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From labor arbitrage to
intelligence arbitrage:
The case for agentic AI in
retail with AI-sourcing

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“Agentic AI reframes retail’s purpose, people, and place as an integrated system of value. When work, workforce, and workplace evolve together, retailers move beyond efficiency to create entirely new opportunities for growth.”

—**Michael Jeschke**

US Consulting Services Retail & Consumer Products Leader
Deloitte

Introduction

Does your organization have a multi-year cost savings target that is difficult to meet with its current operating model? Is your organization struggling to scale growth without growing operational complexity or overhead? Is your organization still dependent on siloed, labor-heavy execution in a market demanding real-time, AI-driven adaptability? What if up to 35% to 40% of your current operating costs could be replaced by a zero-marginal-cost model, using capabilities your legacy service delivery vendors may already be leveraging without your visibility?

Challenges such as market volatility, rising expectations for hyper-personalization and speed, resilience and responsiveness in the market, and competitive landscape are some of the structural and systemic challenges that confront a growing number of retail leadership teams. While these challenges are solvable, the current set of tools and operating models at most retailers' disposal were never designed to deliver what's now needed in the market. Legacy service delivery operating models (e.g., outsourcing, shared services, labor-focused process optimization) and rigid workflow hierarchies were typically only designed for cost optimization. Retailers need to rethink what work gets done across the enterprise and how—not just who does it or where it's done—to unlock agility, control, and value at scale.

AI-sourcing offers that new foundation.

AI-sourcing is a signal of the next wave of transformation in how retail enterprises could start operating. At its core, AI-sourcing introduces a powerful new workforce: digital workers. Digital workers are contextually to fully autonomous AI agents that not only automate tasks, but orchestrate workflows, make contextual decisions, and work around the clock. They enable a level of agility and intelligence that human-only models simply can't match.

Digital workers have the ability to help retail leaders transform how their organizations manage supply chains, merchandise assortments, plan demand, and deliver customer care. Unlike bottom-up automation efforts of the past that chipped away at siloed, existing tasks, AI-sourcing operates from the top down. It redesigns entire workflows before enabling AI-first execution to achieve business outcomes faster, smarter, and more sustainably. It drives intelligent execution of workflows, rather than solely relying on labor-focused execution. AI-sourcing is about modernizing the operating model to meet current and future demands in retail. Human teams remain critical, and they are intentionally embedded at strategic decision points across AI-orchestrated workflows. This approach moves beyond labor arbitrage and positions AI-sourcing as the enterprise's mechanism for intelligence arbitrage, focusing on outcomes, adaptability, and speed at scale.

The retail landscape of today demands more than efficiency. It requires responsiveness, precision, and innovation at every node across the retail value chain. This is where AI-sourcing becomes relevant.

This white paper explains AI-sourcing in detail and provides a blueprint that retail leaders should consider to operationalize it. It outlines the strategy, frameworks, and implementation roadmap needed to embed digital workers into the fabric of a retail enterprise at scale.

AI agents can be conceived on a trajectory of autonomy.

Semi-autonomous: Agents receive goals set by a user and pursue them by identifying and performing subtasks. To do so, they use short-term memory and context management, and the outputs require frequent human validation. Semi-autonomous agents are suited to supporting human work, such as a co-pilot agent making recommendations and automating research and writing. These are the agents primarily used today.

Contextually autonomous: Agents maintain an internal memory to accommodate longer tasks, iteratively adapt, and improve over time. These could get embedded in reimagined processes and require less human intervention, although a human-in-the-loop is still important in decision-making and task execution. With contextual autonomy, agents handle unstructured tasks by interpreting context, planning and changing activities, and drawing from multiple data sources.

Fully autonomous: Agents operate independently to plan and execute open-ended tasks and collaborate with other agents or tools. Rather than applying technology for human-designed steps and activities, fully autonomous agents build their own processes optimized against existing systems using reinforcement learning. There is limited or even no human intervention. With this highest degree of reasoning and autonomy, agents orchestrate work, and humans serve as overseers of multi-agent operations.

The case for disruption

Retailers are under mounting pressure to modernize their operating models amid growing economic and structural complexity. Profitability is being squeezed by persistent inflation, unpredictable supply chain disruptions, global trade tariffs, rising labor costs, and intensified global competition. Simultaneously, customers now expect seamless, personalized, and real-time experiences, along with omnichannel integrations across all touchpoints. These conditions are exposing the systemic limitations of legacy operating models including traditional outsourcing and shared services. While these approaches once drove scale and cost efficiency, they now limit the speed, agility, and intelligence that today's retail landscape demands.

