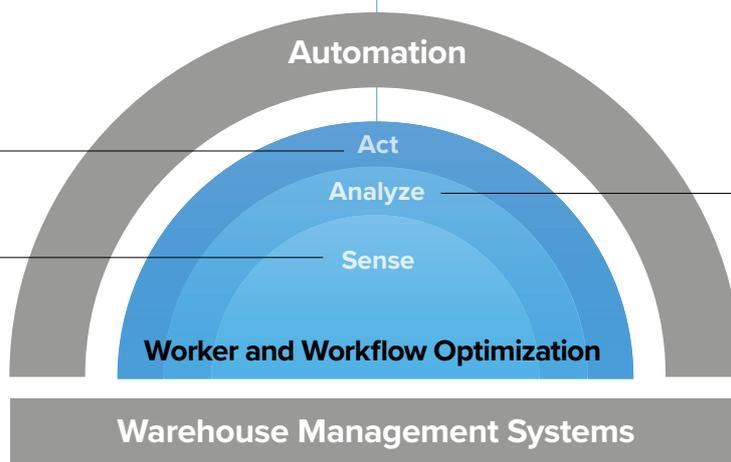
Synchronize three key facets of your operation

Act:

Take action based on data-driven insights, to increase productivity and efficiency

Sense:

Give every physical asset and person a digital presence with each transactional or real-time data capture



Analyze:

Create actionable insights by using captured and systems data to inform decisions, optimize workflows and provide best-next-move actions



ZEBRA

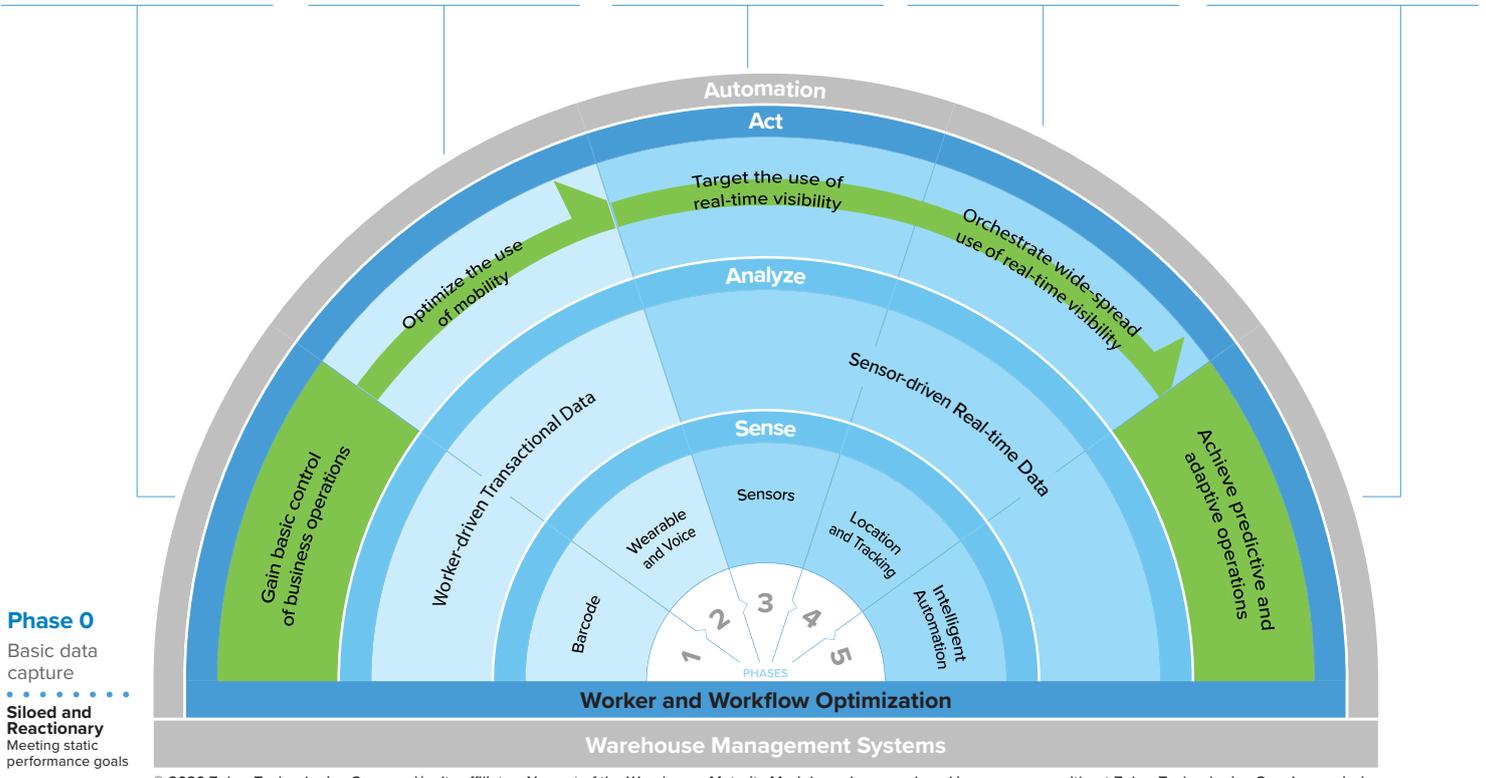
The Path Forward is Best Achieved in Phases

