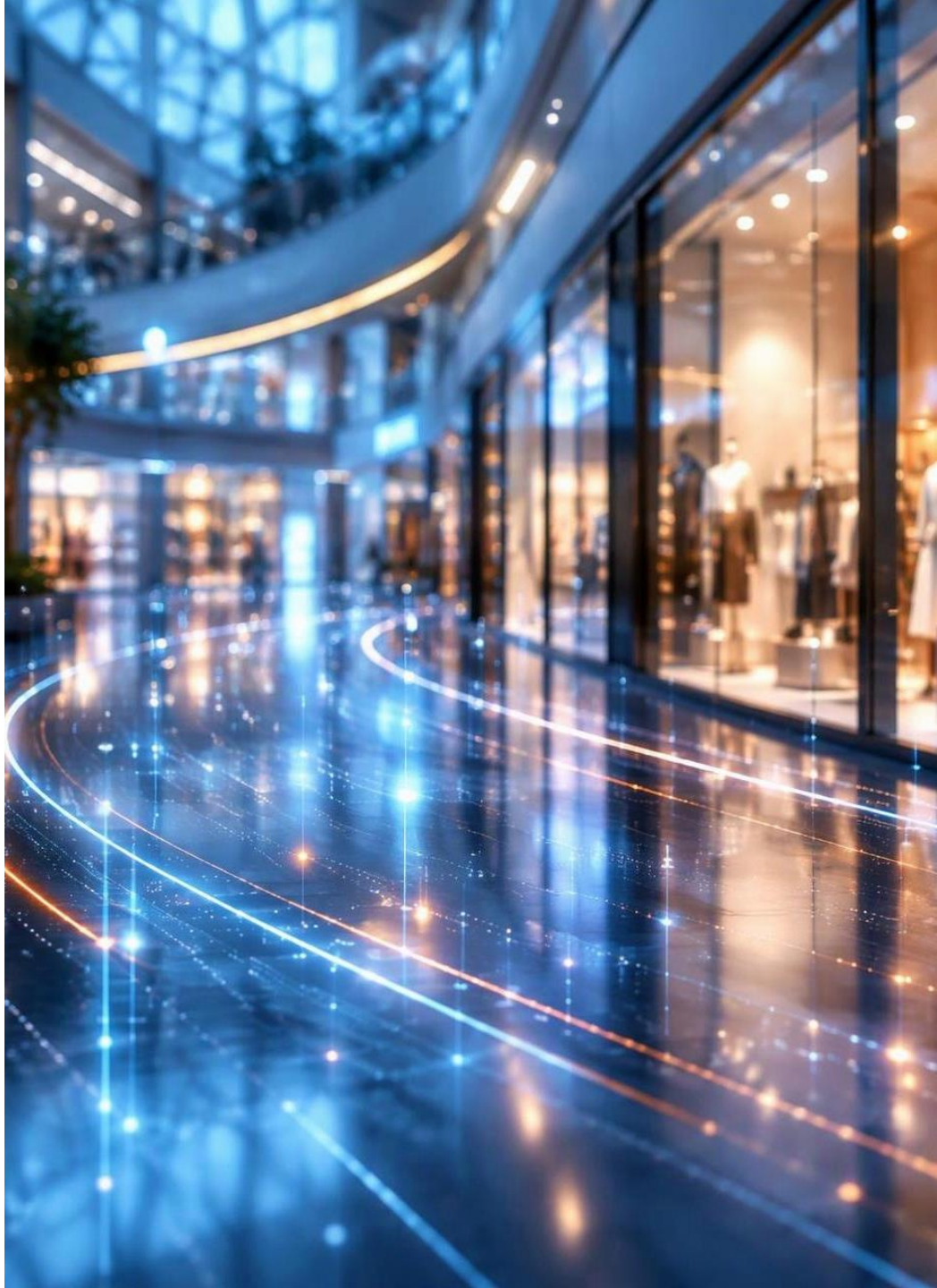
The Grayson Company

C-SUITE BRIEFING

Leading Digital Transformation in Retail & Consumer Brands

Technologies, opportunities, frameworks and an action plan to turn digital into durable competitive advantage

November 2026



Executive summary: five things to take away

Transformation succeeds when it is led as a business redesign with technology inside it



1

Start from a business outcome

Name the P&L line or customer metric, by how much and by when. Size the technology to it.



2

Treat data as the product

AI, personalization and agentic commerce all fail on fragmented, low-quality data.



3

Redesign the work

Workflow redesign is among the strongest predictors of real AI impact.



4

Prepare for the customer's agent

Discovery and checkout are moving into AI assistants. Be machine-readable and worth visiting direct.



5

Lead from the top, run small bets

Executive ownership, modular platforms, stage gates and real change management.

What this briefing covers

From foundation to action, in eight parts

1 — Why now
The 2026 inflection

2 — Technology foundation
Core technologies in plain terms

3 — Strategic opportunities
From tactical tool to advantage

4 — Customer journey
Rethinking the journey with data

5 — Right-sizing
Matching technology to objectives

6 — Frameworks
Digital Transformation Canvas and more

7 — Leading the change
Knowledge, skills and confidence

8 — Action Plan
Template, worked example, roadmap

Part 8 — Turning transformation into lasting advantage — closes the briefing.

Context

Why now: the 2026 inflection

Adoption is near-universal. Value capture is not, and the customer relationship is moving onto AI platforms.



Only 3 in 10 digital transformations hit their targets

BCG's study of 895 companies, and what the winners earn



1.8x faster earnings growth for digital leaders vs. laggards

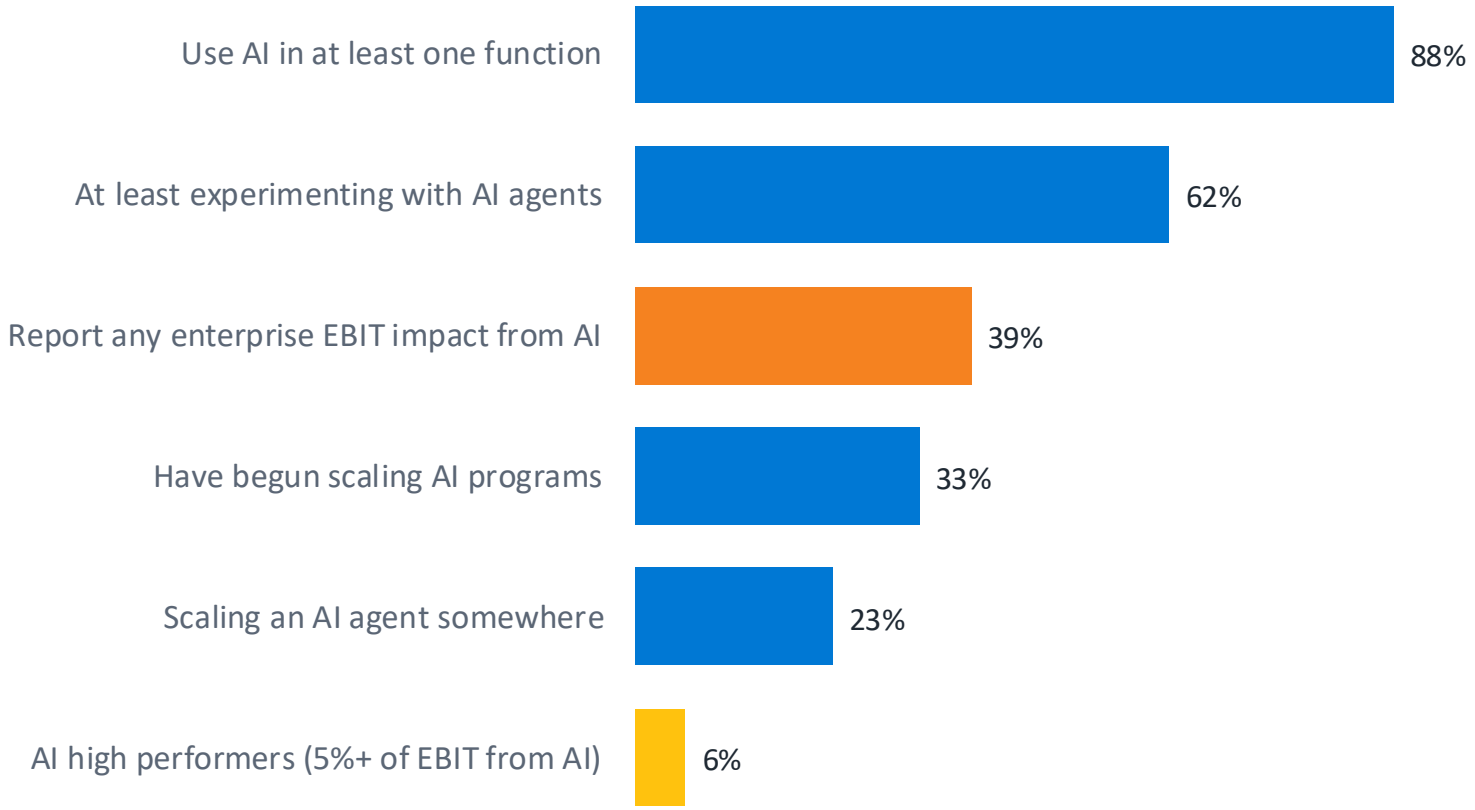
80% success odds when all six BCG success factors are addressed