Why legacy operating models fall short

Modern retail is defined by omnichannel complexity, demand volatility, data-driven personalization, and the need for dynamic, intelligent decision-making across every node in the value chain. In this context, legacy operating models fall short in four critical ways: they are siloed, slow to adapt, limited in innovation, and structurally misaligned with outcome-based performance.

These operating models were built for standardization, repeatability, and efficiency to drive labor arbitrage, not for continuous optimization, speed, and agility. The legacy operating models often depend on siloed teams managing disconnected functions, relying heavily on manual workflows or rigid automation.

For instance, in customer care, support channels for online and in-store experiences are often handled by separate teams or systems, creating fragmented experiences for the customer and operational blind spots for the business. Similarly, merchandising and planning teams still operate on delayed reports and predefined cadences, missing real-time signals such as local demand shifts, weather impacts, or competitor pricing activity. Simply put, handing off processes to external human operators often adds latency and organizational distance in a retail era that demands speed and integration.

Legacy operating models are not only slow to adapt; they're rife with structural limitations that impair performance and agility. For instance, outsourced customer service operations typically sample only 2% to 3% of interactions for quality monitoring, meaning roughly 97% of customer conversations are never reviewed. This leaves retail brands blind to the majority of customer pain points and feedback. At the same time, these legacy operating models also introduce significant coordination overhead. Internal teams are required to manage vendors, interpret reports, and reconcile execution gaps between functions. As a result, a significant amount of operational effort in legacy service delivery environments is spent on managing the operating model itself rather than improving outcomes. Compounding this, most vendors are not incentivized to pass along the value they create using AI, automation, or standardization, which results in a widening gap between what is technically delivered and what the business actually needs.

These legacy operating models often leave significant value on the table. They are optimized for fulfilling service-level agreements (SLAs) rather than driving enterprise-wide outcomes. As a result, they prioritize task completion over customer experience, innovation, and employee enablement. The incentive structures within legacy model contracts rarely align with business growth or strategic key performance indicators (KPIs) like lifetime customer value or operational agility. There's minimal investment from providers in enhancing frontline decision-making and customer satisfaction, or enabling in-house teams to do higher-value work. Instead of elevating the enterprise, these models tend to focus on maintaining the status quo, efficiently meeting low-value metrics while neglecting opportunities to transform operations or accelerate growth.

Examples of operational gaps

Consider three critical retail areas—omnichannel customer care, merchandising planning, and supply chain execution—where agility and intelligence are paramount.

In customer care, a shopper's issue might span online and in-store experiences (e.g., buying online and returning in store), requiring real-time access to unified data. Traditional call centers often can't easily pull up cross-channel history or make exceptions on the fly, resulting in poor service. They operate on scripts and standard operating procedures that struggle with novel situations, whereas a digital worker could instantly analyze a customer's entire purchase history and sentiment to tailor a resolution, amplifying human call center agents.

In merchandising and planning, trends can shift overnight due to social media or weather, and localization is key. A static offshore analysis team or shared services team might run weekly reports, whereas an AI system can continuously monitor signals (e.g., bestseller spikes, online search trends, social media sentiments, competitor pricing) and adjust promotions or inventory allocations in near real time. Legacy operating models also tend to focus on

cost minimization instead of value creation—for example, a legacy merchandising planning team might rigidly execute a markdown process, while missing the insight that certain products could be bundled or targeted to specific customer segments.

In inventory and supply chain, retailers need agility to respond to disruptions (like sudden supplier issues or logistics delays). Legacy planning functions may not have visibility or authority to reroute shipments or expedite orders when conditions change.

All these pain points underscore a crucial fact: *Legacy operating models for labor cost savings alone can no longer satisfy the operational needs of modern retail.* The industry needs intelligent agility—the ability to sense and respond to changes instantly, and to leverage vast data to make optimal decisions in moments that matter. Legacy operating models, with their limitations and organizational friction, are no longer suited to those tasks. This is where AI-sourcing with digital workers offers a new path.



Details behind digital workers and AI-sourcing

Let's take a moment to go deeper into digital workers and AI-sourcing.

Digital workers are multi-capable, reasoning AI agents that can ingest vast amounts of data, analyze multiple options, run several scenarios, orchestrate tasks across systems, make contextual decisions, and continuously learn. Digital workers operate as autonomous process executors. They are embedded across the value chain—from forecasting to fulfillment, from store operations to customer service. Each AI agent acts with defined parameters and a measurable objective. Their architecture is modular and composable, basically drawing from foundational models, business rules, historical data, and real-time signals.

AI-sourcing refers to delegating end-to-end workflows to digital workers with an AI-first execution mindset, aiming to deliver faster, better, and more cost-efficient outcomes. It helps retailers retain control, reduce workflow complexity, increase operational agility, and unlock new value through intelligent orchestration of their digital workforce.

