



SMARTER PERSPECTIVE: RETAIL
**Retail Execution Needs Help
and It's on the Way**

By Ian Fredericks

Retail is all about converting store traffic into revenue. Today, that's more difficult than ever because various factors are conspiring against it. Fortunately, there is solution.

WHAT'S THE PROBLEM?

For starters, the retail team hierarchy hasn't really changed in decades. As a result, retailers have struggled to "crack the code" on how to effectively and consistently manage and monitor conditions across store fleets. Often, retailers are left with a less than optimal in-store experience for customers. This issue has increased substantially since the pandemic because many shoppers have been slower to return to stores, thereby limiting foot traffic that can drive conversion.

Adding to the problem, skilled, frontline store teams are overtaken. If you doubt this, review current industry data on frontline worker attitudes, turnover, and performance; it's all bad news. Or better yet, visit a few stores and let me know how long it took you to find an employee to assist you. It seems like every day frontline teams have more and more responsibilities, but



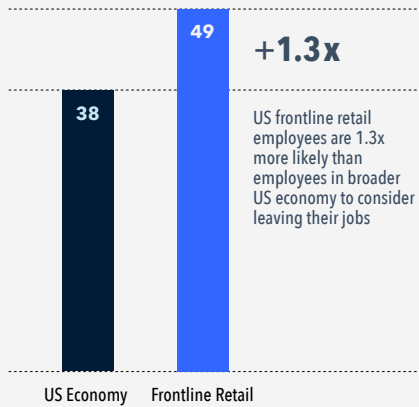
ineffective tools and less time to spend with customers. Consequently, they are leaving the retail world altogether and turnover is at an all-time high.

Additionally, today's labor market is VERY tight, making it extremely difficult for retailers to hire desperately needed talent to fill the gaps. Heading into the

most important shopping season of the year, now more than ever, retailers must improve their store team experience as well as the experience their employees ultimately deliver for shoppers. Critically, the operators who can solve these issues will be at a distinct advantage over the holidays and moving forward.

Half of US Frontline Retail Employees are Considering Leaving Their Jobs – and Many Want to Leave Retail Entirely

US Employees Considering Leaving Their Jobs in the Next 3-6 Months (% of Respondents)



Destination of US Frontline Retail Employees Considering Leaving Their Jobs in Next 3-6 Months



Source: McKinsey

Putting your consumer hat on for a minute, wouldn't it be nice to walk into two stores run by the same operations team and find things merchandised in a familiar way? Wouldn't you be more likely to buy – and buy more – if you knew where you could find what you were looking for or where the latest trend-on merchandise would be displayed? And if a happy, engaged store team member was there to assist you, wouldn't that contribute to the likelihood of you making a purchase and returning to the store to make another in the future? Undoubtedly, the answer to all of these questions is a resounding, YES!

While U.S. retail employees are approximately 33% more likely to leave their jobs than others, a slight majority plan to stay in the industry. This could provide employers capable of creating an engaging and rewarding frontline employee environment with a potential hiring and retention advantage.



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Synchronized activity alignment across an operator's stores



SO WHAT'S THE SOLUTION?

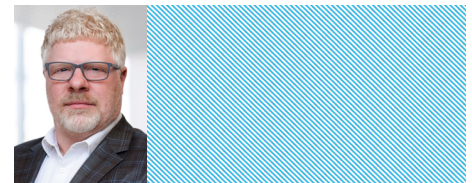
With the informed perspective of having operated more than 30,000 stores, worked with 700,000 store associates, and merchandised over \$150 billion in inventory, our team at Hilco Consumer-Retail has the solution – a better way to empower store teams across retail fleets to collaborate with one another and operational leaders more effectively.

On September 13, 2023, at the Consensus Great Brands Show at The Times Center in New York City, we will showcase the ReStore for Retail mobile visual merchandising and operations platform, which engages store teams and operational leaders like never before and improves not only their experiences, but also their customers' experiences. By doing so, sales and profits improve!



I hope you'll be in attendance. If not, our team welcomes the opportunity to offer you a personalized demo. Discover the buzz around this groundbreaking retailer-built / retailer-proven operations innovation. It's a true game-changer.

The Hilco Consumer-Retail team has deep expertise in all retail sectors. Our seasoned professionals deliver a wide range of analytical, advisory, asset monetization, and capital investment solutions to help define and execute client strategic initiatives.



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After a successful career as a stressed and distressed Mergers and Acquisitions and Corporate Restructuring attorney, Ian joined Hilco in 2011 and has been an instrumental part of the growth of Hilco's retail, lending, and technology offerings since that time. Ian was awarded the M&A Advisors' Future Leaders award in 2017 and has focused on the organization's overall growth, including co-founding ReStore Capital with Ben Nortman in 2019 and co-founding ReStore for Retail, a retail SaaS platform. Over the course of his career, Ian has negotiated and closed transactions involving tens of billions of dollars of assets. Among an expansive list of other works, he is credited as one of the principal architects of the transaction to save Aeropostale. Contact Ian at ifredericks@hilcoglobal.com or 847.687.9375.



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