

# Beyond the Breaking Point

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Leading Transformation in Industrial,  
Distribution & Wholesale

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# Foreword

The Industrial, Distribution and Wholesale (IDW) sector has never been more important in the retail industry—or more vulnerable. The tried-and-true models that sustained the sector previously—stable supply chains, economies of scale and operational efficiencies—are reaching their breaking point. Margin compression, global volatility and rising B2C-like expectations from B2B customers have fundamentally redefined the way the sector needs to work, though few, if any, IDW businesses are in a position to evolve. This isn't for lack of vision; it's because they're tangled in webs of organizational complexity that slow them down right when they need to pick up speed.

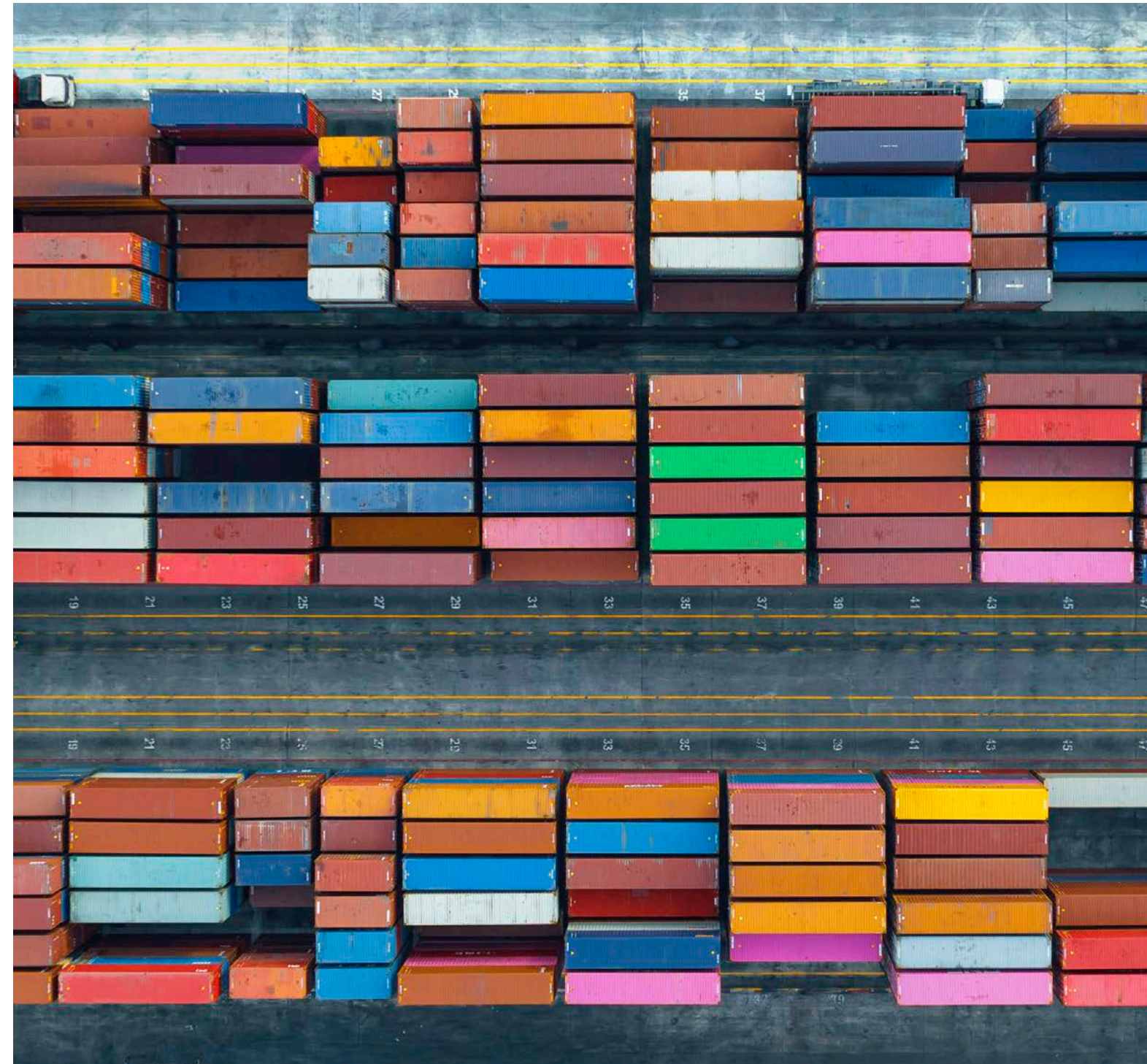
As the IDW sector faces unprecedented disruption, Publicis Sapient created this report to help leaders understand how their peers are finding a way through complexity. Use it as a guide to help learn what it takes to thrive in today's environment.



**IDW companies make up a very interesting segment of the market as they represent the meeting point of both manufacturing and retail. On the one hand, companies in this segment are pressured by their ultimate buyers to deliver a retail-like buying experience. On the other, they are supplied by manufacturers who do not necessarily have the technical capabilities to provide the information needed to deliver those experiences.**

**IDW companies are often the direct buyers from and direct suppliers to manufacturers, and, as a result, have all the challenges of retailers while being downstream of all the challenges that manufacturers have in their technology modernization. This study shows how that intersection of two different businesses is challenged to bridge the gap between legacy technology, complex supply chains and modern consumer buyer expectations.**

**— Alex Bakker, Distinguished Analyst, ISG**



# Executive summary

It's not business as usual for the Industrial, Distribution and Wholesale (IDW) sector. With margin pressure, supply chain volatility and rising customer expectations in B2B, IDW businesses are facing a complex landscape where the old rules no longer apply. Over the next two years, the businesses that succeed will be the ones that turn complexity into opportunity.

How are executives feeling about this environment—and how ready are their enterprises to evolve within it? We did a pulse check to find out. We surveyed 151 executives across North America and Europe. On average, the businesses surveyed manage about 9,000 employees, \$4 billion in revenue and 150 partners.

One thing stood out: leaders know what must change, but most struggle to make it happen. Most of their strategies center around reducing costs and giving employees the tools, data and skills to work in new ways, yet silos, legacy systems and talent shortages keep enterprises stuck in the strategy phase.

So, what should IDW companies actually do next? To remain competitive and close this execution gap, three things matter most:

- 01 | Integrate your structures and systems.** Fragmented systems, sprawling ecosystems and massive inventories won't disappear. Enterprises that unify data, connect teams and integrate systems across silos will convert complexity from a limitation into a competitive advantage.
- 02 | Elevate experience to drive growth.** Expectations have changed. B2B buyers now expect real-time transparency, accurate delivery commitments and seamless service. Meeting these demands requires employees to have the right tools, support and ways of working. Firms that build trust by creating a seamless and immersive experience—across customers, partners and staff—will retain customers, win new ones and increase their profits.
- 03 | Scale AI beyond pilots.** Demand forecasting, supply chain intelligence and real-time decisioning are ready to scale. But without strong data foundations, AI plans will never get off the ground to deliver real value. Firms that embed intelligence into their complex day-to-day operations will set the new standard for reliability and resilience for the entire sector, and everyone else will have to catch up.

The winners over the next two years will be the ones that take real action on the basics: connect the business, raise the bar on experience and finally scale AI where it actually moves the needle. The complexity isn't going away, but the companies that confront it head-on will turn it into an advantage their competitors can't match. If you're ready to make that shift, now's the moment to start.

# The landscape: A sector under strain

Today's B2B customers aren't like yesterday's. They want real-time answers about product availability, delivery windows and service reliability. They need support for cross-border carriers, ports and customs, not just warehouse-to-doorstep. This represents a massive shift in how business customers expect to interact with their suppliers.

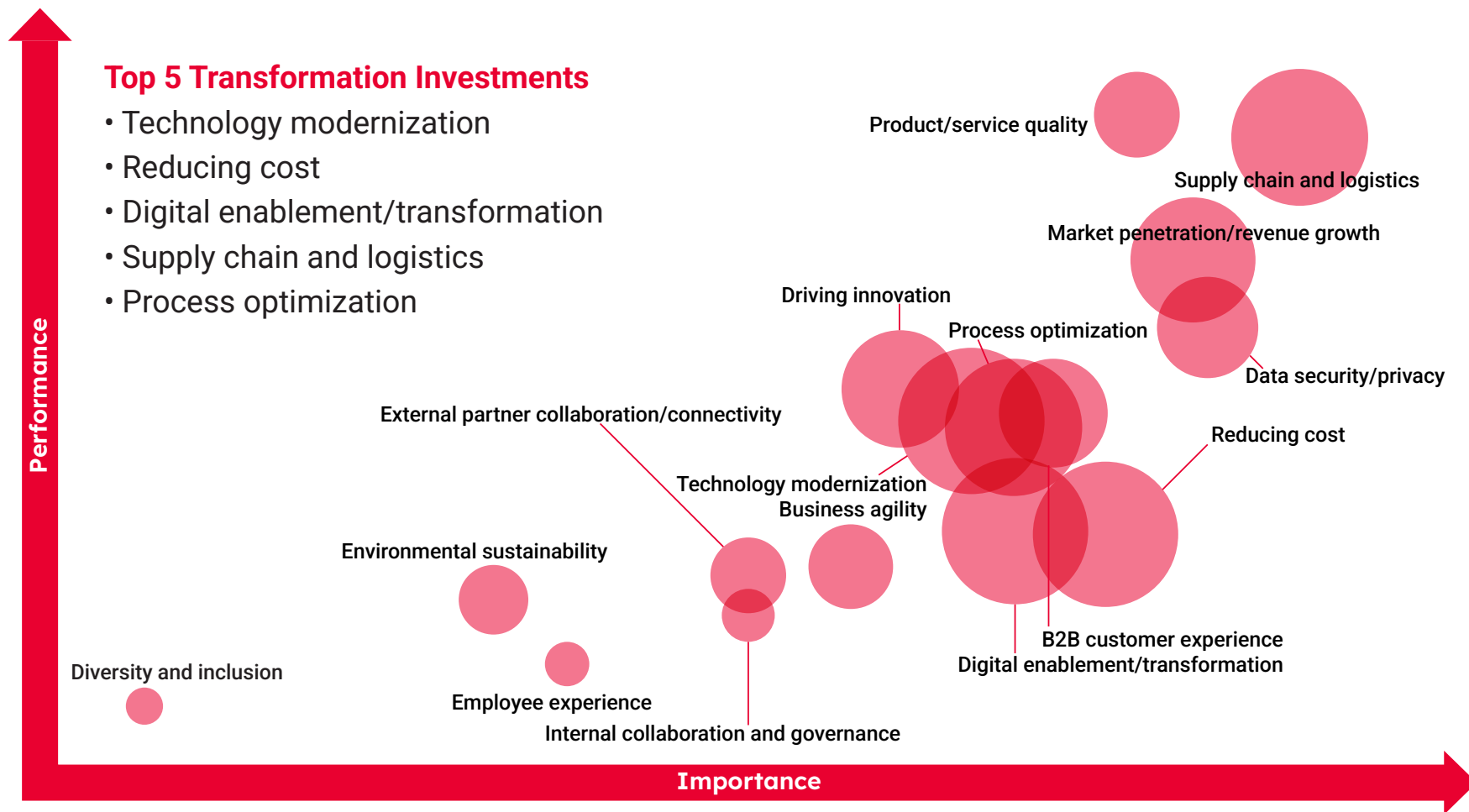
The challenge facing IDW enterprises is to meet these expectations, and that's a tall order when their systems and workflows aren't built for them. Decades of rigging together complex systems and workflows have saddled IDWs with inflexible tech that won't be easy to unbundle. The result: an ever-widening gap between what customers demand and what operations can deliver in a realistic timeline.

