

The background features a dark blue and teal color palette with vertical lines of varying lengths and colors (blue, orange, white) that resemble data streams or binary code. The word "logic" is written in a white, lowercase, sans-serif font with a registered trademark symbol. A small blue square is positioned above the letter 'i'.

logic[®]

Part of **Accenture**

The New Retail IT Operating Model

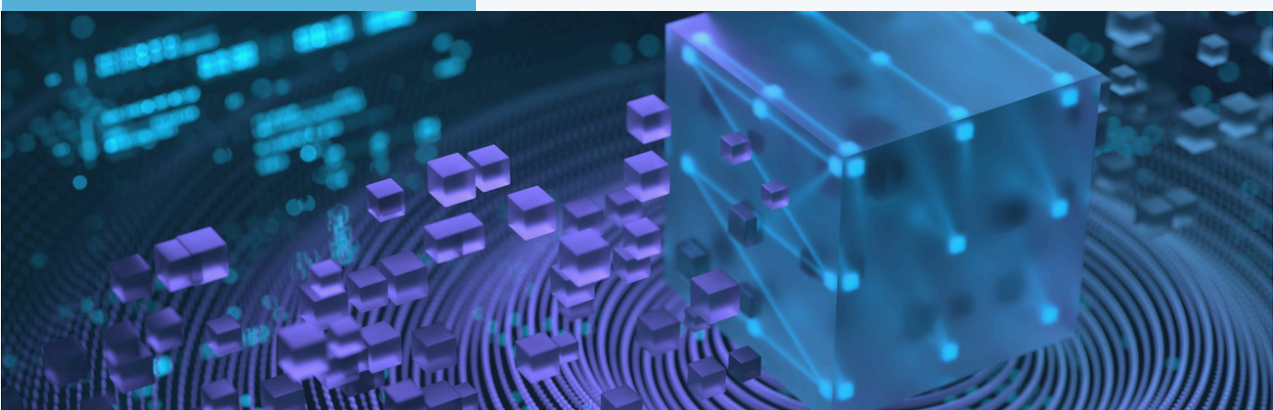
How CIOs Free Budget
for AI-Driven Innovation

Retail IT leaders have taken on the herculean task of modernizing their organizations while reducing costs—even as business expectations rise and resources remain tight.

What makes the challenge even harder is the complexity of today's retail technology landscape. Many retailers still run piecemeal environments, with systems spread across proprietary platforms, on-prem infrastructure, and SaaS solutions. These fragmented architectures create integration gaps, inconsistent data flows, and constant operational firefighting. And with roughly a third of retailers still dependent on

unsupported legacy systems, the burden on IT teams only increases.

Overstretched teams spend most of their **time maintaining and reacting, not improving**. In fact, some retailers we've encountered dedicate **70% or more of their IT budgets to run costs**, leaving little room for modernization, automation, or engineering improvements that the business urgently needs.



But a small number of retailers are breaking this cycle of fragmentation and reactive IT work. By shifting to a new operational approach, they've realized*

- Run costs reduced to <30% of IT budget
- 40–60% of IT spend freed within 18 months
- 10–30% increases in productivity
- 15–30% of budget redirected to transformation

*Metrics reflect typical outcomes observed across Logic, Part of Accenture engagements and are provided for illustrative purposes only. Actual results may vary.

Those gains aren't due to increased budgets—they're coming from **rethinking how IT operates**. And AI is what makes that reinvention achievable. Applied strategically, these intelligent technologies can:

- ✓ automate routine IT work
- ✓ stabilize systems proactively
- ✓ reduce recurring operational noise
- ✓ expand engineering capacity without adding headcount.



As operational inefficiencies shrink, capacity for innovation grows. IT teams gain the runway to build new features, modernize legacy systems, and accelerate delivery far beyond what traditional models allowed.

In this playbook, we explore how retailers are making this shift—and the **five foundational building blocks** that leading tech organizations are using to turn IT operations into a true engine of reinvention.



The 5 building blocks of retail IT reinvention

Across the industry, retailers are modernizing more quickly when they orient their operating model around five foundational capabilities. Each building block represents a structural shift in how IT is run—and each comes with a practical next step tech leaders can take today to turn the capability into measurable impact.

01

Reimagined labor mix

For years, many retail IT teams have been structured like small software companies—full of developers, testers, and specialists hired to maintain custom systems and build integrations by hand. But the technology landscape has changed. Modern SaaS platforms, composable architectures, and API-first ecosystems dramatically reduce the need for large in-house development benches.

