

RETAIL TREND REPORT:

7 Secrets of Hyperautomation Success



An abstract graphic at the top of the page features several thick, curved lines in orange, purple, and pink. A pink cable with a silver plug is positioned on the right side, extending from the top right towards the center. The background is a solid dark blue.

Hyperautomation: the latest transformation trend every retailer needs to stay ahead of.

We asked some of our biggest retail customers how they've turned hyperautomation strategy into tangible business results. Keep reading for the seven secrets of success in this brave new era for commerce...

Business at warp speed

It's no secret that the pandemic forced companies, and in particular retailers, to innovate and transform at unprecedented speed and scale. **McKinsey & Company reported that**, during 2020, the average business accelerated their digitization by a staggering seven years, while data from **our recent EMEA trends report**—drawn from almost 3,000 companies—shows a 99% increase in demand for ecommerce integration.

This accelerated business transformation is not a 'blip'. The last two years have reset the bar when it comes to our expectations of the speed of change, and the companies that will succeed are using this new bar as a springboard to transform even faster.

To facilitate this innovation at hyper-speed, a new trend has emerged within the enterprise: "hyperautomation." According to Gartner, hyperautomation requires:

"...anything that can be automated in an organization should be automated. Many organizations are supported by a 'patchwork' of technologies that are not lean, optimized, connected, clean, or explicit. Organizations that don't focus on efficiency, efficacy, and business agility will be left behind."

No time for manual gear

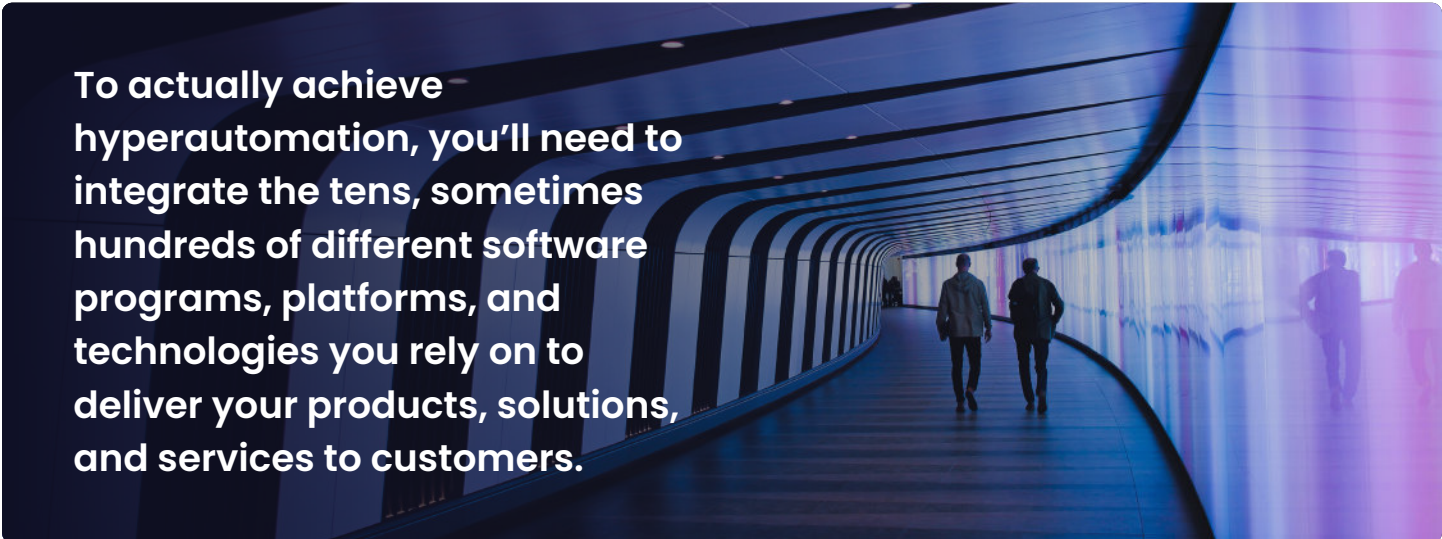
Staying in the race and remaining competitive is no longer possible for businesses who still rely on manual processes and lack an integrated, 360-degree view of their customer. This applies to every size of business, in every region and across every vertical—including the big-guns in B2C and D2C.

