Envisioning the future **of luxury fashion retail**

WHY INNOVATION!
A Wavestone Company

Abstract

This paper explains the approach and process applied to envisioning a new-age retail experience for future customers by a high end global luxury brand. It describes how innovation best practices like Design Thinking and Lean Startup were successfully used to kick start experience envisioning, create a delivery roadmap and identify the minimum viable product to have it tested with the market.

It also highlights the challenges encountered in the interim and how they were addressed to achieve the intended objective.

Finally, the paper concludes with a set of guidelines which may be considered as expert recommendations to approach a similar initiative in a different context.

Problem statement

Envisioning a completely new retail experience for a brand can be a challenging task especially when the vision is shared by multiple stakeholders, needs to be articulated maintaining customer centricity and business value and needs to be broken down into actionable tasks for teams to start working on.

Context

"How might we dream for tomorrow but build for today?" was the opening statement made by a global high-end luxury-fashion brand's HK & Macao CIO. It set the tone for their first of a series of workshops, to kick-off their experience transformation journey. However, designing a new-age customer experience meant working strategically from a compelling and clear vision and breaking that down to actionable and measurable goals.

Although the brand has an established heritage and is globally sought after by customers across all age groups, it felt the need to catch up with the fast changing times, to adapt to the dynamic digital and societal landscape and aimed to become future-ready. From these needs grew the desire and urgency to create a new-age retail experience that would delight their future customers and ensure market fit.

why innovation! was called in to kick-start the experience envisioning process, help the team to arrive at a high level roadmap and lay the foundation to develop a MVP.

Our Approach

Understanding the context and identifying challenges

Every client has its unique organisation culture, ways of working and challenges to address. From our experience, a round spanner cannot fix a square screw. To understand the problem, one has to first understand the context. We had several discussions with multiple stakeholders to understand the vision from everyone's point of view. During our conversations, we discovered that there were many more immediate challenges that needed to be addressed along the way.

Firstly, envision an experience that would maintain the brand's artistic sensibilities at its core, whilst exploring new digital tools to bring the experience to life. The leadership team, although progressive, did not want to dilute the brand's artistic essence. They were unsure how much technology they wanted the brand to embrace, given its long established tradition of creative excellence, workmanship and storytelling. The challenge was to find that right balance between art and technology, and to build the experience around it.

Secondly, ensure that the vison is shared and aligned across all key stakeholders. A vision can be successfully achieved if it is shared and aligned across the organisation. In this case, it would be challenging to get all the key stakeholders from across the organisation to agree upon and align on a singular vision.

Thirdly, articulate the experienced so that it could be broken down into short- term and long-term goals. Someone once said that they would be willing to give away their ideas for free because the actual challenge lies in successfully executing those ideas. Having a vision is just the beginning but breaking it down into tangible tasks is a bigger challenge.

And finally, implement in the market fast, to test and validate it with real customers. Before spending time, money and additional resources in fine tuning the experience, it has to be tested with real customers to ensure market fit. What aspects of the experience are critical to creating the vision and how can they be validated quickly?

From our extensive experience in Business Innovation and Agile Transformation, we knew that in addition to the aforementioned challenges, this had to be a collaborative and cross-domain initiative.

Designing customised solutions

Discussions with stakeholders gave us a clear understanding of their current and desired state and we were able to propose a series of cross-domain, collaborative workshops to kick-start their experience envisioning process.

Workshop 1: Envisioning and team kick-off
Workshop 2: Designing the new experience
Workshop 3: Developing the MVP

In addition to the aforementioned primary objectives, these workshops would help to:
- Encourage and highlight the value in cross-domain , creative collaboration
- Brainstorm radical solutions, design quick prototypes and gather instant feedback
- Identify assumptions that needed validation
- Apply best practices like Design Thinking, Lean Startup and Agile
- Identify the MVP to roll out for the new experience

We had several rounds of discussion with the sponsor on the workshop activities, topics and what kind of input we'd need to make it a success. In this case, the sponsor was actively involved in fine tuning every aspect of the workshop, including anticipating roadblocks and having a contingency plan, if things didn't go as planned.

