

Navigating AI adoption in the retail sector

Because when projects
succeed, society benefits



Introduction

Artificial intelligence (AI) is reshaping the retail sector, from supply chain optimisation and inventory forecasting to personalised customer experiences and predictive analytics. However, its adoption is also exposing or amplifying existing challenges where these exist, such as poor governance, cultural resistance and misaligned strategic goals.

As retail organisations continue to adopt AI, project professionals will be a vital part in maximising its strategic and commercial impact. By coordinating people, processes and technology, project professionals are uniquely positioned to make AI adoption succeed and ensure AI initiatives deliver meaningful outcomes for the retail sector.

The insights from this white paper are based on a roundtable discussion that took place in London with senior professionals from the retail sector, including representatives from Waterstones and Sainsbury's. Hosted by Association for Project Management (APM), the roundtable brought together senior retail leaders to discuss AI readiness, emerging skills, shifting leadership expectations and the competitive advantage of AI literate project teams.

This white paper explores the challenges of AI adoption in the retail sector and explains how project professionals can help businesses navigate this shift successfully. It is intended for business leaders, decision-makers and senior project and programme professionals.



The case of AI

APM research shows that 60% of projects in the retail, catering and leisure sectors are already using AI, with multiple benefits being reported by those using it. Among those projects, the biggest benefits have been in reporting and dashboarding, task and schedule automation, and smarter resource allocation.

What does this mean for business? Separate research by APM has found that, more often than not, AI is having a positive impact on bottom line and productivity.

40% of business leaders reported that AI is having a positive impact on their bottom line, compared to just 20% who report a negative impact (the remainder are currently uncertain of the impact, or their business is not yet using AI).

43% of business leaders reported a positive impact on productivity across their organisation, or parts of it. Only 19% report a negative effect (the remainder are currently uncertain of the impact, or their business is not yet using AI).

With 92% of project professionals in the retail, catering and leisure sectors saying that the latest advancements in AI will have a positive impact on their projects, it's clear that project delivery is being reshaped and AI's influence will only continue to grow.



Challenges facing AI adoption in retail

Although AI is rapidly becoming embedded across the sector, the roundtable discussion highlighted a consistent theme: there are structural, cultural and operational barriers limiting its effectiveness. These barriers span organisational readiness, data maturity and workforce dynamics, all of which must be addressed.

- **Organisational readiness**
Retail organisations recognise the future potential of AI but are not treating it as an immediate strategic priority. One roundtable participant described it as being similar to putting “heads in the sand”. This approach inevitably leads to unrealistic expectations, as not all leaders are unaware of the operational reality of adopting AI and how it can impact their organisation. Without strong understanding and foundation in place, AI adoption is more likely to be scattered and cause negative disruption.
- **Data maturity**
Retailers continue to grapple with legacy systems, fragmented data sources and inconsistent data quality. These issues directly undermine AI by leading to unreliable outputs. Without strong data foundations, even well-designed AI initiatives struggle to scale or deliver value. Siloed organisational structures

further compound the issue. Limited cross-functional collaboration restricts the flow of information, increases the risk of misinformation and can unintentionally deepen divides between teams.

- **Workforce dynamics (internal)**
There is natural unease around AI adoption amongst teams, with some feeling that their jobs are at risk. Without transparency and trust in how AI is being introduced, teams are unlikely to feel confident about its purpose or intended outcomes. A lack of trust for AI amongst teams can lead to disjointed adoption which slows work, causes friction with management and undermines strategic goals.
- **Workforce dynamics (external)**
More candidates are using AI to generate CVs, while some employers are using AI tools to screen them. This results in a situation where the human element is completely removed from the recruitment process, creating unforeseen challenges such as high volumes of applications which are incredibly similar, unintended biases through poor AI prompts, and strong candidates being rejected without human review. Without careful governance, AI-driven recruitment can reduce diversity, overlook talent and create inefficiencies rather than overcoming them.

For the retail sector, poor AI adoption and usage introduces trust risks. A roundtable participant said that an overreliance on AI-driven interactions can make the customer experience feel impersonal. Also, technical failures can quickly erode confidence in a brand. One participant noted that trust erosion has been seen in rival sectors like health and beauty, where poorly executed AI experiences deterred prospective customers and damaged brand credibility.



Project leadership and solutions

While these barriers present significant challenges for the sector, participants at the roundtable stressed that project professionals would be crucial in ensuring AI transitions are successful, turning the challenges into opportunities. The roundtable highlighted how many leaders in retailers struggled to connect the AI hype to their practical day-to-day operations. The roundtable agreed that project professionals would be able to help by:

- **Defining the “why”:** Framing clear, strategic reasons for deploying AI tools to establish shared corporate purpose and align expectations.
- **Setting clear expectations:** Translating vague business proposals into clear, structured and achievable goals.
- **Enforcing governance:** Setting up tracking metrics to monitor performance, evaluate bias and measure return on investment (ROI).

Deploying the technology itself is only part of the problem. Workforce readiness remains a huge barrier to adoption. People leading on AI projects can challenge negative cultural attitudes by leading through a human-first mindset, encouraging teams to view AI as a way to augment skills, rather than replace them.

- **Upskilling and AI literacy:** Move beyond generic AI training by proactively recommending training initiatives so that team members understand both how AI works for their specific role and what its limitations are.
- **Fostering a transparent and safe environment:** Creating a psychologically safe space where teams feel free to voice their opinions, share knowledge and experiment with AI tools. This will build confidence in AI tools and their adoption within teams.
- **Integrating tools naturally:** When AI tools are rolled out in an organisation, project professionals can ensure that AI is integrated into existing workflows naturally, as opposed to being forced upon projects. This limits disruption.



Project leadership and solutions (continued)

The roundtable emphasised that AI is only reliable with accurate data, meaning that poor data quality, outdated information or incomplete inputs can lead to misleading analyses and flawed recommendations. People leading on AI projects can:

- **Ensure clean and accurate data:** By working across departments, project professionals are able to ensure data is not duplicated or misrepresented between teams. By breaking down organisational data silos, the datasets become more centralised and the outputs more accurate.
- **Establish clear oversight:** By defining clear human approval points for major actions and safeguarding sensitive project and personnel data.
- **Enforce privacy and security:** They can establish clear AI usage policies for an organisation, addressing data privacy, ethical standards and legal compliance to mitigate corporate risk.



Conclusion



AI is transforming the retail sector. The technology presents many opportunities, but the success of this transformation relies on more than technology alone. With barriers spanning structure, culture and operations, retailers must build the right foundations before they can realise AI's full strategic value. This means strengthening organisational readiness, improving data maturity and supporting the workforce.

Project professionals can be the difference-makers. They can ensure AI is grounded in a clear strategic purpose and guide organisations through the cultural and operational changes necessary for successful adoption.

About APM

The Association for Project Management (APM) is a professional membership organisation that sets the standards for the project profession and raises its profile. APM is the only chartered organisation representing the project profession in the world. As a registered charity, APM delivers learning and networking opportunities, qualifications, research, resources, events, and best practice guidance for the project community, helping the profession deliver better. APM currently has over 42,000 members and more than 470 corporate partners based across 140 countries

Further resources

- Resource – [*APM Business Leader Index Survey 2025/2026*](#)
- Webinar – [AI in the project profession: examples of current use and roadmaps to adoption](#)
- Blog – [How to build AI into your projects](#)





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