

# Retail Unleashed— Lead the pack with AI-driven innovation





# Navigating the complexities of modern retail with AI

Retail today is a fast-paced game where informed customers have endless choices, making consumer demand unpredictable, selling seasons shorter, and sustainability no longer optional. At the same time, increased omnichannel expectations and rising fulfillment costs are squeezing margins, in addition to rising returns. Siloed legacy solutions struggle to keep up amid geopolitical shifts and supply disruptions, leading to lost sales, stock imbalances, and eroding brand loyalty.

Not having a connected end-to-end supply chain to manage all these challenges is not only burdensome, it can be quite costly.

▶ [The global retail industry continues to hemorrhage \\$1.73 trillion annually due to inventory distortions according to IHL Group.](#)

Digital transformation, while daunting, is crucial for any retailer looking to thrive and maintain a competitive edge in today's fast-moving retail world. It's all about embracing change or getting left behind.

Early adopters of AI and machine learning already see measurable competitive advantages:

- [2.3× higher sales growth](#)
- [2.5× higher profit increase](#)

Blue Yonder collaborated with market research specialist Vanson Bourne to investigate how organizations address supply chain management and disruptions, the unification of data, and AI adoption surveying 800 decision-makers across retail, manufacturing, and logistics in North America, the UK, France, and the DACH region.

Findings show that supply chain disruption pressures are expected to intensify, but cognitive solutions and unified platforms with embedded AI are desired to alleviate these pressures.

- **90% of respondents see benefits in an enterprise-wide supply chain platform**
- **Only 22% use such a platform today**

This is where Blue Yonder steps in with [connected cognitive planning and executions solutions](#) on our AI-powered end-to-end platform and network, giving retailers a competitive edge with **visibility** across supply chains, enhanced **agility** to respond in real-time to demand changes and disruptions, and optimized **efficiency** to make smarter, faster decisions across all teams and workflows, while also ensuring **sustainability** compliance. This ebook explores how [Blue Yonder](#) can be your partner in navigating modern retail complexities.







## Visibility—Spotlight on supply chains for strategic advantage



Visibility within the supply chain can feel like trying to locate a tiny screw in a fully stocked warehouse. Disconnected systems often lead to data silos in planning, allocation, fulfillment, logistics, and inventory tracking, which make alignment and synchronization across the supply chain a constant uphill battle with no team looking at the same data and no single source of truth to trust.

Achieving visibility is paramount in the omni-channel world, where fragmented planning leaves retailers struggling to tie together financial and inventory plans with logistics from production to consumer, and lack of real-time inventory visibility results in fulfillment inefficiencies and misaligned forecasts that can cause very costly overstocks and out-of-stocks, straining overall business targets.

▶ Data silos cost businesses an average of \$3.1 trillion annually in lost revenue and productivity.

The Blue Yonder Platform seamlessly connects [cognitive planning](#) and execution solutions across your omni-channel supply chain, creating a single source of truth for all teams and workflows. Cognitive planning keeps you aligned across financial, merchandise, allocation, and assortment plans with workflows that

react automatically to changes in performance, inventory, or strategy. Event-driven updates ensure that top-down, bottom-up, and in-season plans stay connected—eliminating delays, manual reconciliation, and misalignment. With always-synced planning and dynamic scenario modeling together with real-time inventory visibility, retailers can reduce markdowns, improve turnover, and plan with confidence.

Vertically integrated retailers will appreciate [demand and supply planning](#) being unified on the platform into a single solution, enabling real-time data sharing. This synergy empowers retailers to craft highly optimized supply plans that drive superior inventory turnover, enabling smarter planning and rapid pivots up and down the supply chain in response to changing market trends.

That single source of truth, dynamically alive within the Blue Yonder Platform as all systems communicate with each other in real-time, extends visibility to the cognitive execution solutions also. Sensing demand and inventory in real-time, enables synchronized execution across allocation, replenishment, order management, returns management, warehousing, and transportation solutions for maximum efficiency when fulfilling orders.



