

RETAIL 5.0

Office of AI

A Strategic body to drive change, build frameworks and setup guardrails for secure, ethical, and responsible AI

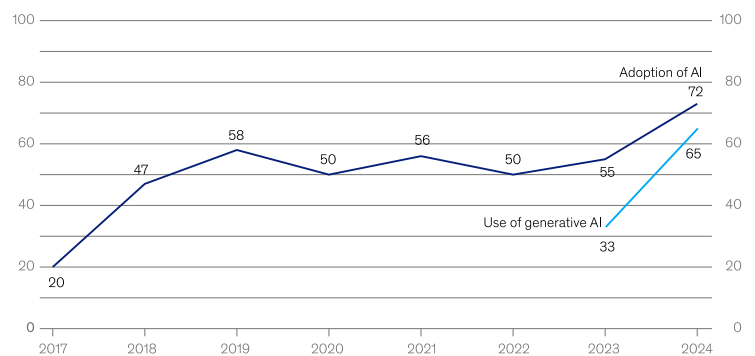


AI Today: Transforming business at every level

Artificial intelligence is becoming increasingly strategic, impacting businesses across various industries. As we progress, AI integration will continue to transform industries, driving unprecedented innovation and efficiency. Organizations must embrace this AI revolution to stay competitive in a rapidly evolving digital landscape. Now is the time to harness the potential of AI & Gen-AI for a more efficient future.

AI adoption worldwide has increased dramatically in the past year, after years of little meaningful change.

Organizations that have adopted AI in at least 1 business function, 1% of respondents



*In 2017, the definition for AI adoption was using AI in a core part of the organization's business or at scale. In 2018 and 2019, the definition was embedding at least 1 AI capability in business processes or products. Since 2020, the definition has been that the organization has adopted AI in at least 1 function. Source: McKinsey Global Survey on AI, 1,363 participants at all levels of the organization, Feb 22-Mar 5, 2024.

McKinsey & Company

CIO priorities in 2024

The overwhelming prominence of AI in CIO's objectives



Augment the business with Gen AI

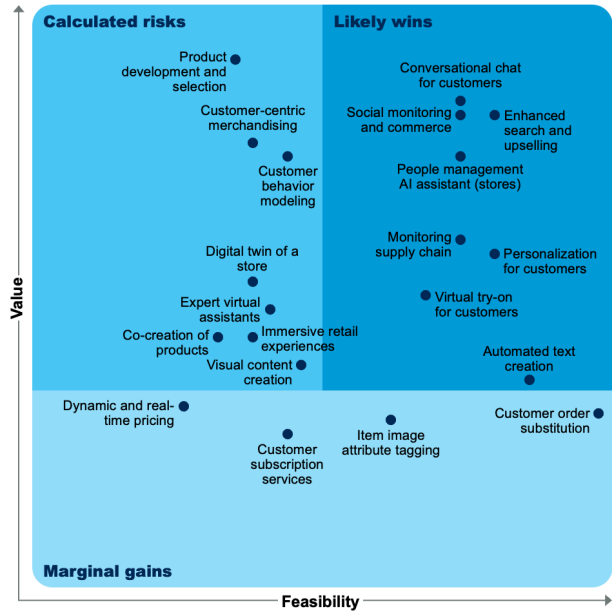


Right-size AI Governance



Exponentially improved Customer Experience

Retail Use-Case Comparison for GenAI

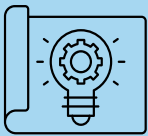


Source: Gartner
812811

Gartner

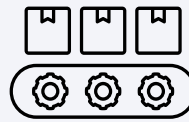
Prominent use cases for Generative AI in Retail

Why AI projects struggle to move past proof of concept?



2/3

of AI projects fail to move beyond proof of concept



< 50 %

of AI projects reach production

Hype surrounding generative AI has left many enterprises grappling with undefined opportunities, unrealized expectations and anxiety – over integration complexities, governance requirements and security concerns. Businesses are struggling to achieve ROI with AI integration, with many failing to make it past proof of concept.

AI projects often fail because organizations don't choose the right use cases, can't quickly adjust and improve their models, don't align projects with their needs, use bad data, and execute poorly.

AI is not a destination but a journey that involves developing the right infrastructure, data governance framework, and data privacy policies. It requires seamless collaboration between IT and business to identify the right use cases and, most importantly, fostering a culture of adaptability. Consequently, we are seeing more companies establish an Office of AI to drive change, build frameworks, and set guardrails for secure, ethical, and responsible AI.