The Customer Experience Priorities and Performance Matrix from our research underscores this divide by plotting the importance of initiatives and capability against their current performance [Figure 1]. Many initiatives and capabilities like connectivity with external partners, technology modernization and data security are considered more important, but they don't currently perform as well as they should. Additionally, leaders place premium value on real-time inventory management and visibility capabilities but can't always get such initiatives off the ground. By contrast, product/service quality, supply chain and logistics, and market penetration/growth are both highly important to the business and high performing capabilities.



# Performance vs. importance: the customer experience challenge

Organizations fall short on the most valued capabilities, especially real-time inventory management and visibility



IDWs have a new set of pressures: Their clients are expecting them to provide services like B2C companies. The companies that embrace this fact and get ahead will deliver better returns and more success because they will offer a better proposition to their clients.

— Julian Skelly, Retail Industry Lead, EMEA & APAC

At the same time, the scale and complexity of IDW operations have grown dramatically, since intricate workflows, custom product configurations and the need to coordinate across many partners and systems is more important than ever. Enterprises in our study manage more than 64,000 SKUs and hold inventory valued at over \$500 million at any given time. A single disruption or misstep can cascade into lost revenue, broken partnerships or reputational damage. And failures are not rare events; they are frequent, costly and sometimes catastrophic.

Publicis Sapient's B2B Retail IDW study. Q. How important are each of the following aspects of B2B customer engagement for your organization? Q. How would you rate your organization's current performance against the expectations of your customers for each of the following B2B customer engagement areas? N=151.

“  
In the past year an event occurred where a customer was overcharged due to system failure and poor internal coordination amongst our staff. The incident destroyed our reputation in the international market.  
– CTO, \$50B Industrial Warehousing Company

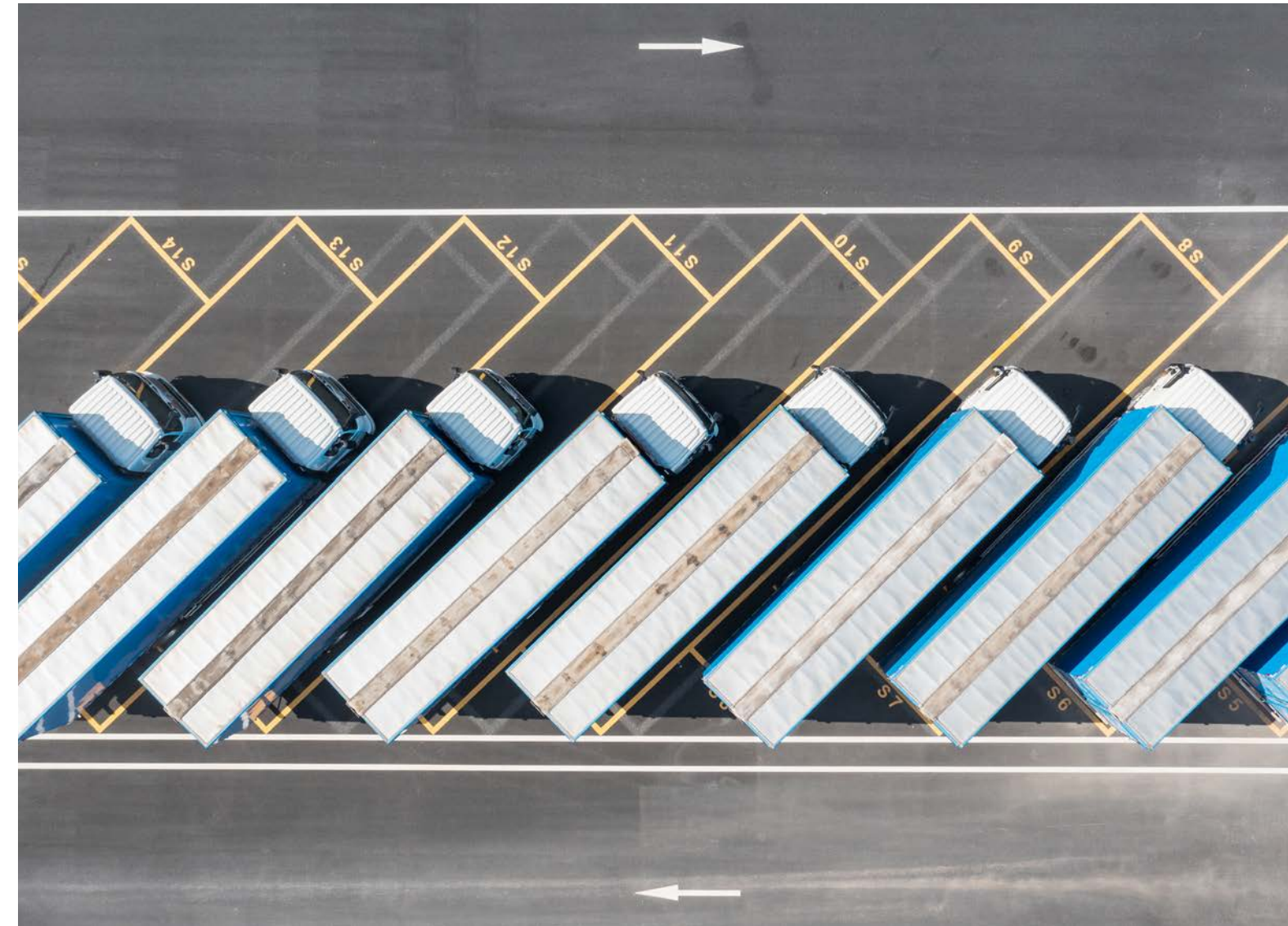
## IDW leaders are well aware of these realities.

Nine in ten executives say they must accelerate their digital initiatives to stay competitive. At the same time, half admit they have neither the budget nor a clear path to measure and deliver ROI. More than half say the same thing: complexity is slowing their transformation. And while reducing cost remains a constant priority, firms also recognize they need to invest in modernizing and integrating their systems, improving the customer and workforce experience and leveraging AI to drive efficiency at the same time.

Here's what the next phase of evolution looks like for an IDW enterprise:

- 01 **Integrate your structures and systems**
- 02 **Elevate customer experience to drive growth**
- 03 **Scale AI beyond pilots**

These tech decisions are essential strategies that will separate the businesses that stand still from the ones that pull ahead. Each strategy turns a long-standing problem into a chance to stand out, grow and adapt more quickly than the competition.



# Integrate your structures and systems

Complexity doesn't have to be a barrier

Complexity is nothing new for IDW businesses. Distributors, wholesalers and even industrial companies manage thousands of SKUs, dozens of systems and hundreds of partners without owning the end-to-end value chain. Complicated workflows, multi-faceted products and customer-level custom configurations mean constant exceptions and few norms. But complexity itself is not the problem for IDW companies—the real issue is lack of coordination.

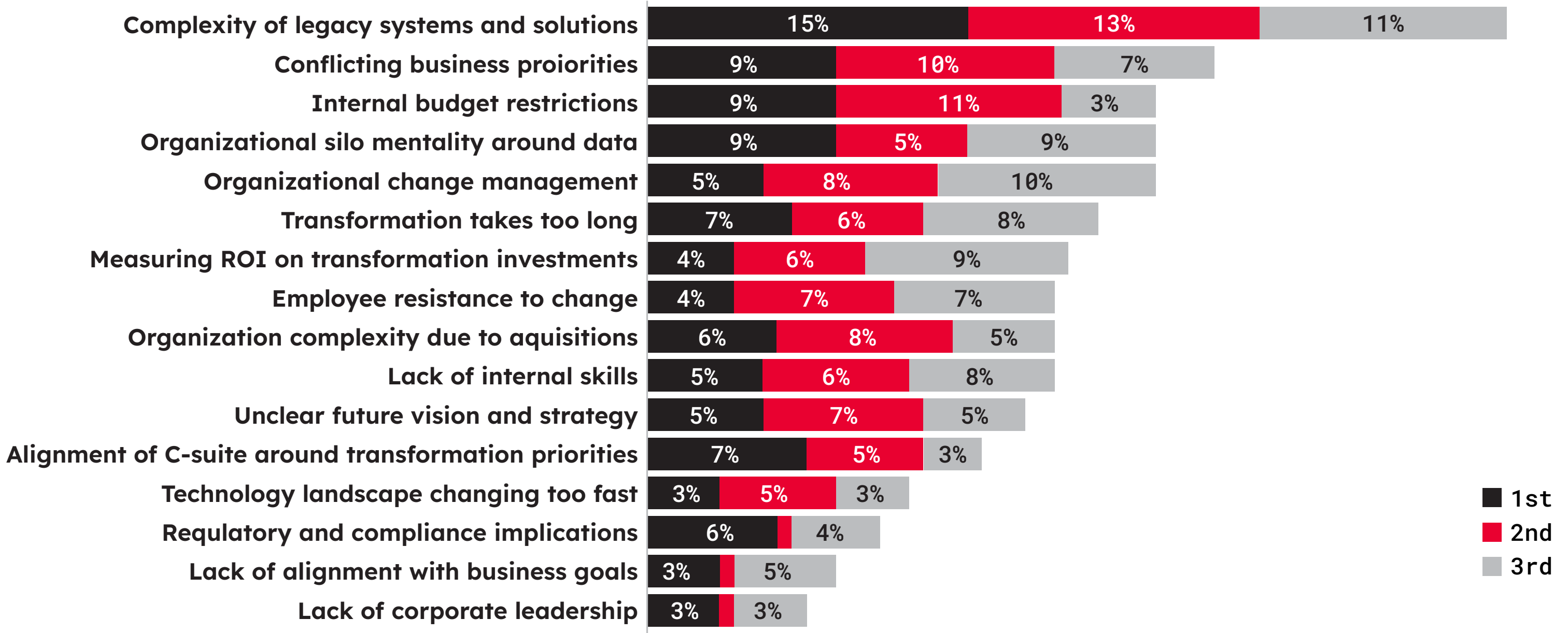
For IDW companies, evolving means coordinating systems, capabilities and organizations. This kind of transformation isn't easy, and leaders cite several barriers, ranging from complex legacy systems to limited budgets [Figure 2]. The barriers that leaders most frequently cited as one of their

biggest obstacles include complexity of legacy systems and solutions (39 percent), conflicting business priorities (26 percent) and internal budget restrictions (23 percent).