3–4 of 6 factors addressed still led to failure: all six matter

Source: BCG, Flipping the Odds of Digital Transformation Success (2020); 825 executive survey responses plus 70 BCG client transformations

Almost everyone uses AI; few capture enterprise value

The gap between adoption and impact is the opportunity



What the 6% do differently

- Set growth and innovation goals, not only efficiency
- Nearly 3x as likely to redesign workflows fundamentally
- 3x as likely to have senior leaders who own AI
- Define when outputs need human validation

Source: McKinsey, The State of AI in 2025: Agents, Innovation, and Transformation (Nov. 2025); 1,993 respondents. Orange = enterprise EBIT impact.

For retail, the customer relationship itself is shifting

AI assistants are becoming the front door to shopping

81%

of retail executives expect generative AI to weaken brand loyalty by 2027

~50%

expect the multistep shopping journey to collapse into a single AI interaction by 2027

758%

year-over-year growth in AI-driven traffic to U.S. e-commerce sites, 2025 holidays

Disintermediation risk

Walmart, Target and Etsy now sell inside ChatGPT, Gemini and Copilot. Whoever controls the agent holds the data.

Margin pressure

Acquisition costs, returns and wages keep rising. Automation and smarter pricing are now margin defense.

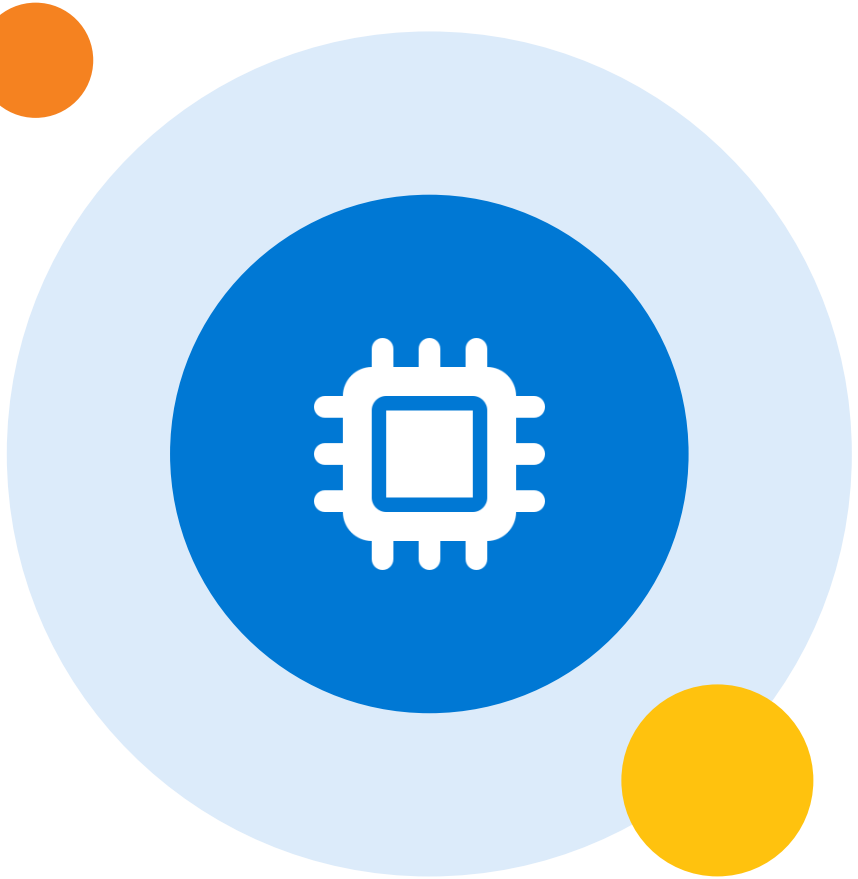
A widening gap

Early movers redesigning work around AI pull away; talent and partner capacity get committed.

Sources: Deloitte 2026 Retail Industry Global Outlook and Adobe 2025 Holiday Shopping Report, via Retail Dive (Jan. 26, 2026)

Part 1

The technology foundation



What each technology is, what it does in retail, and how mature it is. All of it rests on clean, connected data.

Eleven technologies power retail transformation

Know what each is good at and what it depends on



Machine learning

Predicts demand, prices, propensity



Generative AI

Creates content, assists, converses



Agentic AI

Plans and executes multi-step tasks



Data platforms

Unify customer, product, inventory



IoT and sensors

RFID, shelf, cold-chain signals



Computer vision

Shelf gaps, checkout, shrink



Automation and robotics

RPA, DC automation, fulfillment



Cloud and composable

Modular, API-first commerce stack



Edge computing

Real-time in-store processing



AR and spatial

Virtual try-on and placement



Security and privacy

Trust layer for every initiative

Foundation for all: clean, connected, governed data

What each technology does in retail, and how ready it is

Technology	What it does in retail and consumer brands	Readiness
Machine learning	Demand forecasting, markdown and price optimization, assortment, fraud and returns-abuse detection	Mature
Generative AI	Product copy and imagery at scale, shopping assistants, associate copilots, service drafting	Mature, with controls
Agentic AI	Replenishment proposals, pricing execution, service resolution, customers' own shopping agents	Emerging fast
Data platforms	Single customer view, unified inventory, merchandising analytics, retail media measurement	Mature; data quality is the bottleneck
IoT and sensors	Item-level inventory accuracy, cold chain, energy, foot traffic, loss prevention	Mature (RFID in apparel)
Computer vision	Planogram compliance, assisted checkout, shrink detection, visual search	Proven in pilots
Automation and robotics	Order processing, invoice matching, pick-pack-ship, back-office workflows	Mature in DCs
Cloud and composable	Faster launches; swap capabilities; expose catalog and inventory to partners and agents	Mature; migration is hard
Edge computing	Real-time store analytics; vision and checkout that survive outages	Maturing
AR and spatial	Virtual try-on, furniture placement, store planning, training	Niche but proven
Security and privacy	Protects payment and customer data; underpins trust in personalization	Non-negotiable

Readiness is The Grayson Company's qualitative assessment for retail and consumer brands as of late 2026, not a sourced ranking.

What an executive needs to know, not do

Six ideas that change the questions you ask



AI is only as good as its data

Inconsistent attributes and phantom inventory sink forecasting, personalization and agents. Budget data work first.



