

This is the first edition of Clarity Insights – a quarterly look at news, events and thought-provoking comment about what's happening in the Retail, Consumer, and Hospitality sectors. Starting with an article which appears in this week's edition of Retail Week. See full article [here](#).

Reimagining retail for a post-pandemic world

Change has been forced upon us – both good and bad – and we have yet to determine how much will stick, writes **Fran Minogue**

Understanding which consumer trends will prevail is critical to future investment decision-making and building competitive advantage.

Three months in, we have moved beyond the purely operational and into the second phase of our response to Covid-19: rethinking the organisation and accelerating digital capability.

Talking to chief executives in recent weeks, this statement comes up time and again: "We have done in three months what we planned to do in three years."

What does this tell us about ourselves as leaders – how we structure and how we operate?

Strategy

Hierarchy is the enemy of speed. Early on during this crisis, many chief executives adopted a command-and-control approach – to be decisive and clear, and to move at pace. But now they are more collaborative; they need different inputs and look to new ways of solving problems.

And this is where younger teams have stepped up with innovative solutions, often technology-based, that middle management is ill-equipped to deal with.

This has led to another common theme: delaying.

Going forward, we will see greater autonomy on the front line, empowerment of those close to the customer interface and swathes of redundancies among the ranks of often long-serving middle managers who have not adapted, or cannot adapt, to the 'next normal'.

It goes without saying that rethinking the business model is key. Whatever the numbers turn out to be, the trend to digital will be sustained and not just in commerce, but in how we organise, source, buy and distribute.

Restructure

Another common theme is the dramatic reduction in physical space. Most omnichannel players plan on 20% – and some up to 40% – fewer stores and, with landlords firmly on the back foot, this will happen far sooner than we could ever envisage.

There has also been a significant move towards turnover rents, and retailers who do not achieve the level of co-operation they seek will simply not reopen those stores.

So, what is the future of the store? Here there are contrarian views.

Some feel that flagships and primary locations will survive, if not thrive, whereas secondary and tertiary sites will never recover. Others believe that, due to the inherent risks of taking public transport, smaller branches in provincial towns will benefit.

For fashion and lifestyle players, the store has historically been the most common and cost-effective way to express the brand and bring it to life – whether it's Primark or Louis Vuitton. How can we now express the proposition digitally or virtually?

The good news from markets that have already opened is that, while footfall is down, conversion is way up

People

Another challenge many are grappling with is how to replicate the human connection and interaction we enjoy in store. Brands as disparate as Dixons Carphone and Burberry are connecting with customers online to demonstrate product features or share new-season collections in a personal, tailored way.

And what is the future of the high street or mall overall? Shopping is only part of the experience these days. Unless the two-metre rule is relaxed, the hospitality sector cannot function, which will further exacerbate unwillingness to revisit shops.

The good news from markets that have already reopened is that, while footfall is down, conversion is way up. No one is browsing now – if you're shopping, you're shopping.

In most areas, the direction of travel pre-Covid has simply accelerated in recent months and it is to be hoped that positive trends will not be sacrificed on the altar of cost-cutting.

Here we have the consumer dichotomy: value or values? The young will be most affected by unemployment and uncertainty – will they hold fast to the principles of ethical sourcing and saving the planet, or go for that £10 top as it's all they can afford? Or can they have both?

Fortunately, many chief executives believe that sustainability must be 'baked in' to future sourcing strategies and that compromise is not an option. **RW**



Fran Minogue
Managing partner
Clarity

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OUR NEWS

We hear 'always invest through a recession' and Clarity is doing exactly that. I'd like to introduce the first of 2 new partners joining us this summer.

Ash Hobkinson

Ash's experience spans the consumer spectrum, with a particular focus on travel, leisure, hospitality and the digital assets that underpin this ecosystem. Ash has partnered with private equity backed emerging concepts and technologies through to listed entities seeking talent transformation.

Prior to Clarity, Ash was a Partner at Essenta, a boutique firm operating principally with private equity backed companies. His search career spans 10 years at Odgers Berndtson and Korn Ferry, where he led their Travel, Leisure and Hospitality practices. Ash operates on a global basis and has lived in New York and Cape Town.

Diversity and inclusion has been a key area of Ash's focus in the last few years, heading the D&I initiative across the hospitality practice at Essenta and Korn Ferry where he was a founding participant in the industry initiative Women in Hospitality, Travel and Leisure(WiHTL).

DIVERSITY & INCLUSION

At Clarity we are proud of our track record on gender diversity and our contribution to increasing the number of women in senior roles, both exec and non-exec. The impact of inclusive and diverse leadership are well known: [McKinsey: Diversity Wins](#).

However, along with much of the search community, we have done less well on ethnicity and need to find a way to address that.

In the immediate future, there are several actions we can take:

Influencing the Development of Inclusive Organisations: The move to diverse leadership requires companywide acknowledgment, commitment and implementation of policies towards an inclusive environment, driven by the CEO and Board. Clarity's role is to question, challenge and promote diversity within client organisations. Our exposure to senior leaders makes us well placed to share best practice and encourage change

Emerging Shortlists and Networks: Experience with gender diversity informs that it is not always possible to deliver balanced shortlists. Therefore, where organisations have an appetite, we plan to present - in parallel - high potential, emerging talent that our clients can engage in dialogue for the future. This leads to new networks, mentoring opportunities and in most cases, lessons flowing in both directions.

Feedback: Input and feedback will be essential. As with gender diversity we will seek to create:

- 👁 Panel sessions: organise events where we bring together a panel of diverse leaders to both inform "where next", and give greater insight
- 👁 Clarity Diversity workshops: for the Clarity team to discuss diversity in all its forms and understand how unconscious bias impacts search
- 👁 Network: Focus on building a network of emerging leaders who can be far more influential collectively, than individually

Are you able to support us in this attempt to improve the diversity balance in our future shortlists? Let's start the conversation.