FIGURE 2

# Top barriers to digital transformation in IDW enterprises

Legacy systems, conflicting priorities and budget constraints are the biggest obstacles to progress.



Publicis Sapient's B2B Retail IDW study. Q. What do you anticipate to be your organization's three biggest barriers to driving greater digital transformation in 2025 and 2026? N=151.

## Our research found that many executives see disjointed structures and systems as the main obstacles to making big changes.

Some of the issues they cited as the top challenges include legacy systems, structural or organizational complexity and siloed approaches to enterprise data [Figure 3]. Eighty-nine percent of leaders agree they need to accelerate digital transformation, but only 56 percent have a strategic plan and only 44 percent have a consistent data architecture. Some of their top execution gaps include insufficient budget (51 percent), lack of a comprehensive digital skills training program (40 percent), complexity (56 percent) and the inability to effectively measure ROI on transformation investments (48 percent).

And beyond preventing digital transformation, these factors also create hidden costs such as delays, billing errors and missed shipments that erode trust. The CTO of an \$800 million retail transportation company described a situation involving a significant delay in the onboarding process for a key client due to poor internal coordination and communication breakdowns.



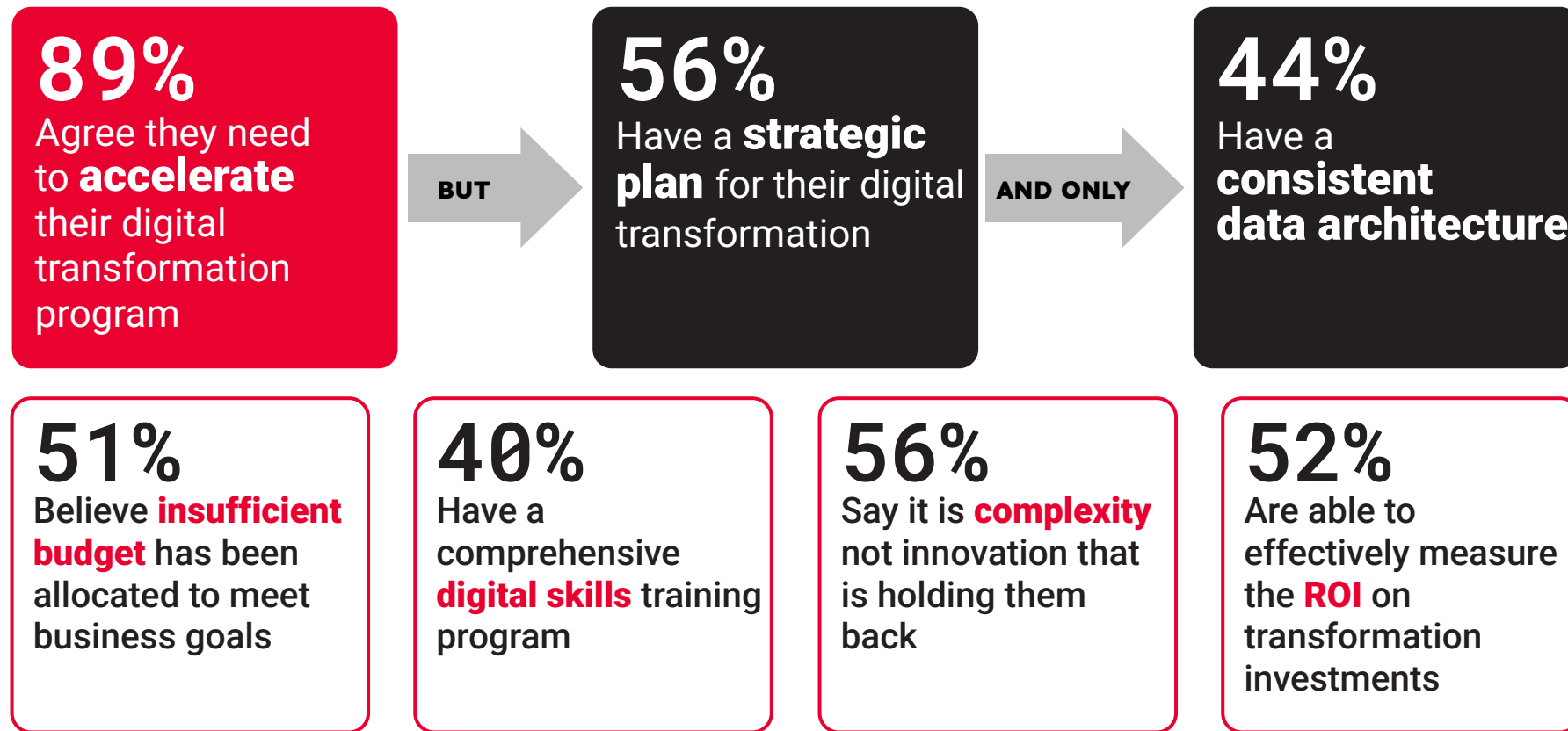
The delayed onboarding caused the customer to miss a critical launch window for their own client deliverables, resulting in reputational damage and an estimated revenue loss due to postponed campaigns. The reputational damage strained our relationship with the customer, leading to increased scrutiny, reduced trust and a pause on expanding the partnership.

- CTO, \$800M Retail Transportation Company

FIGURE 3

## Ambition outpaces execution for IDW enterprises digital transformation

While 89% of leaders agree they must accelerate transformation, fewer than half have the data architecture or ROI visibility needed to deliver results. Budget constraints, skill gaps and complexity remain major barriers.



These are not anecdotes; they're patterns. More than half of executives say their organizations cannot measure their transformation's ROI because their data is too inconsistent to prove impact [Figure 3].

Others point to decision paralysis. Decision-making for digital programs—including setting the transformation strategy, evaluating IT services and partnerships, managing customer experience transformation, managing supply chain and logistics transformation, managing cost and efficiency programs, and managing AI initiatives—is scattered across IT, operations and finance, with no clear owner [Figure 4]. They agree on one thing: The majority (78 percent) say that IT should not lead transformation. This kind of fragmented ownership has a high cost: plenty of urgency but no accountability or an executable roadmap.

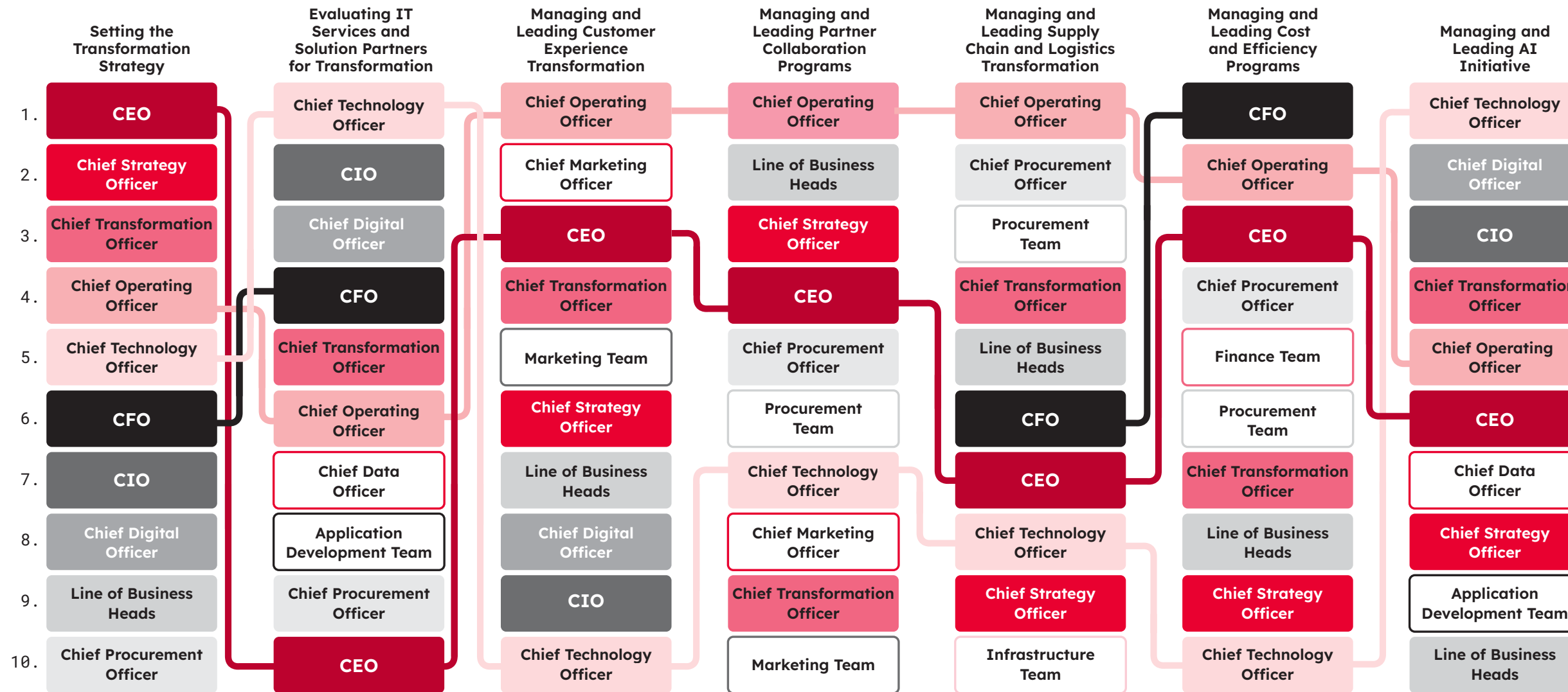
Publicis Sapient's B2B Retail IDW study. Q. To what extent do you agree or disagree with the following statements about IT and digital transformation in your organization? N=151.

FIGURE 4

# Transformation leadership is fragmented across roles

IDW executives say that there are too many stakeholders involved when it comes to making decisions for transformation. Decision-making spans C-suite, IT and business leaders—highlighting the need for unified ownership beyond IT.