[AI Agents add another level of visibility to the Blue Yonder Platform and Network.](#) With more than 25 billion AI predictions delivered every day, these new AI Agents empower our customers to see, analyze, decide, and act, enabling them to respond swiftly to disruptions, minimize delays, uncover growth opportunities within their supply chains, and increase the return on investment in their solutions.

**[Current AI Agents include:](#)**

- ▶ **Inventory Ops Agent** - Matches supply with demand, diagnoses issues, recommends solutions
- ▶ **Shelf Ops Agent** - Rapid at-scale planogram edits and swaps, analyzes performance
- ▶ **Logistics Ops Agent** - Optimizes routes, schedules logistics, reduces costs
- ▶ **Warehouse Ops Agent** - Optimizes labor, decisions, layouts, boosts warehouse agility
- ▶ **Network Ops Agent** - Automates logistics, manages disruptions, ensures timely deliveries
- ▶ **Tariffs Agent** - Navigates tariff complexities, optimizes cost compliance efficiently

Visibility across the entire supply chain was the key reason that Discount Tire partnered with Blue Yonder. [Discount Tire](#), a leading retailer of tires and wheels with over 1,200+ stores and a large online business, faced a growing challenge: As the business expanded through acquisitions and diversified product/service offerings, an inevitable disconnect loomed between systems and technology. A new process was needed to help standardize forecasting and replenishment to gain end-to-end supply chain visibility and improve out-of-stocks.

**[“Leveraging Blue Yonder AI demand planning and replenishment capabilities has helped transform and enhance Discount Tire’s forecasting, resulting in increased accuracy and efficiency. The AI is able to reforecast 1 million item/locations every day at a very granular level. Our results have been great:](#)**

- [6% improvement in forecast accuracy 90 days out](#)
- [10% improvement in supplier fill-to-order rates](#)
- [40% reduction in out-of-stocks](#)

**[Ensuring best-selling products are consistently available generates greater customer satisfaction and increased profitability.” – VP, Demand Planning, Supply Planning and Fulfillment, Discount Tire](#)**

Discount Tire continues to expand its work with Blue Yonder with plans to add assortment planning on the merchandising side, creating a seamless connection from financial planning, through assortment, demand planning, and inventory management.







## Agility—Adapting operations in a volatile global market



Retailers today juggle numerous challenges in the global market—from volatile consumer demand to supply chain disruptions from climate events, trade tariffs, and fluctuating raw material prices. These issues can really eat into margins and slow down operations.

- [1.6T annual revenue growth missed due to vulnerability to disruption](#)
- [31% of companies take over 120 days to recover from disruption](#)

That's where agility comes in—visibility's best friend, working in sync to help retailers not just survive, but thrive. The Blue Yonder AI platform is designed to keep things agile even when the market shifts suddenly. By connecting planning and execution, it provides real-time visibility and agility with superior AI planning, including scenario modeling. This means brands can quickly anticipate and tackle disruptions up and down the supply chain, capabilities that traditional systems simply cannot match.

Supercharge your supply chain by extending agility globally across suppliers, distributors, and carriers via the [Blue Yonder Network](#) helping brands switch production locations to mitigate disruptions, optimize operations and costs.

We helped The ODP Corporation, a top North American office products provider, slash \$30 million off inventory and boost forecast accuracy. With over 900 stores, ecommerce and 55 distribution centers, Office Depot faced challenges from legacy systems requiring lots of manual effort, causing agility issues amid volatile demand for office supplies, tech, furniture, and services. Teaming up with Blue Yonder brought a fresh approach with end-to-end demand and supply planning, replenishment, and space planning solutions, enabling automated forecasting, optimized planograms, and data-driven decisions across channels.

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[“Working with Blue Yonder has significantly improved our forecasting and inventory management:](#)

- [Forecast accuracy is up 16%](#)
- [B2B's forecast accuracy is up 5%](#)
- [We've reduced inventory by \\$30 million](#)
- [All without disruption to our operations.](#)

[Blue Yonder provides us with the visibility and agility we need to make faster, smarter decisions, while ensuring that products are where our customers need them, when they need them.” – CIO, The ODP Corporation](#)





# Sustainability—Measurable Impact for a Greener Future



In today's market of discerning buyers, sustainability is no longer a trendy option—it's a global imperative. However, achieving sustainability goals while maintaining profitability can be a perplexing balancing act. Retailers, in particular, encounter obstacles in accurately calculating carbon emissions, managing sourcing compliance due to limited visibility into supply origins, and handling waste from returns, which is a mounting problem.

