

# 10 Steps to Avoid Hidden Costs of a Store Refresh

Achieve your ideal refresh efficiently  
and cost-effectively



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# Every point of the process needs to be reviewed, organized and managed.



**Your retail chain of 750 stores** is about to begin a major store refresh. An associate approaches you and says the coordinating partner in the process proposed an idea that will shave 30 minutes off the completion of a series of major projects in each store.

It's a simple idea. You wonder why no one thought of it before, and it saves your company \$16 million.

That's often how it is, isn't it? Insights, both small and large, save businesses money and improve the execution of critical undertakings.

In retail, few initiatives are more challenging and more important than a store refresh. In

effect, you're reintroducing your brand to its customers, both loyal and potential.

It's not just a fresh coat of paint, new signs or an updated interface with some fancy digital screens. It's about creating the ideal customer experience that presents your brand at its aspirational best. If you are leading the refresh project, it's about arriving at that ideal as efficiently and cost-effectively as possible.

That's not an easy task. It's a big operation, and there are plenty of ways for things to go off track. Every point of the process needs to be reviewed, organized and managed.



**HERE**

are 10 often  
overlooked costs  
during a store refresh

## Perform site surveys for every store footprint in advance of the refresh.



**Do you really know *all*** the real estate with which you are about to work?

Retail stores aren't made by cookie cutters. For every 100 or 1,000 or 5,000 stores in a single chain, you have nearly as many different store footprints. Even minor differences can change specific needs during a store refresh.

Further, stores aren't centrally managed. The corporate office can set up a new program, but who will account for the diversity of store spaces?

Detailed store surveys on the front end often save money and prevent delays on the back end, so retailers should look for partners during

their planning process who are experienced with undertaking meticulous site surveys.

This task is more than a handful of floor plan sketches. It's about site surveys with 360-degree panoramic views. It's 2D floor plans and elevations that show a detailed and scaled placement of graphics and fixtures so the creative department, project managers, installation teams, store managers and store associates are aligned throughout the process.

Thoroughly knowing the diverse spaces you want to refresh operates as the equivalent of the maxim, "Measure twice, cut (refresh!) once."

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**Pick a supplier partner who is experienced with value engineering as you move from prototype to scale.**

**The design for your store** refresh looks fantastic! The artists and the architects really hit it out of the park.

But before moving forward, ask how much it's going to cost to scale this beautiful design. Retail is littered with award-winning designs that failed because they were impractical, too expensive to adopt at scale or connected better with artists than with customers.

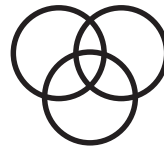
Great retail design requires a collaboration between artists and engineers, particularly those who are familiar with value engineering. These experts understand the difference between a one-store prototype and scaling that prototype to hundreds or thousands of stores.

Value engineers might sometimes feel like party poopers when they question designer specs – such as sandalwood for all display tables. But they understand how to stay true to the design's intent while recreating it in an affordable, executable form. It's not just money for materials either. Procurement, production time and shipping cost expenses pile up fast, and they often come as a surprise.

Partnering with a firm that is adept at value engineering from prototype to scale will result in significant savings.



## Work with a print management partner who is transparent from beginning to end.



**Print collateral will be critical** during the refresh, not to mention for ongoing campaign management and regular operations. Partnering with the right print management company will ease the complexities of project management, brand consistency, production specifications, manufacturing and consolidated distribution.

The integration of a print management company could be viewed as a relatively simple process, and with some companies it is. But beware of the fine print that can make seemingly straightforward work more costly than expected.

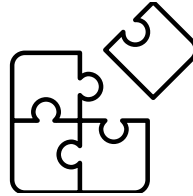
Print management organizations that tout “guaranteed savings models,” for example, should be challenged to provide detailed plans addressing costs that frequently drive price creep. These so called “gain share” approaches are often loaded with hidden fees and

add-on costs, such as out-of-scope work, exit and low-volume penalties, rush charges and bulk material buys that are burdensome and run counter to your needs.

