

Hitachi Forum: In search of Digital Champions and A Culture of Transformation

By Ben Sillitoe

POINT OF VIEW

Mobilised customers, changing business culture, and what it takes to succeed in a digital retail world were on the menu as retail, hospitality, business, and tech leaders joined Hitachi for the inaugural Retail Customer Success Group forum.

What do Nike, Sainsbury's, Heineken, and Mitchells and Butlers (M&B) all have in common?

Despite their different sectors and target markets, they are all trying to sell their wares to as many people as they can, build a reputable brand, and continue to improve their businesses in line with 21st century consumer sensibilities.

Also, they have all – in the last four years – added chief digital officers to their senior teams. In the case of Heineken that appointment happened as recently as this year.

These are newly created roles for companies recognising they need someone to own change programmes within their organisations, and to get the most out of online platforms, apps, data, cloud infrastructure, and additional digital tools at their disposal.

The need for businesses to find a digital champion of this nature, who can lead their journey to the promised land of modernised systems, real-time customer communication, and better, usable data, was discussed in detail at a recent event in the City of London. Hitachi's inaugural Retail Customer Success Group forum, held at The Gherkin, gave business and IT figures from a variety of organisations an opportunity to talk through the finer intricacies of digital transformation.

As consumer-facing businesses engage in blue-sky thinking around the technologies and cloud-based approaches that will help them with their goals, where better to debate the issues than high up, on the 39th floor, of one of London's most recognisable buildings?



Mitchells And Butlers' Ongoing Digital Journey

Richard Whitehouse, group head of digital transformation at M&B, one of the UK's largest pub, bar, and restaurant operators, has spent the last two and a half years taking a previously non-digital business into the new tech-enabled world.

As Whitehouse's job title suggests, his company recognised the need to transform. Back in 2017 when he arrived there were a huge number of new players in the sector, and lots of tech companies promising support, and M&B felt it had no choice but to embrace digital's potential and reinvent its way of doing business.

Enter Whitehouse, who told delegates: "The ability for us to respond really quickly in this space was just critical."

Whitehouse's impact has been to implement an openness to work with industry disruptors, as well as introduce mobile-enabled services in recognition of how its young customer demographic want to buy. The work is never done, but M&B is not being left behind in an industry that has faced serious structural challenges and seen many casualties.

The company has developed new virtual brands that sit on Deliveroo and Just Eat, filling a previous gap in their food-on-demand proposition. That strategy sits alongside the operator's own apps, for its brands such as O'Neill's, All Bar One, and Ember Inn's, where order and pay is available whilst other brands such as Toby Carvery and Harvester offer click & collect. All of M&B's brands offer the ability to pay your bill via app, and kiosks are due to launch in Stonehouse later this year.

The majority of bookings M&B takes are now through apps and websites, and Whitehouse said: "Our younger consumers sometimes don't want to talk to anyone.

"This provides an exciting opportunity because if you get these people online, they tend to spend more and it offers incremental growth to the business, which is something we've tried to leverage."

Communicating with consumers digitally plays into new trends of personalisation and customisation. The business is working on build-your-own meals rather than relying solely on static menu options – and apps can neatly facilitate these services.

"We need to make sure the tech is complementary to the individual experience," Whitehouse said. "Can I put a kiosk or table order apps in a premium brand? Absolutely not. Would I put them into a fast service? Yes."

M&B is also thinking in a modern way about business as usual operations.

"We used to say location, location, location was the most important consideration in our business. Now we say data, data, data," Whitehouse said.

And that keen use of data, allows M&B to communicate with customers and potential customers in a personalised manner in the right place and at the right time, is all in the pipeline of work for 2020 onwards. Hitachi is playing an integral role in that process, so watch this space...

Change Culture By Design

M&B is an example of a company that realised internal change and new attitudes to consumer engagement were required, and it is making it happen.

Craig Crawford, digital transformation strategist, and a key part of the Burberry tech team that drove the company's digital transformation at the onset of the mobile commerce age from 2007-2014, said M&B's story had similarities with the tale from his former employer.

Crawford readily admits that, at Burberry, some of the most transformative work that set the organisation up for growth, and which gave it the agility it has to innovate so quickly today, was achieved through somewhat unofficial means.

"We called it 'avoiding the no patrol'," he explained at the dinner, adding that senior business and IT figures can often block positive transformative change due to closed mindedness.

"Some retailers – and it's happening right now – are trying to cost cut their way to prosperity. What's that all about?" Crawford commented.

"I've heard of retailers where staff have been told to stop using the ERP system due to the expenses it incurs, and to go back to spreadsheets. Sometimes it seems that businesses are just on the cusp of fixing things but those with the wherewithal to do so are then stopped in their tracks."

As guests discussed, the retail and hospitality businesses that are making headway tend to – like M&B – operate with a representative such as Whitehouse, who can act as a "bridge between departments." Stakeholders need to come together and ask "what is the exam question we're all trying to answer?", and then allow the designated champion to guide c-suite through a transformation process, they said.

Digital is not a project--it's is not an app, or a mobile website. Digital is a journey that is still evolving," Crawford cautioned.

Be Decisive

In short, there are no quick fixes to the challenges faced today by retailers, hospitality companies, and consumer goods organisations. Successful brands that are winning at transformation are taking decisive action, creating a path to change with suitable leadership and mapped-out plans with flexibility built in, as Whitehouse explained.

M&B is very much an example of this process in action. While others in the restaurant trade have fallen by the wayside, this operator has inflated its share price, driven growth and revenue through new channels, and connected with a new generation of customers.

"Digital means different things to different organisations, but gaining access to data and ensuring better insight is at the heart of all successful transformation," explained Mark Williams, director and head of retail and hospitality consulting at Hitachi.

"We're helping companies navigate this, always working in tandem with their digital champions – be they head of transformation, digital directors, or business change chiefs – to support better commerce and customer engagement. There's a whole world of growth opportunity out there for businesses if they can combine clearly defined strategies with a culture of experimentation underpinned by data."

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Hitachi Retail Customer Success Group speakers and attendees – 26 February 2020

Speakers

CrawfordIT, Craig Crawford, Digital Transformation Strategist

Mitchells and Butlers, Richard Whitehouse, Group Head of Digital Transformation

Attendees

Bestway Wholesale Ltd.

Byron

Dunnhumby

Moto Hospitality Ltd.

Value Retail Plc

Welcome Break



To register your interest in attending the next Hitachi Retail Customer Success Group forum, please contact mark.williams@hitachivantara.com.



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