

NACSSHOW.2019

PMIA PEI CONEXXUS X

Atlanta / Oct 1-4, 2019
Georgia World Congress Center

The NACS/Conexxus Technology Roadmap: 2019 Update

Thursday, October 3, 8:00 am

*How can I
simplify/enhance?*



Experimenters

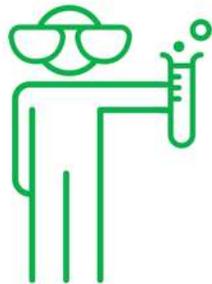
WE CAN

CONEXXUS X

DRAFT

How-To's and Best Practices

*How can I
simplify/enhance?*



Experimenters

You are focused on growth beyond the foundation/basics.

Presenters



Ed Dzadoovsky
Vice President
North America IT
CircleK Stores, Inc.



Gray Taylor
Executive Director
Conexxus

After This Session You Can...

1

Envision the innovations occurring in our business over next 5 years, & *pace*

2

Understand the technology platform enhancements that must be considered

3

Understand the cultural changes that must support innovation & technology

4

Key Future Concepts



- Technology will continue to shift power the consumer
- Disruptors see legacy markets as an opportunity
- Every business *is* in “convenience” business
- Every business *will* be in data business
- Scale is now rentable, moats increasingly mercenary
- IR4 will erode location and immediacy as moats

The Digitized Consumer



“Another effect of digitization: consumers now have sky-high expectations when it comes to convenience. They’ve become accustomed to near-instant gratification: on-demand movies and music, speedy delivery of online orders, and even smart devices that can purchase items automatically. For all retailers, this means having to ensure a convenient, frictionless shopping experience both offline and online. A retailer’s accessibility and relevance are no longer just about physical location but also about digital presence, whether through mobile sites and apps (their own or others’) or smart devices in cars and homes.”

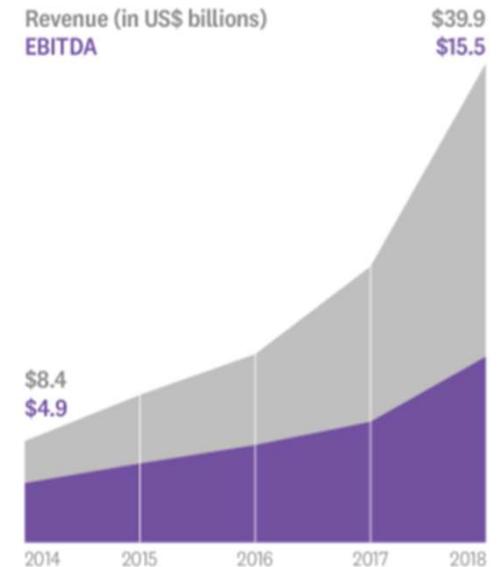
McKinsey, 1/19



Digital Disruptor Advantage: *Alibaba Strategy*

“Automate all operating decisions”

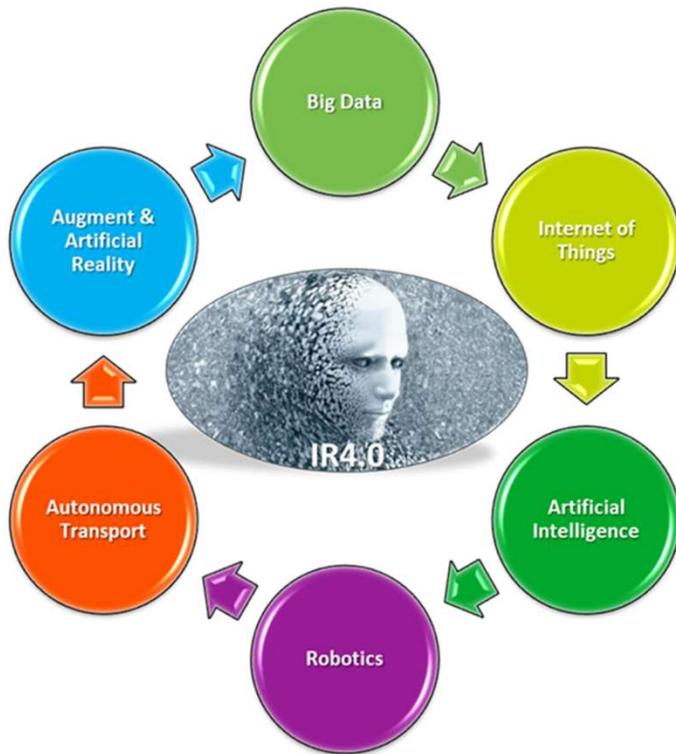
1. “Datafy” every customer exchange
2. “Software” every activity
3. Get data flowing
4. Apply the algorithms



