

# Retail Space Planning- Industry Challenges



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*This paper is an outline, in a broad perspective, of the complex nature of retail-specific space planning and argues that, in order to keep a competitive advantage, RSP providers may need to focus on core-competencies and highly-creative tasks and delegate the ones that are more time-consuming and less strategic.*

*This paper will analyze the importance of CAD drafting related to productivity in Space Planning companies, using relevant data recently published by authoritative sources.*

*This paper is using authoritative data to highlight the way in which strategic partnership on CAD drafting services can support the first and deliver the latter, to finally lead to constructive and sustainable growth.*

# Unraveling the Complexity of Retail Space Planning



Retail Space Planning (RSP) is perhaps one of the most dynamic and demanding niches of Architectural Design. Over the years, the focus has been primarily on space and products. Today, people also need to be a point of focus - how they think, what they value, when they shop and who they shop with, what assumptions they make and when are they open to suggestions. These subtle aspects require a great deal of awareness and vision from a RSP company, but lead to great results when put into practice. However, keeping an open mind to such a complex environment calls not only for an innovative attitude, but also significant human resources.

This specific niche is not yet targeted by focused market research and, thus, primary data is scarce. A look at broader indicators, point to trends that would include RSP as a main component, as well as data that points to strategic outsourcing partnerships as factors of business growth.



Marketing-wise, Retail Space Planning companies have two major points of focus that can be instantly turned into competitive advantage:

- **Innovative Design**, based on original analysis, to ensure successful projects
- **Outstanding Presentation** to ensure great ideas are high-impact, understood and put into practice

# Strategic Importance of Retail Space Planning

Space Planning is not a new concept. It has been used since ancient times to accommodate social and security needs, ensuring construction progress or homesteading demands . Space planning has evolved with time, led by social, cultural and economic changes.

Its commercial focus, however, is a recent development, linked to the retail boom in the last decades and its subsequent consequences. The strategic importance of retail space planning for businesses has become obvious with the emergence of self-service retail stores. Beginning with plain shelf planograms, to ensure the client finds what they want and need, retail space planning has always been one of the main drivers of purchase .

The constant increase in competition and ever more complex client demands have constantly challenged Retail Space Planning, pushing the niche to acquire and use the most diverse knowledge and principles, from consumer behavior, to brand awareness and corporate social responsibility, to merchandise planning and elements of financial analysis .

For instance, consumer behavior has become an independent branch of psychology focusing on evaluating needs and making purchase decisions and is now a hot topic for retail planners .

Further, architecture has fully acknowledged the anthropological perspective as a fundamental part of design and development . Technology now allows retailers to enhance the shopping experience for their clients, offering information, better client services and gathering data for analytics . Being able to get into close contact with merchandise lets the buyer form product affinities. More brands are focusing on seasonal products that need to be presented to the customer in the right way, at the right time.

These broad aspects are heavily influencing the way retailers showcase their offer to buyers, making RSP a more and more complex process year after year. RSP has long ceased to be about placing products on the shelf. It is now based on subtle principles that can make significant difference in regards to sales .



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4. Source: [goo.gl/9dwEzi](https://goo.gl/9dwEzi)

5. Source: [goo.gl/OCPYpb](https://goo.gl/OCPYpb)

6. Source: [goo.gl/2hHjD7](https://goo.gl/2hHjD7)



# Presentation of retail space planning work



*Trends are undoubtedly changing the way Planning and Design companies work and open-minded global awareness could prove to be the most important competitive advantage in the very near future.*

## New trends, New challenges

Recent developments in technology led to new trends in design and planning industries.

First, complex design tools allow professionals to tackle problems in constructive ways that have been, until now, impossible to put into practice. Further, consumers are now 3D savvy and are expecting impactful representations in these highly-visual industries. Second, improved communication enables professionals to work together in a global environment, within multiple or remote locations and with strategic offshore partners. Collaboration is now the term of choice describing successful projects, where resources are shared and used in common, to deliver quality and innovation.