For instance, rather than a human employee following a checklist to execute a price change across all stores, a digital worker could be entrusted with the entire pricing process: ingesting sales and competitor data, deciding optimal price points per product and location, pushing updates to store systems, and monitoring the outcomes—only alerting a human if an anomaly or high-impact exception occurs. The digital worker effectively becomes the process owner for pricing, working 24/7 with tireless consistency.

A digital worker might handle SKU-level replenishment, customer order resolution, price optimization, or employee schedule management. This could be seen as a profound shift from first-generation automation (i.e., robotic process automation) that typically handled repetitive tasks in a fixed sequence (e.g., extracting data from a form, then inputting into a system). Digital workers, by contrast, can handle dynamic decision-making and multistep workflows. Instead of just following a static script, digital workers perceive context, adjust to new information, and can coordinate multiple subtasks or even multiple other digital workers to achieve the goal.

Another example could be promotion planning process, where a digital worker could autonomously gather performance data from the last campaign, analyze which customer segments responded best, adjust the promotion strategy, negotiate ad placements (through application programming interfaces or APIs), and launch a new campaign—essentially acting as a “digital marketing manager.” This capability is possible because digital workers leverage advanced technologies like large language models (LLMs) for reasoning, machine learning for pattern recognition, and integration hooks into enterprise software to augment the human workforce. In essence, they combine “head and hands,” where “head” represents the analytical brain to make decisions and “hands” represent the robotic integration to intelligently execute end-to-end workflows.

The combination of autonomous digital workers and strategic humans becomes a new hybrid workforce for retail organizations.

In AI-sourcing, human teams shift into roles of design, oversight, and exception management. Humans define the objectives, constraints, and oversight mechanisms for digital workers, but they don't micromanage each step. It's analogous to hiring a human team and trusting them with a project, except here the team is digital and operates at software speeds. Over time, these digital workers can be retrained or upgraded just as people develop skills.

It's not just automating a task here or there, but handling entire workflows, for example, say “handle all incoming customer refund requests” or “manage the replenishment ordering for all SKUs in this category.”

Unlike traditional automation, often focusing on task-level efficiency, digital workers focus on outcome-level performance. Success of digital workers is measured in terms of outcomes and process KPIs achieved by them (e.g., in-stock rates maintained, customer satisfaction scores on resolved tickets), rather than hours worked or tasks completed. This outcome-oriented mindset aligns seamlessly with digital workers, which incur virtually no incremental cost per additional task and can scale their effort elastically to meet demand.

How to enable AI-sourcing in retail

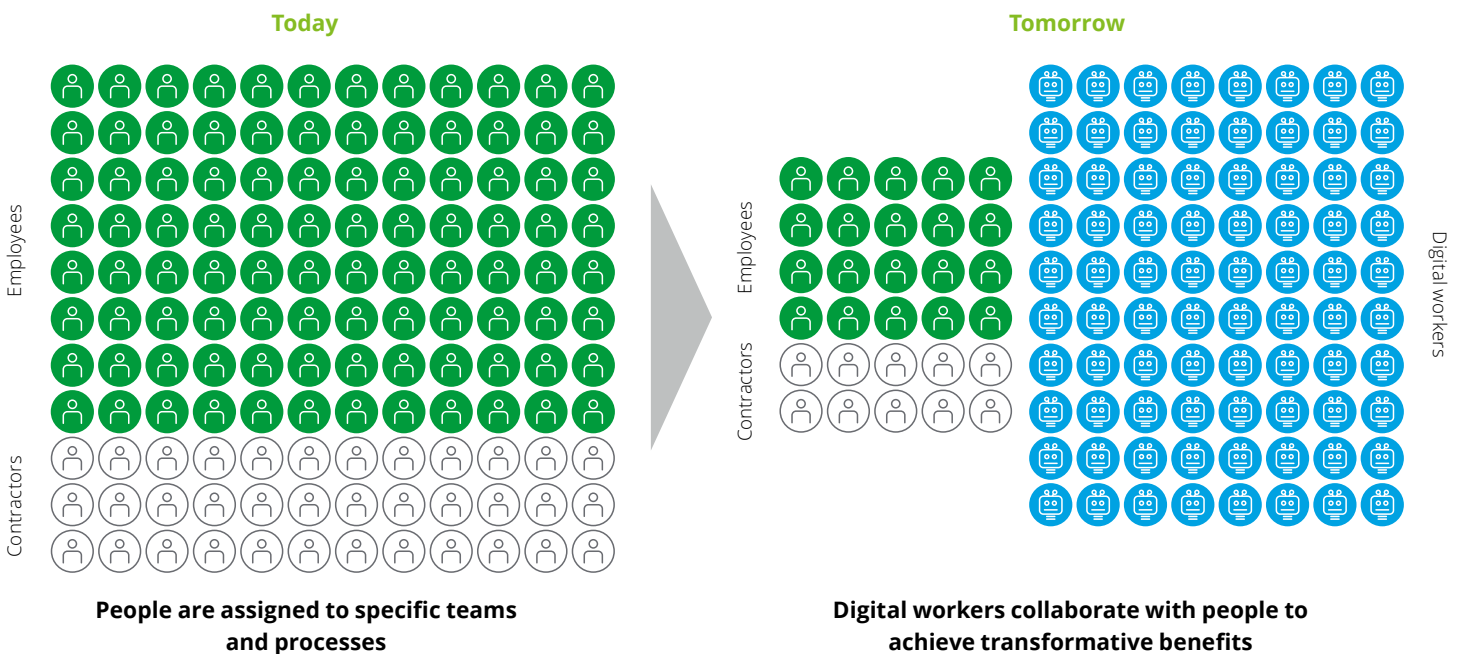
AI-sourcing requires reconfiguration of retail functions around digital execution. It operates on the principle of AI-first design. Rather than layering AI on top of old workflows, AI-sourcing should ideally begin with a top-down, outcome-driven lens. Retail organizations should first define the intended business outcome and then redesign the process to achieve that goal using the fewest and most effective steps possible. For example, a process that historically required 25 human-executed steps might be reimagined and streamlined into just 10 steps, with each one intentionally designed for digital workers to execute optimally. Once this reimagined AI-first process is defined, human oversight including reviews, exception handling, and governance, can be embedded where necessary.