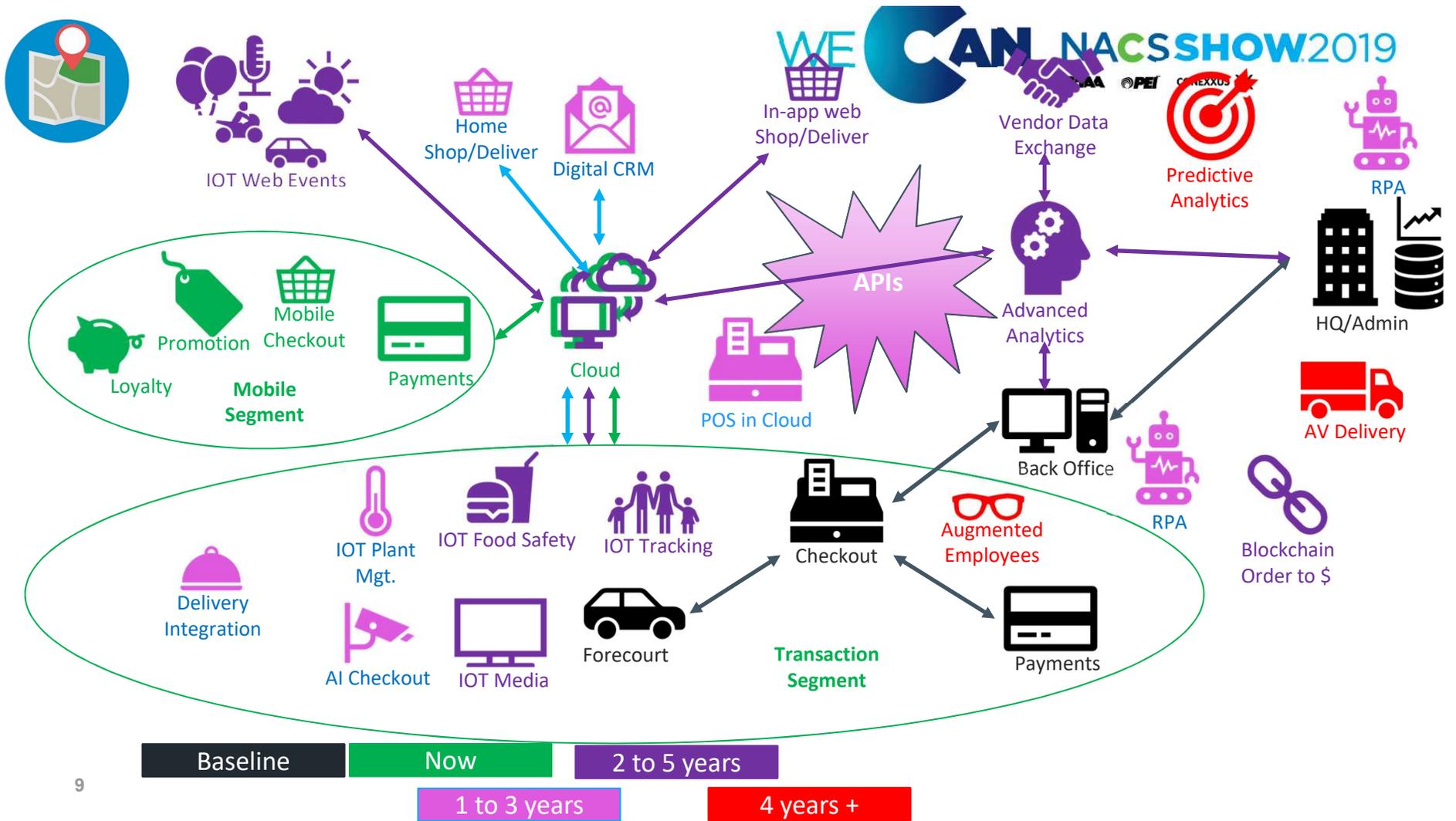
Source: Alibaba Group
From: “Alibaba and the Future of Business,”
by Ming Zeng, September–October 2018