**78% agree that transformation should be led Outside of IT to meet business goals.**



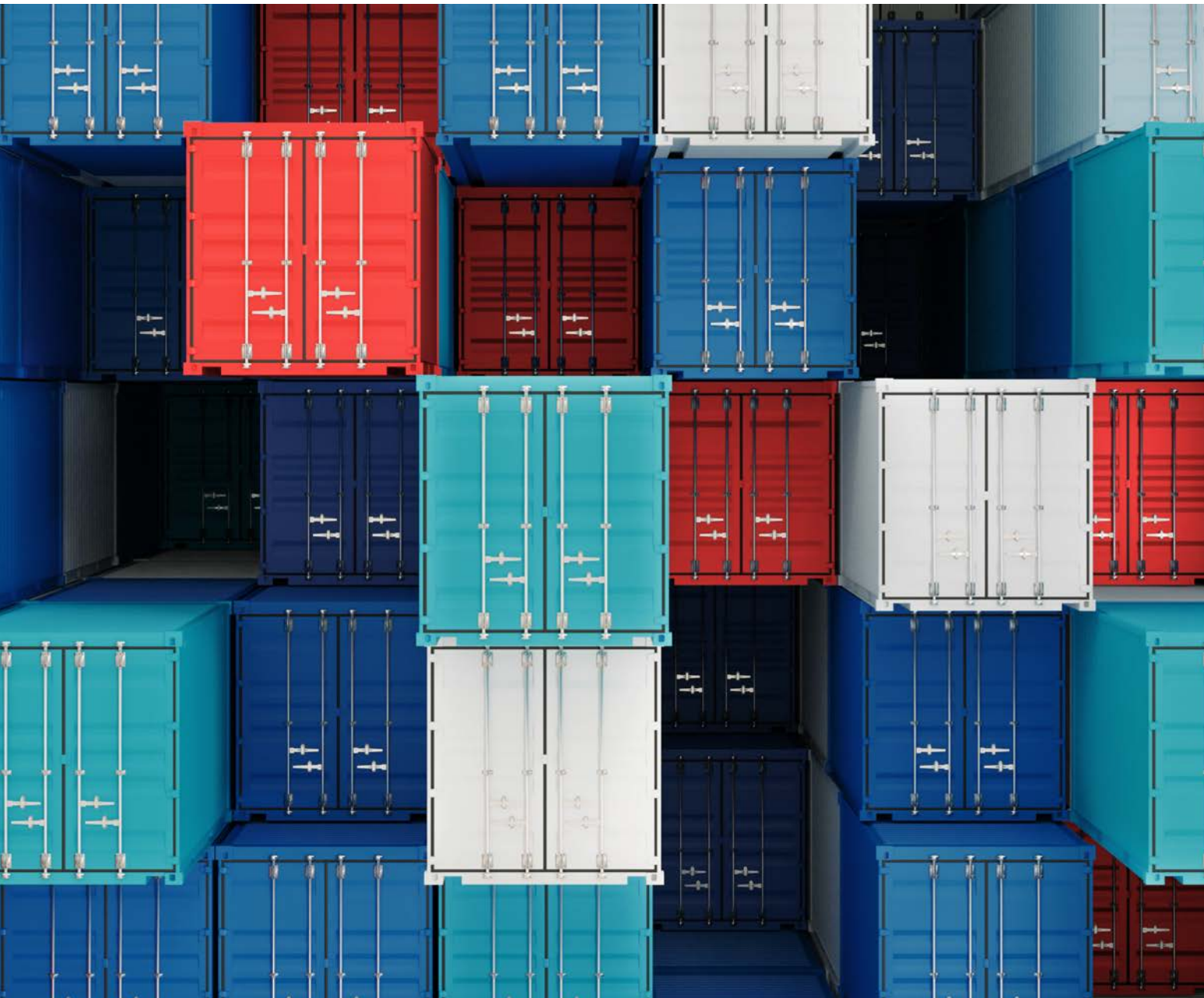
Publicis Sapiant's B2B Retail IDW study. Q. Which roles in your organization were involved in decision making for each of the following? N=151.

## The executives we surveyed are clear:

Fragmentation is the real problem. When structures and decision-making are dispersed, transformation stalls and enterprises can't evolve to keep pace with their customers.

“  
There isn't a natural owner of a supply chain. Everyone in the supply chain has a point of view on what their supply chain is. If you think about how an automaker makes a car, there's 1,000 suppliers involved. From each supplier's point of view, what matters is getting their raw materials to the automaker's assembly plant. But from the automaker's point of view, each supplier in the chain is like a spoke in a wheel, and it's really challenging if you want to understand all the spokes that come into play.

– Alex Bakker, Distinguished Analyst



If fragmentation is the problem, then integration is the solution. When information flows easily across systems and partners, complexity becomes an advantage rather than a constraint. It gives context, precise insights and a single version of truth—shared data, common standards and unified visibility—that gives you a 360-view of your value chain.

AI dramatically simplifies integration. Take Sapient Slingshot, our software development platform, for example. It uses the power of AI to reduce tech debt and speed up every stage of the software development lifecycle so that systems can talk to each other. Sapient Slingshot's IT Modernization Portal specifically helps enterprises modernize their systems at scale with speed and precision.

AI-fueled integration comes down to one thing: data. Not collecting more of it but making the most of what you already have. That means building out a data governance framework that promotes data literacy, access and fidelity so that your teams understand your enterprise's data, can easily see it and trust that it is accurate and trackable. Companies that are updating how their systems connect are seeing the results firsthand. Streamlined partner interfaces and harmonized data models are eliminating rework, reducing disputes and building customer trust. The outcome? These teams are now more proactive. Instead of just responding to mistakes, they can use insights to guide future actions.

Complexity will never disappear—but it can be harnessed. Your enterprise needs the right connective tissue to run. That all starts with connecting your systems to make complexity a differentiator, not a barrier.

# Here's how:

01

**Treat integration as a tool for growth, not a back-office fix.**

Integration isn't just about tidying up the back end. At its best, it's a tool for driving growth. Use it to create seamless connections with partners that will make your systems and processes precise, agile and richly layered.

02

**Align leadership roles with your transformation priorities.**

Reduce the number of cooks in the kitchen with defined ownership roles. Get your leadership team on the same page by aligning roles to your transformation goals.

03

**Establish clear ownership for data governance and quality.**

Data chaos creates decision paralysis. A disciplined data governance framework promotes literacy, access and fidelity. Assign ownership for data quality to create a single source of truth. Reliable data fuels better strategies and helps everyone move forward with confidence.

04

**Invest in architectures that connect legacy systems to modern platforms.**

Don't let outdated systems hold you back. Connect the old with the new as a first step to gain flexibility and foresight to stay competitive. This way, you'll make complexity work for you, not against you.

05

**Start the journey of upgrading your legacy systems to something more modern and flexible.**

In the past, the cost, risk and potential failure were too much to justify moving from outdated systems, and the fear of wasting money meant many enterprises never fully committed to change. Stop hesitating—modern AI technology has changed the game and introduced a new and improved way of doing things. Sapient Slingshot provides one way of doing that by helping you modernize your legacy systems with speed and precision.

## Powering digital transformation across 170 operating companies

Sonepar, a world leader in the B2B distribution of electrical equipment, solutions and services, partnered with Publicis Sapient to launch Spark, a unified digital platform connecting 170 operating companies under one scalable, modular architecture. Spark aggregates vast data sets, enabling shared insights, streamlined ordering and agile delivery across the enterprise—transforming operational fragmentation into an intelligent, collaborative ecosystem.

**Spark turned a network of 170 independent companies into a single, data-driven growth engine.**



# Southern Glazer's

## Building a data-driven supply chain

Facing forecast inaccuracies and \$100M tied up in excess inventory, Southern Glazer's Wine & Spirits, the premier beverage distributor for wines, spirits, beer and non-alcoholic products in the U.S. and Canada, partnered with Publicis Sapient's supply chain practice to modernize its end-to-end planning ecosystem using Blue Yonder's advanced suite. The result: +8 percent forecast accuracy, +5 percent fill rates and \$100M in working-capital savings. This work helped turn Southern Glazer's legacy complexity into a scalable, data-driven advantage.

**Southern Glazer's didn't just upgrade their planning platform—they modernized how planning gets done.**



# Elevate experience to drive growth

Reliability once defined success in distribution. Today, experience does.

B2B buyers expect the same level of customer care that they receive in consumer markets. They expect transparency and responsiveness, intuitive tools and clear processes that will make their jobs easier.

Experience—both customer and employee—has become more important than ever before. The enterprises that master it are the ones that will retain customers and attract new ones. Experience is now the new growth engine.

How are executives investing in experience? Four of the top five customer experience priorities in our study are real-time: real-time visibility into product availability rated at least “Very Important” by 84 percent of respondents, real-time order tracking capabilities (80 percent), real-time online ordering (80%) and real-time online quote requesting (74 percent) [Figure 5].

”

I think the B2B retail industry has a lot of growth potential, especially when it comes to providing B2C- or D2C-type experiences to its B2B buyers.

– Erin Doyle, Director Customer Experience & Innovation Consulting, Delivery, Experience

”

B2B companies are facing exactly the same problem that B2C companies faced 25 years ago: Customer expectations are dramatically changing. So, it’s not a new challenge per se; it’s just new for B2B companies. They’re essentially starting that same journey now.