Clearly defining the scope of work upfront is imperative and will help to ensure what’s agreed to can be maintained after implementation. Once you’ve integrated a partner into your print workflow, it’s too late to renegotiate, even after the impact of real-world scenarios. What if files don’t turn over on schedule or design doesn’t match the print quote? Or what if construction doesn’t allow for efficient manufacturing or drives up freight costs?

Finally, make sure your print management provider commits to cost transparency in its Service Level Agreements (SLAs), as well as while adopting internal integration protocols and data security disciplines, should there be any hold-ups or other issues.

## Determine who is in charge of consolidation.



**In the ideal store refresh scenario**, you thoroughly surveyed your stores, have a great design and work with a value engineer for a cost-effective rollout strategy. Accordingly, you assume each store will receive the appropriate shipment of fixtures, signage, POP, furniture, digital, etc., necessary for its particular needs and footprint.

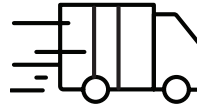
But too often retailers don't ask a question about those custom-made packages: How does everything arrive in one box at the appointed time? In other words, who's in charge of consolidation?

You don't want your stores, over the course of several weeks, to receive scores of different packages from across the globe and then have to figure out what goes where and with what parts. That complicates things, creates storage issues and increases your labor costs even before any display is put together. It's also disruptive to your store and frustrating to your customers and associates.

You want a centralized and experienced consolidator, one who precisely and efficiently kit packs for each store footprint.



## Fully investigate transportation and freight costs.



**A store refresh starts off** feeling like equal parts art and science, and the intersection of data, strategy and design is just that. But the seemingly straightforward process of getting products from Point A to Point B or even to Point C can turn into an expensive and complex process.

The transportation industry is constantly changing, with new regulations, driver shortages and overextended vendors. The costs associated with dedicated trucks, specific delivery times and white-glove treatment can add significant dollars to a project, and these costs are not always considered during initial budgeting or understood as the work advances.

The deluge of variables can seem overwhelming. For example, is there enough time between the completion of manufacturing and the requirement

date? With a dedicated truck, will you need a lift gate or more than one person due to the size and weight of the packaging to unload at the retail location? Will you require a single driver or a team of drivers? If shipping LTL (less than truckload), you need to know how the product will be packaged (knock down vs. assembled) because it affects the density of a pallet, which affects the weight class which affects the cost of freight.

Simple changes or wrong assumptions could grow transportation costs significantly. There is no perfect solution, but there is a critical word to know beforehand: Transparency. It's not only important to ask the right questions about transportation costs, it's critical to have a partner committed to disclosing these costs to you along the way.



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There is no perfect solution,  
but there is a critical word  
to know beforehand:

| **TRANSPARENCY.** ) )

05

## Utilize centralized software to manage logistics.



**There are many moving parts** during a store refresh, and there's a lot to coordinate during the rollout. There likely will be hiccups along the way, such as missing or damaged fixtures.

Too many players mean too many chances for miscommunications, and that leads to oversights, wasted time, installer mismanagement and inaccurate orders and reorders. That's why you need job-specific software that centralizes the ordering and reordering process. This software needs to be adaptive and user-friendly. It needs to recognize that when busy project managers reorder Large Display X, they will also need Easily Overlooked But Critical Part Y.

For example, when you want to order one graphics

package, the software automatically updates your order to include the requisite hardware kit.

Instead of floor plans being emailed around various departments, accumulating edits, tweaks and comments that will need to be interpreted by a final set of eyeballs, a single logistics management software means your plans are centralized, so everyone shares the same version.

Finally, this software serves as a permanent record of inventory, where reorders can be completed with a few clicks. One person can manage graphics production from print vendors and reorder furniture, hardware or fixtures, streamlining what once was a complex process involving multiple people.