This shift in process architecture enables AI-sourcing to be unconstrained by legacy procedures and optimized for agility, precision, and scale from the outset. And importantly, this is where digital workers begin to demonstrate collective intelligence to augment human intelligence. Digital workers don't function in isolation: they work together, sharing insights, handing off tasks, coordinating outcomes, and learning from each other, forming the foundation

of a true hybrid workforce. Humans become orchestrators and strategic guides within this ecosystem. This tightly integrated collaboration between digital workers and humans defines the operational strength of AI-sourcing and repositions it as a dynamic, end-to-end operating system for modern retail.

For example, in a traditional global supply chain team, most of the operational effort is handled by large teams of employees and contractors, responsible for planning, procurement, logistics, and exception management. In an AI-sourcing model, a large team of digital workers work alongside the human team to take on high-volume, decision-driven tasks like demand forecasting, vendor scheduling, inventory optimization, and exception detection. As a result, a substantial portion of the human workforce can be reskilled and redeployed into upstream and downstream growth functions like focusing on supplier partnerships, sustainability programs, new market expansion, or optimizing last-mile operations to drive long-term competitive advantage for the retail organization.

AI-sourcing with digital workers



From labor arbitrage to intelligence arbitrage: The case for agentic AI in retail with AI-sourcing

In this configuration, the digital workers continuously operate across systems, scale to match workload in real time, and execute thousands of micro-decisions daily, which is far beyond the cognitive and temporal bandwidth of any human team. The result is an always-on, insight-driven supply chain that is faster, more resilient, and more cost-effective than its legacy counterpart. This delineation between human experts and digital workers in the hybrid workforce is key: The digital workforce is the computational engine of the enterprise, constantly running and learning, while humans serve as the strategic layer that provides governance, creativity, and decision oversight.

Additionally, from a technology stack perspective, AI-sourcing is not about replacing a retailer's existing technology stack with a new or a stand-alone platform. Instead, it is about embracing the existing systems and platforms, such as ERP, WMS, OMS, or HCM, and their

native agentic AI capabilities to layer digital workers on top of them, orchestrating intelligent, AI-first workflow execution. Digital workers are designed to integrate with, learn from, and act through existing platforms, not to rip and replace them. In this way, digital workers help consolidate fragmented systems, streamline workflows, and, in many cases, remove redundant licenses to drive additional cost savings. Retailers could unlock more value from their current tech investments while modernizing how work is done across the enterprise through AI-sourcing.

Retail leaders could leverage an end-to-end view of the retail value chain to reconfigure their legacy operating models across core retail functions to drive competitive advantage and growth.