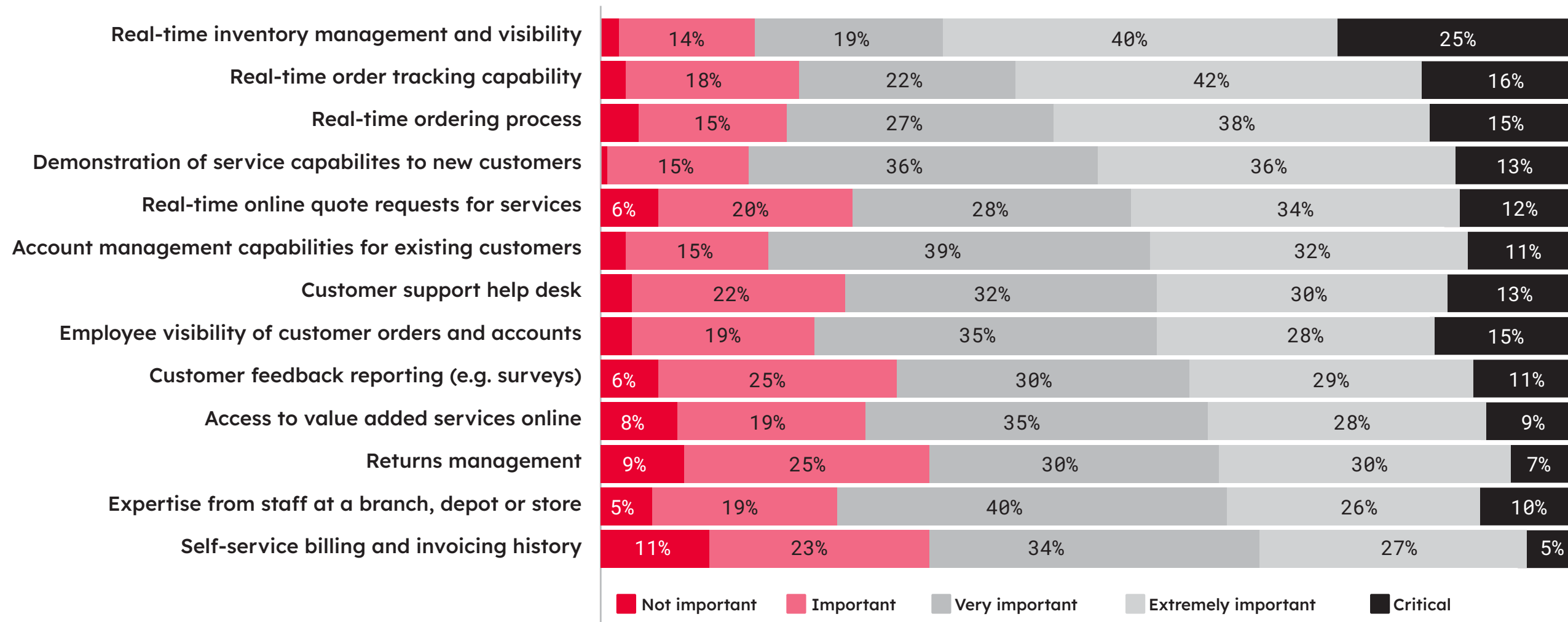
– Guy Elliott, Consumer Products, Retail, Telco, Media & Tech Industry Lead, EMEA & APAC

FIGURE 5

# The new standard for B2B customer engagement

Real-time information and digital convenience are now essential for meeting customer experience and driving growth.

## Customer experience priorities



Publicis Sapient's B2B Retail IDW study. Q. How important are each of the following aspects of B2B customer engagement for your organization? N=151.



At the same time, most IDW companies admit they struggled to meet those expectations. Legacy systems and fragmented workflows still stand in the way, and the consequences of failure are costly [Figure 6]. The majority (61 percent) report - incurring customer experience-related costs at least occasionally, and 57 percent say they've lost revenue due to poor customer experience. More than half (51 percent) report billing or invoice inaccuracies, while half admit that they had missed deliveries or deadlines due to incomplete or inaccurate data.

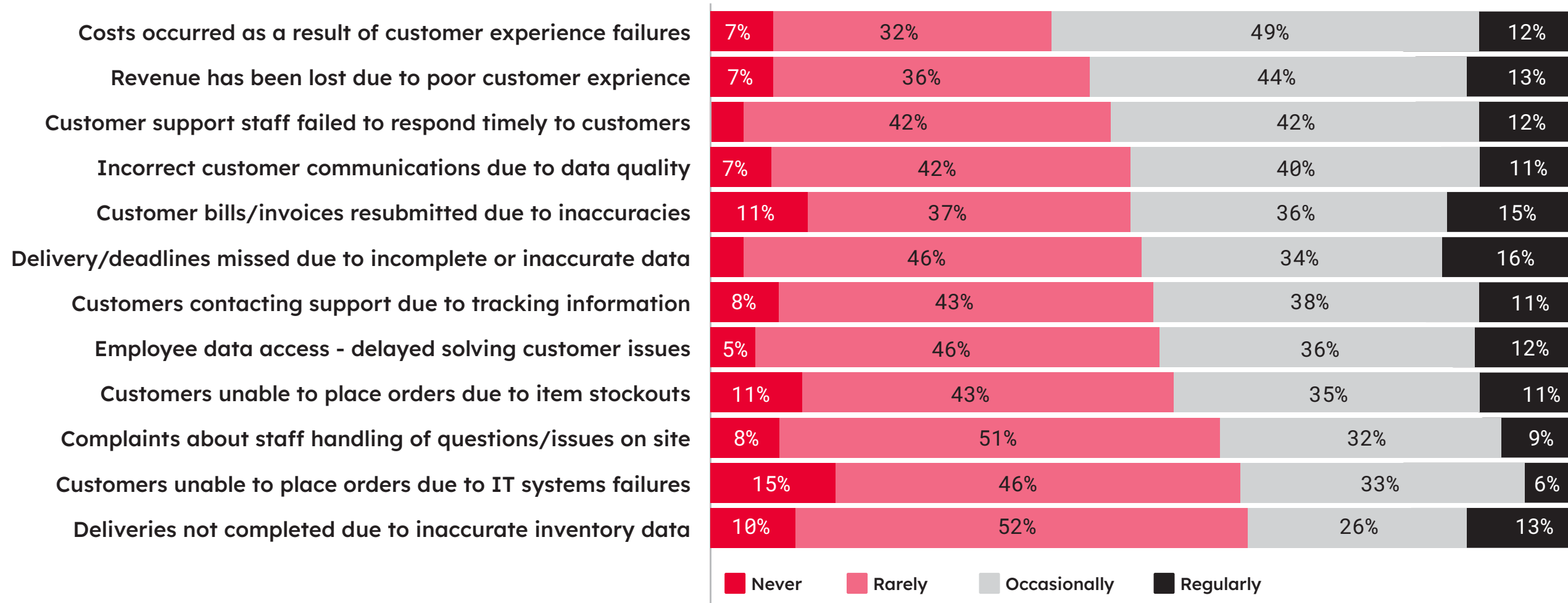
Nearly every respondent reported at least one major customer experience disaster in the past year [Figures 7]. The most common types of customer experience failure included communication breakdowns and lack of transparency (42 percent), delivery delays and missed timelines (26 percent), and billing and invoice errors (18 percent). Leaders identified the top causes behind these failures as process deficiencies and lack of standardization (32 percent), poor communication and coordination (21 percent), and technology and infrastructure gaps (19 percent).

FIGURE 6

## Customer experience failures are common—and costly

Recurring issues like missed deliveries, billing errors and lost revenue highlight the urgent need for operational improvement.

### Customer experience failure frequency



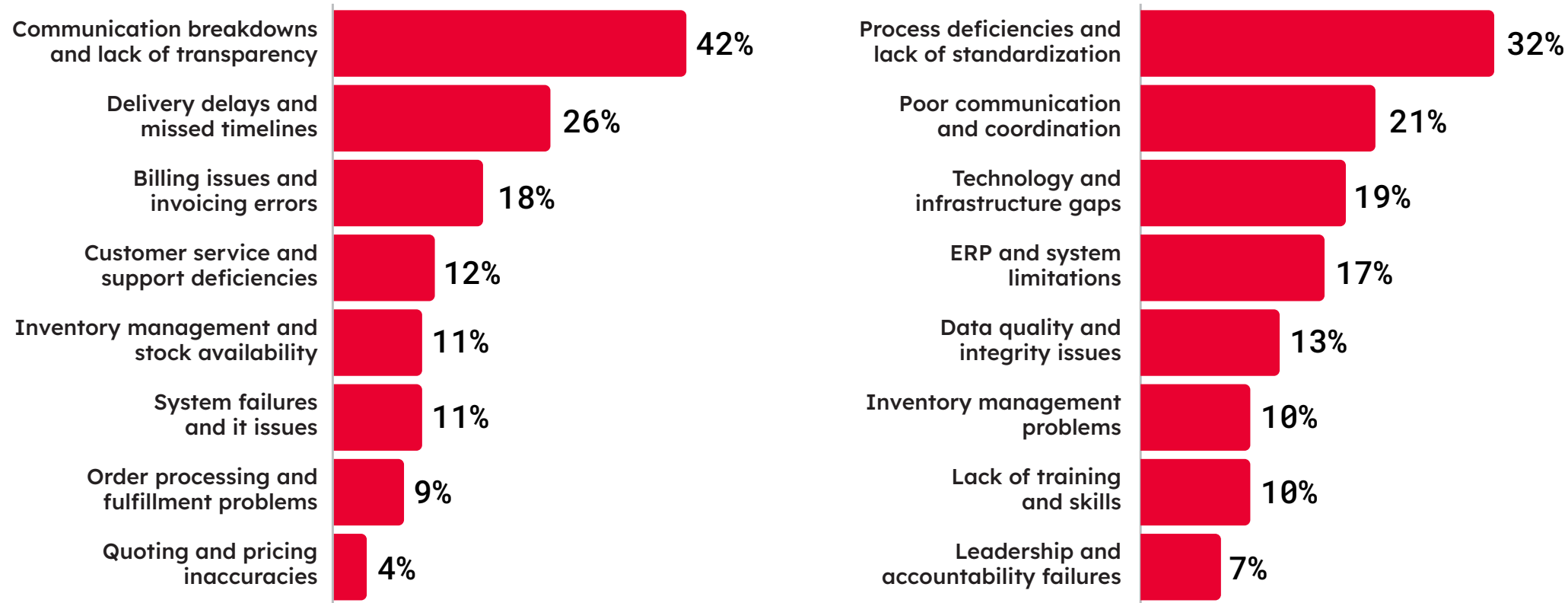
Publicis Sapient's B2B Retail IDW study. Q. How often in the past year has your organization had a situation where the following has occurred? N=151.

FIGURE 7

## Complexity is undermining customer experience

From poor communication to delivery delays, failures stem from process deficiencies, coordination gaps and tech limitations. These systemic issues reveal why customer experience—not just reliability—must become a strategic priority.

### Critical customer experience failure – type and cause



These failures go beyond inconvenience. When a \$1 billion European materials distribution company stumbled on a cross-border delivery for a long-standing B2B client, the CIO said the incident led to “a significant loss of trust with the client, who subsequently reduced their shipment volume and began trialing other logistics providers.”

The financial stakes are clear: Leaders say CX failures impact their customers’ revenue (30 percent), dissatisfaction (24 percent) and trust (23 percent). CX failures also affect respondents’ business through revenue loss (34 percent), operational inefficiencies and delays (23 percent) and loss of trust (22 percent) [Figure 8]. And when margins are in the single digits, even small lapses result in catastrophic profit impact.