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CEO Feedback



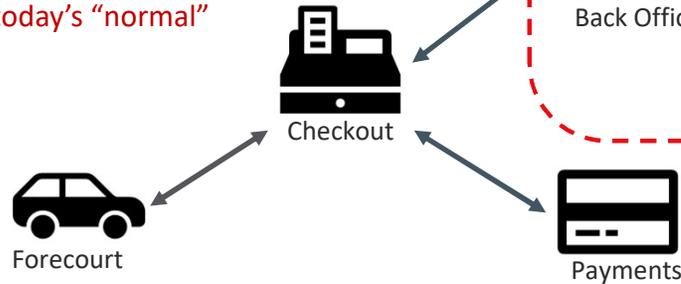
- Technology is a given
- How do we keep pace?
 - Agility out of legacy systems
 - Add life to sunk systems costs
- Reduce disruption risk
 - Evaluate and adopt 4IR
 - Develop digital culture & organizations
 - Out innovate potential competitors



Our Challenges...

Brand-based Store Systems

- Designed for oil/franchise brand operations
- Highly inflexible (security, brand objectives)
- Legacy systems of interaction (e.g. pumps, EPS)
- Disparate functionality, data structure and flows
- Designed for today's "normal"



Legacy Systems of Record

- Designed for "normal" business today
- Inflexible data flows
- Inconsistent data structures
- Enterprise data visibility limited
- But they do a good job! (today)
- Culturally & financially, expensive to replace!

Our current state is dire:

- Innovation is expensive and laborious
- "Test & Learn" is severely restrained
- Response to disruption will be feeble
- Digital culture is hard to establish
- Tech stack is expensive to maintain
- AI benefits will remain elusive

Key Trends: Get your data house in order



The future loves history's data...

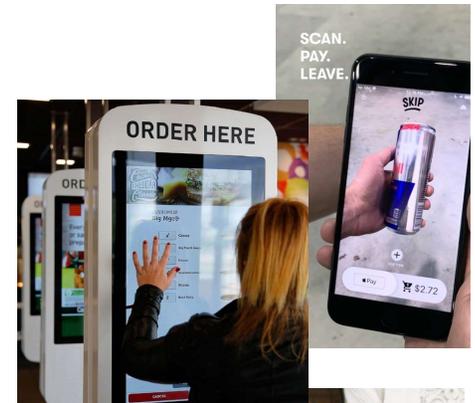
- Keep it all – storage is cheap investment
 - All data that is generated by the enterprise
 - Constantly look for more!
- Get it structured
 - Define data around dictionaries (working on it)
 - Near real-time conversion to your enterprise data structure
 - Your future self will thank you...
- Make it accessible
 - Associates, vendors, customers



Key Trends: The store, digitally projected



- Unlimited “POS” devices connected
 - Mobile, kiosk, dispenser, car, desktop
 - Seeking (ad hoc) price book connections
 - Accurate inventory is a must
 - Virtualizing store in screen mode
- Food orders injected directly to kitchen production
- Payment “pushed” to store
- Delivery integration