Taking a phased approach allows you to increase operational visibility at your own pace, without upending operations.

Plan Your Next Move with the Zebra Warehouse Maturity Model

Identify and prioritize operational challenges

 <p>How many do we (or don't) we have? Inventory inaccuracies result in operational inefficiencies</p>	 <p>How do we handle more volume? Higher order volume, more item-level picking and inventory moves increase daily transactions</p>	 <p>How do we alleviate congestion points? Worker-initiated, scan-based processes aren't fast or accurate enough</p>	 <p>What's my best next move? Unable to quantify decisions and optimize in the moment</p>	 <p>How do we respond to quickly changing demands? Being ten steps ahead is a necessity today</p>
<p>Phase 1</p> <ul style="list-style-type: none"> Track every inventory move Connect each worker to your WMS with modern mobile devices 	<p>Phase 2</p> <ul style="list-style-type: none"> Deploy devices to fit each task, increase comfort and effortlessly data capture Optimize WMS data for dynamic mobile workflows 	<p>Phase 3</p> <ul style="list-style-type: none"> Automate data capture in targeted areas where compliance is critical Utilize labor efficiently by managing by exception 	<p>Phase 4</p> <ul style="list-style-type: none"> Get operational visibility with real-time location data Deploy the closest worker or asset for the task Reduce steps in processes with automated alerts 	<p>Phase 5</p> <ul style="list-style-type: none"> Fuse all sensor data sets together using intelligent automation Predict and adapt in real time



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Show me how to apply this framework in my operations

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Nature gets a seat at the retail boardroom table

From increasing supply chain transparency and validating science-based targets for carbon reduction to launching a host of new retailing models in store and online, retailers are addressing the climate crisis in multiple ways.



Ben Sillitoe
Editor & founder
of Green Retail
World

An interview with Sabu Mathai, research director in the Gartner Supply Chain Practice, published on the analyst firm's website in August 2023, makes for interesting reading regarding the chief supply chain officer's (CSCO) role in sustainability strategy. CSCOs who want to build or who are embedding sustainability into their companies rather than prioritising resilience - as has been a trend in this recently unstable global economy - tend to envision "a long-term supply chain transformation that takes both sustainability and resilience as core design principles", he says.

Mathai also suggests CSCOs who prioritise sustainability "ease the costs and first-mover disadvantages of sustainability through ecosystem partnerships", which means the benefits and burdens of sustainability are shared with competitors and partners. They also make sustainability a key driver in their risk management

processes, he adds. "Ultimately, supply chain sustainability isn't something CSCOs can achieve on their own - it requires an enterprise approach", Mathai comments. "However, less than a third of supply chain leaders report that their internal business partners appreciate the connection between sustainability and either risk management or business performance. This means CSCOs will need to start by making sustainability's risks and opportunities much more apparent for other senior leaders."

Indeed, if you take a look at recent trends from European retail, the message around sustainability's importance to the long-term prospects of organisations seems to be getting through. Five key areas of development stand out and are worth referencing.

Increased transparency

It is difficult to manage what you do not measure, and retailers are opening up their supply chains to start unpicking the processes - including material sourcing and factory production - to understand their current environmental footprint. Operating with that transparency on an ongoing basis paves the way for improvements and interventions.

Retail groups and brands investing in the tools to do this in 2023 include UK-based Pentland Brands and global running brand Brooks.



“WE’RE PART OF A COHORT OF BUSINESSES LOOKING TO PUSH AT WHAT IS POSSIBLE FOR PURPOSE AND A PROFIT-MAKING BUSINESS.”

