

# Why a “Wait and See” Approach IS THE WORST STRATEGY FOR RETAILERS

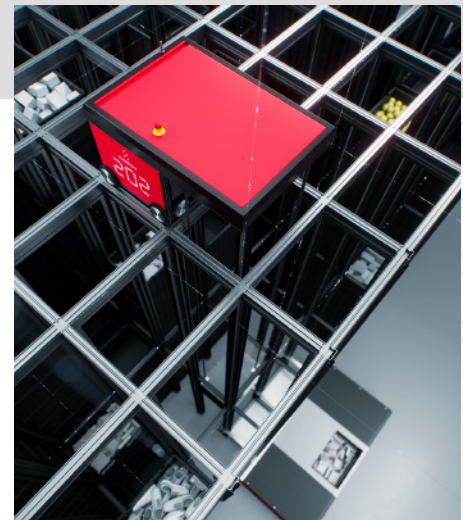
## The Time for Action is Now

A challenge facing the grocery industry is answering this question: When does normal return? Because no one knows the answer, many grocery retailers have made the decision to take a “wait and see approach.” Bad idea. ***In an economic crisis, inaction has proven to be one of the riskiest responses.*** Instead, retailers should focus on stabilizing their business, protecting it from downside risk and ensuring that it has the liquidity necessary to weather the crisis. In addition, retailers should identify ways to position their companies to come out of the crisis stronger.

### We refer to this as *targeted aggression*.

In the case of grocery retailers, we strongly recommend a strategy of investing in the future with a focus on the following:

- Micro-fulfillment
- Software and technology
- Supply chain and logistics
- Store operations
- Business model transformation



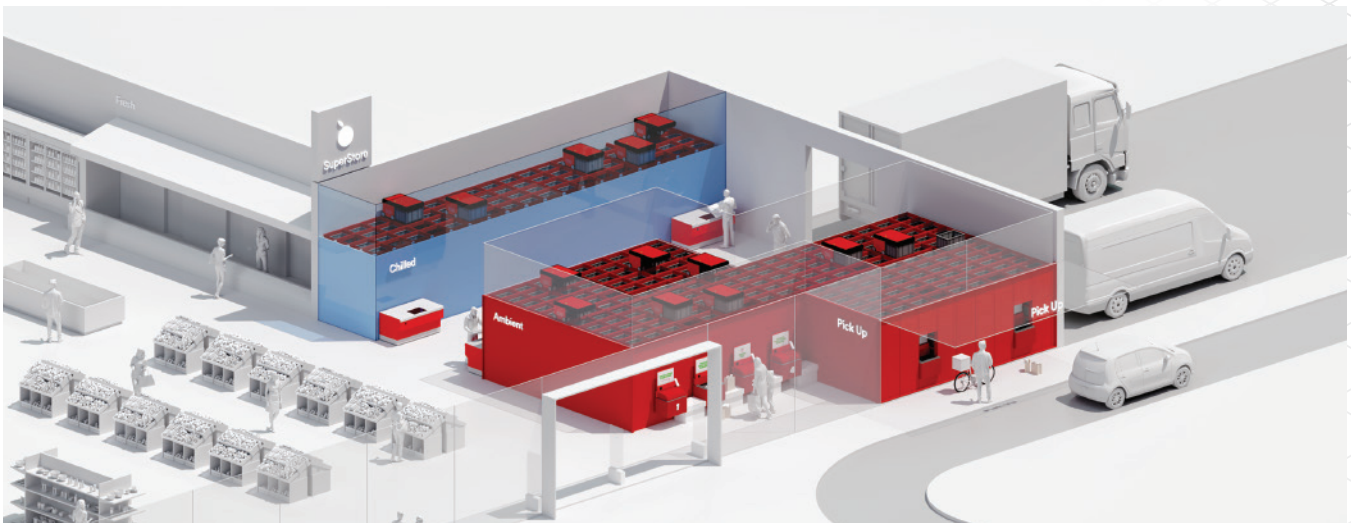
***Based on our experience, the foundation for future growth and competitive advantage is micro-fulfillment.*** The recent Coronavirus crisis has significantly increased customer demand for online grocery ordering and fulfillment. Unfortunately, grocery retailers fulfill online orders by having “pickers” roam their aisles picking products off shelves and placing them into a shopping basket or on a pull-cart.

A new dynamic has been created within stores – customers and pickers are fighting over space in the aisles. Prior to the Coronavirus, online grocery sales averaged 3% of a grocery retailers' business. Some grocery retailers have experienced a 30% jump in volumes due to the Coronavirus. By 2025, online sales could average 30% or more. Using pickers is not a sustainable solution.

***What's required is a new model.***

**What's required is an AutoStore Micro-fulfillment Center (MFC).**

A question we are often asked is, "Why should I choose an AutoStore when smaller MFC startups offer solutions at a fraction of the price?" It's true. Smaller MFC startups have gained a reputation for offering their solutions at a significant discount. In some cases, the solutions are offered for free just so the MFC startup can entice a grocery retailer (any grocery retailer will do) to become a customer. ***It's also true that smaller MFC startups have far less capable and dependable solutions than AutoStore.***



We don't make recommendations based on price. We make recommendations that will ultimately help grocery retailers take their business to the next level.

***The time for action is now.***

**Taking Your Business Model to the Next Level**