Key Trends: Visual IOT future is here

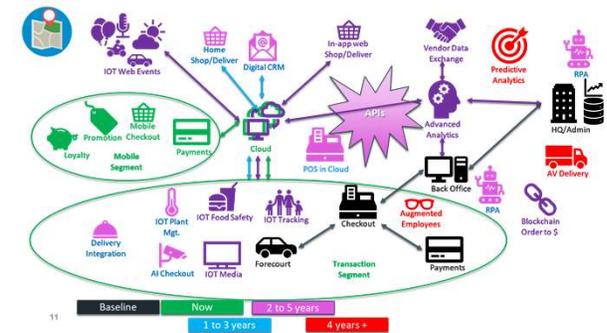
- Cameras to be standard store equipment
 - Hi-res becomes dirt cheap
- Inventory management
 - Cycle counts
 - Planogram compliance
 - Promotion compliance
- Advanced use added later
- Design into the store now



Key Trends:

Continuous integration/deployment

- The pace of innovation is stressing the traditional IT method
 - Test and learn innovation the driver
 - Nimble is new “strategy”
- “Big upgrades” run at a slower clock speed – we need to adjust
- Change the way we work...
 - Abstraction of stack to microservices
 - Agile teams constant develop/deploy



Key Trends: Explore “next level” tools



- Robotic Process Automation (RPA)
 - Automate repetitive tasks with consistent data sources (fuels BOLs, financial close, chargebacks, DSD orders)
 - Improves data flow & accuracy – labor savings too
 - Allows “test & learn” evaluation of data integrations
- Natural Language Processing (NLP)
 - High-accuracy tools readily available (GOOG, AWS, IBM)
 - Can be used as factor of authentication
 - NLP query can be accretive to building digital culture
 - Simple escalating to complex applications

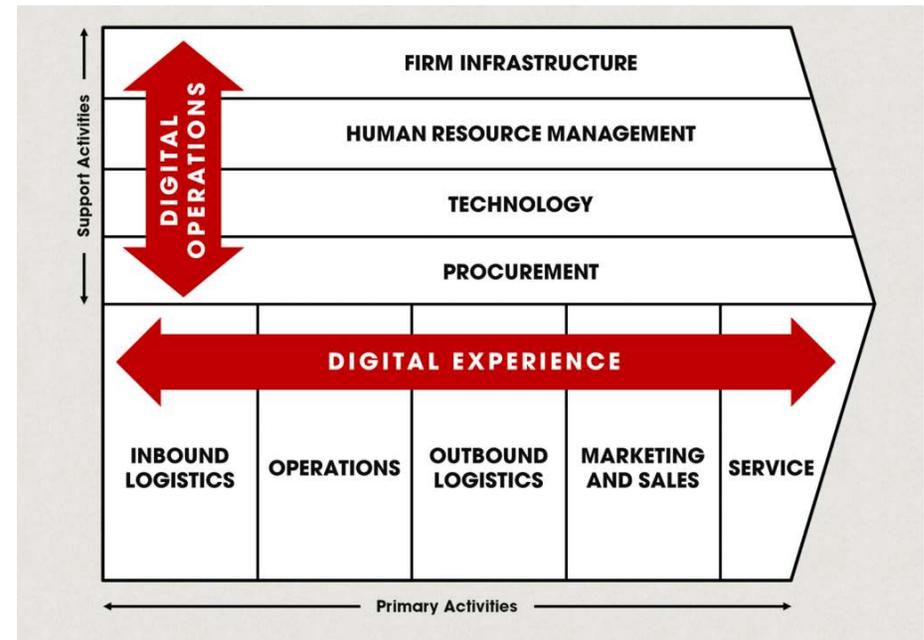
Key Trends: Blockchain has promise...