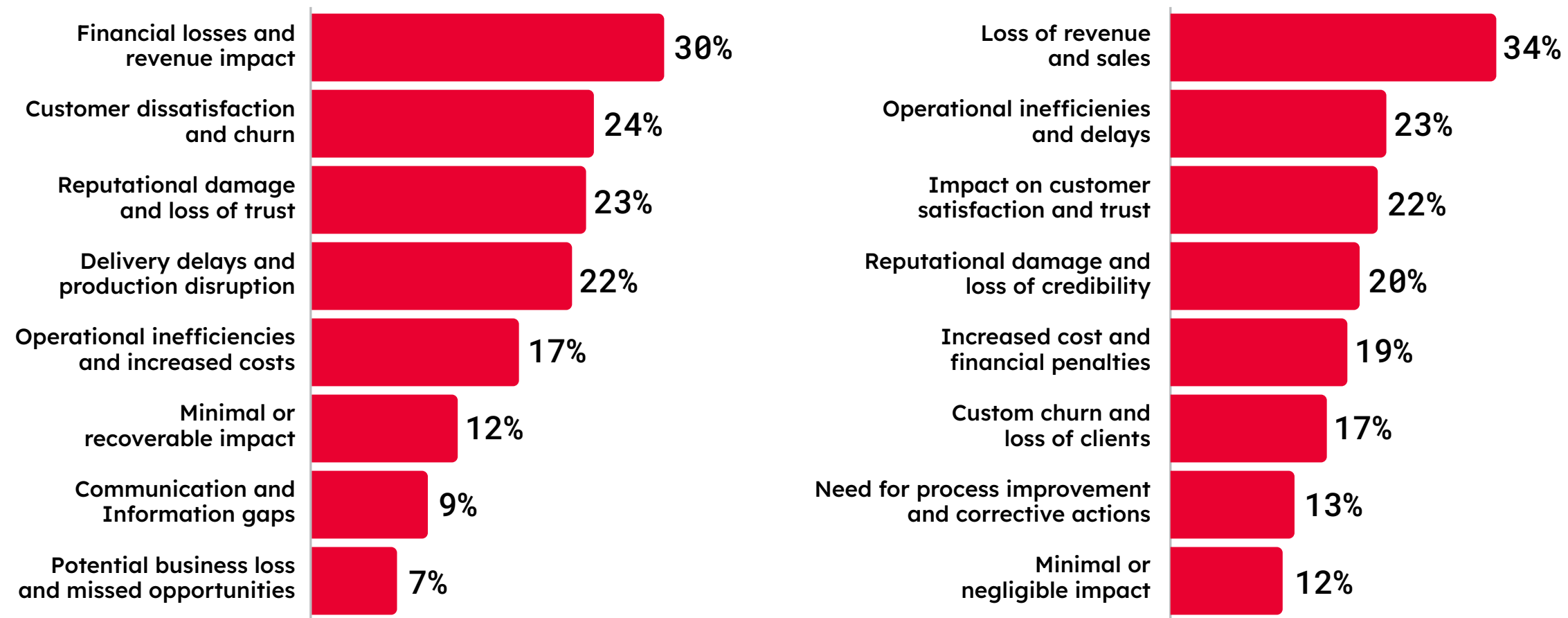
Publicis Sapient’s B2B Retail IDW study. Q. What aspect of customer experience (e.g., communication, billing, delivery) didn’t follow the expected processes? In your opinion, what were the circumstances that allowed this to occur (e.g., the cause of the disruption)? N=151.

FIGURE 8

# The high cost of customer experience failures

Lost revenue, operational inefficiencies and reputational damage are top impacts reported by organizations and their customers.

## Critical customer experience failure - customer and business impact



Publicis Sapien's B2B Retail IDW study. Q. How would you describe the impact on your customer's business (e.g. revenue lost, delay, etc.)? How would you describe the impact on your own business (e.g. compensation, lost revenue, etc.)? N=151.

## Employees experience this friction, too

Overburdened teams do their best to deliver real-time results for customers with outdated tools. But the results frequently fall short, and, as the customer service VP at a \$50 billion retail logistics company says, “These failures demoralize the staff who feel that the client has been let down, even if we are still technically delivering on our contractual requirements.”

The link between CX (customer experience) and EX (employee experience) is direct. Good EX leads to good CX, and that [yields more profits](#). And to offer your employees a good experience, you need to equip them with the right tools and workflows. A workforce without modern systems cannot deliver consistent service, and burned-out employees erode customer trust. Conversely, when staff have the tools and visibility to act, both satisfaction and retention rise—on both sides of the transaction.

AI-powered solutions from Sapien Bodhi, our agentic enterprise-scale platform, can equip your teams with the resources they need to work better, faster and more collaboratively. The AI Content Suite helps your team deliver personalized content at scale, while Insights IQ helps them contextualize and make sense of data. The end result is teams that can deliver better customer experiences, faster.

Leading IDW companies are now using experience as a financial lever. By investing in integrated platforms that connect order, billing and service data, they’re reducing failure rates and improving customer experience and account longevity. Transparency becomes trust; trust becomes loyalty; loyalty drives growth.

# Here's how you can start building a better experience for your B2B customers:

01

**Empower employees with connected tools.**

Integration isn't just about tidying up the back end. At its best, it's a tool for driving growth. Use it to create seamless connections with partners that will make your systems and processes precise, agile and richly layered.

02

**Give customers transparency.**

Open the curtain for your customers. Provide clear, real-time updates on all interactions and orders. When customers see the whole picture, they trust you more and stick around longer.

03

**Invest in experience to drive your growth strategy.**

Make experience your mission. Happy employees inspire happy customers, and that's your growth fuel. Invest where it counts: in making every interaction memorable and meaningful.

04

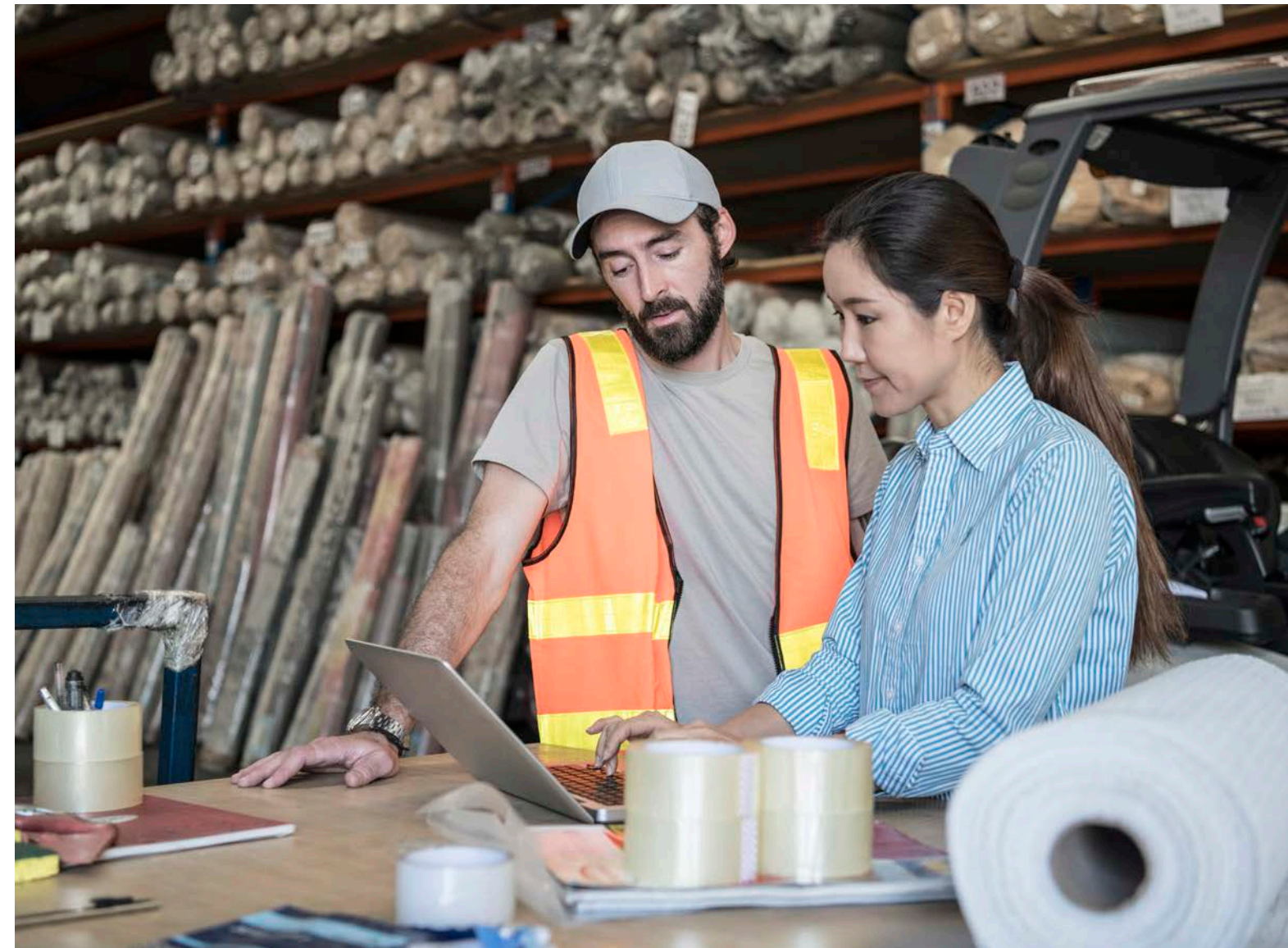
**Design for trust—internally and externally.**

Trust starts at home. Streamline your internal processes to get everyone on the same page. When your team trusts the system, your customers will, too.

## Transforming work for industrial engineers

RS Group, a global distributor of maintenance, repair and operations products and service solutions, partnered with Publicis Sapient to create the RS Think Hub, a digital platform that helps engineers find the right product in minutes instead of hours. Launched in just 10 months, the solution lifted engagement and trust: 90 percent of engineers said it increased their confidence in the brand.

**RS Group built a destination that saves engineers time while strengthening data-fueled connections with the RS brand.**



# Global Equipment Rental Specialist

## Redefining the customer journey

To fix a broken web reservation system and stop funnel leakage, a global rental leader partnered with Publicis Sapient to launch a new experience and ecosystem built on the Adobe toolset. Within two months of launch, online searches and product views surged, funnel leakage dropped significantly and average order value rose—proving that focusing on customers leads to real growth. Building on this foundation, this global rental leader launched a whole new online business to go after the DIY customer segment for tools rental, driving additional business growth.

**The new platform didn't just improve transactions—it changed how the company connects with customers.**



## Scale AI beyond pilots

As many industries race to use artificial intelligence to enhance their strategies and processes, most IDW companies remain stuck in pilot mode, struggling to move from experimentation to real impact. Most initiatives that are in production—like chatbots for customer service (35 percent), dynamic pricing models (31 percent) and customer feedback systems (26 percent)—haven't proven their ROI yet. Leaders identified the following initiatives as being actually in production and delivering ROI: automated load planning (24 percent), quality control (21 percent) and demand forecasting (18 percent) [Figure 9]. Being stuck in pilot mode is the same thing as being stuck in the mud while your competitors run past you—it's a costly mistake.