In fact, thought leaders in AEC have acknowledged the major shift of perspective, from project-centric to sustainability years ago in their industry, from supposition to simulation, from stovepipes to collaboration and from outputs to outcomes. It is our opinion that these trends are undoubtedly changing the way Planning and Design companies work and open-minded global awareness could prove to be the most important competitive advantage in the very near future.

## Professional Drafting

Retail Space Planning companies have a lot to focus on. As seen earlier, commercial space planning is as much about strategy as it is about physical space development. However, in a highly visual-led industry, great ideas are only endorsed by equally great showcasing and presentation. Professional drafting is a must as it is the final result of the intense analysis, planning and design work. Drafting is ultimately what the client sees and uses, just like merchandise is what the buyer sees and buys.

Drafting is also arguably the most time-consuming process in architectural planning and design. It takes time and skills to transfer original concepts into accurate, comprehensible drafts, able to support all stages of complex projects. Recent shifts towards newer, more complex technologies and sustainable approaches in design drafting have raised the bar in quality expectation.

## Building Information Modeling

An overwhelming shift from theory to practice is now taking place in Architecture, Engineering and Construction (AEC). Though Building Information Modeling (BIM) is not a new concept, it is currently in its nascent stages of being adopted as a standard in AEC.

BIM is the process of constructing a 3D digital database, in the form of a model of information that pertains to the design of a building. The concept of Building Information Modeling is to build a building or another architectural project virtually, prior to building it physically, in order to work out problems, and simulate and analyze potential impacts.



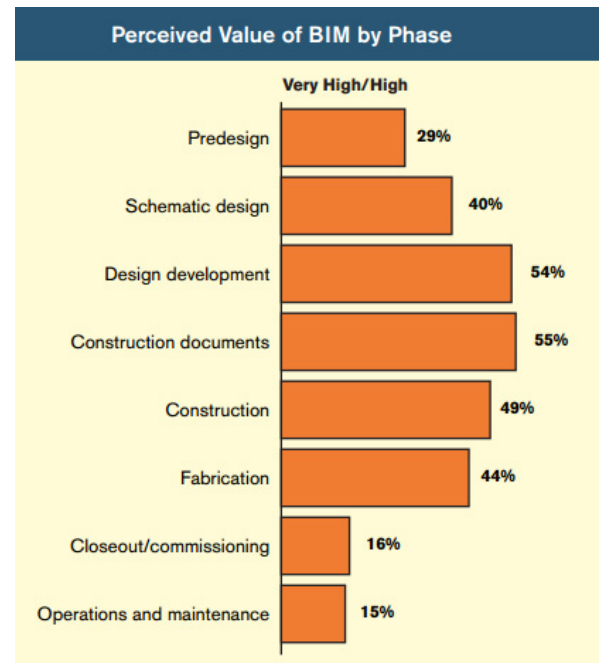
BIM is undoubtedly a growing trend and, while the practice is complex and challenging, Building Information Modeling has different benefits, right from sustaining better design projects, lower risk and better predictability of outcomes, to gaining market share and image capital.

From a practical standpoint, BIM allows us to view every aspect of a building in vivid 3D, and address each change in design, materials or other areas from a holistic perspective. Eight in ten experts say reduced rework brings high to very high business value for their company. Professionals value BIM in predesign and schematic design (29% and 40%), but most of all in design development and construction documents (54% and 55%).

From an RSP perspective, using BIM as a starting point to re-design spaces and plan renovation projects can be crucial to accuracy and project delivery time, especially in more complex projects. For instance, if a retailer needs to change the design of multiple locations to a settled layout, it is a challenge as each location is unique and needs to be addressed on a case-by-case basis. Using BIM data for each location ensures the accuracy needed in such detail-oriented projects.

The obvious trend of BIM usage and demand is of significant future growth, with acknowledged influence on business success. Further, different states are beginning to mandate BIM for spatial validation on all projects, contributing to a rise in popularity and client demand. Having BIM-knowledgeable professionals is considered a major factor on the success of design companies.