- Portable system of records
 - Track and trace (recalls, chain of possession)
 - Loyalty programs
- Executable contracts
 - Order to cash replacement of paper/EDI
 - Payments/settlement

Thought Leadership: Are we organized for digital?

- Can an organization truly be digital with siloed technologists?
- How do we increase digital skill sets across organization?
- How do we embed technology road map across our cultures?



Key initiative: Conexus API Sprint



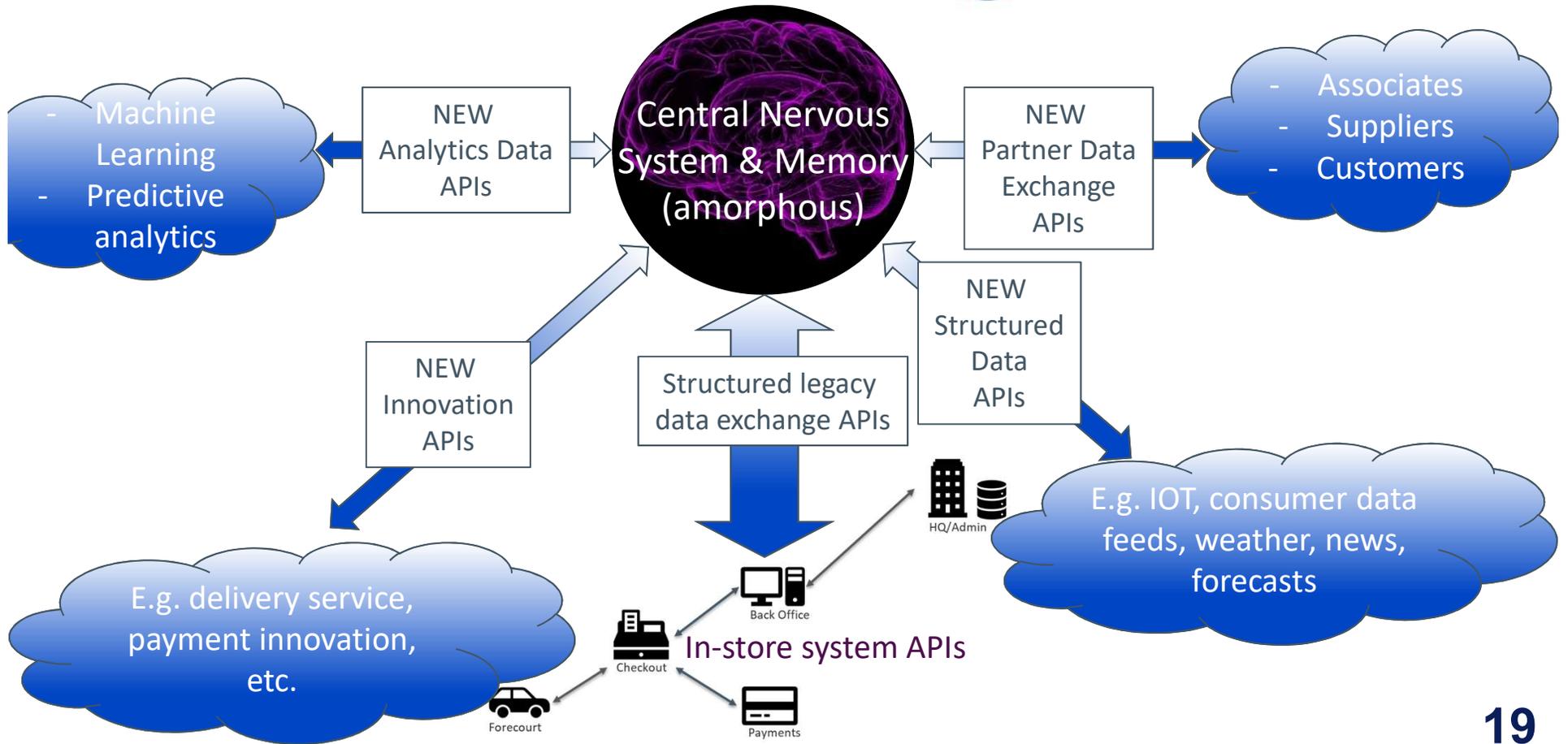
Provide a standard microservices suite, that...