## Evaluate installer coordination and set up “test stores” to fine-tune the installation process.



**Installations for hundreds** or thousands of stores with a variety of footprints is a complicated undertaking. Lots of moving parts need to come together. Informed decisions need to be made on the time and manpower needed to properly execute the project.

Work with a partner who knows what they're doing, one who is experienced with large rollouts and can manage and coordinate the process. Such a partner might suggest setting up a handful of “test stores” in order to fine tune the installation process and establish accurate pricing models. That also allows you to walk the stores in advance to evaluate any last-minute concerns.

Communication during an installation is critical

to avoid lost time and possibly risk missing store opening deadlines, so understanding how that will be done needs to be established before the rollout starts. Does your vendor provide real-time communications with installers if issues arise? That might not sound critical for 10 installations, but what about 4,500?

Installations also typically happen at night after the store closes, so it's necessary to have a simple way for workers to track and report any issues. It's important to ask your installation coordination leaders if they can track shipments to a location and send real-time photo logs of issues they encounter, as well as track progress through photos and video back to the installation managers for review.



“

## WORK WITH A PARTNER

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## Consider the cost of skilled labor for installations?



**Skill and experience matter.** And they will cost more money—at least at the start—but moving ahead without them could also cost you in the end.

Some vendors might believe that finding cheap labor is perfectly fine, but high-quality, experienced partners have learned hard lessons when trying to install vinyl, large displays, digital systems or custom branding in a consistent manner.

Does your vendor offer experienced installation teams? If so, it might make sense to budget money for their skills, even if that means paying extra for travel expenses. While saving money on labor costs is good, it's more important to avoid mediocre execution of an installation and, even worse, increased costs to correct installation mistakes.

## Plan for the cost of digital content and management after installation.



**Imagine watching the same TV show** over and over again. How do you think customers might feel if the content on your new digital displays is the same after three months? A year?

Digital content isn't a one-off cost, though architects and store designers sometimes consider digital signage installation as a one-time expense before they move on to their next project or client.

Often your marketing department, which may

not have been involved upfront, is left with the responsibility of managing these investments. That means providing ongoing, animated marketing content that they never budgeted for.

Updating content is one of many costs of ownership and shopper experience when it comes to digital technology, which needs to be managed, maintained and refreshed.



# 10

## Maximize new digital displays with data collection.



### **Every store refresh these days features**

new technology, from digital screens to augmented and virtual reality to frictionless checkouts. The critical component, however, is that it must be purposeful. That extends beyond the primary purpose of the tech itself.

Every installation of digital technology is an opportunity to collect data and learn more about your customers' habits and shopping preferences.

So if you aren't coupling digital with data collection during your store refresh, you are losing a valuable opportunity.

The potential cost benefits provided by analysis of shopper behaviors and path to purchase must be considered. Collection of demographics, dwell times and heat mapping data provide A/B testing capabilities, which enable a strategy of continuously improving space management, messaging and digital media effectiveness. Thoughtfully deployed data collection technologies and data analytics can provide ongoing sales lift opportunities for a relatively small investment.

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# A GOOD STORE REFRESH

will pay for itself several times over.

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# THAT'S THE OVER- RIDING ISSUE, ISN'T IT?

## Return on investment.

A good store refresh will pay for itself several times over. When created strategically and adopted efficiently, it should improve a store environment to better serve customers and create more revenue.

To make that happen, retailers need to ask the right questions of themselves and their partners as they work their way through the complex process. Every detail needs to be examined. Potential challenges need to be anticipated. Leadership needs to be nimble and confident.

After all, your brand and your customers are worth the effort.

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## About Miller Zell

Miller Zell is a retail experience solutions company. It partners with retailers to create the ideal customer experience in their stores, offering design, implementation, strategy and support that fosters sales growth in a complex and changing marketplace. It deploys these solutions at scale, thereby minimizing client risk, cost and operational complexity.

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