Illustrative view of end-to-end retail value chain

Strategic Intelligence	Merch Planning & Category Management	Demand & Inventory Planning	Sourcing (Buy/Make)	Inbound Logistics	Distribution Centers	Fulfillment & Supply Chain	Store and Associate Operations	E-Commerce and Omni-channel Exp.	Products & Services Sold	Customer Care & Returns	Customer Value & Loyalty
Real-Time Strategic KPI Monitoring	Joint Business Planning (JBP) with Vendors	Demand Forecast Generation	Autonomous Category Need Detection	Shipment Grouping & Routing Plan	Inbound Scheduling & Dock Execution	Order Routing & Fulfillment Node Selection	Shelf Condition Monitoring and Restock Triggers	Personalized Homepage & Product Feed Generation	Product Master Creation & Attribute Generation	AI-First Customer Query Understanding & Routing	Customer Profile & Behavioral Intelligence Engine
Scenario Planning & Simulation Engine	Category Strategy & Role Definition	Causal Modeling & Driver Attribution	Supplier Discovery & Pre-Qualification	Carrier Assignment & Booking	Putaway Optimization	Pick-Pack-Ship Orchestration in FC	Store Task Planning and Dynamic Assignment	Search Optimization & Query Understanding	Content Enrichment (Descriptions, Images, Specs)	Conversational AI Resolution Engine	Segmentation & LTV Modeling
Automated Executive Briefing Generation	Financial & Merchandise Planning	Channel Segmentation & Demand Clustering	Autonomous RFx Process	ETA Prediction & Risk Scoring	Inventory Accuracy and Cycle Counting	Carrier Selection & Service Level Optimization	Price Tag Accuracy and Promo Execution	Dynamic Product Page & Content Rendering	Pricing Lifecycle Management (Base, Promo, Markdown)	Predictive Escalation & Sentiment Alerts	Offer & Promotion Personalization
Macro Trend Monitoring & Signal Ingestion	Assortment Planning & Optimization	Inventory Target Setting (Service Level Design)	Contract and Cost Modeling and Vendor Negotiations	Dock and Yard Slotting	Slotting Optimization	Delivery Promise Calculation & ETA Generation	In-store Inventory Accuracy and Audits	Smart Pricing & Promotion Display Logic	Product Launch Planning & Go-Live Readiness	Return Initiation & Routing Optimization	Omnichannel Engagement Orchestration
Cross-Functional Strategy Sync Engine	Space Planning & Modular Allocation	Inventory Replenishment Planning	Product & Spec Setup (Private Label)	Inbound Load Visibility & Alerts	Order Wave Planning and Task Launch	Middle Mile & Linehaul Optimization	Smart Replenishment from Backroom	Omnichannel Inventory Visibility & Promise	Assortment Performance Monitoring & Health Scoring	Reverse Logistics Optimization	Loyalty Program Activation & Management
Cost-to-Serve & Margin Intelligence Engine	Price & Promotion Planning	Allocation Strategy & Execution	Sample Testing & Quality Simulation (Sourcing)	Unloading and Reconciliation	Picking Execution and Routing	Last Mile Execution & Exception Management	Click & Collect/ BOPIS Picking Execution	Cart Intelligence & Checkout Orchestration	Cross-Sell & Bundle Recommendation Engine	Returns Policy Simulation & Optimization	Experience-Based Tiering & Recognition
	Markdown Optimization & Exit Strategy	Pre-Season & In-Season Planning Sync	Demand Collaboration (CPFR)	Carrier SLA and Cost Performance Monitoring	Packing, Labeling & Exception Handling	Fulfillment Cost Tracking & Profitability Modeling	AI Copilot for Store Associates	Digital Storefront Updates & A/B Testing Engine	Digital Goods & Value-Added Services Management	Customer Service Performance Management	Churn Prediction & Win-Back Campaigns
	Endless Aisle & Marketplace Curation	Demand & Inventory Health Monitoring	Risk Monitoring & Exception Alerts (Sourcing)		Staging and Load Consolidation	Returns Routing & Reverse Logistics Planning	Store-Level Shrink, Damage & Waste Management	Omnichannel Customer Profile Sync & Consent Mgmt.	Item Setup, Listing & Channel Syndication		Referral & Advocacy Management
	New Product Introduction (NPI) Acceleration	Omnichannel Demand Aggregation	Supplier Performance Management (Sourcing)		Outbound Dock Management	Network Capacity Balancing	Maintenance & Predictive Asset Management	Contextual Post-Purchase Experience & Feedback Loop	Product Recall, Audit, and Compliance Tracking		Promotional ROI Attribution & Optimization
	Merchandising Analytics & Performance Monitoring	Forecast Accuracy Tracking & Model Training	Sustainability & Compliance		Labor Planning and Execution Visibility	Fulfillment Ops Dashboard & Control Tower	Real-time Store Performance Monitoring	Omnichannel Experience Analytics & Monitoring	Product Content & Offer A/B Testing Engine		Customer Value Management

In order to better understand the operational mechanics of digital workers and hybrid workforce, let's look at two retail functions in more detail—merchandizing and marketing and store operations—with illustrative workflows and outcomes.