Accuracy is probabilistic

Decide in advance where a human checks the output and where an error is tolerable.



Architecture sets the speed

Modular, API-first stacks add agents and channels in weeks; monoliths take years.



Predictive and generative differ

Predictive: how many, how likely, what price. Generative: write, converse, design. Agents combine both and act.



Sensors create signals, not value

IoT pays back only when a process responds, such as a task triggered by an RFID count.



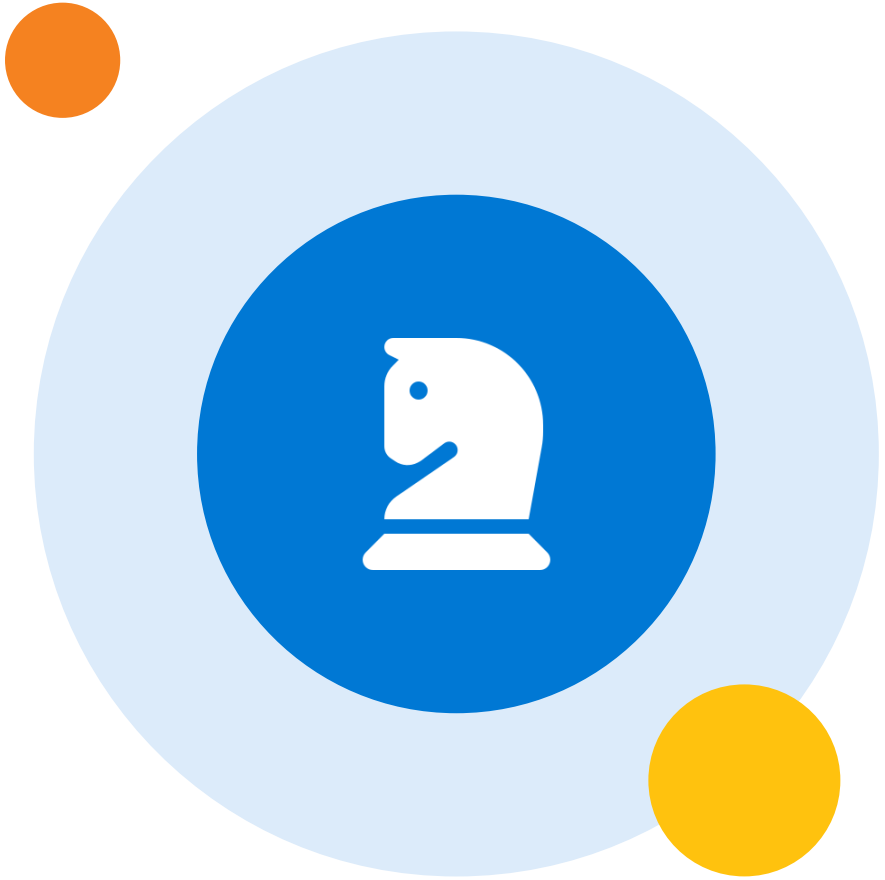
Build, buy or partner

Buy commodity capabilities, partner for speed, build only true differentiators.

Part 2

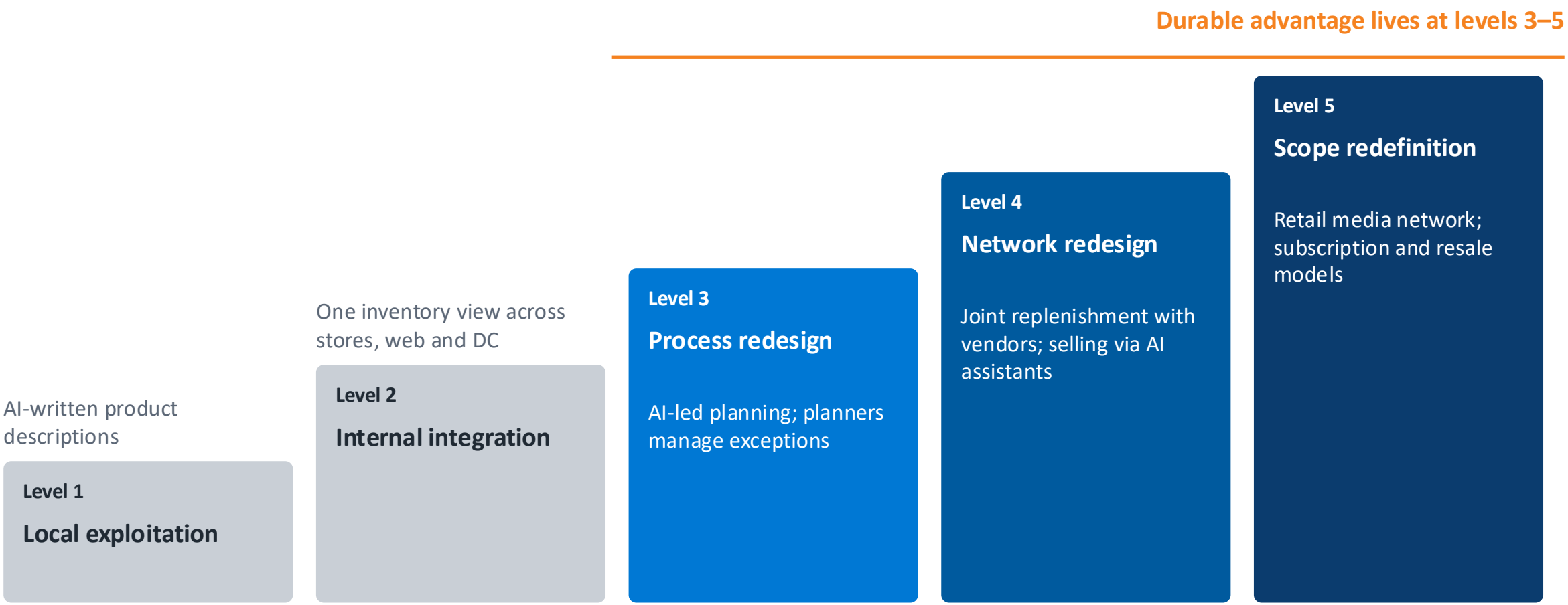
Capabilities and strategic opportunities

Technology becomes advantage when it changes what you can do that competitors cannot easily copy.



From tactical tool to strategic advantage

Five levels of IT-enabled transformation: benefits and required change rise together



Framework: N. Venkatraman (1994), as revisited in Elia et al., Business Horizons (2024). Most retail AI today sits at levels 1–2.

Five sources of durable digital advantage

Competitors can buy the same software, but not these

Proprietary data

First-party customer, transaction and product data no one else can buy

The direct relationship

Apps, memberships and services that give customers a reason to come direct

Durable advantage

Learning speed

How fast you test, measure and improve; faster loops compound

Operating-model fit

Workflows, roles and incentives redesigned around the technology

Ecosystem position: preferred merchant inside agents, marketplaces, supplier networks

Where the value pools are across the value chain

Value chain area	Digital opportunity	Metrics moved
Customer and marketing	Personalization, generative content at scale, retail media, loyalty redesign, AI-search and agent readiness	Conversion, AOV, lifetime value, media revenue, CAC
Merchandising and pricing	ML forecasting, assortment localization, dynamic and markdown pricing, trend sensing	Gross margin, full-price sell-through, markdown rate
Supply chain and inventory	Unified inventory, RFID, AI replenishment, automated fulfillment, ship-from-store	Inventory accuracy, in-stock, days of supply, cost per order
Stores and associates	Associate copilots, task management, vision for shelf and shrink, smart scheduling	Labor productivity, shrink, availability, retention
Service and returns	AI service agents, returns prediction and prevention, routing returns to resale	Cost to serve, resolution, return rate
Product and innovation	Generative design, connected products, co-creation, digital product passports	Speed to market, new-product hit rate
Corporate functions	Finance, HR and procurement automation; AI analysts for planning	Cost-to-income, close cycle, time to insight

McKinsey (2025): companies capturing the most AI value set growth or innovation goals, not only efficiency goals.