Addressing these challenges, the Blue Yonder end-to-end AI Platform and Network has solutions to help.

- [A staggering 60% of global emissions come from supply chains](#)
- [Luckily, 40% of supply chain emissions can be reduced using readily available and affordable solutions](#)

[Blue Yonder Sustainable Supply Chain Management](#) (formerly known as [Pledge](#)) is a highly accurate carbon accounting platform

accredited by the Global Logistics Emissions Council (GLEC). Sustainable Supply Chain Management enables precise measurement of carbon emissions, both for the retailer and their entire supply chain, providing a true picture of their environmental impact.

Today's consumers also want assurances about the authenticity, origin, and ethical production processes of their purchases beyond tracking emissions. The [Blue Yonder Network and Supply Chain Command Center](#) take transparency a step further, offering 100% verifiable and auditable [Chain of Custody](#). With the Blue Yonder solutions, the chain-of-custody for items, shipments, and origins can be fully tracked and verified, ensuring all raw materials, intermediates, and finished products, as well as their paths through the supply chain, are traceable and adhere to ethical sourcing standards. This is crucial for consumers concerned about environmental impacts and ethical labor practices, while also offering maximum control, visibility, and compliance assurance for retailers.



And **Blue Yonder Returns Management** helps retailers minimize waste and maximize the reprocessing or resale of returned products quicker, helping to build a circular economy.

**Retailers are leaking profits:**

- **The average e-commerce returns rate is up to 16.9% and growing**
- **Up to 44% of returns are never resold**

With Blue Yonder Returns Management, our returns orchestration engine uses data and decisioning to power workflows and optimize returns journeys. Establish rules that ensure returns are efficiently routed to their appropriate destinations—whether for sale, repair, recycle, disposal or resale through a new channel—enhancing speed, sustainability, and cost-effectiveness to stop the margin leak and turn returns into a revenue stream.

By automating and streamlining your end-to-end returns process using sophisticated orchestration rules and integrating the data with your existing supply chain systems, you will see improvements in inventory planning, disposition of returns, labor costs and sustainability:

- **Up to 15% reduced cost of returns**
- **Up to 25% reduced fulfillment costs**
- **Up to 40% improvement in labor efficiency**
- **Up to 2% increase in revenue**
- **Calculate your returns ROI**

On the path to a green future, Blue Yonder helps empower retailers to align their operations with measurable ESG goals, respond effectively to consumer demands for ethical and environmentally responsible products, and improve sustainability practices while also reducing waste.







# Efficiency—A Key Driver of Transformation and Modernization



When discussing transformation, boosting efficiency is, without a doubt, the ultimate prize to be won. Legacy systems have a way of anchoring operations in a bygone era. They consume valuable resources that could be redirected toward more strategic and profitable initiatives. It's like using a vintage phone in a smartphone era—charming, but not suited for today's communication needs.

Many retailers continue to manage billion-dollar businesses with spreadsheets and manual workarounds, even in the face of rapid trend changes and ever-rising customer expectations across rapidly multiplying channels.

The Blue Yonder AI Platform is engineered to increase efficiency by offering a flexible, cloud-native solution that dynamically connects planning and execution functions across the supply chain with shared data capabilities, promoting rapid, well-informed decision-making while reducing the IT burdens that typically come with maintaining traditional systems. With less fuss over maintenance costs and more attention to seamless upgrades, transformation becomes an opportunity for optimization rather than an obstacle.

By orchestrating end-to-end supply chains on a single AI platform, organizations can boost planning efficiency by up to 50% and [reduce inventory by up to 30%](#).

