E-book:

The Retailer's Holiday Sanity Toolkit:
Know, Avoid and Recover from Seasonal Challenges

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PRGX®

Contents

The Most Error-Prone Time of the Year...

Twenty percent of the typical retailer's annual revenue comes from the winter holidays – the roughly 60 days between November 1 and the year's end.

Though the buying frenzy begins early – nearly 40% have started their holiday shopping before November and it intensifies as it goes.

Five day spree: In the 2019 season, 189.6 million consumers spent an average of $362 each on holiday purchases from Thanksgiving Day to Cyber Monday.*

Procrastinators: By Super Saturday 2019, just five days before Christmas, nearly 150 consumers had holiday shopping left to do.*

Holiday closers: A full 67% plan to hit the stores immediately after December 25, finishing up the season with pre-planned and last-minute deals driving a final push for sales.*

The level of activity occurring on a short timeline increases the chance of errors, yet the significance of the period's revenue to annual totals make it too important to let losses occur.

Tip: Manage the timeline. Set aside time to establish processes and controls well ahead of the rush.

*Data from National Retail Federation https://nrf.com/insights/holiday-and-seasonal-trends/winter-holidays

Prepare Your Workforce

The more than half a million temporary employees that join the workforce each holiday season are among the most visible factors affecting business outcomes. In 2018, US retailers hired 554,000 and 2019 estimates range from 530,000 to 590,000.*

Yet, employees at all levels have a role in reducing leakage. It is the typically more long-tenured executives and buyers who set strategy and negotiate, such an array of funding and pricing deals, often to the close of the season.

Their work putting processes and training in place play a vital role in the outcomes for the managers and workers, both permanent and seasonal, who will tag merchandise through all planned markdowns and complete all point-of-sale transactions.

Tip: Conduct a live training session on best processes for transactions. Include as many employees as feasible once holiday schedules are set. Consider recording and uploading it to your corporate intranet for access by any employees that cannot attend.

*Data from National Retail Federation https://nrf.com/insights/holiday-and-seasonal-trends/winter-holidays

Factor in Digital Commerce

Online US retail sales continue to grow and to represent a larger percentage of total revenue. For retailers, this means not only an aggressive competitor but an explosion of new programs to leverage digital assets to drive retail revenue.

Tip: Aligning and following through on these emerging policies are vital to controlling revenue leakage. These include decisions such as whether to allow or exclude things like matching of online prices or to allow in-store returns of online purchases.

U.S. ECOMMERCE VS. TOTAL RETAIL* SALES IN $ BILLIONS, 2017 - 2019

$461 B

2017

$3,484 B

$524 B

2018

$3,626 B

$602 B

2019

$3,763 B
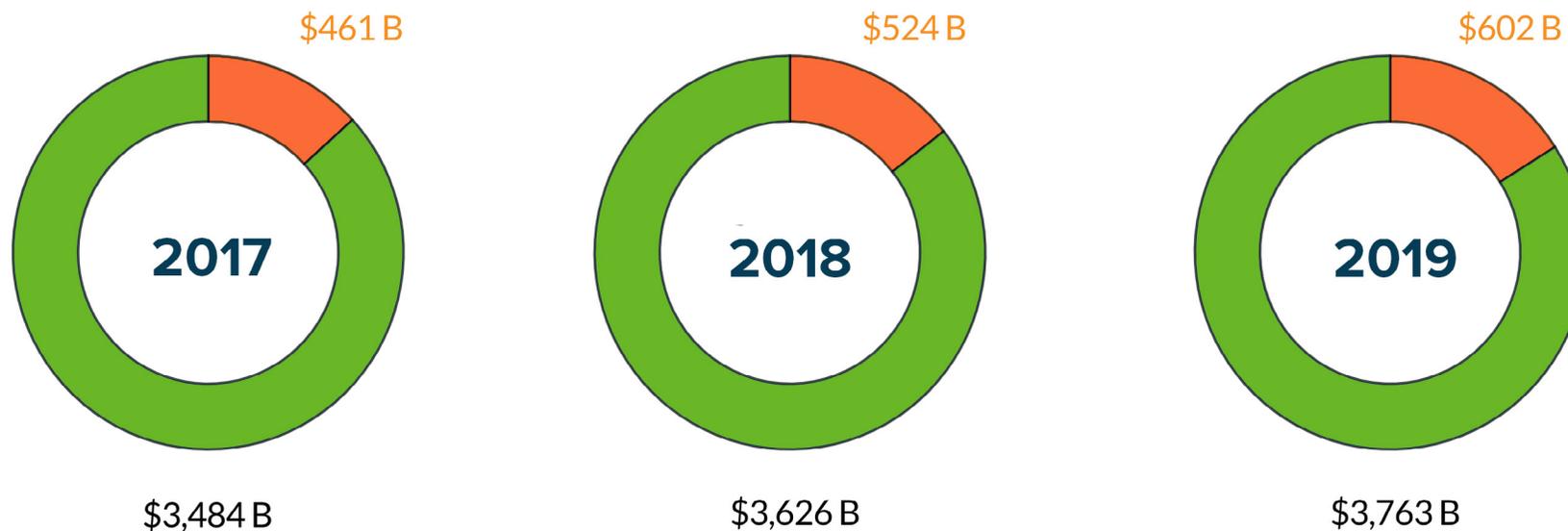
Source: Digital Commerce 360 (formerly Internet Retailer) analysis of U.S. Department of Commerce data.
* Total retail figures exclude items not normally purchased online such as spending at restaurants, bars, automobile dealers, gas stations and fuel dealers.

Prioritize Review of Promotional Funding

From special purchase offers to events and giveaways, promotional funding can take many forms and run on multiple, often concurrent timelines.

Tip: Make a point to re-examine markdown windows and special merchandise programs, from pre-season incentives to post-holiday clearance programs.

Track Pricing Programs Carefully

Like promotional programs, pricing initiatives multiply over the holidays. These require careful review to ensure that similar but distinct programs (such as everyday low price and holiday deals) are accounted for accurately, especially for any late-closing negotiations.

Tip: Mistakes happen to the best of us. Post-holiday auditing is an essential way to catch and fix errors to reduce losses.

Consider a Full Recovery Audit

Since it carries so much weight in annual revenue, the holiday season deserves a comprehensive audit. A qualified, independent auditor will take you through all the steps needed to ensure no leakage goes undetected.

Tip: You're off and running on the rest of the year. Outsourcing a comprehensive, professional audit is a best practice followed by the world's top retailers.

PLAN
Convey your expectations and priorities.

DISCOVER
Share the cultural and communication characteristics inherent to your processes.

ACQUIRE & TRANSFORM DATA
Gather and standardize data to enhance accuracy.

AUDIT
Detect duplicate payments and other errors that can slip through even the best systems.

VALIDATE & RECOVER
Verify any losses in need of recovery and regain lost revenue.

REPORT
Receive lessons learned to fix root causes and protect future performance.

About PRGX

PRGX helps companies spot value in their source-to-pay processes that traditional approaches simply can't. Having identified more than 300 common points of leakage, we help companies dig deeper and act faster to get more out of their recovery audits.

We pioneered the industry 50 years ago, and today we help clients in more than 30 countries take back US$1.2 billion in annual cash flow each year.

It's why 75% of top global retailers and a third of the largest companies in the Fortune 500 rely on us.

For more information, please visit www.prgx.com.

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