Part 3

Rethinking the customer journey with data

Design for two customers now: the shopper, and the shopper's AI agent.



A six-step method to redesign the journey with data

Turn journey work into a business case, then into a learning loop

1



Map as customers live it

Use behavioral data plus research. Find drop-outs, waits and repeat contacts.

2



Quantify pain points

Value each: lost conversion, avoidable contacts, returns, churn.

3



Unify identity and data

Same customer and same stock at every touchpoint.

4



Redesign moments that matter

Pick the 3–5 highest-value moments; fix the processes behind the screen.

5



Instrument and test

One metric per moment; controlled experiments; keep what works.

6



Close the loop

Feed outcomes back into models, merchandising and service.

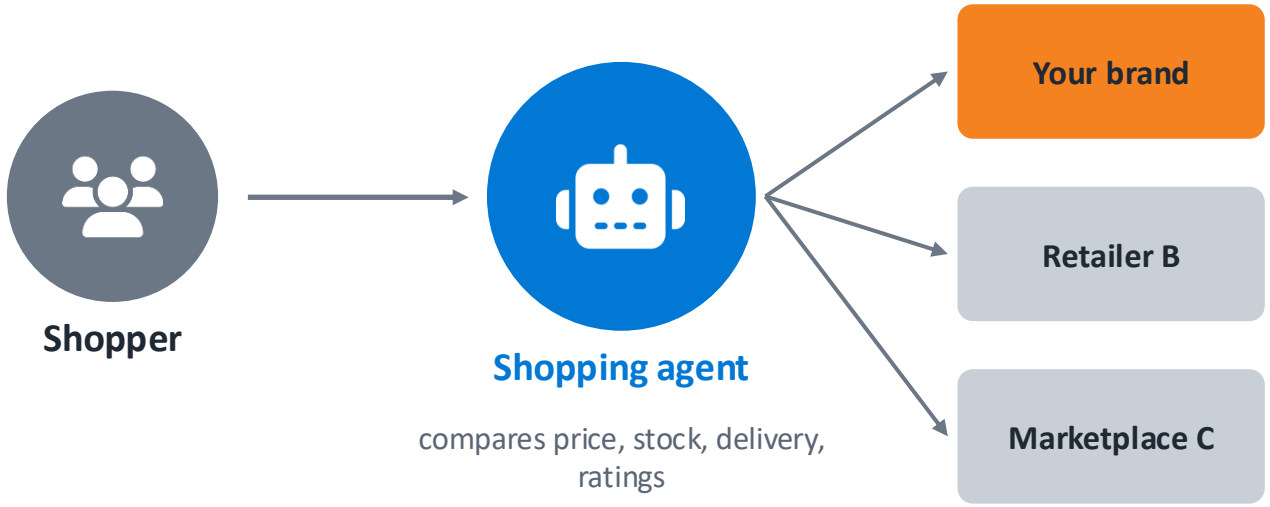
The journey, stage by stage

What data makes possible at each moment, and how to measure it

Stage	What data makes possible	Data required	Signal metric
Discover	Presence in AI assistants and search, personalized content, localized assortment	Structured product attributes, audiences	AI and search referrals, new-customer rate
Consider	Conversational guidance, visual search, virtual try-on, accurate local availability	Rich product data, real-time inventory	Add-to-cart, browse-to-buy
Buy	Frictionless checkout, agent-initiated purchase, pickup in store, dynamic offers	Payments, identity, pricing, inventory promise	Conversion, abandonment, order value
Receive	Accurate delivery promise, proactive updates, optimal fulfillment node	Order, carrier and inventory data	On-time delivery, cost per order
Use	Onboarding, care tips, replenishment reminders, connected features	Purchase history, consented usage data	Repeat rate, satisfaction
Service and return	AI service agents, fit guidance to prevent returns, routing to resale	Service history, return reasons, fit data	Return rate, cost to serve
Re-engage	Membership value, next-best offer, win-back	Unified profile, consented preferences	Retention, lifetime value

Designing for the customer's AI agent

Agents read structured data, compare on facts and reward easy checkout



Deloitte: about half of retail executives expect the multistep journey to collapse into one AI interaction by 2027.

Five actions to take now

1. Make the catalog machine-readable: complete attributes, sizing, images, policies via feeds and APIs
2. Expose truth in real time: inventory, price and delivery promises
3. Join AI platforms selectively; negotiate for data sharing
4. Give customers a reason to come direct: membership, services, owned assistant
5. Track AI-referred traffic as its own channel with its own economics

Source: Deloitte 2026 Retail Industry Global Outlook, via Retail Dive (Jan. 26, 2026). Consent and transparency are part of the design.

Part 4

Matching technologies to right-sized objectives

Ambition sets the size of the objective; the objective sets the size of the technology.



Three sizes of objective, three kinds of technology

Use the least complex technology that reliably moves the target metric

Rising ambition, investment and organizational change

Optimize

AIM
Improve a process in one function

EXAMPLE
Cut product-content cost per SKU by 60%

TECHNOLOGY
Generative AI on existing tools; RPA; SaaS

HORIZON
8–16 weeks · team opex

MAIN RISK
Local gains that never scale

Extend

AIM
Connect functions or add a missing capability

EXAMPLE
Online in-stock accuracy to 98%; ship-from-store

TECHNOLOGY
Unified inventory, RFID, OMS, data integration

HORIZON
6–18 months · capex + change

MAIN RISK
Integration and data quality underestimated

Transform

AIM
Change model, channel position or operating model

EXAMPLE
Membership to 40% of sales with personalization and owned assistant

TECHNOLOGY
CDP, ML, agentic service, composable commerce, new roles

HORIZON
2–3 years, staged · portfolio with gates

MAIN RISK
Losing sponsorship before value appears

A fit-for-purpose filter before any funding decision

Six questions every proposed technology must answer

1. Outcome

Which metric moves, by how much, by when, and who owns it?

2. Simplest solution

Could a process change, rule or existing tool get 80% of the value?

3. Data readiness

Does the data exist at the quality and freshness needed?

4. Process change

Which roles, decisions and workflows must change, and who leads it?

5. Scalability

If the pilot works, can it reach every store, country and category without a rebuild?