Office Of AI

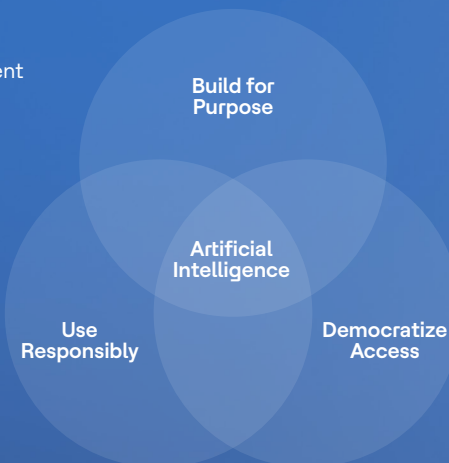
The future of retail demands real-time decision-making, powered by business insights, and this is only possible through the convergence of people, data, technology. Introducing the Office of AI, a strategic body with deep expertise in functional process know-how, focusing on uncovering every aspect from opportunity identification to implementation. To achieve this vision, we emphasize the principles of educating, experimenting, experiencing, and embracing change. By continuously learning and adapting, we stay ahead in the dynamic retail landscape. Additionally, we encourage a culture of failing fast and failing forward, where innovation comes with risks, and setbacks are turned into steppingstones for future success.

Adv Analytics	ML/DL	Computer vision	Robotics	AR/VR	Gen AI	NLP	Virtual Assistant
Store Operation	Customer experience	Merchandizing	Supply Chain Management	Customer Insights	E-commerce	Revenue Optimization	
Shelf Monitoring	Personalized Rec.	AI Powered Assortment Planning	Predictive demand Forecasting	Sentiment Analysis	Sales Forecasting	Dynamic Pricing	
Real time In-store Insights	Virtual Try-Ons	Automated planogram generation	Supply Chain transparency	Behavioral Segmentation	Churn prediction	Trade Promotions Optimizations	
Store Modernization	Dynamic content creation	SKU Rationalization	DOM Evaluation	Customer Journey Mapping	Hyper - personalized rec.	Trade Promotions Management	
Security Transformation	Unified Commerce	AI driven product Design	Supply N/W simulation	Customer Lifetime value prediction	Fraud Detection and prevention	Revenue Leak Prevention	
Educate AI Policy Use-case	Experiment Proof of Concept		Experience MVP		Embrace Implementation Enterprise Adoption		

Principles for Effective and Responsible Use of AI

Functions lead use case development
 Prioritize most impactful use cases
 Consolidate providers

Upskill associates
 Build guardrails
 Follow responsible AI principals



Streamline adoption
 Standardized platforms
 Leverage functional champions

Engage with functional leaders across domains to identify AI Opportunities, securing strategic alignment of business and digital

Identify use cases across business domains. Prioritizing top 5-10 use case assessment based on business impact, viability, product ownership, and urgency

Develop a tentative rollout timeline. Encompassing all stages from approval through to deployment and final sign-off.

Delivering Value



Improved Efficiency

Successful use case development in the AI Office translates to increased operational efficiency when the solutions are implemented at scale, optimizing processes and resource utilization



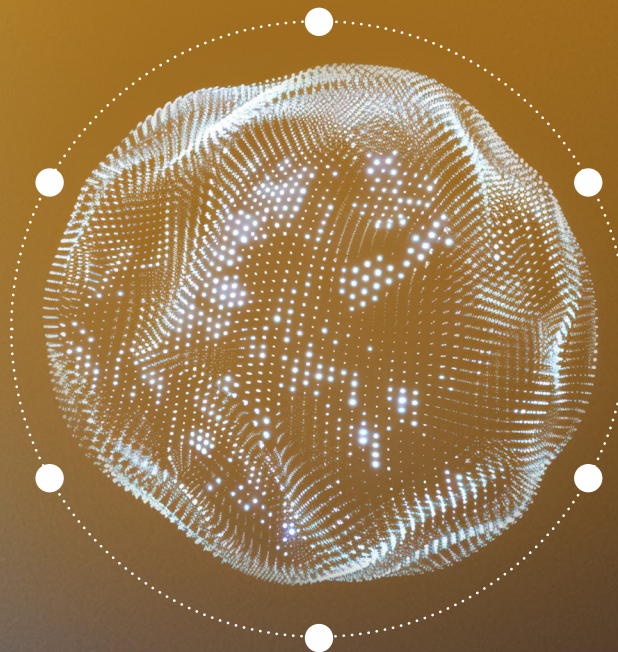
Faster Time-to-Market

The AI Office's controlled environment allows for rapid experimentation and iteration, enabling quicker development and deployment of AI solutions once scaled for production



Competitive Advantage

Successfully implementing AI-driven solutions based on experiments can provide your organization with a competitive edge



Proven ROI

Successful AI Office experiments that translate into production-scale solutions can demonstrate clear returns on investment, bolstering the case for further AI adoption



Data Privacy and Security

In the AI Office, you can address data privacy and security concerns without exposing sensitive information to potential risks



Reduced Disruption

By validating and refining AI use cases in the AI Office, you reduce the likelihood of disruptions to critical business processes when scaling up to production

HCLTech | Supercharging Progress™

HCLTech is a global technology company, home to more than 218,000 people across 59 countries, delivering industry-leading capabilities centered around digital, engineering, cloud and AI, powered by a broad portfolio of technology services and products. We work with clients across all major verticals, providing industry solutions for Financial Services, Manufacturing, Life Sciences and Healthcare, Technology and Services, Telecom and Media, Retail and CPG, and Public Services. Consolidated revenues as of 12 months ending September 2024 totaled \$13.7 billion. To learn how we can supercharge progress for you, visit hcltech.com.

hcltech.com