1. Merchandising planning (digital merchandisers)

In a digitally powered merchandising function, digital workers act as autonomous merchandising planners and marketers, continuously optimizing product assortment, pricing, promotions, and content.

For example, *merchandising digital workers* can help set up and maintain e-commerce product catalogs, create personalized promotions, and even generate product descriptions and marketing copy. They ingest signals like sales trends, customer browsing behavior, and competitors' movements in real time.

Consider a new product launch: A digital worker monitors early sales velocity and regional uptake of the product. If it detects underperformance in certain regions, it can autonomously execute corrective actions (e.g., adjusting the pricing or recommending a localized promotion) with or without waiting for a human review cycle.

Similarly, digital workers can enforce merchandising standards in stores. Using computer vision and store data, a digital worker can detect when planograms are out of compliance or when an item is out of stock on the shelf. It then autonomously triggers restock orders or rearranges shelf space virtually (in digital planogram systems) to optimize the category, alerting store staff only for physical fixes.

Another digital worker might handle promotion analytics: Right after a promotion goes live, it analyzes performance in real time. If a discount isn't driving the expected lift, the digital worker can tweak the offer or reallocate the budget to a better-performing campaign on the fly.

In effect, digital workers become tireless analysts and executors constantly fine-tuning the merchandising and marketing mix. The outcomes are improved sales and margin through precise, data-driven merchandising decisions made at high speed. Humans in this loop (merchandising managers, marketing directors) focus on branding, creative strategy, and mentoring the AI (e.g., setting rules for brand-appropriate content), while digital workers handle the heavy lifting of day-to-day optimization. This could drive value for retailers through more consistency with execution of pricing strategy and faster response to market changes, where one digital worker can monitor thousands of SKUs and competitor prices continuously, at a scale impossible for human teams to match.

2. Store and associate operations (digital store operators)

AI-sourcing in store and associate operations means several recurring in-store decisions and workflows can be delegated to digital workers, improving efficiency and consistency of retail execution on the ground.

An example is autonomous shelf management: Instead of relying solely on store associates to notice low stock or misplaced products, a digital worker monitors shelf sensors, POS sales rates, or even camera feeds. The digital worker could predict stockouts before they happen and automatically generate restock tasks or order from the distribution center. It could also ensure pricing labels and promotions are current by cross-checking store data with central pricing files, effectively acting as a digital auditor for store accuracy.

Another area is workforce scheduling, where a digital worker can create and adjust staff schedules in real time based on store traffic patterns, events, and even weather (which influences footfall in stores). Deloitte, for instance, developed a digital worker named "Dara" that can orchestrate many activities including staff scheduling. It could dynamically allocate more associates to curbside pickup during a surge or reduce coverage in a department if traffic data shows it's a slow hour, all while complying with labor rules and employee preferences and skills.

The result is enhanced staffing that meets customer experience needs at minimum cost—something traditional static schedules often fail to achieve.

Store maintenance and task management can also be digital worker driven: A digital worker could track all the to-dos (e.g., cleaning, planogram resets) and assign them to associates via a store app, prioritized by urgency and impact. When corporate launches a new initiative (e.g., seasonal display), the digital worker could send instructions, track compliance via photo verification, and offer help (via a chatbot) if associates have questions. As an outcome, store operations become more efficient and responsive with lower labor hours wasted and fewer stockouts. Customers find products on shelves more reliably and get consistent service levels, because the agentic AI driving the digital worker has allocated resources smartly. Meanwhile, human store managers can focus on coaching staff and engaging customers, rather than fighting fires with schedules and stock issues. Importantly, digital workers in stores act 24/7. For example, overnight they might run simulations or prepare next-day action lists to make sure that no decisions are left waiting. This always-on autonomy could be a game changer for store operations, reducing sole reliance on reactionary human interventions.

These examples illustrate an overarching theme: Each retail function, when restructured around digital workers, becomes more data-driven, faster, and more efficient. The operating model shifts from

sequential, human-bound workflows to parallel, AI-accelerated workflows. Digital workers eliminate delays between process steps by handling them instantly or simultaneously. For example, a digital worker can trigger a restock while also sending a customer notification—tasks that might be done in sequence by humans. Digital workers bring adaptability and can adjust plans on the fly as data changes, such as reshuffling task sequences or priorities without needing managerial escalation. They enable personalization at scale, tailoring decisions to specific store or customer contexts rather than one-size-fits-all policies. They also provide elasticity, scaling capacity up or down instantly with demand surges or dips. And they improve resilience by preemptively identifying disruptions and handling several of them automatically, only involving humans for true exceptions or escalations.

