

RETAIL AI READINESS · EXECUTIVE BRIEFING

# From Operations to Orchestration

How Retailers Are Building AI-Ready Organizations

*Retail's next competitive advantage isn't technology — it's organizational readiness.*

Strategic briefing for retail executives · July 2026



## THE STRATEGIC SHIFT

# AI Success Is an Organizational Design Problem

Artificial intelligence is rapidly reshaping retail — yet the retailers seeing the greatest return are not simply deploying new technologies. They are fundamentally redesigning how their organizations operate.

Across the industry, leaders are moving from manual operations to digital orchestration, rewiring data foundations, talent structures, and operational workflows to fully capitalize on AI.

**Leading organizations are systematically engineering AI readiness**

**across five critical organizational dimensions.**

**5**

Pillars of readiness

**10+**

Retail leaders profiled

**1**

Unified operating model



## THE FRAMEWORK

# Five Pillars of an AI-Ready Retail Organization

Engineering readiness is a holistic effort — these five dimensions reinforce one another to turn AI from investment into advantage.

**01**

## Rebuilding the Data Foundation

*AI is only as good as the data behind it*

**02**

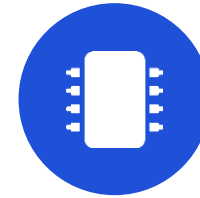
## Shifting to Flatter Operating Models

*Speed demands simplicity*

**03**

## Redefining Functional Team Roles

*AI is transforming jobs — not eliminating them*

**04**

## Structuring Dedicated AI Teams

*Building internal AI capability*

**05**

## Investing in Upskilling & Change

*Adoption determines success*

## 01

## PILLAR 01

# Rebuilding the Data Foundation

*"AI is only as good as the data behind it"*

Fragmented data environments limit AI performance. To unlock automation and predictive intelligence, retailers are moving from siloed systems to unified, real-time data architectures.

## KEY INITIATIVES



### Unified Data Engines

Consolidate inventory, loyalty, merchandising, supply chain, and transaction data into a single source of truth.



### Data Hygiene Governance

Dedicated governance teams eliminate duplication, standardize records, and ensure data accuracy.



### AI-Ready Product Data

Modernize taxonomies, pricing, and metadata so AI and autonomous shopping agents interpret data consistently.



## PILLAR 01 • IN PRACTICE

# How Leading Retailers Apply It

## Rebuilding the Data Foundation

**Walmart**

Cloud-based data infrastructure via Microsoft Azure integrates stores, e-commerce, and supply chain to power forecasting, inventory optimization, and personalization at scale.

**Target**

Strengthened enterprise data governance across merchandising, fulfillment, and engagement systems to fuel AI-driven demand forecasting and inventory planning.

**Amazon**

Continuously refines product catalogs, metadata, and pricing systems to drive recommendations, search, and AI shopping assistants across millions of SKUs.

**BUSINESS  
IMPACT**

Faster, more accurate  
decisions



Improved forecasting  
capability



Higher AI model  
effectiveness



Enhanced customer  
personalization

# 02

## PILLAR 02

# Shifting to Flatter Operating Models

*"Speed demands simplicity"*

As real-time data accelerates business cycles, traditional hierarchies struggle to keep pace. Retailers are flattening organizational layers to enable faster execution.

## KEY INITIATIVES



### Decentralized Decision-Making

Replace lengthy approval chains with automated execution loops and real-time operational oversight.



### End-to-End Ownership

Encourage employees to understand broad business workflows rather than remaining confined within specialized silos.



### Integrated Platforms

Deploy AI orchestration layers connecting CRM, workforce, merchandising, and operations so insights trigger immediate action.

## PILLAR 02 • IN PRACTICE

# How Leading Retailers Apply It

## Shifting to Flatter Operating Models



### Zara (Inditex)

Empowers store managers and local teams to relay demand signals to headquarters; combined with analytics, this enables faster merchandising and inventory decisions.



### Best Buy

Reorganized teams around customer journeys and omnichannel experiences, driving collaboration across merchandising, digital, supply chain, and service.



### Kroger

Integrated platforms and analytics via Microsoft and subsidiary 84.51° connect customer insights, loyalty data, and operations for faster decisions.

#### BUSINESS IMPACT



Faster response to market shifts



Reduced organizational friction



Stronger cross-functional work



Greater operational agility

# 03

## PILLAR 03

### Redefining Functional Team Roles

*"AI is transforming jobs — not eliminating them"*

Rather than replacing employees, AI is shifting roles toward strategic oversight, system management, and value creation across the organization.

#### KEY INITIATIVES



#### Category Managers as 'Mini CEOs'

AI automates vendor analysis, reporting, and tracking so merchants focus on assortment strategy, customer experience, and profitability.



#### Technology as a Growth Driver

IT organizations evolve beyond support into enterprise enablement engines for AI governance, automation, and orchestration.



#### Customer Growth Guardians

Digital teams focus on loyalty ecosystems, personalization, retail media networks, and first-party data development.