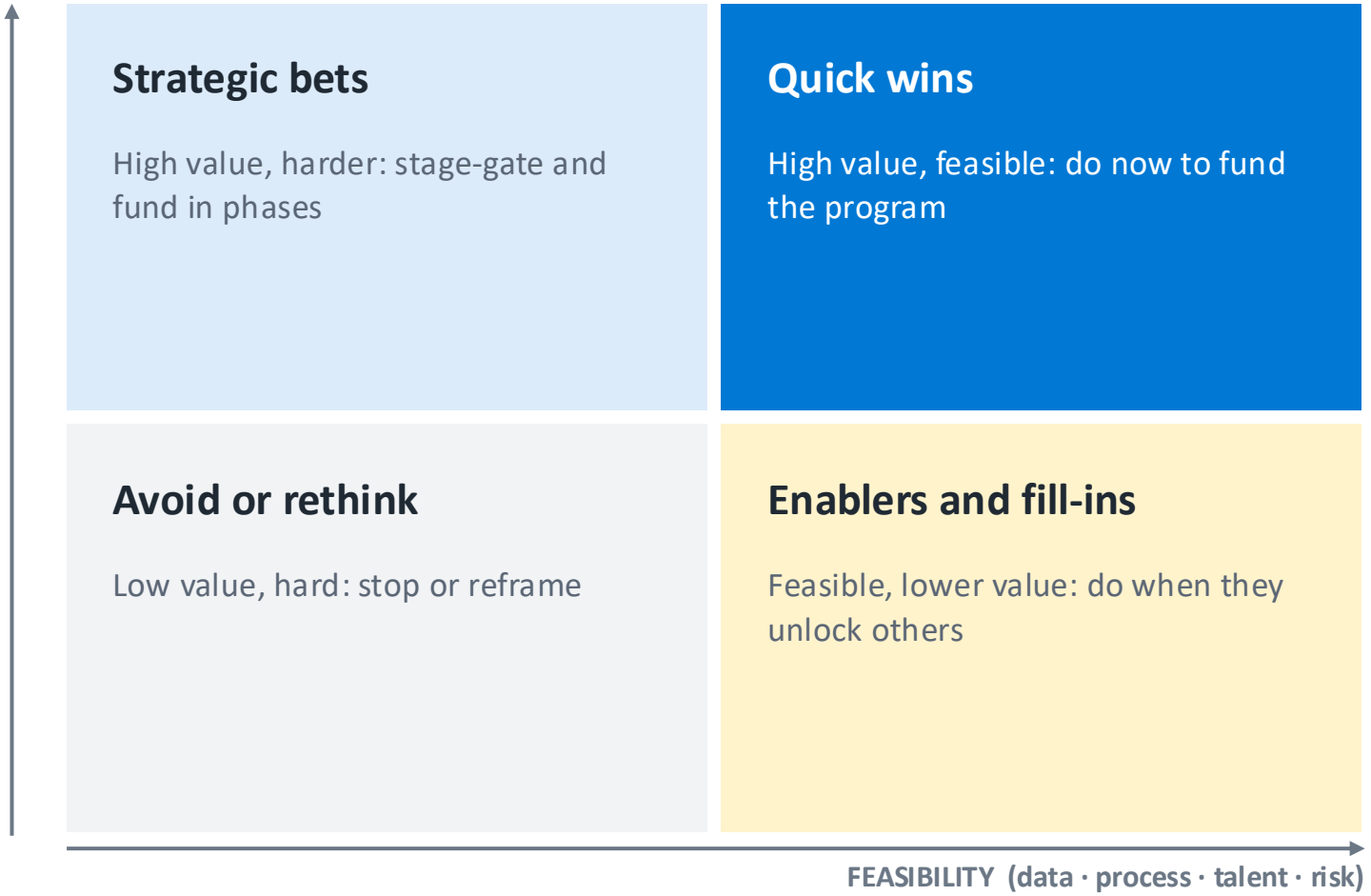
6. Reversibility and risk

What happens when it is wrong? How hard is it to switch off or change vendors?

Rules of thumb: proven technology for core operations · emerging tech such as autonomous agents for bounded use cases with human oversight · build only true differentiators

Prioritize the portfolio on value and feasibility

Fund a deliberate mix, not a list of pet projects



How to score

- Value: size of the KPI shift, strategic fit, customer impact
- Feasibility: data readiness, process change, talent, partner availability, risk
- Score each initiative canvas 1–5 on both
- Review the mix quarterly

Part 5

Frameworks to frame, sell and steer

The Digital Transformation Canvas, BCG's six success factors, and a stage-gated portfolio.



The Digital Transformation Canvas: eleven elements, four layers

An initiative that cannot fill every box is not ready for funding

1 · STRATEGY

Purpose The business goal that justifies and motivates the initiative

2 · OPERATIONAL PILLARS

Process Activities touched

People Who takes part

Platform Technology and data

Partners External expertise

Project Combines the four pillars, sized by budget, timing and risk

3 · VALUE

Product New or extended digital offers

Performance Financial and innovation gains

Planet Social and environmental impact

4 · PITFALLS TO GUARD AGAINST

Protection Secure access to systems and data

Privacy Lawful, transparent use of personal data

Source: Elia, Solazzo, Lerro, Pigni & Tucci, Business Horizons 67(4), 2024

Using the canvas to screen and sell initiatives

One page per idea, filtered against strategy and constraints



One canvas per initiative

Forces a named purpose, owners, data and partner needs, and measurable value

Screen the portfolio

Filter against strategy, then budget, time and risk to find early proof

Communicate on one page

A store manager, a CFO and a vendor can all read the same page

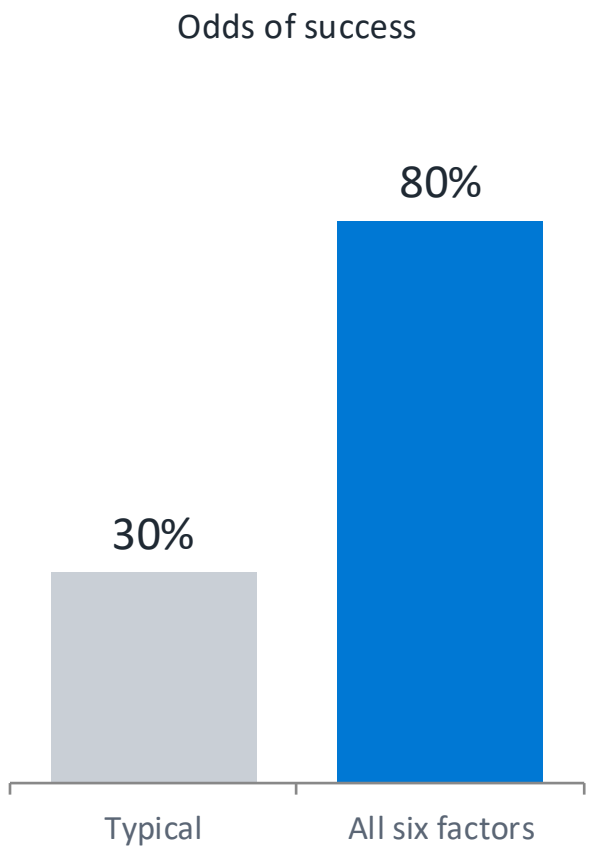
Revisit at every gate

Update value achieved and risks discovered

Screening example from Elia et al. (2024). Marc K. Peter's book of the same name offers a seven-step enterprise master-planning approach.

BCG's six success factors: are we configured to win?

Address all six and success odds rise from 30% to 80%



Integrated strategy, clear goals

Can every executive state the three outcomes and their numbers?

Leadership through middle management

Do store, DC and category leaders own targets that depend on this?

High-caliber talent

Have we assigned top performers, or whoever was available?

Agile governance mindset

How fast does a team blocker reach and get solved by an executive?

Monitoring of outcomes

Is there one trusted dashboard, reviewed monthly?