While some forward-looking retailers and consumer companies are already piloting agentic AI in their ecosystem, the key is that AI-sourcing is workflow-centric: It's truly about redesigning how work could get done, with digital workers at the center and humans in support roles, rather than just grafting AI onto old workflows.

This operating model could be the key to not just cost savings but a step-change in operational agility and intelligence for retailers.



From cost center to value creator

AI-sourcing changes the economics of retail operations. Legacy operating models and human labor are linear cost models, where adding more volume means adding more people. AI-sourcing introduces exponential scalability at near-zero marginal cost, enabling a shift in how value is generated across the enterprise.

Digital workers could amplify the human workforce to create a hybrid workforce that:

- Operates continuously, without breaks, fatigue, or variability;
- Scales in real time based on demand or business volume; and
- Improves overtime through retraining and performance feedback.

While the cost savings are significant, AI-sourcing unlocks value far beyond operational efficiency. It becomes a strategic lever for growth, profitability, improved customer experience, and workforce productivity:

1. Growth enablement

AI-sourcing empowers real-time decision-making and market responsiveness, accelerating new product launches, personalized promotions, and channel expansion. Digital workers execute at scale and speed to enable growth.

2. Profitability uplift

By optimizing pricing, promotions, inventory, and supply chain flows, digital workers reduce waste and improve return on invested capital. They can continuously reallocate resources and rebalance decisions toward profit-maximizing outcomes.

3. Customer experience enhancement

Digital workers can personalize interactions, proactively resolve issues, and reduce wait times across digital and physical channels. They could enable operational consistency and responsiveness to help improve customer satisfaction and loyalty.

4. Employee efficiency and enablement

As digital workers take on a broader spectrum of high-volume and high-context work, such as forecasting, optimization, resolution management, and planning, humans are freed up to focus on more strategic, growth-oriented initiatives. This shift allows talent to be redeployed toward innovation, partner development, complex decision-making, and customer experience design. Rather than replacing human effort, AI-sourcing amplifies it by elevating roles and transforming workforce productivity. Human labor becomes more focused on value creation, directly contributing to revenue growth, margin improvement, and long-term competitiveness.

Designing a digital workforce

Designing a digital workforce involves creating an intentional, scalable system of digital workers that can execute, collaborate, and adapt across business functions, aligned with the enterprise's strategic objectives. It's not about deploying isolated tools; rather, it's about engineering a network of outcome-based digital workers that form a cohesive operating layer. This includes setting up architectural foundations, process redesigns, supervision models, performance frameworks, and cultural adoption strategies. A successful digital workforce is extensible, observable, and auditable. It is built for integration, scale, and evolution.

A *safety net architecture* should also be incorporated to enable cybersecurity, continuity, and resilience. If digital workers fail to meet performance thresholds or face unforeseen scenarios, predefined fallback mechanisms can trigger a seamless handoff to humans or initiate manual intervention protocols.

This layered approach makes sure that AI-first execution upholds enterprise-level standards for continuity, control, and cybersecurity without compromising the speed and autonomy that make AI-sourcing valuable.



Getting started with AI-sourcing

Retailers should look to embrace AI-sourcing as a reinvention of how work is designed, delegated, and scaled, versus a technology deployment. It's an operating model transformation rooted in the belief that AI agents—digital workers—could own end-to-end workflows, and not just tasks or siloed activities. Getting started requires more than a proof-of-concept mindset though. It demands strategic foresight, sponsorship at the highest levels, cross-functional commitment, and clear economic outcomes.

Retailers should first recognize the interconnectedness of functions like merchandising, store operations, supply chain, and customer care. AI-sourcing should target operational domains where complexity, volume, and responsiveness converge and areas where digital workers can deliver measurable business lift. Starting at an entry point that reflects a high-visibility, high-impact process allows digital workers to demonstrate value quickly and set the tone for broader transformation. Getting started with AI-sourcing should not be about piloting a bot. It should be about redesigning execution from the top down with business outcomes, scalability, and trust in mind.

Considerations for retailers

1. **Value chain visibility:** Map your retail value chain and identify high-volume, high-impact workflows or processes that may be currently constrained by capacity, latency, or decision variability.
2. **Outcome orientation:** Prioritize functions that directly drive outcomes across growth, profitability, customer experience, and operational resilience. Focus on where AI can create leverage, not just automate tasks.
3. **Organizational readiness:** Assess cultural and process maturity. Enabling infrastructure readiness is as significant as teams' preparedness to delegate, supervise, and collaborate with digital workers.
4. **Governance including trust, risk, and control:** Governance is extremely critical to build trust in digital workers. Embed responsible AI practices and controls from day one.
5. **Leadership mandate:** C-suite sponsorship and engagement should set the tone that AI-sourcing is a business strategy, not a tech experiment.