Promart, a Peruvian Home Improvement retail chain, sought to free up capital tied to dead inventory and reduce stockout risk for high performing items, while preserving a positive customer experience. At the same time, it needed to strategically maximize store space based on the potential of each store format and region.

To meet Promart's diverse store format requirements, the Blue Yonder assortment optimization capabilities were customized. This enabled the retailer to measure key metrics such as demand, profitability, and space utilization—insights that allowed Promart to redefine its national portfolio, creating a more precise and regionally tailored assortment and allocation strategy.

## Results were impressive:

- [40% increase in Gross Margin Return on Investment \(GMROI\)](#)
- [10% increase in sales](#)
- [Replaced over 3,000 low-impact items with 800 high-sales potential products](#)
- [\\$5.5 million in slow-moving products were identified and liquidated—freeing up resources and streamlining inventory management](#)



# Charting the course to a smarter retail future with Blue Yonder

Retro classics are cool everywhere except technology. Retailers face challenges with legacy systems, lack of intuitive platforms, and difficulty recruiting talent expecting modern, AI-enabled workflows. Teams spend excessive time on manual processes and custom workarounds to keep up, hindering innovation and operational improvement.

As a leading end-to-end supply chain platform, Blue Yonder can help retailers modernize without disruption through a flexible, cloud-native platform and composable journey. Built on cloud-native architecture with open APIs and modular design, it supports low-risk transformation and future-proof extensibility. Microservices and native data integration via [Snowflake](#) make the platform AI-ready and scalable.

New capabilities can be added at your own pace. Connected planning and execution, shared data, and built-in AI enable faster, smarter decisions, while AI Agents monitor and optimize processes, helping to save time and mitigate disruptions. Once on the Blue Yonder Platform, upgrades happen seamlessly, keeping you in step with technology advances.

Volatile changes in their business convinced Marks and Spencer, a leading multinational retailer located in London with nearly 1400 stores globally and revenues exceeding \$13 billion, that modernizing to the cloud would actually reduce their total cost of ownership, increase their agility as demand changes, speed delivery, and also give them immediate access to new functionality and innovations as technology advances.

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**“Retailers are starting to embrace the fact that extreme demand shifts are not going away. Our planning solutions give us real-time, omnichannel visibility so we can make decisions quickly and confidently. Our new cloud model further accelerates our supply chain speed to provide the best service for customers—and a modern, user-friendly and highly configurable solution for our employees.”**

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**“We’re not encumbered by the cost and complexity of running data centers, and we have immediate access to any new functionality that can help our users do their jobs more effectively. There are lots of exciting innovations in the Blue Yonder pipeline, and we can access those right away” – Head of Technology, Marks and Spencer**





We're here with you every step of the way. Seamless upgrades, lower ownership costs, and expert services reduce IT burden and make the transition from legacy systems faster, smoother and safer.

Let us help you build a transition plan that makes sense for your business.

Our **Supply Chain Advisory** services collaborate with you to:

- Pinpoint your most urgent business challenges
- Create a tailored phased roadmap for transformation
- On your schedule and budget
- Minimizes disruption to your team and shows measurable ROI



**Blue Yonder's expertise continues to be validated by leading analysts:**

**Gartner® Magic Quadrant™**

- Leader 12 times for our Supply Chain Planning solutions
- Leader 14 consecutive times for our Warehouse Management solutions
- Leader 14 consecutive times for our Transportation Management solutions

**Nucleus Research**

- Leader 4 consecutive years for our Workforce Management technology
- Leader in 2025 for our Blue Yonder Network Control Towers, with more than 150,000 organizations on our network and 5.6 million transactions processed daily.

Trusted by over 3,000 customers and 76 of the top 100 global retail brands, Blue Yonder AI solutions deliver the scale, speed, and intelligence the retail industry demands.

# Speak with a supply chain AI expert and start the transformation today

- Discover how AI agents can enhance efficiency and reduce costs within weeks
- Benchmark your performance against industry peers
- Identify high-impact opportunities and build a long-term, end-to-end supply chain strategy

**CONTACT US TODAY**

[blueyonder.com](https://blueyonder.com)

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