Workshop #1
Envisioning & Team kick-off

Duration: 1 day
Attendees: 20 key stakeholders across domains (IT, business, operations, marketing, P.R., legal etc..)
C-level leadership, managers and team leads
Facilitators: 1 facilitator

Workshop objectives:
- To identify and align on the key themes of the vision
- To understand current ways of working within teams and create a new team charter
- To apply Agile ways of working to the current context
- To identify and align on business value and measurement metrics for the new experience

Before going ahead with the workshop, we wanted to find out about any existing material that the team had, which could be used as input into the workshop activities. Some of the teams had run a few initiatives in the past using Agile ways of working, researched best practices and current trends in their industry. We selected two such initiatives which clearly illustrated benefits of having a collaborative and experimentation-driven mindset. These would be shared by their respective initiative owners during the workshop.

For the workshop, we gathered twenty- five key stakeholders from different domains to collaboratively work on the vision for the new experience, understand Agile and create a new team charter based on Agile values and principles. We had worked closely with the sponsor to divide participants into carefully curated groups of five, to be able to work on planned activities. We made sure we had a good mix of roles and seniority levels within each group.

The biggest challenge we faced as facilitators of this workshop was getting everyone to align on the vision themes, business value metrics and create their own team charter based on Agile values and principles.
To overcome this promptly, we used Design Thinking tools & techniques like brainstorming with Post Its, Affinity Clustering and Team Canvas.

At the end of the workshop, we had managed to achieve the following outcomes, produced in the form of flip charts, hand drawn templates and Post It maps:
- Alignment on the key themes of the new vision of the retail experience
- Alignment on the key business objectives and metrics to measure success
- A common team charter based on Agile values and principles, which would help the leadership to create an environment of trust and experimentation for their respective teams.
- Ensuring the leadership team had a solid understanding of being and practing Agile

The next challenge was to consolidate the workshop output into a comprehensive workshop summary that highlighted key findings and next steps. Usually this may be done by facilitators on their own, in collaboration with the sponsor or by the sponsor and her team. In this case the sponsor and her team helped us work on refining the workshop output so that we could include the findings in our summary report. We used this as input for Workshop #2

For this workshop, in addition to the participants from Workshop #1, we invited boutique staff from key boutiques across in Hong Kong, to give the team valuable insights on their customers. In order to start brainstorming on the new experience, it was critical to have an in-depth understanding of the intended audience.

We started the workshop by introducing Design Thinking, – a human- centered approach to problem solving. To proceed any further, it was necessary that they understand the importance of customer centricity, problem setting, creative collaboration and experimentation. We also used Design Thinking tools and techniques throughout the day to facilitate with different activities.

The boutique staff from each boutique shared their insights on the top three customer profiles, their behaviours, pain points and unmet needs. The rest of the participants asked questions and had discussions to get more information.

During these discussions, participants applied the 'active listening' technique, using which they recorded their findings and insights on Post Its. Another common technique, 'affinity clustering', was used to identity most common pain points and customer needs. Affinity clustering also lucidated the biggest problems that needed to be solved. Problem statements were created to articulate the problems. These would serve as starting points to brainstorming solutions.

We then divided the participants into five groups of eight. Each group was given a problem statement to ideate solutions for. Groups used techniques like Crazy 8s and Creativity Matrix for idea generation. From the wide range of ideas generated, the groups were then prioritised them using a Prioritisation Matrix, which is yet another useful tool from the Design Thinking tool box. This technique helped groups to assess their ideas on a value/complexity map and choose the best idea to explore further.

Participants then moved on to the prototyping phase wherein groups were encouraged to use various prototyping techniques like sketching, storyboarding, building physical environments, role playing and using digital software to quickly build an experience around their chosen idea, to

Workshop #2
Designing the New Experience

Duration: 1 day
Attendees: 36 stakeholders across multiple domains of expertise (participants from Workshop #1 plus boutique staff and team members) C-level leadership, managers, team leads and team members
Facilitators: 2 facilitators

Workshop objectives:
• To have 3 -5 new concepts for the new experience
• To identify biggest assumptions, risks and dependencies for each of these concepts
• To create an action plan over a predetermined time horizon for teams to start working on
• To identify MVP for the new experiences

highlight its key aspects. They were also instructed to indicate any existing resources that could be leveraged, assumptions, risks and impediments, if the experience were put into production in the future.