Meanwhile, cosmetics brand L’Oréal continues to work towards its ‘L’Oréal for the Future’ sustainability goals – and transparency is at the core of those ambitions. By 2030, the company has committed to having all formulas be 100% eco-designed, 95% of ingredients derived from renewable plant-based sources or abundant minerals, and packaging to be from ‘traceable and sustainable’ sources.

Green ambitions verified scientifically

Two of UK retail’s largest players laid down a significant marker in 2023 for how they intend to reach net zero carbon emissions across their value chains, in line with Paris Agreement targets to limit global temperature rises to 1.5 degrees Celsius by 2050. Retailers of all shapes and sizes have laid out their sustainability ambitions and are embarking on various initiatives to reduce their carbon footprint, but Tesco and the John Lewis Partnership (JLP), which operates the John Lewis and Waitrose chains, are the first to have their entire plans validated by the Science Based Targets initiative, the acclaimed body for verifying such matters.

This is a growing area of focus across Europe as legislation will require big public limited companies to lay out plans for their transition to net zero.

More circular thinking

In fashion, resale is a trending topic. Retailers ranging from The North Face to New Look have ramped up their second-hand initiatives in recent months. The so-called pre-loved movement which encourages consumers to donate clothing they no longer want – typically in return for a discount voucher on a future purchase – is gaining traction, with retailers able to divert items from potential landfill and also make a further margin on items they may already have previously sold.

Outside of fashion, furniture retailer Ikea is running car-boot sales and flea markets in its car parks to highlight the importance of keeping goods in use for longer. It has also ramped up space in its stores for second-hand items, promoting the circular economy and the importance of repairing and reusing materials.

Decarbonising the supply chain

Retailers have continued to find fossil fuel alternatives to power parts of their fleets and home delivery networks in 2023, albeit the limited technology available and current lack of comprehensive infrastructure to support the transition has slowed the pace of change. Tesco has committed to all its UK home delivery vans being powered by electricity by 2030, while

Amazon put 300 electric delivery vans on the road in Germany in 2023, as part of a wider pledge to invest more than €1 billion between 2022-2027 to decarbonise its European transportation network. It’s an area where large strides could be made quickly in terms of carbon reduction, and will continue to stay front of mind for retailers in 2024.

Nature on the board

In September 2022, Patagonia founder Yvon Chouinard announced he was giving away his business to make Planet Earth its ‘only shareholder’, effectively directing all profit not reinvested in the business towards tackling climate change. Then, a week later, UK-based beauty brand Faith in Nature revealed it had given nature a company director role. Faith in Nature created an entirely new governance system allowing a non-human entity to be represented on the board by a responsible human, who is legally bound to speak on behalf of the natural world. It capped a remarkable week of retailer eco pledges. In an interview with *Green Retail World* in July, Faith in Nature sustainability director Laura Ford said: “We’re part of a cohort of businesses looking to push at what is possible for purpose and a profit-making business.”

Other retailers might not be going quite as far as Ford’s team at Faith in Nature or they may not be as radical as Patagonia, but LinkedIn research suggests sustainability manager is one of the fastest growing job titles today. This shows businesses are putting the relevant leadership in place to navigate the green-focused years ahead – and it’s not just the CSCO who is responsible for guiding organisations on that journey.



Supply chains need an upgrade, not a reboot

Supply chains are complex, interconnected and interdependent networks of manufacturers, distributors and retailers. And while this interconnected aspect is what makes them strong, the very same interdependence however, makes them vulnerable to disruptions of any magnitude.



Eddie Capel
*President and
Chief Executive
Officer at
Manhattan*

Certainly no contingency plan could have anticipated a widespread, global pandemic. Looking back however, the problems with supply chains weren't created by the pandemic, instead they were simply exposed and exacerbated by it. Now, as we continue to work to get things back on track, following the latest challenges presented by the highest inflation in 40 years and the supply chain disruption caused by a war in Eastern Europe, it has become clear that supply chains need more than just time to work out the kinks. Rather, supply chains need an upgrade that will modernise the way we think about, respond to and manage everything from purchasing behaviours and customer expectations to labour costs, shipping and manufacturing practices – in other words, there's no going back to the old ways.