According to Deloitte, barriers such as the need to invest and own infrastructure have been eliminated for smaller companies thanks to the invention of PAYG services or cheap infrastructure provisioning. For example, a retailer can opt for an Etsy storefront over a bricks-and-mortar shop premises and get into the market—and start taking on the established players—faster. Deloitte's report concludes that the biggest 25 retailers now own 2% less of the market—worth \$64bn—than they did in 2009.

But setting the goal of hyperautomation is the easy part. To actually achieve hyperautomation, you'll need to integrate the tens, sometimes hundreds of different software programs, platforms, and technologies you rely on to deliver your products, solutions, and services to customers.

Hyperautomation requires every facet of your business to be connected, so new solutions, services and products can be developed and deployed rapidly with low or even no need for code, ensuring the right information is available at the right place at the right time for the right person. You may even have to develop custom enterprise apps yourself along the way, to fill business-critical gaps—and then have to integrate them with your business, with your partner and supplier network—potentially even with your customers' businesses.

Integration technology is therefore the only foundation on which the hyperautomated business can be built. The task without the right integration in place is, frankly, near impossible. So, we talked to some of our biggest and most successful retail customers about how in practical terms they made the transition to hyperautomation. Up next—seven secrets to their success...



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01

Assess your digital maturity

The process for any business serious about hyperautomation begins with some tough questions about the state of your business's digital creds. You should be asking yourself:

What is my organisation's ability to create value using IT Assets and technological know-how? What's the gap between my current IT estate and best practices in the marketplace? How prepared are we to take advantage of the next major social media platform and its social commerce opportunities?

The answers to these questions will be unique to every retail business, and they hinge on factors like the current systems you have in place, where IT investment is focused, and whether you use, for example, on-premise software, or multiple cloud-based solutions—or some hybrid of both.

Whether your company is one that is continuously improving or is in the midst of a bigger transformation process, a clear picture of the level you're at is essential as you size up the transformation road ahead.

02

Identify roadblocks before you meet them

It's pivotal to map your current level of digital maturity because the challenges you can run into are directly related. The most commonly encountered roadblocks when embracing hyperautomation are:

- **An IT strategy that's not twinned with your business strategy.** Digital transformation initiatives derive from a business need and are elevated by its IT strategy. A lack of specificity can make defining a direction difficult.
- **Too much choice.** The possibilities within IT are ever growing and for organisations it can be difficult to keep up, especially when there is a risk-averse culture or an inability to experiment quickly with best-of-breed solutions.
- **The lack of talent/skills to implement change.** The more exotic the solution you choose, the scarcer the resources. Programming languages and the dependence on high-code solutions is an important factor to take into account. Mitigate wherever possible by choosing low- and no-code solutions.

Assessing your digital maturity will allow you to decipher the best path forward and avoid likely stumbling blocks. Having this information at the get-go enables you to select an approach that enables your strategy and supports you in realising your goal of hyperautomation.

03

Identify your value cases

Remember the Agile Manifesto?

“Our highest priority is to satisfy the customer through early and continuous delivery of valuable software. And in Value Driven-Development, we try to deliver a maximum of values as soon as possible”.

Agile has become the reference in the world of software development. Defining programs and changes based on value cases helps organisations not only work based on business priorities but also on those cases with the best risk/reward ratio. Challenge yourself with an agile approach as well as an IT foundation that maximises your flexibility and scalability. It will allow you to accelerate your value cases.

04

Design for speed

Gartner predicts that by 2023, 40% of large enterprises will move to an enterprise business capability strategy, away from monolith vendor strategies and toward an agile mix of best-of-breed solutions. Nowhere is this shift more apparent than in retail.

Gartner term this the “postmodern ERP era.” It summarises a shift to a new way of developing a personalised ERP for a company that uses various point systems to build a completely unique ERP setup. This new “postmodern” architecture increases flexibility by being able to choose the preferred best-in-class solutions per business function (best-of-breed)—as well as improving cost-effectiveness.

