Marmon Retail Solutions
A Berkshire Hathaway Company

Stop Guessing, Start Winning: The Retail Innovation Checklist

As retail continues to evolve at an unprecedented pace, staying competitive requires continual innovation. But implementing new ideas without a structured approach can lead to costly inefficiencies AND missed opportunities.

That's why you want to do everything possible to help ensure that your innovations align with your business objectives, have stakeholder buy-in, and deliver measurable ROI.

This checklist can help. More specifically, it provides a step-by-step framework to guide you through the critical steps of selecting, piloting, and scaling retail innovations effectively. (Note: For additional resources, we provide links to in-depth articles at the end.)

1. Choosing the Most Viable Innovation to Test

Before committing resources, assess whether an innovation is ready for piloting.

Define the Purpose: Clearly articulate the primary goal of the innovation.

Is it intended to enhance the customer experience or improve operational efficiency?

Does it aim to differentiate from competitors or to catch up to industry standards?

Secure Stakeholder Buy-In: Ensure alignment with key decision-makers.

Have C-suite executives expressed support for this initiative?

Is there a consensus on the innovation's potential value?

Conduct Preliminary Validation: Evaluate the feasibility and potential impact.

Has a proof of concept been developed and tested?

Are initial financial projections favorable?

Can the innovation be integrated seamlessly into existing operations?

Can you overcome implementation hurdles?

2. Implementing an Effective Pilot

A well-executed pilot is crucial for assessing the innovation's real-world performance.

Establish Clear Objectives and Metrics: Define your criteria for success.

What specific outcomes are expected from the pilot?

Which KPIs will be measured (e.g., sales lift, margin improvement, labor savings, shrinkage reduction)?

Will you use an outside store pilot expert?

Will you use qualified suppliers who can partner with you for the long term?

Conduct a Discovery Process: Identify and answer key unknowns prior to pilot.

Have you identified all the SKUs and/or mechanical components needed?

Can everything feasibly be delivered and installed in stores?

What are your contingency plans should any step in the process be interrupted?

Will there be new demands put on store associates and customers?

Will the innovation displace existing store products, fixtures, and equipment?

Select Appropriate Test and Control Stores: Choose environments that reflect broader market conditions.

Do selected stores represent a cross-section of your retail footprint?

Are control stores identified to provide baseline comparisons?

Develop a Detailed Implementation Plan: Outline the pilot process.

What are the timelines and milestones for the pilot?

Who are the responsible parties for each aspect of the implementation?

What training will be provided to store associates?

Monitor and Document the Process: Ensure accurate data collection.

Are systems in place to track performance metrics?

How will feedback from staff and/or customers be gathered and analyzed?

3. Measuring the ROI of a Piloted Retail Innovation

Quantifying the financial impact is essential for informed decision-making.

Collect Comprehensive Data: Gather information from both test and control stores.

Have you recorded changes in these 4 key data points?
- Sales
- Margin Dollars and Percentage
- Labor Costs
- Shrinkage

Is the data collection process consistent across all locations?

Analyze Performance Differences (Delta Analysis): Compare outcomes to assess impact.

What are the performance variances between test and control stores?

Do the results indicate a statistically significant improvement?

Calculate ROI: Determine the financial return relative to the investment.

What are the total costs associated with the pilot (e.g., equipment, training, operational disruptions)?

How do the financial benefits compare to these costs?

What is the projected payback period for the investment?

4. Determining Readiness for Wider Implementation

Decide whether to scale the innovation based on pilot results.

Evaluate Pilot Outcomes: Assess whether objectives were met.

Did the innovation achieve or exceed the defined success criteria?

Were there any unforeseen challenges or negative impacts?

Assess Scalability: Consider the feasibility of broader deployment.

Can the innovation be implemented across numerous locations?

Are you prepared to carry out in-store infrastructure modifications (if needed)?

Are supply chain and operational processes prepared to support a full rollout?

Plan for Full-Scale Implementation: Develop a comprehensive rollout strategy.

What resources are required for company-wide adoption?

How will you manage training and overall implementation across the organization?

What is the timeline for full implementation?

Tested, Proven, Ready: What's Next for Your Retail Innovation?

Successfully navigating the journey from innovative idea to full-scale implementation requires a disciplined approach. Following this checklist can help ensure your retail innovations are thoroughly vetted, effectively tested, and strategically deployed. In turn, this can play a key role in generating sustainable improvements that create competitive advantages.

Additional Resources

Of course, even the ultimate checklist can't cover it all. If you want more detailed insights on innovating effectively, consider exploring the following resources:

- 4 Questions to Determine if Your Retail Innovation Is Pilot-Ready
- The Right Way to Pilot Your Retail Innovation, Right from the Start
- Expert Tips for Calculating the ROI of a Piloted Retail Innovation
- 4 Operational Factors to Consider with Any Store Innovation
- 3 Crucial Questions to Help Retailers Assess Innovation Ideas

Learn more about how these retail solutions can work for you.

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