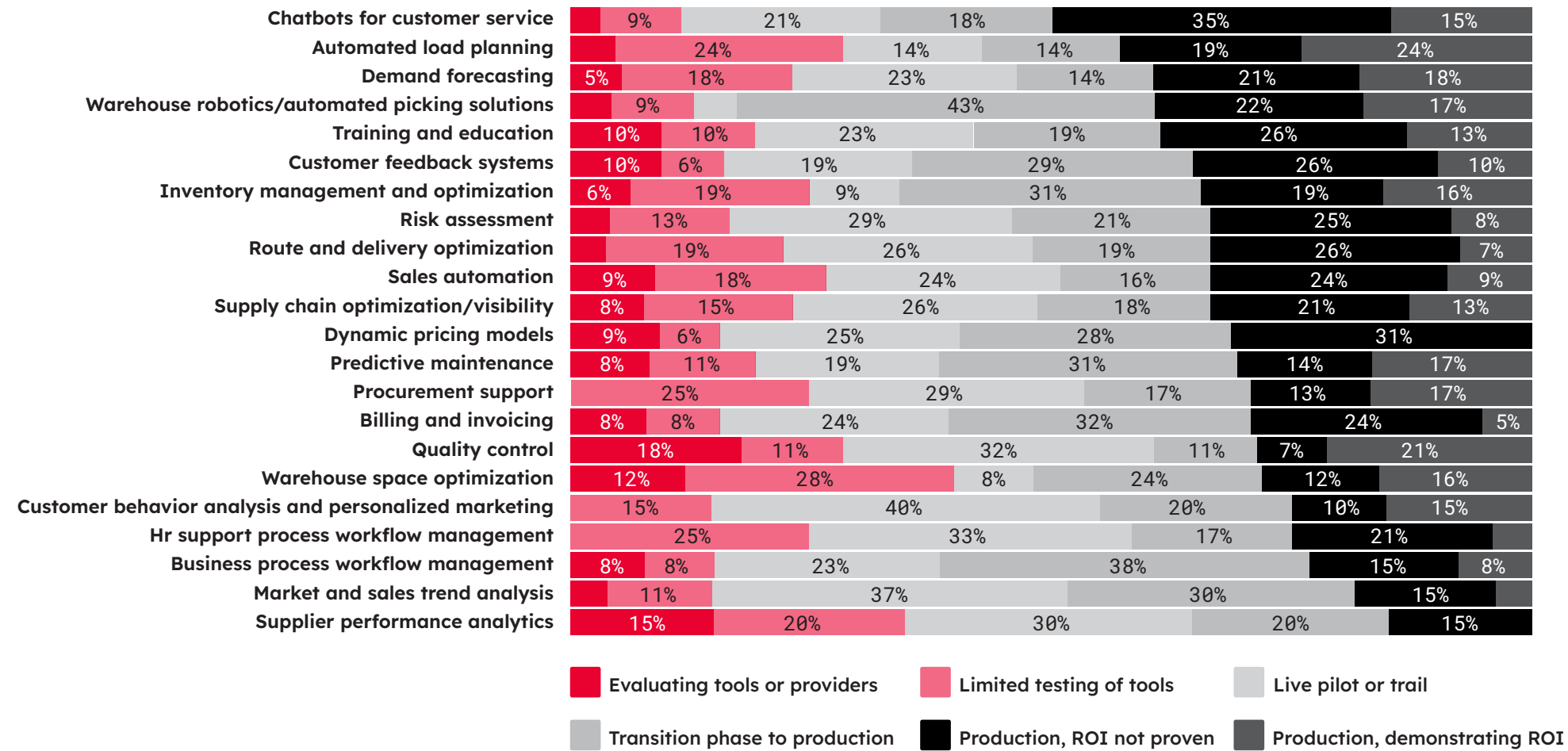
They aren't alone. A 2025 report from MIT's NANDA project estimated that 95 percent of AI projects fail, especially those at large enterprises. Failure isn't inevitable, however. Successful AI projects have a robust, clean data ecosystem supporting them, along with talent who have the right capabilities to develop them.

FIGURE 9

# AI ambition stalls at the scaling stage

Top obstacles include integration with legacy systems, inconsistent data and lack of skilled talent. Without addressing these fundamentals, AI will stay trapped in trials instead of delivering enterprise-wide impact.

## AI initiative status



## Where are enterprises trying to get a leg up with AI?

Roughly half of companies in our research have deployed chatbots (50 percent) or automation pilots (43 percent), but fewer than one-quarter (zero to 24 percent) have scaled AI across multiple functions [Figure 9]. The biggest barriers include lack of AI skills within the organization (32 percent), legacy systems (29 percent) and organizational change management (25 percent), while inability to deliver on outcomes (11 percent), ineffective AI training and reskilling (10 percent) and service providers not understanding the business (6 percent) are the smallest barriers [Figure 10]. The CPO at one \$50 billion European materials retail company described why an AI initiative stumbled out of the gate. “The disruption was caused by siloed teams, unclear ownership across delivery stages and lack of real-time visibility for internal teams.”

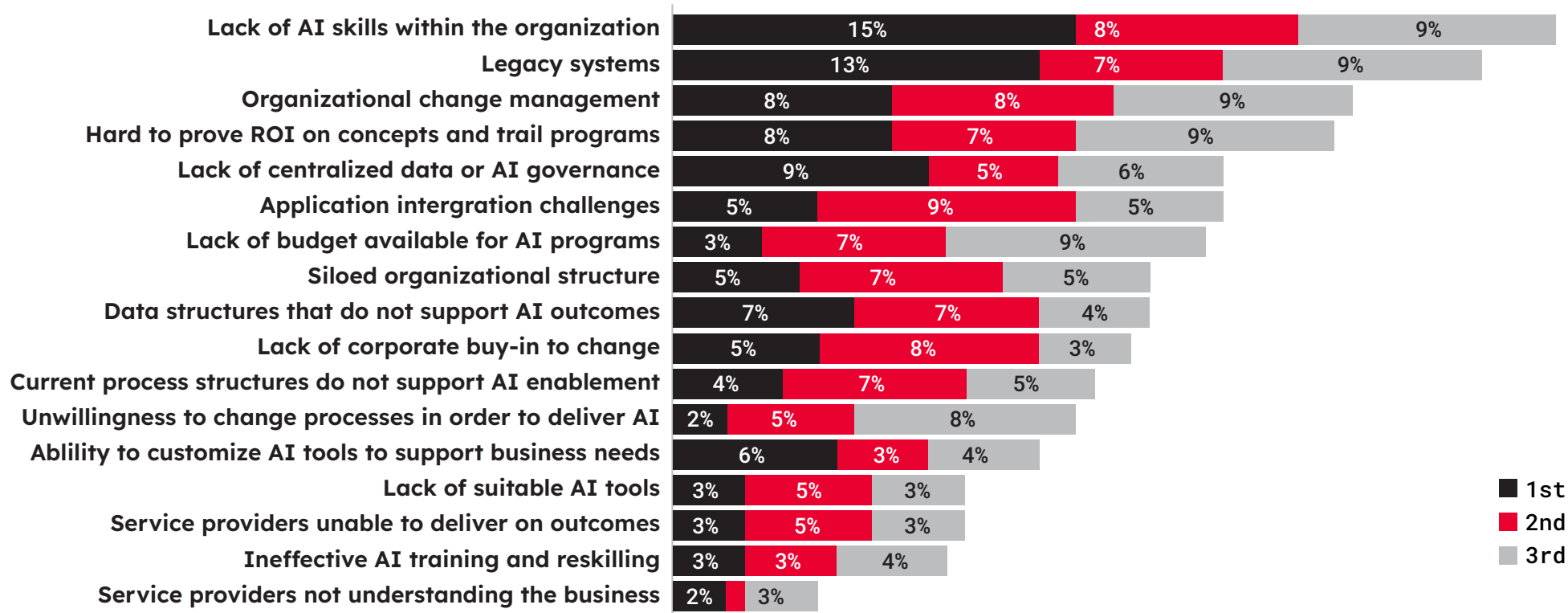
Publicis Sapient’s B2B Retail IDW study. Q. Thinking of the AI initiatives in your organization, which of these are creating the biggest barriers or delays in moving from trial to full production? N=151.

FIGURE 10

## Why AI initiatives stall before production

Moving AI from pilot to production is a complex process, and it shouldn't come as a surprise that there are complex reasons why these projects stumble. Executives admit their businesses struggle with a wide variety of barriers, from technological challenges to skill gaps.

### AI barriers to full production



IDW executives report that legacy systems rank as the second most significant barrier to scaling AI beyond the pilot [Figure 10]. The siloed nature of these systems makes integrations difficult, and the inherent lack of flexibility mean enterprises can't realize benefits of AI. Why? Legacy systems are often caught in silos and difficult to integrate. As a result, AI can't access the full range of business data and processes. This means that organizations can't automate workflows, deliver real-time insights or scale AI solutions, making the benefits of AI—like faster decision-making and improved accuracy—firmly out of reach.

In the past, it was too costly to fix problems with old systems, so companies felt they had no choice but to stick with outdated tech. These systems open up enterprises to more risks, such as increased downtime, higher maintenance costs and slower responses to business needs. And when experienced staff retire or exit the company, they take their knowledge with them.

AI itself is the solution, drastically cutting the cost of modernizing legacy systems while also uncovering the "hidden" business rules buried within them. If you don't start to address the underlying issues in your legacy platforms, you won't get as much as you could out of AI. However, as the foundations become more and more solid—clean data, connected systems, skilled teams—AI becomes a multiplier of intelligence.

Publicis Sapient's B2B Retail IDW study. Q. Thinking of the AI initiatives in your organization, which of these are creating the biggest barriers or delays in moving from trial to full production? N=151.

## How does AI multiply intelligence?

Different kinds of AI fill different needs. In supply-chain operations, AI is predicting demand volatility, optimizing inventory and alerting teams before bottlenecks form. In service and finance, generative AI is summarizing client histories, prioritizing outreach and identifying risk. We're now seeing leaders move toward agentic AI: systems that act as autonomous agents, sensing, deciding and acting across the enterprise. Executives see the effects extending far beyond cost efficiency, having the potential to impact how companies perform against customer commitments or how they maintain their inventory levels.

Sapient Bodhi, our enterprise-scale agentic AI platform, shows how AI can get you out of the pilot rut. AI agents adapt blueprints to your existing systems that let you automate tasks, ensure compliance and get POCs off the ground. Sapient Bodhi's Supply Chain Twin solution, for example, takes the guesswork out of supply and demand planning by making inventory management and forecasts more accurate.