Perpetual change

So, in a world where normal is in the rear-view mirror, how do retailers and sellers of all kinds master the perpetual change we all now accept as the new standard? One could make a case against offshore manufacturing to avoid supply chain breakdowns. A more balanced blend of off-shore, near-shore and on-shore can certainly help, but a total reversal to domestic manufacturing would bring higher labour and manufacturing costs leading to product price escalation. With global economies dealing with inflation, anything that adds to product and inventory costs should be avoided, at least in the short-term. Likewise, concerns of an extended or repeat disruption to supply chains could lead some companies to increase inventory levels to ensure availability in moments of slowdowns. However, the working capital and balancesheet implications render this strategy impractical for almost every organisation - stationary inventory that is not being sold is almost always unaffordable.

“SUPPLY CHAINS NEED AN UPGRADE THAT WILL MODERNISE THE WAY WE THINK ABOUT, RESPOND TO AND MANAGE EVERYTHING.”



Advanced technologies

Modern technology can of course be part of the solution. Already, it has provided greater visibility into global supply chains, which is why today's retailers and sellers are more likely to offer the 'it's stuck on a cargo ship' explanation for inventory and delivery challenges.

While greater visibility doesn't help solve immediate inventory issues, newer innovations in technology can go a long way toward minimising the impact of major disruptions and, in some instances, significantly offsetting the potential impact of these events. Consider that first steps toward developing an effective contingency and business continuity plan begins with a risk assessment and an accurate forecast of demand.

In an age where artificial intelligence and machine learning are informed by real-time data in the cloud, those assessments and forecasts must be powered by advanced technologies so that they can deliver the flexibility and agility needed to be competitive in 21st century omnichannel retail environments.

Trusted advisor

For the retailer, the ability to analyse mountains of market data in near real-time is key to enhancing the choices of decision makers, providing them with all the relevant data needed to get a product to



the customer in the fastest, most cost-efficient and sustainable way. Over time, the technology (with insight into seasonal demands, geographic sales trends, warehouse inventory and even weather conditions that might impact transportation costs) becomes a trusted advisor with sophisticated recommendations for business decision makers. Optimisation formulas driven by math, science, machine learning, artificial intelligence and the adoption of automation and robotics systems can deliver a supply chain operation that's optimised for modern-day opportunities and maybe more importantly, challenges too.

Change is the new constant

While economic pressures, such as inflation, may alter the amount of disposable income available to consumers and businesses, the service level expectations around online, in-store shopping and home delivery are unlikely to change. Online shopping had been seeing steady growth prior to the pandemic. But demand exploded as people quarantined themselves at home and turned to online shopping and home delivery of goods. Again, this was a trend that was exacerbated by the pandemic, rather than being the result of it, but you cannot put that genie back in the bottle now. Brands with physical storefronts had already

started (and are continuing today) to introduce transformational digital capabilities to offer more experiences and broaden their appeal to different customer behaviours and generational spending habits.

Agility and flexibility

Yet for many brands and retailers, there is broad awareness that supply and demand challenges remain and that's left them with all-but-certain inventory challenges that have the potential to dampen the 2023 holiday season if not acted upon now. Couple this with the pressure to focus on profitability at a time when the consumer wallet is under the most pressure since 2008, implementing advanced supply chain technologies with the agility and flexibility to respond to disruptions and other challenges down the road, will be the key to remaining in the black.

It may seem like a simple declaration but, at the end of the day, we need to go beyond resilience and redundancy in our supply chains. Real-time flexibility and agility are the new cornerstones of commerce and supply chain confidence. As old rules and norms fall by the wayside, the ability to transform on the fly and master the constant change we are now faced with will separate the commerce thrivers from the mere commerce survivors.



Bella Shea is Human Resources Director EMEA, looking after UK, Germany, Belgium and the Netherlands among others. She has been working for Manhattan for over twelve years.



Spotlight on Bella Shea

What did you want to be when you were growing up?

When I was growing up, I wanted to be just like my dad, he was a great inspiration for me. He was in the police and so I wanted to be a police officer. As I got older, it became very clear that I did not want to do that. I went on to study at the University of Kent specialising in Industrial Relations and Human Resource Management and it was here that I found the organisational psychology side of business fascinating.

What was your first job?

My first job while studying was at the Body Shop, working as a customer sales associate. Retail is so incredibly important to Manhattan, so in hindsight, it has been very useful to have seen first-hand all sides of the customer experience journey. Looking back, the Body Shop was ahead of its time in terms of its environmental, reuse and recycle approaches, not to mention its philosophy towards highlighting social injustices and promoting a more sustainable, fairer approach to life in general – it's certainly an experience and ethos that has stayed with me professionally.