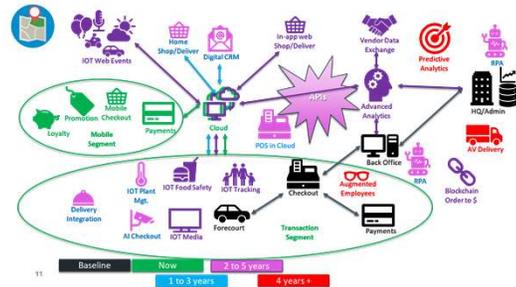
- Extends legacy tech stack life
- Abstracts functionality to certified APIs
- Provides flexibility for innovation & CI/CD
- Is actual code, with standard interfaces
- Is prioritized by retailers, partnered with suppliers
- Is delivered in 1/10th the time, 1/10th the cost

Rewiring the Enterprise

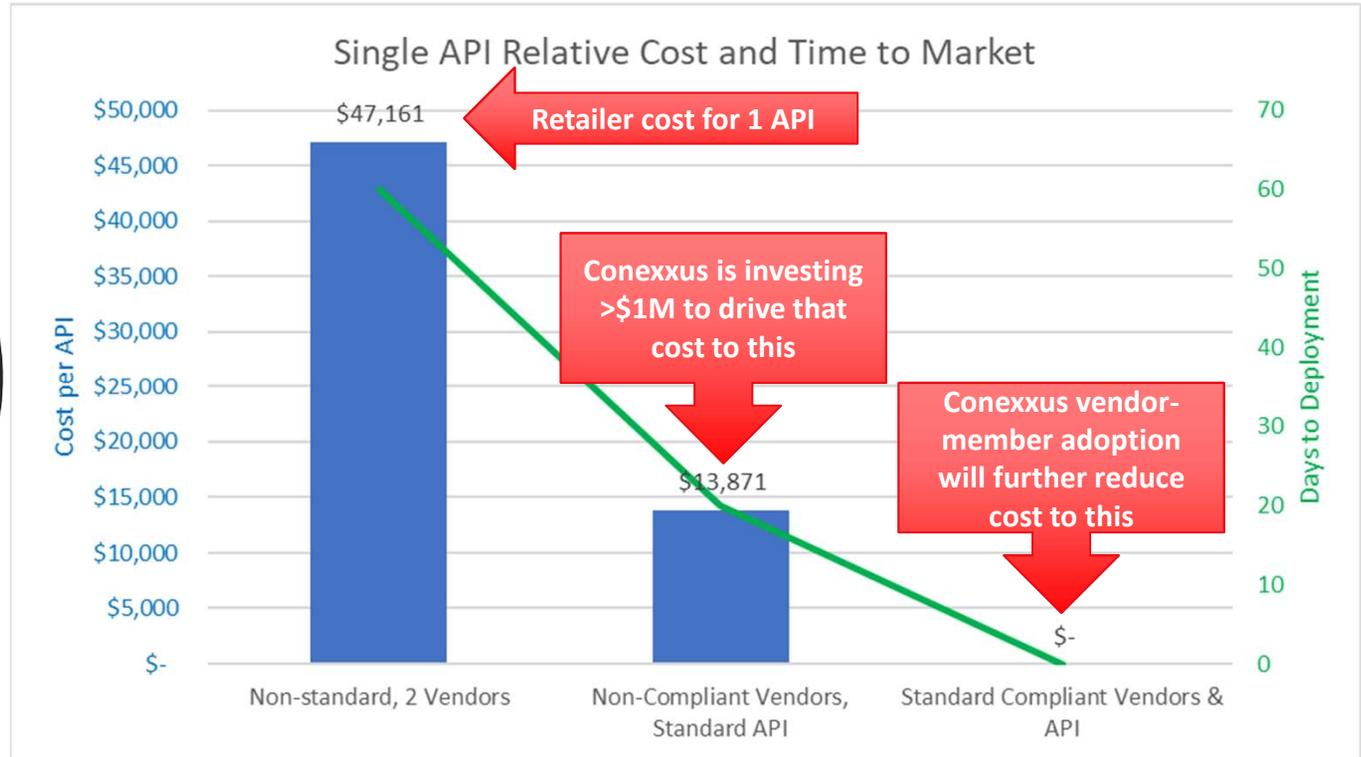


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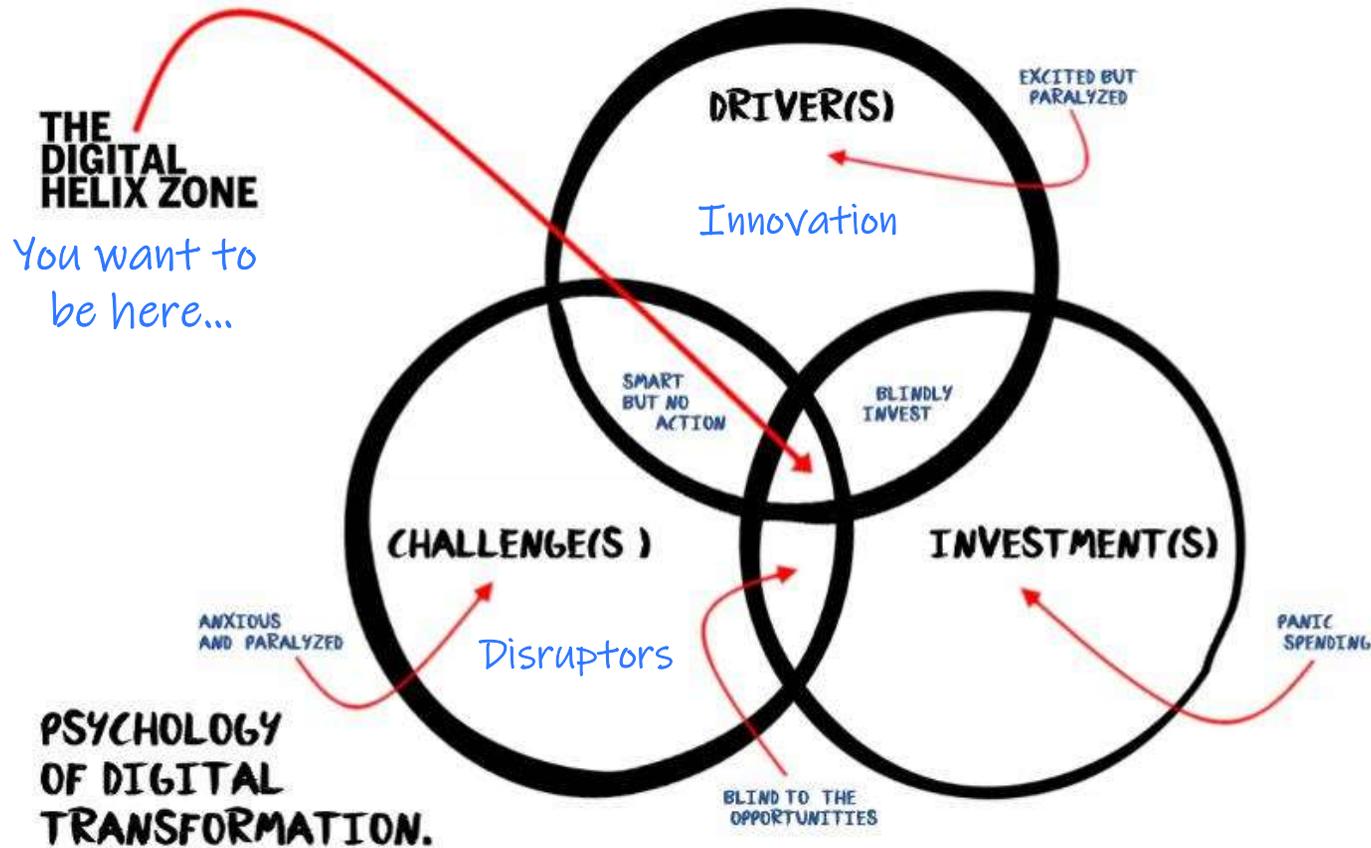