Implementing BIM throughout an entire agency can be a demanding and costly process, with direct implications on people and their time, overall productivity, working procedures, hardware and software resources, and even business leadership. However, using strategic partners, that provide BIM compliant drafting services can significantly increase productivity of design and planning companies, especially in large and complex projects. The impact on internal benefits of using BIM is significantly different between experienced and inexperienced personnel.



Impact of skill level on internal benefits (rated High or Very High value)	Beginner	Expert
Increasing profits	7%	43%
Reducing cycle time of specific workflows	14%	58%
Reducing rework	23%	77%
Maintaining repeat business with past clients	19%	61%
Offering new services	28%	72%
Marketing new business to new clients	28%	71%
Improving productivity of personnel	46%	71%

11. Source: [goo.gl/Ezxp3u](https://goo.gl/Ezxp3u)

12. Source: [goo.gl/YFoiQU](https://goo.gl/YFoiQU)

13. Source: [goo.gl/Ezxp3u](https://goo.gl/Ezxp3u)

14. Source: [goo.gl/6RAJU](https://goo.gl/6RAJU)



## Revit

Revit is the most popular tool that can be used to implement Building Information Modeling. With the general demand for realistic 3D rendering in Architecture, Engineering and Construction, Revit has gained popularity and is ready anytime to take over AutoCAD. In fact, industry experts are affirming that Revit is the “future” .

Revit is an object-oriented design tool, which is used to create a unique BIM model instead of plain drafts, and comes with plenty of benefits including increased sustainability of design, collaboration, stage planning management and accuracy . Though Revit was originally developed with the concern for usability, it evolved into a complex tool which resulted in outstanding results.

Revit can be challenging to learn and requires considerable adoption of new concepts and principles. The most common conceptions about Revit are perceived as hindering during transition from AutoCAD are - low productivity during transition, complicated for a small firm to implement, only benefits owners, disruption of the existing infrastructure and resistance to change to a new platform .

For employees engaged in analysis and planning work, object-oriented drafting may not be one of their points of efficiency. Revit can be useful and is an efficient tool for sketching and planning proposals, usability issues that arise when the time comes for actual drafting of the final design. It takes a considerably amount of time and detailed focus to implement a conceptual design to physical locations, and all the more when a certain design needs to be layered in multiple environments, as buildings have their own attributes and are always unique. The learning curve for a process this complex is steep and results are slow .



## CAD

The “CAD Trends 2015” survey by Business Advantage confirms 3D modeling and 3D printing to be the two hot trends with the greatest awareness among CAD users. The two trends are expected to increase in awareness over time, as they become entrenched in the market. This only points further to the much needed transition to 3D development in CAD drafting. The survey also identifies good growth potential for mobile access to CAD and cloud-based CAD, which also endorses the more general trend towards professional collaboration in a global environment.

However, the most interesting fact is that there is a gap between the level of awareness and the level of usage of these trends. While trend awareness gives a detached insight on future developments, the much lower level of usage of these key points shows that most of them are in or slightly after the stage of early adoption, a moment when strategic thinking and trend adoption may prove to be most lucrative for a business, placing a company in a pioneering position.