What is your favourite book?

My favourite book professionally is Emotional Intelligence 2.0 by Travis Bradbury – it is the book I most often refer to at work. It's a short book written in sections around 'understanding your own emotional intelligence', 'understanding others' and 'how you interact with others'. It's a simple framework that you can easily apply to all areas of your work and life. Personally speaking, it has to be Matilda by Roald Dahl. The heroine is just a schoolgirl, but she's courageous and mighty. I also think that it's wonderful life lesson for children (and adults alike) to know that you have to be brave and courageous in this world.

What powers would you want to have?

For me, it would be the power to pause time when you have those magical moments in life. I had one last Saturday and it was just a really simple, beautiful moment where I was at the park with Zach and our dog, and I was just listening to him talking to the dog. I thought to myself, 'wouldn't it be joyful if I could pause right now and just live in this moment?' It's those beautiful moments that are the tonic of life and fuel you for days.

What new trends are influencing the thinking of tomorrow's HR leaders?

We have a strong people-first culture at Manhattan. As our team grows and expands a key priority for our People Team is ensuring that our Manhattan culture aligns and continues to grow from strength to strength. We need this to be our driving ethos in each decision we take, and nurturing our culture and talent within this is key. Secondly diversity, equity, and inclusion are incredibly important and ensuring that team members understand advocacy and how to demonstrate this positively to advance equity is, and will continue to be of utmost importance. Last but certainly not least, environmental sustainability is a critical subject globally and for this reason it should be at the heart of every HR leader's strategy.

If you could recruit one person (dead or alive) to work for Manhattan, who would that be?

That has to be Michelle Obama! I like her ethos of 'going high'. My interpretation of this is that you try to respond to every situation in the most positive way. It's an interesting concept that has served influential women well in the past, not least Queen Elizabeth who would adopt the similar approach of 'never complain, never explain'. Having a positive attitude, and positivity in general is a common trait of inspirational leaders all over the world.

This time it's different... right?

Bob Dylan sang that 'The Times They Are A-Changin,' and he was right. But are we simply living through an era of change, or have trade, politics, society and the very environment we live in changed so much that we now live in an entirely new era altogether?



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Canham-Ash
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The increasing frequency of political turmoil, armed conflicts, natural disasters and (throw in) a global pandemic, all witnessed since the beginning of the 2020s are certainly significant 'change' events. And there is no questioning that the period we now occupy is very different to that of previous decades.

But is this period unique? Or is it simply the next stage in the onward march of change?

Chrono centrism

Many preceding generations have fallen into the trap of believing their own cohort is poised on the very cusp of history – that somehow this time it's different and that all their challenges (and in some cases opportunities) are unique. This form of present bias is known as chrono centrism.

The belief that the old rules no longer apply seem overwhelming for many people today. Given everything that has already happened in the last three years alone, it's easy to understand why.

Change of era or not, there are certainly a couple of key points that we can all agree on: first, the networks that underpin global trade have unquestionably been affected by the headwinds and tumult of the last few years. And, secondly, while the technology available to organisations today is far more advanced than that available in recent decades (arguably far more complicated too), the fundamental foundations of trade remain the same.

Marco Polo

The business of commerce in 2023 still grapples with the very same, age-old problems Marco Polo would have recognised during his travels along the Silk Road hundreds of years ago – it's all about supply and demand and the movement of goods from point A to B in the most efficient, economical way. The main difference today, however, is the myriad new technologies required to navigate the continual evolution and complexity of 21st century consumer behaviour and to mitigate against the challenges associated with truly globalised, interdependent networks of trade – this is certainly not something the Venetian explorer would have recognised. Events during the 2020s have put supply chains squarely under the public spotlight and consequently, issues that were previously seen as rather peripheral or arbitrary, have become talking points everywhere from living room sofas, to the highest levels of boardroom business. Whether we've entered a new era for global commerce, or we're simply living through the turbulence and chop caused by a series of shortly spaced extreme 'change' events, who can really tell? With more unexpected events inevitably on the horizon, the only way to ensure success moving forward is to rebuild your business foundations around three key pillars: rapid innovation, network resiliency and tech agility. Do this and you'll be future-ready, with a supply chain resilient enough to withstand the tests of whatever that next unexpected challenge might happen to be.

Manhattan

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