The Cost of Chaos



We believe we can save 90% of the cost and time to market of API migration

Where is your company?



Michael Gale Contributor, Thought Leaders Contributor Group, *Forbes*, September 26, 2019

Key Takeaways



1. The pace of technology change is approaching lightspeed
2. Legacy IT strategies no longer work at the right clock speed
3. To thrive, we need to get our tech stack in order
4. Microservices offer a bridge from legacy to future
5. We need to collect, order and store ALL data
6. “Digital” should be a common cultural mentality & skillset
7. We need to “test & learn” ROI of new technologies

You have a partner...



We are independent & non-profit...

- Expert volunteers, shaping the industry

We set standards...

- Data exchange, security, payments

We provide clarity...

- Emerging tech/trends; identifying & educating

We advocate for our industry...

- Open standards, innovation & competition

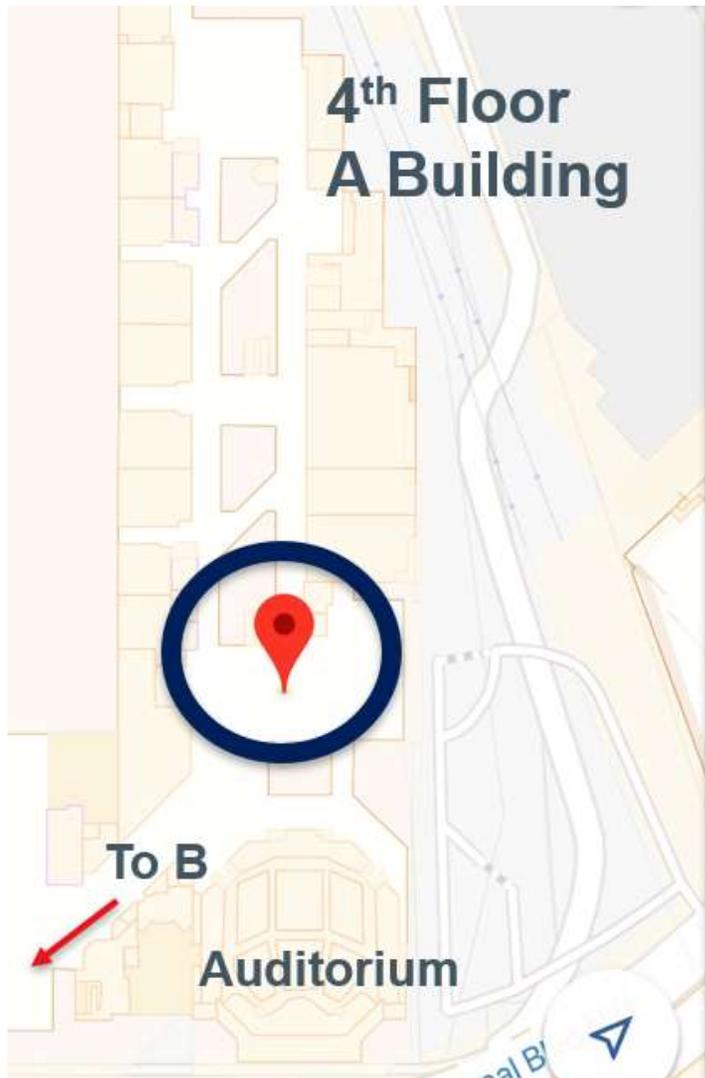
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