15. Source: [goo.gl/Ezxp3u](https://goo.gl/Ezxp3u)

16. Source: [goo.gl/8oWTjf](https://goo.gl/8oWTjf)

17. Source: [goo.gl/hgOR5](https://goo.gl/hgOR5)

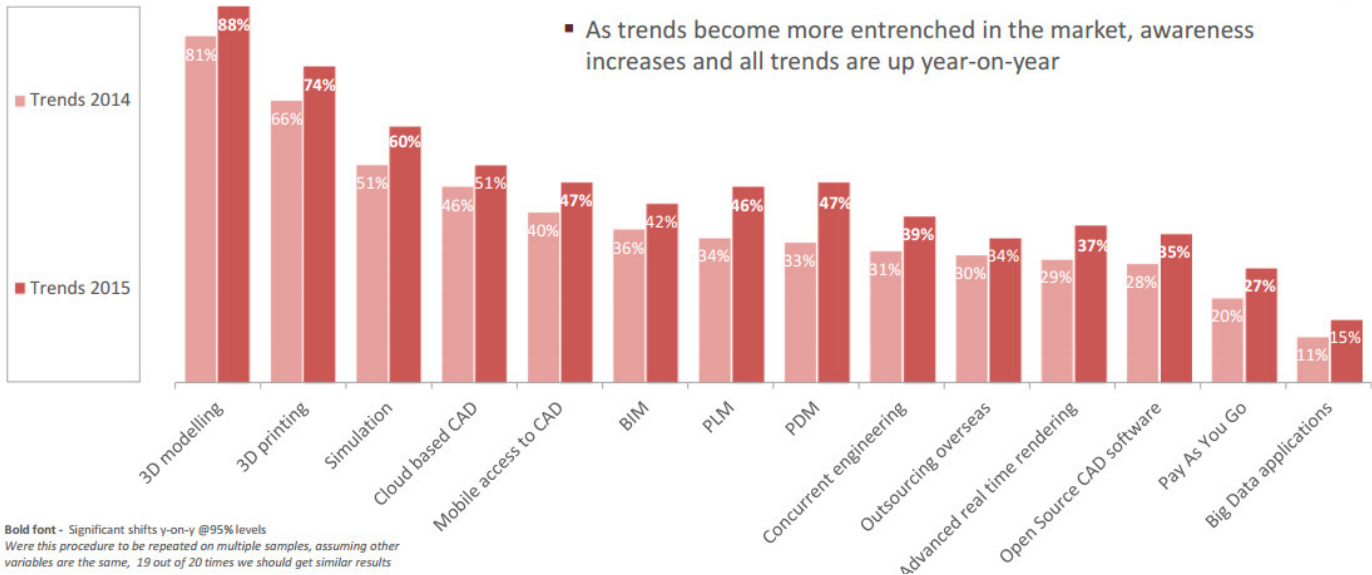
18. Source: [goo.gl/aniVFQ](https://goo.gl/aniVFQ)