There is potentially greater complexity in the integration of this agile mix of systems. But implementing a loosely coupled, domain-driven architecture sets you up for high-speed development and deployment, easy connectivity, and crucially, easily interchangeable systems.

05

Follow the trend for an API-first infrastructure

APIs are how an application or program exposes its functionalities to other applications. With the organisation of businesses shifting from “value chains” to “platforms and marketplaces”, opting for API-first design has become the standard.

Building an infrastructure that centralises common architectural components of secure, developer-centric APIs can significantly simplify the process of implementing APIs that add real value to your business. The choice you face is whether to build such an infrastructure internally or utilise off-the-shelf API-management solutions.

BONUS STEP: IMPLEMENT AN EDI ALONGSIDE YOUR API

Along with an API-first approach, implementing an Electronic Data Interchange (EDI) is a must for retailers. An EDI is a solution that automates the transaction of documents between a merchant and the outlet - big box or marketplace - that will then sell the merchant's product.

Why are they so important? Big-box retailers like Amazon strongly prefer them, because they help prevent mistakes like an inaccurate inventory count or a lack of adherence. In fact, EDI reduces transactional errors by up to 40%, and lower transaction costs by up to 35%.

That's why a merchant without EDI integrated that makes these kinds of mistakes can face penalties from the retailer or trading partner, as well as customer attrition. All in all, with the threat of missing out on the opportunities that rapidly growing big-box marketplaces offer, EDI integration is key to meeting today's digital landscape demands.

06

Think beyond APIs, think small

Many companies have already come around to, and started implementing, a microservices architecture to make themselves leaner, faster, and better. Instead of writing an application as monolithic blocks of code, developers stitch small, independent, reusable pieces—a microservice—together that contain all of the code required for a particular service. This could be something like updating a customer's address or deleting customer information.

Smaller, self-contained and ready to go, microservices can be plugged into a wide array of applications and leveraged throughout an organisation for maximum agility.

07

Customer experience is the only true competitive advantage

The customer remains king going into 2022, and beyond. While integration solutions and technology are the enabler of personalised experiences, the backbone for multi-channel experiences and the engine for successful dataflows, great customer experience requires a customer-centric mindset to go along with this continuous innovation.

The only way to know your customer is through integrated data from across your business. To remain laser-focused on delivering the best possible customer experience, ensure no data is siloed within your business. Integration platforms aren't just about integrating technology—they should also allow you to have a completely integrated view of the customer.

Looking ahead

Hyperautomation is crucial not just to business survival during the seismic change of a pandemic—it's now a long-term business-critical need, independent of whatever the world throws at us. Take the way customer demand has been transformed by social media, for example. Five years ago, a retailer would plan for spikes in product demands around calendar events like Black Friday. Today, an influencer can tag an item on Instagram any day of the week, prompting a surge of unexpected orders. Demand is more spikey and less predictable than ever before, so businesses that manage alignment of their cross-channel orders and shipments manually are immediately on the backfoot, and their technical debt—in this case manual processes—can be suddenly exposed, incurring potentially business-critical risk. On the other hand, companies with fully automated systems and processes can scale operations to meet customer demand seamlessly.

Speed and effectiveness in relation to product, service, and customer experience are going to become even more crucial in the years to come. The sheer number of platforms, software solutions, and technologies in play within the modern business and the speed of deployment required to stay competitive mean hyperautomation is the only approach for any company looking to stay ahead.

Hyperautomation through partnership

Your journey to hyperautomation doesn't have to be solitary. Choosing experienced partners can get you where you need to be faster and more efficiently than if you set your course alone. If you want to discuss how Jitterbit can help your retail business and learn more about how we've helped companies like yours transform through integration, then get in touch.

About the author

Steve Sichtman is VP Multi-Channel Development (EMEA) and has been with Jitterbit since 2019. He started his career at one of the foremost Dutch Consulting & Corporate Finance agencies, where he ended up leading the Change Management practice as Managing Partner. Steve has also authored multiple publications, including the Dutch National Research on Change Management and the book "The Blue Chip Manager." Steve is engaged in multiple supervisory board and advisory roles in Higher Education and Not-for-Profit organisations, and is counsel to several Dutch startups.

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