curvature

Why Infrastructure Services in Retail **Needs a Rethink**

By Johnny Walker

An Industry in Transition

The retail industry is in a market transition. The digital revolution combined with changing customer preferences is fundamentally transforming the industry and its approach to product optimization, customer experience, channels, and operations.

The added slowdown due to COVID-19 has been devastating on retailers that haven't fully embraced eCommerce with store closures and bankruptcies on the rise between European and American retailers. As eCommerce accelerates, the ability for retailers to expand their IT capabilities, while recovering from the impact of COVID, poses a unique challenge. In a post-COVID retail ecosystem, the velocity of negative change upon retailers has increased exponentially. A post-COVID ecosystem has aged traditional retailers by a decade or more. **Today, retailers are faced with sustainability questions** from the Board of Directors, shareholders, suppliers, and employees.

While eCommerce has been a direct threat to traditional brick and mortar retailers for years, it still accounted for

> *Increased burden on IT resources* to ensure compliance... is driving retailers to **leverage the skills and scale of IT service providers**

only 10% of all retail transactions pre-COVID. Although 10% may be a small percentage, **eCommerce is expected to gain substantial share post-COVID** with its benefit of expanded choice, improved control (what the customer sees, when they see it), and greater convenience (from any IoT device, anywhere, anytime). Even the human experience of in-store shopping may be mimicked with AI and augmented reality on the horizon.

Disruptions in supply chains (post-COVID), tariff and trade conflicts will continue to impact customer experiences, and when availability decreases costs may increase. Obsolescence of inventories and low cycle turns create hyper-scale concern for traditional brick and mortar retailers.

The Role of Technology

As retailers thrive or struggle to survive, they must **focus on innovation and critical capabilities** while driving operational and non-core capabilities to the most effective models.

In technology, Analytics is one area seeing the greatest innovation. Retailers must manage and analyze an ever-expanding amount of data to study buying behaviors, business performance, and changing market dynamics rapidly requiring ever greater data stores and computing power. To address the expanding data, increase in required processing power, complex analytics, and real-time point of sell experiences, retailer's IT organizations must embrace hybrid cloud, edge computing, and the impact of IoT.

The increased burden on IT resources to ensure compliance with regulations such as PCI, GDPR, and the ever-expanding security threats are driving retailers to leverage the skills and scale of IT service providers to protect customer data, mitigate future litigation, drive costs down, and increase overall service levels.

Retail clients partner with Curvature to provide best-in-class adaptive solutions that accelerate strategic execution of their business strategies.

Our retail clients have focused on specific efforts:

• Investing in automation and embracing technologies that drive growth strategies (how to move from a fleet of monolithic store fronts to dynamic digital experiences, determinations)

• Improving technology processes to deliver better omni channel online-to-offline shopping experiences like curbside pickup, unattended pickup, and attended pickup.

• **Accelerating cost savings to strengthen budget surpluses** for investments into growth strategies

• Increasing the volume of out-tasking functions along the IT workflow

• Adopting "as a service" programs within their IT ecosystems

• Preparing to leverage the unlimited bandwidth potential of 5G and next-gen wireless

• Collecting, storing, archival, retrieval, and analysis of data—all sorts of it—and then applying it to gain a competitive edge

• **Deploying a hybrid and multi-cloud strategy** that is tailored to their business and IT needs

The Way Forward

Our retail clients have opted to partner with firms like Curvature and others from the technology community to provide best-in-class adaptive solutions that accelerate strategic execution of their business strategies.

In our analysis of the retail marketplace, we are seeing an increasing demand in the market to consume enterprise-class services across the lifecycle of installed (cloud, physical, and virtual) server, storage, and network assets that optimizes delivery outcomes (globally), and optimizes cost through an iterative methodology that provides the maximum level of agility with little or no friction costs.

In partnership with Curvature, the retail industry has implemented our **Digitally Integrated Infrastructure Services Platform (D²S)**, that allows for direct analysis of spend and utilization of currently consumed infrastructure services, and makes specific recommendations for near-term, short-term, and long-term optimization. **D²S is a logical analysis that helps retail clients understand their actual usage with an eye on redeploying CapEx and OpEx** on strategic advancements that are required to secure their sustainability and survivability in an unstable economy.

D²S provides data-driven outcomes, consistently delivered, burstable, globally available technology resources all focused on accelerating responses to technology initiatives without increasing existing technology budgets. The majority of Curvature clients leveraging D²S are realizing tangible gains, vendor consolidation, and global reach that otherwise is unobtainable.

Programs with the Curvature platform range from run and maintain that include heart-beat monitoring aimed at increasing availability of critically deployed infrastructures to decommissioning programs that provide a financial return to offset investment in new technologies.

- Reducing prior overbuying of support programs, and reducing the complexities of underwriting maintenance across their networks, storage fabrics and server infrastructures (cloud, hybrid, and remote offices)

- Metric driven, multi-year, cost optimization programs with 30-60% realized budget improvements and/or redirection of CapEx and OpEx to business-aligned projects

We encourage all retailers to engage in a discussion to identify specific steps that can be taken to fast-track funding for business-enhancing technology, in a flexible and comfortable methodology.

About Curvature

Curvature is the global leader in independent IT maintenance and support for server, storage, and network hardware. Curvature extends your asset life cycle, decrease OpEx and delay CapEx, and we guarantee zero compromise on quality.

To learn more about our Infrastructure Maintenance and Management services, visit www.curvature.com/third-party-maintenance and www.curvature.com/managed-it-services.

For more information, visit www.curvature.com