



Global Convenience Store Chain Builds a Future-Ready Retail Model

The company reimaged its business model, achieving significant short-term cost savings while laying the groundwork for a bold, transformational future.

Challenge

Automation, electric vehicles, and shifting customer expectations are reshaping the convenience store industry. Rising labor costs have also impacted profitability in the last decade. To stay ahead, a rapidly expanding global operator of stores and fuel stations set out to transform how it delivered services across thousands of locations. The company worked with Innosight to develop a strategy that reimaged its operations and business model, embarking on a **cost transformation** aligned with its long-term growth ambitions.

Discovery

We helped the company's leadership team develop a **dual transformation** strategy that combined operational improvements with scalable innovations and next-generation business models. This effort focused on analyzing both core operations and adjacent services to identify efficiencies, producing savings to support transformational solutions that could drive the company's long-term growth ambitions.

We explored industry trends and tested ideas for next-generation convenience stores and fuel stations. This work uncovered opportunities to rethink how stores deliver value, focusing on

mobility trends, changing customer needs, and advancing retail innovation beyond the company's existing efforts. Key findings included:

- **Commuter-Focused Urban Formats:** High-traffic locations where convenience store automation could improve efficiency and enhance the customer experience.
- **Multi-Purpose Rural Hubs:** Locations integrating EV charging with retail services to serve both travelers and local customers.
- **Dynamic Retail Spaces:** Stores evolving from transactional stops to spaces combining retail offerings, mobility solutions, and other on-site services.

Guided by a **future-back strategy**, the team explored how advancements in automation, robotics, and retail technologies could be integrated into the company's operations. These technologies provided the foundation for high-impact pilots and operational innovations, enabling the company to test and refine solutions that balanced immediate cost savings with long-term strategic goals.

Impact

The company reshaped its cost structure, creating a foundation for introducing store and fuel station innovations globally and advancing its growth strategy. Simplified workflows, automated processes, and restructured staffing models improved service speed, reduced complexity and enhanced scalability. By centralizing administrative tasks, piloting digital tools, and implementing other efficiencies, cost savings are projected to well exceed \$500 million annually.

New store formats, including fully automated commuter-focused locations, have been tested while the company has expanded its EV-charging network, showcasing how cost transformation can fuel customer-focused solutions. These initiatives represent the company's vision for the future, combining efficiency with adaptability to address evolving market demands. By developing a dual transformation strategy, the company is positioned to keep expanding its global footprint and strengthen its leadership in the convenience store sector.

Contact Our Experts



Alexander Pertot is a Managing Director at Innosight. apertot@innosight.com



Thomas Hagmann is a Managing Director at Innosight. thagmann@innosight.com



Thiemo Werner is a Managing Director at Innosight. twerner@innosight.com

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