**The differentiator won't be whether you use AI but how seamlessly you're able to scale it. Scaling AI will involve moving from pilots to embedding intelligence into every decision loop.**

**– Sudip Mazumder, North America  
Retail and B2B Lead**

IDW companies must integrate their systems and data in new ways to leverage the power of AI. They need a foundation that supports data sharing and AI decisioning while also integrating with existing platforms. They need end-to-end pipelines that connect data to action and empower employees to trust and use AI outputs in daily workflows. When this happens, the organization becomes adaptive, able to sense change and respond almost automatically.

# How can you move beyond piloting? Here are your action items:

01

**Move from experimentation to ecosystem.**

Fully embed AI across all functions with the help of an AI ecosystem that makes sure that all your AI tools and systems are working together and sharing context, so they continue to learn and get better. This will help your teams make better decisions, streamline operations and architect intelligent solutions that will set you apart from the competition.

02

**Build data pipelines that feed intelligence at scale.**

Establish end-to-end data domains and pipelines that connect every department so that your AI tools have access to comprehensive, clean data. These will give you the insights you'll need to guide everything from inventory management, sales associate enablement, to customer service.

03

**Train teams to act on AI-assisted insights to better serve customers.**

Invest in training programs that teach your talent how to use AI tools and interpret and use the insights they generate. With AI at their fingertips, your team can deliver faster, more personalized customer experiences to inspire loyalty and drive growth.

Our AI platforms help you scale faster and smarter. Sapient Bodhi, our enterprise agentic AI platform, cuts the time it takes to get AI models and agents off the ground by building, deploying and scaling custom and industry-specific AI agents and workflows. Sapient Slingshot, our AI-powered software development platform, turbocharges the code-writing process so you can modernize faster and smarter.

# National Auto-Glass Provider

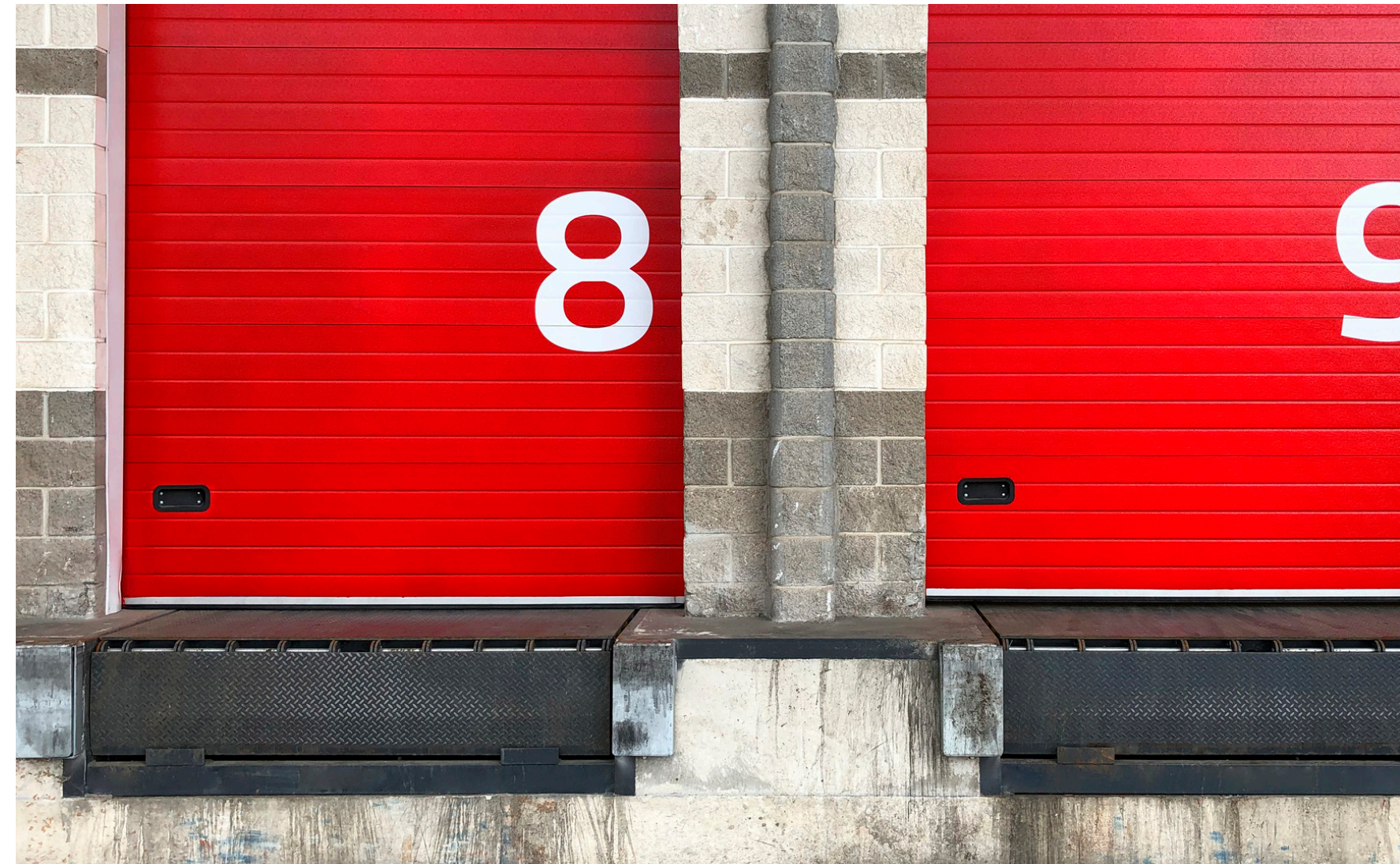
## Modernizing at scale

A national auto-glass provider grew from \$150 million to \$3.5 billion in 10 years, proving the ROI of modernization done right. Digital engagement flipped completely: 70 percent of customers now initiate claims online whereas five years ago it was 70 percent by phone. Online claims are now supported by AI agents that schedule, order parts and confirm appointments end-to-end. Using Sapient Slingshot and Sapient Bodhi, AI agents were deployed at scale in less than six months, unlocking significant value while enabling the company's employees to work on higher order work.



The way people are engaging with us is different. That is forcing us to automate a lot of our processes leveraging digital—all the way from the customer's first click to getting the right part in the right place at the right time.

– Chief Digital & Technology Officer



# Closing the execution gap: the leadership moment

**Complexity will always define the IDW sector. The next generation of leaders will decide whether they turn it into an advantage by the choices they make today, like:**

- Integrate your structures and systems through unified data and integration
- Elevate experience to drive growth by connecting people, systems and customers around trust
- Scale AI beyond pilots to make intelligence the operating layer of adaptability

The future of IDW enterprises will not belong to those who digitize the fastest but to those who orchestrate, humanize and scale intelligence across their ecosystems. The next two years will separate those that survive from those that thrive.

We created this report to help leaders understand they aren't in this alone. By seeing how your peers across the sector are overcoming complexity, you can learn what it takes to thrive in today's environment. To win, IDW firms must not just modernize, they must reimagine the role of intelligence, experience and trust in shaping the future of distribution.



Your old strategy worked—it got you to where you are today. And that probably meant you had a differentiator and a way to execute it. You managed to figure out how to get parts from A to B better than everybody else. Faster, cheaper, more reliably. But yesterday's differentiator may not be enough for today's business environment. In a modern world where the supply chains have all changed, where everything is more variable and manufacturing changes on a dime, what is your strategy? What is your differentiator? Just having a supply chain isn't a differentiator anymore.

— Guy Elliott, Consumer Products, Retail,  
Telco, Media & Tech Industry Lead, EMEA & APAC

# About the research

This report is based on a combination of qualitative interviews and a quantitative survey commissioned by Publicis Sapient and conducted by Information Services Group (ISG), in July 2025. The research focused on B2B organizations across retail industrial warehousing and distribution (IDW), examining how leaders are approaching digital transformation, customer experience, supply chain modernization and AI adoption.

The study captured insights from six in-depth qualitative interviews with senior IDW leaders, alongside a quantitative survey of 151 senior decision-makers responsible for digital transformation initiatives within large B2B retail organizations. Together, the qualitative and quantitative inputs provide both contextual depth and directional scale across the findings.

Respondents were C-suite executives or direct reports with recognized expertise and decision-making authority. Participants spanned multiple global markets selected for their influence on enterprise transformation and industry innovation. Functions represented included executive leadership, IT and technology, marketing, customer experience, operations, procurement and supply chain, strategy and transformation (including AI), finance, innovation and R&D, data and analytics and engineering.

Eligibility criteria required respondents to hold senior management roles at enterprise-scale organizations, and to have direct responsibility for, or significant influence over, digital transformation decisions, including the selection of external enterprise AI platform and service providers.

# How Publicis Sapiient can help

At Publicis Sapiient, we simplify complexity and help organizations build new avenues for growth through bottleneck-free workflows, customer-centered experiences and future-proof systems.

## Our enterprise-level solutions drive this mission:

- **Sapiient Slingshot**, our AI-powered software development platform that lets you develop, test and deploy front- and back-end solutions
- **Sapiient Bodhi**, our agentic AI platform that takes the complexity out of workflows and decision-making. They use the power of AI to streamline processes and build systems that evolve with you.

These proven solutions help you work faster and smarter when implementing the strategies that matter most in the IDW sector:

- **Modernization & integration:** [Sapiient Slingshot](#) accelerates legacy modernization by up to 70 percent, reducing technical debt and enabling you to move at the speed of business so that you can pivot whenever you face a disruption or new opportunity
- **Experience transformation:** With solutions like Sapiient Bodhi's AI Content Suite and Product Cart, we design and implement people-first digital experiences that build trust, empower talent, personalize at scale and delight customers so that they remain loyal to you for years to come
- **AI at scale:** [Sapiient Bodhi](#) helps organizations move from AI pilots to enterprise-wide impact with pre-built industry agents and custom agents that support everything from supply chain planning to smart product recommendations

Ready to lead the future of distribution? Reach out today to turn the complexity that holds you back into the advantage that moves you forward.

## Get in touch



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## WHY PUBLICIS SAPIENT

Publicis Sapiient is a technology company that provides enterprise AI platforms and services. With over 30 years of digital business transformation experience, we enable enterprise clients to transform how they operate and serve their customers, unlocking new value and enabling them to thrive in an AI-driven world.

Our platforms use AI built off this deep enterprise context to help them modernize, build agentic solutions, and sustain their competitive advantage. The combination of our AI platforms and the expertise of our people enables us to deliver faster and more effective outcomes through solutions that are specific to the unique needs of our clients' businesses, their industries and their customers. Publicis Sapiient is the technology hub of Publicis Groupe, uniting 20,000 people worldwide across 28 countries. For more information, visit [publicissapiient.com](https://publicissapiient.com)