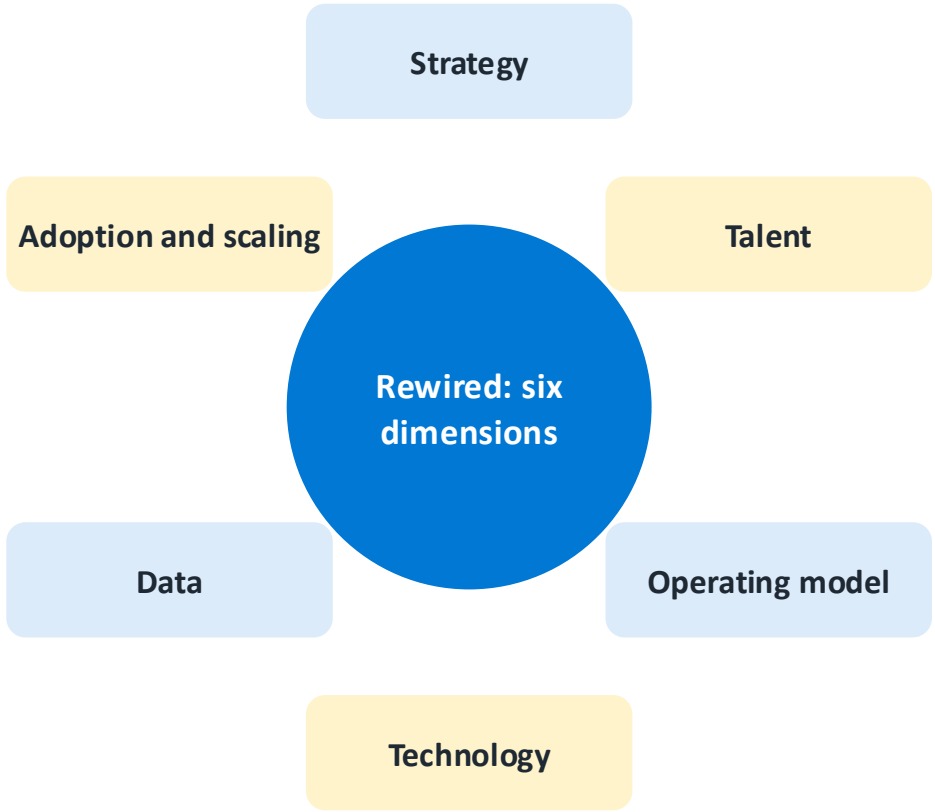
Business-led modular platform

Can we ship a change in weeks rather than a release cycle?

Source: BCG, Flipping the Odds of Digital Transformation Success (2020). Questions are test prompts for the C-suite.

Complementary tools for the leadership team

Capability checklist, proof points and people



McKinsey: practices that correlate with capturing AI value at scale

Lighthouse use cases

Prove one or two high-visibility use cases end to end, then scale and build the platform backward from what they need (BCG).

Value-versus-feasibility scoring

Score every canvas on both axes; fund a balance of quick wins, strategic bets and enablers.

Stakeholder map

Plot groups by influence and by how much the change affects them; plan engagement for each quadrant.

Part 6

Leading the change

Digital leadership is a distributed capability. The CEO sets direction; the middle decides whether it sticks.



The leader's toolkit: knowledge, skills and confidence

Four capabilities to build in every member of the C-suite



Technical knowledge

Fluent in core concepts; knows what data each initiative needs; tells predictive from generative problems; can challenge a vendor



Strategic skills

Links technology to a P&L outcome; sizes objectives; manages a portfolio of bets; reads the implications of agentic commerce



Change skills

Tells a compelling case for change; engages middle managers; redesigns roles and incentives; sustains momentum



Confidence

Uses the tools personally; asks naive questions; decides under uncertainty with gates; treats failed pilots as learning

Seven roles a digital leader moves between

Strong leaders shift roles with the moment



Pioneer	Spots early trends; sets the digital vision
Innovator	Generates and champions ideas
Manager	Executes and coordinates resources
Enabler	Creates cross-functional spaces to test
Networker	Builds knowledge links inside and out
Mentor	Supports and coaches people through change
Mentee	Learns from digital natives: reverse mentoring

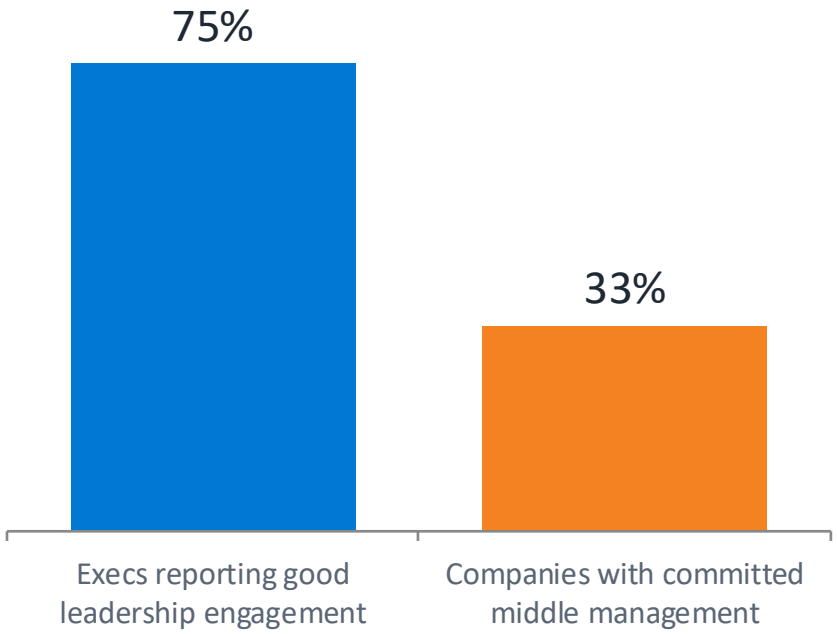
Source: Elia et al., Business Horizons (2024). Icons around the hub follow the list order, starting at the top.

Who owns what in the C-suite

Executive	Primary transformation role
CEO	Sets the ambition and the few outcomes that matter; chairs the steering committee; role-models the tools; protects the budget
CFO	Funds the portfolio with stage gates; defines how value is measured and booked; stops initiatives that miss gates
CIO / CTO	Owns modular architecture, security and vendor strategy; runs platform teams; makes the stack agent-ready
Chief Data or AI Officer	Owns data quality, governance and AI risk policy, including where human review of AI outputs is required
CMO / Chief Customer Officer	Owns the customer journey, personalization, loyalty and the AI-platform channel strategy
COO / Supply Chain	Owns store, DC and supply-chain process redesign and adoption on the floor
CHRO	Owns reskilling, new roles, incentives and the people side of change
BU and category leaders	Own targets that depend on the initiatives, and adoption of new ways of working

Garnering support: unfreeze the middle

Executives think they are aligned; the middle often is not



Source: BCG (2020): 3 in 4 vs. 1 in 3

1. Write a one-page case for change: threat, opportunity, three outcomes
2. Map stakeholders by influence and impact; co-design with store managers and planners
3. Give middle managers targets that depend on the change, and a design role
4. Show, don't tell: one visible early win with real numbers
5. Address job fears honestly: tasks, reskilling, career paths
6. Fund change management as its own budget line

Governance that keeps pace

Track outcomes, remove blockers fast, decide at gates



Transformation office

Small team reporting to the CEO; tracks outcomes, not activity



Monthly executive reviews

Blocker-focused; BCG cites a weekly impediments item in winning programs



Stage gates

Explicit continue, pivot or stop decisions tied to budget release



AI and data risk policy

Accuracy checks, privacy, IP and bias; define where humans validate outputs

Sources: BCG (2020); McKinsey, The State of AI in 2025 — high performers more often define when model outputs need human validation.

Part 7

The Digital Transformation Action Plan

Ten questions, a worked example, and a stage-gated roadmap.



The Action Plan template: ten questions

A good plan fits on a few pages and answers all ten

1. **Purpose and strategic link**
   The problem, why now, which priority it serves
2. **Outcomes and KPIs**
   3–5 metrics with baseline, target, date, owner
3. **Process and people**
   Workflows that change; teams; roles created or retired
4. **Platform and partners**
   Technology, data, vendors; build, buy or partner
5. **Readiness assessment**
   Score BCG's six factors 1–5; name the gaps
6. **Roadmap and stage gates**
   Phases, milestones, evidence needed to continue
7. **Resources and budget**
   Capex, opex, people, partners by phase; payback
8. **Governance and ownership**
   Sponsor, owner, cadence, decision rights
9. **Change and adoption**
   Communications, training, incentives, adoption metrics
10. **Risks and safeguards**
    Top risks and mitigations, incl. protection and privacy

Worked example: "Inventory truth" on one canvas

Hypothetical 400-store specialty apparel retailer: RFID plus a unified inventory view

PURPOSE Online "in stock" is often wrong, causing cancellations and lost sales; supports omnichannel growth and agent readiness

