

HOW THIS RETAIL APPAREL BRAND AUTOMATED STORE OPENINGS WITH RDASH

May 2024

CASE STUDY



ORGANISED RETAIL LANDSCAPE IN INDIA

India's retail sector boasts an impressive market size, ranking fifth globally and contributing over 10% to the nation's GDP. As per Kearney Research, India's retail industry is projected to rise at a pace of 9% between 2019 and 2030, from US\$ 779 billion in 2019 to US\$ 1,407 billion by 2026 and more than US\$ 1.8 trillion by 2030.



Post Covid, the retail chains are back with a bang and continue to add muscle to India's \$120 Billion organised physical retail story which is expected to reach \$230 Billion fueled by factors like:

- 1. Governments big infra push for new airports, highways & malls providing new available retail real estate Inventory stock.
- Existing chains revamping their Brand and store format strategy and penetrating deep in tier 2 & Tier 3. e.g - TATA Zudio and Reliance Trends quickly becoming 2500Cr+ Brands with high customer base in hinterlands.
- 3. New Online first D2C brand realising potential of Physical & omnichannel retail. Lenskart has now more than 1500+ physical stores.

Glimpses of physical retail expansion in last 4 years by few biggest retailers in India :

- Reliance retail has scaled its presence from 22Mn Sft in FY20 to 65Mn sqft in FY24
- Aditya birla fashion (ABFRL) scaled from 8Mn sqft in fy20 to 11 Mn Sqft with 4000+ stores in fy24





KEY PHASES IN LAUNCHING A NEW RETAIL STORE

Launching a new store can appear to be a small project on surface, but it involves immense efforts from several teams including business, marketing and projects and the problem becomes nuanced since multiple stores are to be launched at the same time with limited team, keeping in mind that the the core business of retail brands is not real estate!

On a broader level, the process of opening a retail store can be seen in four phases :

Retail Identity Designing This Involves the Brand team to work with Interiors Architect & Designing a standard prototype of Store including its Facade, Signage, Its Interior elements including fixtures & Furniture design, Flooring & Ceiling, materials & manufacturers. Finalising the Retail Property Where a company locates their retail store has a huge impact on the success of their business. the Business team searches for the best highstreet retail properties and signs leases with them. There are a few things kept in mind while searching for

the right premises:
Research on Business rates: These rates include rent, utilities, and taxes, as well as other "hidden" costs, such as deposits, parking, and maintenance costs.

- Footfalls & Competitor Presence
- Aesthetics & Brand guideline Checklist

Building the Store

This phase Interiors & construction work, carried out by projects team with the help of contractors. Depending On the Size of store, this can take 20 days to 90 days and involves these steps :

- Recce or Site Measurement of bare shell property.
- Design Adaptations & Fixture Placement plans & 3D renders
- Preparing the BOQ & Aloting work to Contractors
- OEM/Other Material Procurement & Progress reporting
- Quality Check, Punchlisting & Handover

Operating the Store

Once a Store is ready for Operation & involves day to day operations involving the team, Customers, assets and utilities :

- Staff Hiring & Training
- Maintenance, Security, Facility management
- Stock & Supply chain Management





CASE STUDY

Six months ago, an up-and-coming apparel brand reached out to the RDash team, seeking a comprehensive solution to enhance their project management process for launching new stores.

This case study addresses the challenges encountered by the direct-to-consumer (D2C) brand as it embarked on rapid expansion into physical retail outlets. It examines the underlying factors contributing to these obstacles, while introducing strategic solutions aimed at streamlining operations, fostering collaboration, and optimizing project expenditures.





ABOUT THE CUSTOMER

An emerging force in the apparel industry, this brand has established its omnichannel footprint. It has a presence across online platforms and 80+ stores spanning 8 cities.

Post covid the brand is strategically intensifying its physical presence in tier-1 cities and venturing into tier-2 cities signaling a proactive approach to meet evolving consumer preferences and capitalize on market growth opportunities.

CHALLENGES : Projects Team's Dilemma

Before launching physical stores, the company formed a Projects team with architects, a projects head, and regional executives. They focused on creating a design identity aligned with the company's online presence and negotiated fixtures, furniture, and other elements, considering cost, availability, and installation time. Meanwhile, the Business team secured high street retail leases.

For actual construction, the Projects team meticulously planned initial stores, their Bill of Quantities (BOQs), and activity schedules. Specialty contractors handled tasks like tiling, carpentry, POP & painting, HVAC, ensuring quality while optimising costs.

After ten successful launches, managing parallel projects became overwhelming. To speed up, the team switched to turnkey vendors on a per square foot cost basis, accelerating operations but reducing transparency. With further expansion planned, the team is seeking solutions to maintain control, save costs, and increase speed.



"Whenever the projects are repetitive in nature, like in the case of retail projects, the primary aim of the Projects team should be to make a repeatable engine of every task, activities and teams involved so that the system churns out the same quality projects repeatedly, just like an assembly line."

> PUNEET BANSAL Co founder, RDash



DISSECTING THE PROBLEMS

During the initial phase of problem understanding, our customer success team identified challenges in rolling out new properties and refurbishing existing outlets, categorized under four heads:

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Cost Issues

- Fixed per square foot costs prevented detailed cost optimization, including item-by-item analysis and vendor comparisons. And focusing only on direct expenses overlooked indirect costs, resulting in unclear actual project costs.
- Indefinite snag reporting consumed 30% of the timeline, causing delays, cost overruns, and handover issues. And lack of itemized BOQs led to inconsistent billing, payment unpredictability, and 80% of projects experiencing delays, incurring dead rental costs and sales losses.