## PILLAR 03 • IN PRACTICE

# How Leading Retailers Apply It

## Redefining Functional Team Roles



### Carrefour

AI-powered analytics support merchandising and category teams, freeing merchants to focus on assortment optimization, pricing, and supplier negotiations.



### Walmart Global Tech

Technology operates as a strategic business function, with thousands of engineers, data scientists, and AI specialists shaping customer experience and logistics.



### Tesco

Leverages its Clubcard loyalty program and customer analytics to personalize promotions, with dedicated teams maximizing loyalty-driven growth.

#### BUSINESS IMPACT



Increased strategic focus



Higher employee productivity



Improved customer engagement



Better margin management

## 04

## PILLAR 04

# Structuring Dedicated AI Teams

*"Building internal AI capability"*

Forward-thinking retailers are creating dedicated, cross-functional AI teams that can build, test, scale, and govern intelligent solutions internally.

## KEY INITIATIVES



### AI Product Managers

Keep AI initiatives aligned with business outcomes, revenue goals, and operational KPIs.



### Data & ML Engineers

Build data pipelines, predictive models, and optimization engines for pricing, replenishment, forecasting, and inventory.



### Policy & Governance Leaders

Embed brand standards, pricing controls, compliance, and privacy safeguards directly into AI systems.

## PILLAR 04 • IN PRACTICE

# How Leading Retailers Apply It

## Structuring Dedicated AI Teams



### Amazon

Employs AI product leaders across retail, logistics, advertising, and cloud to ensure machine learning directly supports measurable business outcomes.



### The Home Depot

Expanded data science and ML teams to improve inventory forecasting, supply chain visibility, and customer experience across channels.



### IKEA

Established governance frameworks for responsible data use, ethical AI deployment, and compliance with global privacy regulations.

#### BUSINESS IMPACT



Accelerated AI deployment



Stronger governance controls



Reduced vendor dependency



Increased innovation velocity

## 05

## PILLAR 05

# Investing in Upskilling & Change

*"Adoption determines success"*

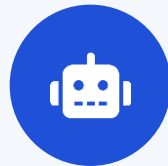
Technology alone does not create transformation. Long-term success depends on workforce readiness and organizational trust.

## KEY INITIATIVES



### AI Literacy Programs

Provide targeted education, workshops, and practical use cases that help employees understand and leverage AI tools.



### Controlled Automation Pathways

Introduce automation gradually — AI manages predictable, low-risk tasks while humans oversee high-impact decisions.



### Modern Performance Measurement

Replace intuition-based reviews with AI-powered analytics that provide transparent, evidence-based insights.

## PILLAR 05 • IN PRACTICE

# How Leading Retailers Apply It

## *Investing in Upskilling & Change*

**Walmart**

Invests in workforce development through Walmart Academy and digital learning, helping associates adapt to new AI-enabled tools.

**Ocado**

Combines AI-driven warehouse automation with human oversight — robots manage routine fulfillment while staff supervise and handle exceptions.

**Starbucks**

Uses advanced analytics and AI-driven workforce planning to optimize staffing, inventory, and store performance with data-driven insights.

**BUSINESS  
IMPACT**

Faster user adoption



Increased employee confidence



Reduced resistance to change



Stronger organizational alignment



## THE ROAD AHEAD

# The Future Retail Organization

- AI transformation is not fundamentally a technology initiative — it is an organizational transformation initiative.
- Winners create modern data foundations, flatten decision structures, redefine talent models, build dedicated AI teams, and invest heavily in workforce readiness.
- Competitive advantage will increasingly belong to retailers that orchestrate people, processes, and technology into a unified operating model.

*The question is no longer whether to adopt AI — but how quickly retailers can redesign to capitalize on it.*

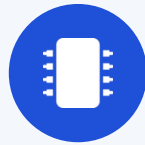
## BENCHMARKS

# Retail Leaders Setting the Pace

A blueprint for building AI-ready enterprises capable of competing in an increasingly intelligent, automated marketplace.

**Walmart**

Enterprise-wide AI infrastructure and workforce transformation

**Amazon**

AI-native operations, product data, and machine learning leadership

**Target**

Data governance and predictive retail analytics

**Kroger**

Customer intelligence and integrated decision-making platforms

**Zara  
(Inditex)**

Agile, data-driven merchandising and decentralized operations

**Tesco**

Loyalty-driven personalization and customer analytics

**The Home  
Depot**

Internal AI and data science capabilities

**Ocado**

AI-powered automation with human oversight

## EXECUTIVE TAKEAWAY

# Five Pillars. One AI-Ready Organization.



01

Rebuild the Data  
Foundation



02

Flatten Operating  
Models



03

Redefine Team  
Roles



04

Create Dedicated  
AI Teams



05

Upskill & Manage  
Change

**Retailers that excel across these five dimensions will transform AI from a technology investment into a sustainable competitive advantage.**