As each group shared their experience prototype with the rest of the participants they also received feedback on what could be improved. After discussing feedback within their groups, they made necessary changes to their experience and were subsequently ready to create an action plan to roll it out.

The action plan was conceived over a one year time horizon with three, six and twelve month milestones. Each group was instructed to identify outcomes for each of these milestones and the actions required to achieve them. They were also encouraged to assign roles and responsibilities to the actions. Any additional resources required to achieve the outcomes were made a note of.

At the end of the day, the work shop was successful in achieving the following outcomes:
• Developed prototypes of five new experiences addressing customer pain points and unmet needs
• Identified Assumptions, risks and impediments for all experiences
• Identified additional resources required to execute these experiences
• Created a high level roadmap with tangible goals, actions, roles and responsibilities was created

Although the workshop successfully met its objectives, there were a few observations we made as facilitators throughout the day:
• Each group size was too big to ensure active participation from every participant
• Even though the groups were carefully curated, there were some personalities which dominated over others
• Design Thinking tools were new to the participants and they took some time to warm up to this new approach to problem solving
• At some point the participants were reaching Post-It fatigue and were overwhelmed by continuous activities.

> *Dream for tomorrow but build for today*

As experienced facilitators, we were constantly changing our stance and tweaking the workshop content to address the above issues.
• We used different facilitation techniques, like time boxing sharing by each participant and individual brainstorming on Post-its to ensure active participation from all group members. We were mindful of the different personalities in the group and paid more attention to group dynamics while working on activities.
• We put our faith in the process and continuously adapted. Workshops like these are dynamic in the sense that you can never be sure of which direction they take. As long as you have a basic structure, you have to let the process and your extensive experience take care of the rest.
• Post-It fatigue is normal, especially in situations where participants are new to certain ways of working. Short breaks, fun games and some music always work wonders to address such issues.

Unlike Workshop #1, consolidation of Workshop #2 output was done by the sponsor and her leadership team. The output was analysed and decisions made to prioritise which experiences to test out first in the market. This laid the foundation for MVP development in Workshop #3

Workshop #3
Developing the MVP

The third workshop was facilitated internally using inputs from Workshop #1 and #2. The core execution team responsible for rolling out the MVP was involved in this session along with the sponsor.

Prior to the workshop, the leadership team had had a discussion on the risks and impediments for the prototyped experiences. They had also validated some of the assumptions made in the workshop room. Based on this discussion and some lean Startup guidelines we provided, they were able to achieve the following outcomes:

• Identified the MVP for the chosen experiences
• Identified the most critical aspects of the experiences to validate
• Developing the road map for MVP roll out
• Defined roles and responsibilities for the implementation team
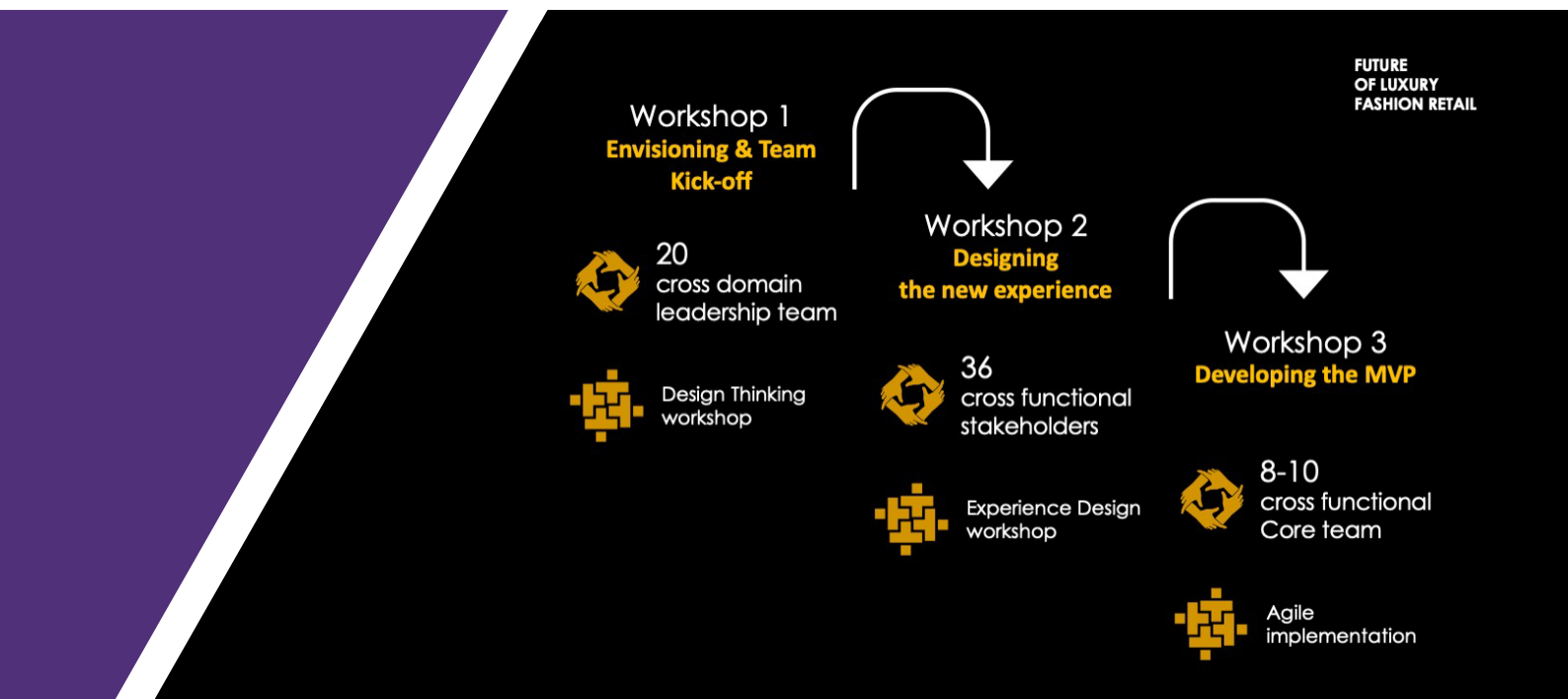
Conclusion

The series of three workshops helped our client to successfully translate the brand's vision into a wide range of a new-age experiences to validate, for their future customers. They were able to apply innovation best practices like Design thinking, Lean Startup and Agile to collaboratively kick-start envisioning and implementation. Leadership team was able to create a culture of experimentation for their teams, whilst focusing on business outcomes rather than output. The teams were empowered with the necessary tools and know-how required to break down the dream and start building for today.
The client is in the process of testing out the chosen experiences with the market.

Recommendations

The task of breaking down a vision into smaller goals and tangible tasks can be challenging, especially when you have multiple stakeholders involved. We've put together a set of guidelines that may be considered expert recommendations to kick-start a similar initiative in a alternative context.

Align all stakeholders on the vision

Before starting an envisioning exercise, get an alignment of key aspects like vision themes, key objectives, business value metrics etc. The team will progress faster when they are clear about what they are working to achieve. In our case, the first workshop was all about alignment. Aligning the leadership team on the vision, key objectives, business value metrics and the team charter. They were also aligned on Agile ways of working. As a facilitator it is important to get this alignment. Pick up different tools from your tool box to help people achieve this, if your planned course isn't working well enough.