# Increase in Awareness Over Time



## CURRENT TREND SNAPSHOT - AWARENESS

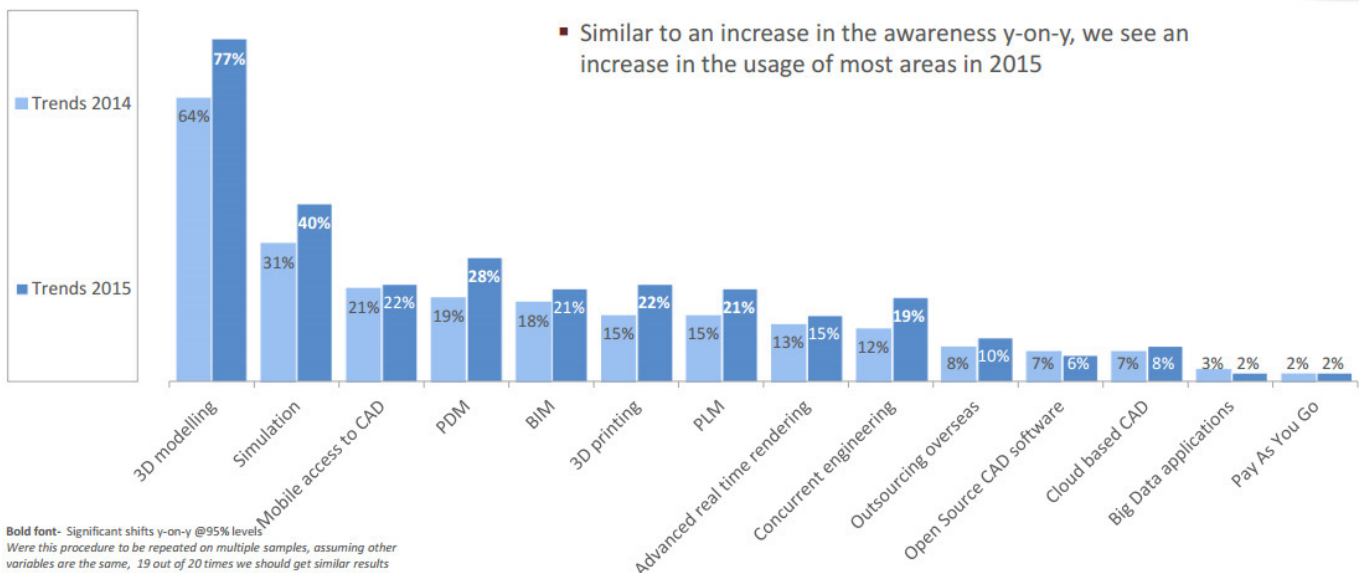


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# Increase in Usage Over Time



## CURRENT TREND SNAPSHOT - USAGE



19. Source: [goo.gl/T4mi6k](http://goo.gl/T4mi6k)

20. Source: [goo.gl/hgOR5](http://goo.gl/hgOR5)

21. Source: [goo.gl/rFMfsb](http://goo.gl/rFMfsb)

22. Source: [goo.gl/7wuL73](http://goo.gl/7wuL73)



## Strategic Partnership

In times of change, open perspectives on the future and a focus on the global environment are key factors to staying on top of challenges. Strategic partnership is about finding partners who can improve your competitiveness and lead to business growth.

Operational strategic partners provide services or products that they can produce more efficiently, allowing companies to focus on their strengths, which can ultimately boost the quality of their offering. Buyers of outsourcing services are demanding services from specialist providers, resulting in historically high levels of contracting activity and changes in the nature of outsourcing arrangements, according to research from Information Services Group .

In the case of Retail Space Planning, focusing on core-competencies and highly-creative tasks such as analysis and planning, could prove to be a constructive and lucrative approach for the business . It also supports in delegating tasks that are more time-consuming and less strategically important, such as CAD drafting, and specialist service providers.



## Strategic outsourcing

Outsourcing has long been perceived as a factor of productivity growth . A study by the Federal Reserve Bank and International Monetary Fund has found that offshoring has had a positive effect on productivity in US companies, accounting for around 10 percent of labor productivity growth over the studied period .

Outsourcing has generated continuous interest among analysts, as the process itself is constantly evolving. A recent report by KPMG outline the major shifts in perspectives, motivations, needs and expectations when it comes to outsourcing business processes , concluding that the process itself is going from plain service delivery to proactive collaboration. Key findings show how outsourcing is rapidly building potential for strategic partnership:

- Conversation is moving rapidly away from cost reduction
- Outsourcing is on the increase, with seven out of ten enterprise buyers continuing to make investments in their outsourcing delivery
- Buyers are shifting more of their higher-value work to their offshored services
- Outsourcing will be about moving clients into a future state that is much more effective than the current one
- Outsourcing is becoming a key part of enterprise operations strategy
- Investment intentions in outsourcing are reaching record high



- External partners will be a key factor in acquiring better talent
- Expectations get higher, providers are being held to a much higher standard
- Finally, and most relevant, “many enterprises are increasingly establishing a strong brand with offshore talent and investing in their own internal capabilities to run processes offshore”

*Overall, Retail Space Planning needs to keep up with latest trends in consumer behavior and demand. It requires being highly-creative and is a complex process that needs to be supported by an outstanding presentation.*

*The latest trends in CAD, point to Building IM and Revit which is the next step in Architectural Design and Planning.*

*With these latest trends, strategic partnership is noticeably on the rise and Retail Space Planning providers can focus on their core-competencies and also ensure high quality drafting to support their projects*

*Outsourcing overseas of CAD services is at 10% in 2014, and expected to grow in usage . The survey also identifies good growth potential for mobile access to CAD and cloud-based CAD, which could add to the trend growth.*



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