

How Lidl uses modern technology to improve efficiency

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1) Introduction

Nowadays, technology is related to every aspect of our life. In a business organisation, the use of technology is also increasing. Lidl is a food retailing organisation which is one of the market-leading company in Europe. In this presentation, the use of modern technology within Lidl and the impact of using modern technology will be determined.

2) Background of the Organisation

Lidl is a food retailing organisation which was first founded in Germany and it was founded in 1994. It has now become one of the leading organisations in the food retailing sector in Europe. Lidl is now one of the successful food retailing organisations in Europe and it has done a lot of extraordinary things in the last 26 years. Now Lidl has 13 regional distribution centres with more than 800 stores in Britain. The number of employees in this organisation is about 25000 now which is much influencing (Lidl, 2020).



3) Challenges before introducing Modern Tech

- ***Creating vision:*** In this modern era of digitalization, it is very difficult for an organisation to make a long-term vision for it. As everything is now under the control of modern technology, an organisation should adopt technology to have a clear and extraordinary vision. Before implementing modern technology, Lidl was not having a clear vision like the present one.
- ***Professional development:*** It is very difficult for an organisation to ensure professional development without having modern technology (Chernyshev, Tugay, and Malykhin, 2019). The use of technology makes the path easy for the organisation to ensure the professional development of the employees and Lidl has done it so.

3) Challenges before introducing Modern Tech

- ***Scheduling Success:*** The success of the business depends on how much the business can provide for its target market and how they conduct it. In this time of globalization, businesses do not have any alternative to modern technology to reach to its success. For this, businesses face many difficulties without using modern technologies.
- ***Monitoring business:*** Before implementing modern technology, a business can face the challenge of monitoring data, process, and progress (Cannon-Brookes, 2015). The old and traditional way of monitoring is not enough for business success in the modern era and so modern technology is required.

4) Insights of Modern Tech Introduced

- German Supermarket “LIDL” signed a four years deal with a U.K technology firm specialising in 3D visualisation and augmented reality (Sillitoe, 2018).
- Lidl’s national development team is set to work closely with Yorkshire-based CGI and animation studio “Virtual Resolution”.
- Virtual Resolution help the retailer’s national development team to create 3D visualisations and CGIS specifically to help in areas such as public engagement and the planning process.
- Despite not offering a full online shopping service in the UK, Lidl has upped its consumer-facing technology development with the launch of Facebook messenger chatbot to advice customer on wine choices. (Carless, 2017)

5) Impacts of Modern Tech

- ***Increasing effectiveness and efficiency of the business:*** The use of modern technology can increase the efficiency of the business and make it profitable. Modern technology decreases the wastage and makes the best use of the raw material which is bringing efficiency for an organisation like Lidl.
- ***Productivity:*** The use of implementing modern technology can increase the productivity of the business because modern technology uses a digital way of production and machine is used here (Khomchenko, 2017). The capability of the machine is more than human beings which led to better productivity for the organisation the productivity of Lidl is increased after starting the use of modern technology.



5) Impacts of Modern Tech

Technology used by Lidl



Computer
technology



Sensor fusion
technology



Face detection
technology



Lidl smart phone
App(QR Code)

5) Impacts of Modern Tech

- **Getting Competitive advantages:** An organisation using modern technology is always getting some advantages than an organisation not using it. Modern technology is providing some opportunities to get advantages. Likewise, a business can do a better performance than the competitors by using it. Lidl is also getting the same advantages using technology.
- **Making brand loyalty:** By using modern technology, the brand loyalty of an organisation can be developed. Modern technology offers some unique techniques to develop a brand or promote the brands (Holland, Woodland, and Hetherington, 2010). In such a way an organisation can create brand loyalty and get to their customers easily. It is necessary for Lidl to use modern technology properly and improve the brand loyalty of it.





Requirements Gap



Project Duration



Executive Turnover



Change Management



Expertise system Integration

6) Lessons
drawn
from the
case study

6) Lessons drawn from the case study

How Lidl Could Have Done Things Differently

- Evolution
- Stop Earlier
- Less Customization/More Change
- Executive Sponsorship

Evaluation

6) Lessons drawn from the case study

- The principles of inventory management belong to the elementary characteristics of any software solution.
- These kinds of characteristics are published in every product brochure and on any product website.
- Why did the Lidl management sign a contract for a solution in which such a distinguished function was lacking?



Stop Earlier

6) Lessons drawn from the case study

- When Lidl refused to conform to the SAP standard, the fence was from the dam.
- Explosion arose in time and the costs kept running.
- Suppose the project was budgeted at EUR 180 million and 3 years. Then for sure there was a moment when the counter stood at EUR 200 million. At EUR 260 million. And even at EUR 380 million.

6) Lessons drawn from the case study

Less Customization/More Change

- Customization is a risky way to reconcile your off-the-shelf ERP software with the realities of your business. Most organizations customize their ERP software to some degree.
- Customization creates headaches by breaking other parts of the software, introducing risk to implementation, and making ongoing maintenance very difficult.
- Customization is often a symptom of not having a good enough organizational change management strategy and plan in place.

Executive Sponsorship

6) Lessons drawn from the case study

- It is always interesting to wonder who is responsible for this type of projects at the top level. In many companies, this responsibility is considered as a 'group responsibility'.
- Every business software project must have a competent director who owns the project and who is responsible for both success and failure from the start till the end.
- Without real, in-depth and end-to-end management involvement, today's business software projects are doomed to whole and half failures. Anyone who does not understand this is probably wise to postpone that new project.

7) Conclusion

- To conclude, modern technology is a blessing for an organisation like Lidl and this organisation needs to make the best use of technology in order to achieve its mission and vision. The use of modern technology is having a very positive impact on the business activities of Lidl.

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