Quality Issues

- Incomplete site surveys required multiple visits and design revisions, leading to execution quality issues.
- Using outdated design files caused construction errors, necessitating rework and causing costly delays. And the changes in BOQ were not managed properly, resulting in quality non conformance.



Visibility/Control Issues

- Challenges include tracking project progress and monitoring team performance effectively due to scattered data and lack of context in WhatsApp communication.
- Inconsistent billing practices and difficulty capturing BOQ changes pose additional obstacles, leading to payment unpredictability and confusion regarding approved/draft items and owner/landlord scope.

Timeline Issues

• Collaboration issues caused 80% of projects to run behind schedule, with delays of 7-12 days and lengthy snag clearance processes consumed 30% of project time, delaying final completion.





SOLVING THE PROBLEM



Checklist based Site Survey:

Through RDash, Client implemented a checklist based site survey ensuring that all details of site are captured correctly and clearly communicated to the design team in one go which helped reduce the site delay by at least 3 days.



Design Management:

RDash helped the client in maintaining different versions of a design files on the platform in a set format so that no miscommunication occurs between Design, Onsite & Production Team.



Easy Context based collaboration:

The platform facilitated effective collaboration among team members through Contextual discussion on design changes, purchase orders, runtime issues within a project.



Quality conformation with element guidelines:

Using the "Catalog Management" feature, the client efficiently communicated precise element guidelines and changes to vendors, ensuring standardization across outlets and avoiding rework.



Rate Contracts:

Elemental level rate contracts were established with specialised vendors on almost 85% of the elements which were later optimized based on gty consumed over time and quality conformation by respective Vendors.



Runtime Changes in BOQ:

RDash helped client in capturing runtime changes in BOQ while also keeping track on what order is approved and what is pending so that there is no Information Disparity with Vendors.

Enhanced Project Visibility:

The Platform provided complete visibility of each project's stage, along with associated deadlines, giving the leadership team control of their sites right from their office.







SOLVING THE PROBLEM (Continued)

Data Management:

Training company's projects and finance team on the user-friendly platform enabled all relevant stakeholders to log-in and manage the shared information repository covering every aspect of the projects including Site Survey reports, Design Files, approved BOQs, Purchase Orders, Progress Updates, Goods receiving notes, Vendor bills, agreements, equipments warranty and indirect expense proofs.

Capturing exact cost of Project:

RDash made it easy for capturing indirect costs like travelling, accommodation and even rectification costs and mapping it to relevant project which ultimately helped the client in determining the exact cost incurred on a project which actually revealed the real per sqft cost of the retail project.

Delay Tracker:

RDash helped in timestamping delay at each stage while also defining clear responsibility to a stakeholder. Multiple delay trackers were put in place to ensure that any significant delay can be captured at the initiation stage and proactive measure can be taken to prevent delay. This helped reduce 6-8 days in project completion.

Value Engineering:

Digitised BOQ helped the project team in deep element-level analytics and cost optimisation through value engineering, ensuring efficient budget management.



Spend Leakage control through documentation:

R'Dash aided client in controlling spend leakage through documentation by facilitating the comparison of the order scope with the actual work done on-site. The software captured real-time changes, ensuring there is no mismatch in BOQ vs billed gty.



Financial Audit:

Financial Audit of the client became easy because of the control mechanisms in place for financials, purchase order (PO) generation, and payment systems. Since all financial data related to the project is stored in the system. This comprehensive record ensures transparency and provides the necessary documentation to address any inquiries or concerns raised during the audit process.



RESULTS

After Implementing the above solutions, The customer experienced following results in Project costs and performance:



12% Savings in cost

3.5% – By means of Dead Rentals, 4% by means of improved Rate Contracts, 2% due to unnecessary manpower & Travel cost, 2.5% Due to avoiding rework.

30%

U% Faster execution

Average delay reduced from 80% to 45% in 3 months and to 15% in 6 months, Drastic cut-down in Pre-construction & planning time.

SUMMARISING:

Whenever the projects are repetitive in nature, like in the case of retail projects, the primary aim of the Projects team should be to make a repeatable engine of every task, activities and teams involved so that the system churns out the same quality projects continuously, just like an industrial assembly line. While this can be done through writing strong SOPs and document checklists, enabling it through technology can make this process predictable and automated where everybody knows what to do next.

For Management, in addition to these standard processes, a high level view becomes very handy – where they can just focus on the projects or issues they should intervene in and make best use of their expertise. RDash control tower sets these conditions of delays and cost deviations one time and alerts the management wherever there is breach of time or money along with project context where they can dig into to resolve those issues and bring the projects back on track.

Take Control of Your RETAIL EXPANSION

Projects with

Employing RDash results in:

100% Visibility

Everything around your projects, drawings, progress and timelines and manpower is available in realtime, at one place, whenever.

💽 Avoid Delays

Squeeze & crash your project timeline by shunting delays due to miscommunication, confusion, pending approvals and rework.

Contro through change orders and avoiding rework.

Control Quality

Detailed site recce, Standard Specs guidelines, Audit & Snaglist management enables you to control quality of materials and services at every step.



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