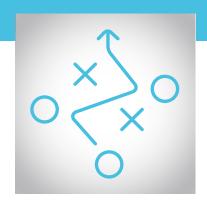


RECOVERY ACTION PLAN

NAVIGATING THROUGH CHAOS

In these truly unprecedented times, leaders are called on to confidently guide their retail businesses through seismic shifts in consumer demand. As DynamicAction actively supports our clients through the economic crisis, we have identified that week on week trends, rolling averages and forecasts based on recent customer behavior supersede traditional YoY comps.



STAGES OF THIS CRISIS

The Way Forward for Retail Leaders

We have outlined a prescribed path forward to support our clients in making the momentous decisions and taking the crucial actions required to carry their organizations safely through the current chaos. DynamicAction's Recovery Action Plan is a framework to optimize performance at each stage of the market recovery.

Past shocks to global markets tell us the economic cycle of this crisis will follow a known pattern:



Decline – Sharp drops in consumer confidence and spending, resulting in a severe reduction in commercial activity. Most retailers service customers via limited channels, many exclusively through eCommerce.



Stabilization – Consumer confidence slowly rebounds as consumers and businesses secure monetary relief, returning to limited commercial activity.



Recovery – Most restrictions are lifted and economies gradually restart. Workers return to work and consumer spending on discretionary items grows. Potential return of crisis "hot spots" may hamper broad-based recovery. Consumer behavior will retain some lasting shifts.

RECOVERY ACTION PLAN



PLAN

Clarity Through a New Customer Lens



Planning a recovery starts with understanding which customers and behaviors are critical to the business. We conduct a diagnostic evaluation of every transaction of the past three years, tracking the customer base to pinpoint repurchase drivers and identify acquisition patterns. We pair this historical analysis with insights on current customer behavior to forecast overall demand and profit for the next year.

ACTIVATE

Systematically Attack Near-Term Goals

The path to recovery syncs your customer base with product inventory and selling channels. We define actions to take each week, prioritized by business goals, which connect current demand to product availability. Recognizing that priorities may shift week to week, we develop an organized way to get feedback, measure success, and incorporate modifications. We then drive team alignment and formally kickoff the recovery plan.



MEASURE

Act, React, Proact - Rapid Data-Driven Iteration



This dramatic shift in the market requires rapid learning, iteration and adjustment. DynamicAction delivers a regular cadence of reading the business, developing profitable opportunities and taking defined actions. We measure shifts in channel patterns, customer behaviors, product demand and inventory cover. We partner with our clients to chart a clear path forward to optimize results in the short term, and insights for the medium term.