The adoption pathway

To realize the full value of AI-sourcing, retailers should adopt a structured, outcome-oriented path to implementation. It isn't a plug-and-play journey where value realization is waiting for a new platform to be plugged in. Success of AI-sourcing requires methodical transformation of how workflows are executed, governed, and scaled. This transformation is broken down into three clear stages, each building toward enterprise-wide integration of digital workers:

1. Pilot (0–90 days)

Start with high-value pilot workflows in core retail functions such as merchandising, demand planning, or customer operations.

2. Scale (4–9 months)

Scale successful pilot workflows into functional deployments.

3. Institutionalize (9–18+ months)

Integrate AI-sourcing into standard operations across the retail value chain. Embed performance reviews for digital workers across business operations.

AI-sourcing fails to deliver value when an organization is just looking to dip toes rather than choosing the right entry point for building upward and outward. Retailers that take a deliberate, structured, and outcome-driven approach will likely scale faster and realize enterprise value sooner.



What to consider doing vs. avoiding with AI-sourcing

Getting AI-sourcing right requires both strategic vision and practical discipline. Retailers should be clear about where to start, what and why to design, how to scale, and what to avoid. Here are some key points to help retail organizations stay on track:

What to consider doing

1. **Start with high-impact, outcome-based workflows:** The goal should be to redesign workflows with an AI-first, outcome-based mindset that delivers the same or better results through fewer, smarter steps
2. **Design from the top down:** Focus on a top-down approach (vs. a bottom-up one) to redesign workflows with the end goal in mind and create a workflow that can be executed by digital workers with minimal human intervention.
3. **Establish governance and observability upfront:** Treat digital workers like mission-critical contributors by tracking their performance, auditing their decisions, and building escalation protocols.
4. **Embed AI-sourcing into business transformation:** AI-sourcing should be treated as an operating model transformation versus a technology initiative.
5. **Plan for trust, adoption, and cultural change:** Invest in change management to support adoption, build internal confidence, and equip teams for collaboration with digital workers in a trustworthy environment.

What to consider avoiding

1. **Avoid starting at the task- or activity-level:** Avoid looking for individual use cases or starting with L3- or L4-level tasks for AI-sourcing. Doing so typically either leads to AI efforts ending in a "pilot trough" or drives partial productivity and cost savings, which are extremely difficult to realize for organizations.
2. **Avoid targeting only labor-heavy functions:** Targeting only labor-heavy functions could be tempting for the associated lower risks, but it could lead to fragmented execution, constrained impact, and difficulty in proving ROI and scaling results.
3. **Avoid starting in horizontal enterprise functions:** While these enterprise functions (e.g., finance, HR, procurement) might seem like logical low-risk pilots, they are often too decoupled from core value creation and customer experience. AI-sourcing tends to deliver true value with core retail functions, instead of enterprise functions.
4. **Avoid letting data or tech become a blocker:** Avoid waiting for perfect tech systems and underlying data. Instead, use the pilot to start with what's available and build iteratively to drive continuous and ongoing data and tech readiness at the enterprise level.
5. **Avoid piloting in a silo:** Avoid treating AI-sourcing as a one-off project in isolation from business priorities and executive oversight. AI-sourcing should be designed as an enterprise operating model.

Conclusion

AI-sourcing is not just the future of intelligent retail operations, but it could be the most significant opportunity for value creation in the next decade and beyond. It creates a foundational shift in how retail organizations should operate by introducing a scalable, intelligent digital workforce, capable of driving execution across the entire value chain. Digital workers enable retailers to operate in real time, personalize at scale, and transition from labor-constrained models to intelligence-driven, outcome-first systems.

AI-sourcing is an operating model, representing a full-system upgrade. It redefines how decisions are made, how workflows are run with an AI-first mindset, and how competitive advantage is sustained, eventually building a mote for a retail organization. Retailers that continue optimizing legacy workflows with incremental automation or focus on identifying individual agentic AI use cases risk falling behind, while those that commit to AI-sourcing today may leapfrog the market tomorrow.

The economic upside is transformative with growth acceleration, profitability uplift, operational elasticity, superior customer experiences, and a more empowered workforce for retailers. The tools, frameworks, and reference models are already available. What's needed is strategic commitment for retailers to modernize workflow execution without rip-and-replace disruption through embedded digital workers, orchestrating workflows across their existing stack.

Rather than chasing the next platform, retailers have an opportunity to lead with a new operating model that's built for agility, scale, and intelligence.



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