Process

Receiving, cycle counts, replenishment, fulfillment

People

Store associates, DC teams, planners; new store inventory lead role

Platform

RFID tags and readers, order management, inventory data service via API

Partners

RFID and OMS vendors; systems integrator

Performance

Accuracy, cancellations, ship-from-store share, sell-through

Product

Reliable buy-online-pickup and ship-from-store promises

Planet

Fewer split shipments and emergency transfers

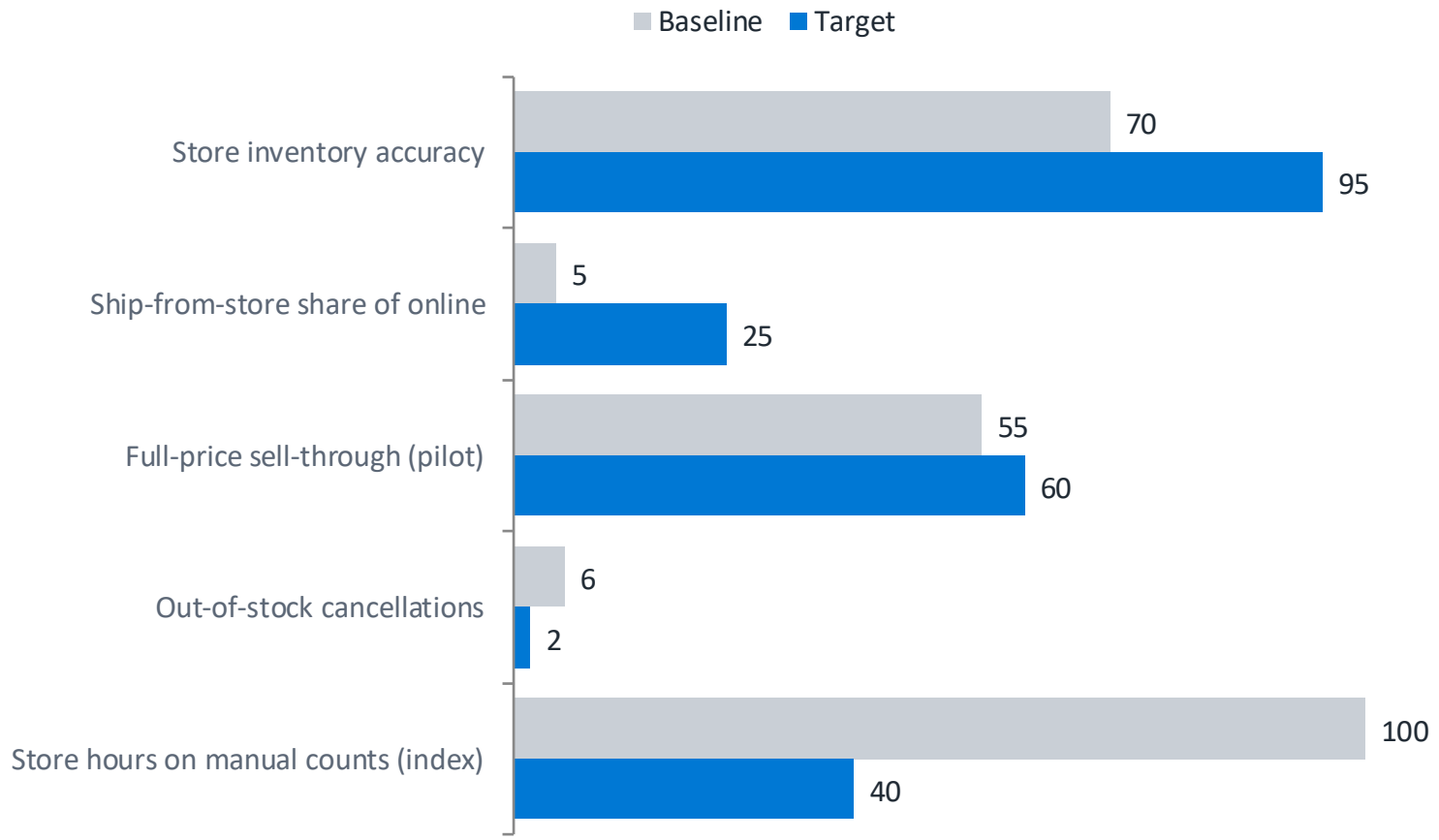
Protection and privacy

Vendor tagging compliance in contracts; no customer data captured by RFID

Illustrative example. Azure = operational pillars · Orange = value · Gray = pitfalls.

Worked example KPIs: baseline vs. target

Specific, owned, dated: the level of precision a plan needs



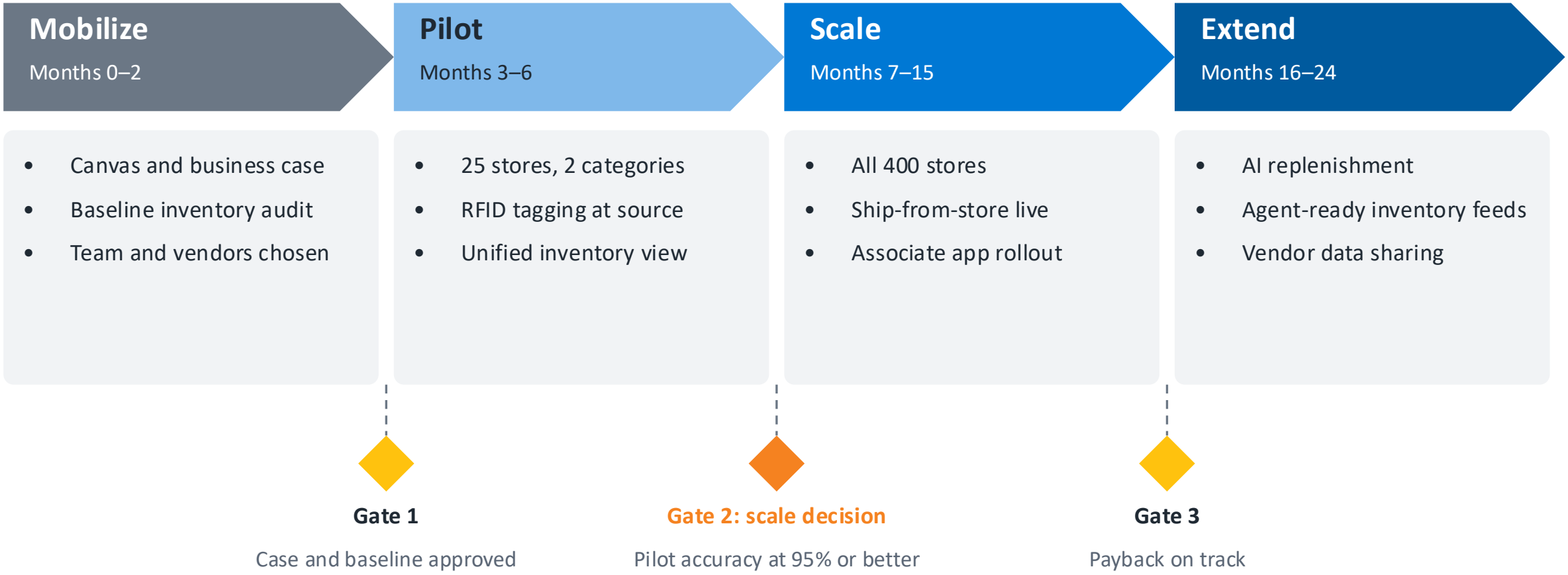
KPI	By	Owner
Inventory accuracy	Month 15	VP Store Ops
Ship-from-store	Month 18	VP Omnichannel
Sell-through	Month 18	Chief Merchant
Cancellations	Month 15	VP Omnichannel
Manual counts	Month 15	VP Store Ops

First three are higher-is-better; the last two lower-is-better.

All figures illustrative. Values in % except manual-count hours, indexed to today = 100.