Ideate a range of solutions to achieve the vision

The vision can be achieved in many ways. Don't stick to the first solution you think of but generate a wide range of solutions to try out. Get all key stakeholders to collaboratively ideate on multiple solutions to achieve the same goal. In our second workshop, we included not only stakeholders across domains (IT. Business, H.R., Marketing, Legal, P.R. Operations, etc..) but also the boutique staff to brainstorm on ideas. This helped everyone to view and understand the problem from different perspectives to come up with radical ideas.
As a facilitator, make sure you encourage all participants to actively participate in this activity.

Identify assumptions, risks and impediments for these solutions

For all the solution ideated, make a note of all the assumptions you make sitting in the workshop room, risks involved and impediments to progress. This way, you will have already started thinking critically about which solutions to move ahead with. In our second workshop, different groups identified assumptions, risks and impediments for the solutions they were working on.

As a facilitator, make sure you encourage your participants to ask the right questions, tough as they may be, to identify these.

Break it down into smaller tangible goals and tasks over a timeline

Work backwards. Break down your solution into smaller goals. Create a roadmap. What actions have to be taken to achieve these goals, how long will it take and what is required to complete the action. We had different groups work on their own time horizon and action timeline. Their time horizon was 3-6-12 months with smaller goals at every milestone. At this point, facilitators should guide the groups to think about achieving outcomes rather than outputs.

Identify roles & responsibilities to own these tasks

What is an action plan without knowing who is responsible for these actions? Identify clear roles & responsibilities to take ownership of the actions. In our case, each group member volunteered to take ownership of one or more actions from the roadmap.

Test solutions in the market to validate critical features

How do you know whether the solutions you've designed are in fact relevant to your customers? You test them. Instead of spending huge amount of time, money and other resources in building the entire solution all at once, you test the most critical aspects and features of the solution with your customers to get their feedback early on. Develop the MVP for your solution to get feedback from the market fast. In their third workshop, the team designed their MVP roll out plan and is currently testing out the different solutions brainstormed during previous workshops.

Additional tips to set up and facilitate similar workshops:

Understand the context

Get all the information you need to understand the problem from multiple perspectives. Talk to key stakeholders, go through any existing material they have on the topic and identify all the challenges and problems that need to be addressed. After many discussions with the key stakeholders and our sponsor, we identified that there were many immediate challenges that needed to be addressed in order to achieve the ultimate goal.

Articulate the problem to solve and the challenges to address

Once the problem to be solved has been identified, articulate the problem. Be specific and clear about what it is that you are going to find a solution for. In this case, it was about having a vision which needs to be translated into tangible goals and actions to work on.

Customise your approach fit the context and address the problem

Be mindful of the client's context, their organisation culture, current ways of working before you make any recommendations. Don't try to force your way of working, work around your client's instead. In our case, a series of workshops would not only help to solve the problem but it would also help address some immediate challenges the team was facing.

Collaborate with your stakeholders early and frequently

Follow Agile principles of transparency and collaboration. Involve your client at every key stage of the process. This way, they are aware of the progress made at every stage and you are flexible enough to incorporate any last minute changes without much disruption. In our case, the sponsor was actively involved in designing the format and content of the workshop with us.

Be mindful of the process, use it to guide your outcomes

In large workshops with multiple stakeholders, it is next to impossible to plan for every detail. Anticipate roadblocks and prepare for contingencies but be flexible enough in your approach. Use cues from the audience to quickly shuffle your content, pivot and adapt to emerging needs during the workshop. Keep your tool box handy. You never know which tools you'll need to pull out! We took cues from the participants during the workshops, being mindful of a drop in responsiveness during activities or when participants were distracted by their phones. We made changes accordingly to the workshop flow and. We took more frequent breaks and introduced some fun games to keep the energy up. All the time though, we were mindful of the outcomes to be achieved.

It's all about the people

Whatever said and done, all facilitators agree that conducting a workshop is all about managing the people in it. Use your observation skills and understand the dynamics of each group. That way, you will know which stance to take, to get maximum participation from your audience. It didn't take us long to realise that we'd have to put in more effort in facilitating the groups. There were times when we switch roles form facilitator to coach, to help groups come out with meaningful outputs.

Interested in knowing more about workshop facilitation?

Email us: contact@why-innovation.com