

Case 6A

Type: Value Chain



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Consulting & Strategy Club of IIM Shillong



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Problem Statement:

Client is a large retail company that sells clothing and accessories. They are facing increasing competition from online retailers and want to improve their operational efficiency. Assist them in their objective.

SCRIPT KEY	
Interviewer	
Interviewee/Candidate	

Client is a large retail company that sells clothing and accessories. They are facing increasing competition from online retailers and want to improve their operational efficiency. Assist them in their objective.

Okay, I would like to confirm the objective before proceeding. Client is a large retail company that sells clothing and accessories. They are facing increasing competition from online retailers and want to improve their operational efficiency, am I correct?

Yes, you are right.

Since how long has the client been facing this issue?

The client has been facing this issue for the past 3 years and the situation has worsened off over time for our client.

Ok, I would start by looking at the primary activities of the retail company's value chain. These include inbound logistics, outbound logistics, marketing and sales, and service.

That's correct. Can you walk us through each of those activities and identify potential areas for improvement?

Sure. Inbound logistics involves receiving, storing, and distributing inputs such as raw materials and finished goods. One area for improvement could be optimizing the supply chain to reduce lead times and improve the efficiency of inventory management. Does the client provide home delivery services?

Yes, in order to compete with online retailers, the client also started providing home delivery services, but the service has been very inefficient

Ok, optimizing the delivery service distribution network to reduce transportation costs and improving the speed and accuracy of order fulfillment. The client can also opt for a third-party delivery service if the costs are under budget.

Ok, what else?

Next, I will move to client's marketing and advertising strategy.

What do you have in mind?

Solicit feedback from customers and personalization can be a powerful tool for improving the customer experience. Incentives like loyalty programs, discounts, and rewards can help incentivize customers to shop with our client. Offering options like curbside pickup, buy online pick up in store (BOPIS), and same-day delivery to cater to customers who value convenience. Improving customer service and support, providing warranties or guarantees can be helpful.

That's a good overview of the primary activities. What about the support activities?

Support activities include procurement, technology, human resources, and infrastructure. Beginning with procurement, the client can look at negotiating better prices with suppliers and developing long-term supplier relationships to help them in the time of need.

Okay, what else?

The client can also look at implementing new software systems or using data analytics to optimize operations. Other than that, client can focus on human resources management. This could include improving employee training and development programs, implementing performance metrics to measure employee productivity, and improving employee retention rates.

Any thoughts on improving the overall infrastructure?

Yes, the client can improve the layout of stores or warehouses, upgrading equipment and facilities, or investing in new technologies to improve efficiency.

Excellent. We can end the case here.

QUALITATIVE INFORMATION

Case Background:

Client is a large retail company that sells clothing and accessories. They are facing increasing competition from online retailers and want to improve their operational efficiency.

CLARIFYING ANSWERS TO BE PROVIDED ONLY IF ASKED BY INTERVIEWEE

Interviewee	Interviewer
Since how long has the client been facing this issue?	The client has been facing this issue for the past 3 years and the situation has worsened off over time for our client.
Does the client provide home delivery services?	Yes, in order to compete with online retailers, the client also started providing home delivery services, but the service has been very inefficient

Area for Improvement	Recommendation
1. Optimizing the Supply Chain	Optimizing the delivery service distribution network to reduce transportation costs and improving the speed and accuracy of order fulfillment. The client can also opt for a third-party delivery service if the costs are under budget.
2. Marketing & Advertising strategy	Solicit feedback from customers and personalization can be a powerful tool for improving the customer experience. Incentives like loyalty programs, discounts, and rewards can help incentivize customers to shop with our client. Offering options like curbside pickup, buy online pick up in store (BOPIS), and same-day delivery to cater to customers who value convenience. Improving customer service and support, providing warranties or guarantees can be helpful.
3. Procurement	The client can look at negotiating better prices with suppliers and developing long-term supplier relationships to help them in the time of need.

Area for Improvement	Recommendation
4. Operations	New software systems or using data analytics
5. Human Resource Management	This could include improving employee training and development programs, implementing performance metrics to measure employee productivity, and improving employee retention rates.
6. Storage and Warehousing	The client can improve the layout of stores or warehouses, upgrading equipment and facilities, or investing in new technologies to improve efficiency.



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