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Retail store closings continue into 2019.

The March 2019 issue of Inbound Logistics magazine had two sidebar articles about the struggles of brick-and-mortar retail stores.

The first is titled "48 Hours, 465 Store Closures" that encapsulated the store closings of JCPenney, Gap, Victoria's Secret and Footlocker combined all within a 2-day period.

The second is titled "No Light At The End Of The Retail Tunnel" which reports that store closings may not be slowing down into 2019 given that 2,187 stores have closed so far this year between the shutterings of Gymboree, Shopko, and Charlotte Russe. Keep an eye on a second possible bankruptcy for Payless ShoeSource this year.

These closings come on the heels of 5,524 store closings in 2018, as the second article reports. What is to blame, the article states, is online retail growth, flat or declining store sales, and rising interest rates.

Yet experts continue to agree that consumers would rather touch-and-feel before they buy. It would be interesting to know the rate of returns at the online retailers consumers are supposedly turning to as they shun physical stores. Likewise, how are these return policies, which probably favor consumers, eating into profitability? Returns costs not only requires postage but also inspection and putaway – translation: people – not an inexpensive addition to operational overhead.

So, one has to wonder why consumers are no longer interested in going into those stores. Staid, tired old merchandise? Unfriendly help? Lack of new and interesting products? Humdrum experience?

For decades, retailers have been building walls between themselves and their vendors with draconian, ill-conceived, poorly communicated vendor compliance programs. I contend that what retailers have created has now come back and exacted revenge upon its creator. Retail vendors lack the loyalty to care who they sell to, and are branching out to sell direct to consumers in some cases. Where retailers complain that they lack supply chain visibility, it is because vendors lack the loyalty to care to fully commit to these abusive, and in all likelihood temporary, relationships.

Retailers continue to invest in the latest cutting-edge technology for their customers, but lack the commitment to the supply chain vendors to accept their responsibility and take the leadership to correct the problem. Retailers have failed to figure out that omnichannel – which is all about shopping and not about shipping – was their own business model chaos that they forced upon their vendors who, for decades, have been successfully shipping to stores, distribution centers, and drop-ship direct to customers long before the term "omnichannel" came in to being.

If retail executives are going to get serious about saving their stores, it is going to start with an introspective look at their supply chain vendor compliance programs that define their vendor relationships, old and new. It is going to require a hard look at how they treat their vendors and whether these relationship definitions and parameters live up to the lofty words and ideals of their corporate values and mission statements ... because I'll tell you that they realistically don't.

It is going to take real leadership to navigate the necessary change to make amends for the sins of the past and present and chart a better course in creating the real collaboration that should be defining the essence of what supply chain is all about. Or we can all just sit back and watch as more stores shutter and more companies close.

Thanks for reading.

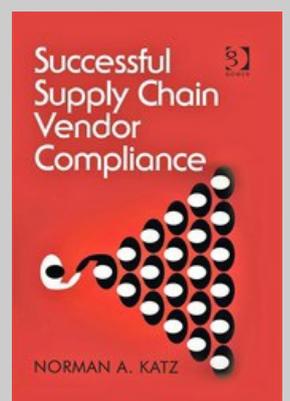
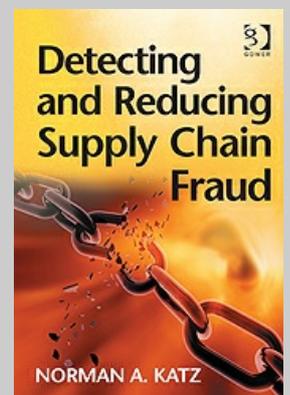


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