Roadmap: four phases, three gates, 24 months

Gate 2 is the decision that matters most: scale only on proven accuracy and sales benefit



The first 90 days of the initiative

Six conditions to have in place before the pilot starts

- Sponsor and owner named; one-page canvas signed off by the executive team
- Baseline measured for every KPI, from one agreed data source
- Readiness scored against the six success factors; gap actions assigned
- Pilot stores, categories and partners selected, store managers in the design group
- Gate criteria and budget-release rules agreed with the CFO
- Case for change communicated to every affected team

Part 8

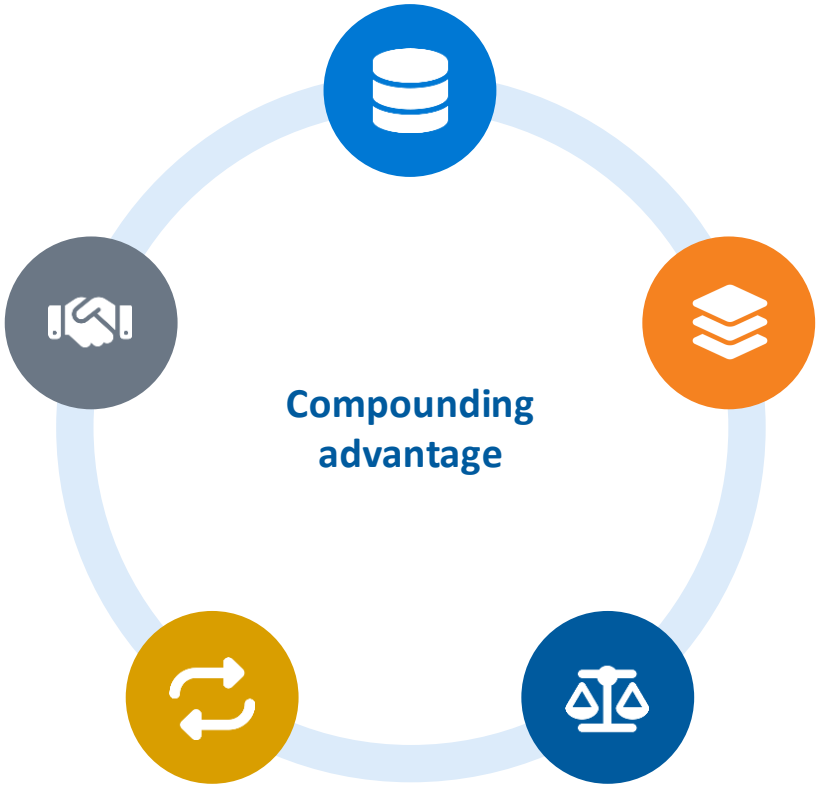
Turning transformation into lasting advantage

Each initiative should leave behind better data, reusable platforms and a more capable organization.



Five commitments that compound

Advantage comes from a flywheel, not from a project



1. Data as a permanent asset

Owners for customer, product and inventory data; quality measured as a KPI

2. Reusable platform capabilities

Inventory, pricing, identity and content services any channel or agent can call

3. A balanced portfolio

A majority of optimize-and-extend work funds a deliberate minority of transform bets

4. Institutionalized learning speed

Experiments, shared dashboards and fast gate decisions

5. A protected direct relationship

Membership value, owned assistants, services and community

Icons around the ring follow the list order, clockwise from the top.

Common pitfalls and how to avoid them

Pitfall	Symptom	Remedy
Technology first	Platform bought before the problem is defined	Start every initiative from the canvas Purpose and KPIs
Pilot purgatory	Dozens of pilots, none scaled	Fewer, bigger lighthouses with scale criteria set up front
Automating the old process	Tools added, workflow unchanged, no P&L effect	Redesign workflow and roles before deploying
Data debt ignored	AI outputs distrusted; teams keep their spreadsheets	Fund data quality as a named workstream with owners
The frozen middle	Executives aligned; stores and planners unchanged	Give middle managers targets, a design role and incentives
Activity metrics	Reports on features shipped, not outcomes	Business KPIs with baselines and one source of truth
Unmanaged AI risk	Inaccurate outputs or privacy incidents erode trust	AI risk policy, human review thresholds, privacy by design
Platform dependency	Sales shift to AI assistants with little data back	Negotiate data terms; build reasons to buy direct

The CEO's first 100 days

Align, choose, launch

Days 1–30

Align

- Agree 3–5 transformation outcomes with the executive team
- Score readiness on the six success factors
- Name the transformation leader; assign top talent

Days 31–60

Choose

- Collect initiative canvases across the business
- Prioritize on value and feasibility
- Select 1–2 lighthouses; confirm their Action Plans

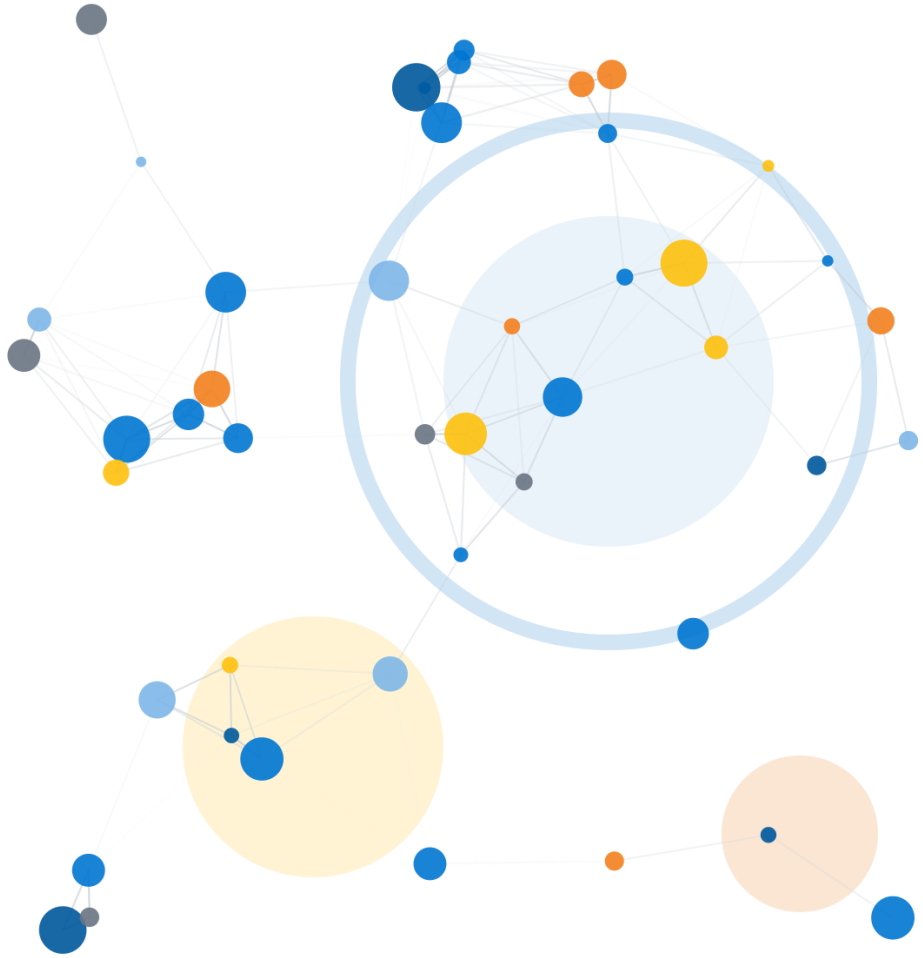
Days 61–100

Launch

- Launch lighthouses with gate criteria
- Start data-quality and agent-readiness workstreams
- Set the monthly outcome review; communicate the case for change

The Grayson Company

Lead it as a business redesign, with technology inside it



Retail strategy · Organization design · Executive search

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Readiness ratings and worked-example figures are illustrative judgments by The Grayson Company, not sourced data.