The new operating model shifts IT's center of gravity away from building and maintaining one-off systems, and toward business partnership and orchestration. Instead of scaling internal coding teams, leading retailers are focusing their talent on:

- partnering with business units to translate needs into roadmaps
- designing process improvements and tech-enabled workflows
- orchestrating change across merchandising, supply chain, stores, and digital
- governing platforms, data, and integrations—not hand-coding them

And when retailers do need deep technical horsepower (e.g., an omnichannel revamp in Q1 or a merchandising analytics push in Q3), they increasingly tap turnkey, partner-delivered talent that scales up or down with the business. This creates elasticity, accelerates delivery, and avoids the fixed cost of maintaining roles that are only needed periodically.

AI plays a supportive role here—not by “replacing” labor, but by augmenting both partners and internal teams. Modern service partners bring AI-accelerated tooling, automation, and agent support as part of their delivery model, giving retailers efficiency benefits they would struggle to build internally.



THE RETAIL REINVENTION PLAY

Shift from an in-house, dev-heavy staffing model to a business-led IT organization supported by flexible, partner-driven technical capacity. Let internal teams focus on strategy, process, and orchestration—while leveraging partners (equipped with modern AI tooling) to provide the technical scale, speed, and elasticity required for modernization.

02

Agentic AI for legacy applications

Legacy systems remain mission critical—but they’re no longer barriers to modernization. Agentic AI tools, including platforms like Accenture’s GenWizard, can analyze, navigate, and refactor legacy codebases with speed and safety. AI agents can interact through the UI, execute workflows, remediate defects, and automate large portions of modernization work. Even better: teams can do this without ripping and replacing core systems.



For retailers, “we can’t touch that legacy system without a big, risky project” is no longer a valid reason to delay modernization.

THE RETAIL REINVENTION PLAY

Use agentic AI to neutralize legacy drag. Move past the idea of “risky rewrites” and let AI handle the heavy lifting so modernization can proceed safely and incrementally.

03

Autonomous IT operations

IT teams lose enormous capacity to repetitive tasks: triage, incident routing, environment stabilization, regression testing, data fixes, and batch-job monitoring. Autonomous IT uses GenAI, RPA, and self-healing automation to run these workflows with minimal human intervention. Tickets resolve automatically. Identical issues don't resurface. Systems stabilize faster.



THE RETAIL REINVENTION PLAY

Use agentic AI to neutralize legacy drag. Move past the idea of “risky rewrites” and let AI handle the heavy lifting so modernization can proceed safely and incrementally.

04

Composable architecture

Modern retail requires modularity. Service-oriented architectures treat every core system—POS, OMS, CRM, WMS, ERP—as a composable service node rather than a monolith. This dramatically improves integration, data flow, upgradeability, and omnichannel consistency.



THE RETAIL REINVENTION PLAY

Evolve toward a service-based digital core. Prioritize API-first modernization and break monoliths into separable components that can evolve independently without full replatforming.

05

Retail observability

Traditional monitoring tells you whether a system is up. Retail requires something far more valuable: visibility into business workflows. Observability monitors the end-to-end processes that actually drive revenue—inventory movement, promotions, order orchestration, supply chain events, and customer transactions.



THE RETAIL REINVENTION PLAY

Evolve toward a service-based digital core. Prioritize API-first modernization and break monoliths into separable components that can evolve independently without full replatforming.

These five building blocks form the foundation of a modern IT operating model—one that creates the structural capacity and financial headroom needed for continuous improvement. CIOs who anchor their modernization strategy here are already accelerating delivery, reducing operational noise, and freeing up budget to reinvest in what's next.

Key learnings from retail modernization

Across dozens of modernization programs, we've found several themes consistently drive success:

- **Start small, scale fast:** Prove ROI in one domain—automation, observability, or modernization—within 90 days and expand.
- **Automate with purpose:** Focus on processes with measurable business impact—avoid automation for its own sake.
- **Align IT outcomes with business metrics:** AI-driven analytics translate system performance into revenue, customer satisfaction, and process reliability.
- **Integrate reinvention into operations:** AI turns continuous improvement into a daily practice rather than a side project.

While actual results may vary, retailers that adopt these practices regularly achieve outcomes like the following, based on prior engagements.

40–60%

IT spend freed in 18 months

<30%

of IT budget spent on run costs

10–30%

increase in productivity

15–30%

Earmarked to transformation in 18 months

Rethinking managed services

The operating model behind the reinvention

Even with the right goals in place, many retail IT teams struggle to execute at the necessary pace. Capacity constraints, skill gaps, lack of automation foundations, and limited observability often remain the biggest barriers. This is where the next evolution of managed services becomes essential.

Traditional managed services—built around cost containment and stability—were designed for a different era. Modernization now requires a model where operations and change reinforce one another.

Modern managed services don't just keep systems running; they continuously evolve them. Run and change become interconnected, using daily operational insights and AI-powered efficiencies to fund modernization in real time.

Here's how the shift looks in practice:

Yesterday's managed services	Modern transformational services
<ul style="list-style-type: none"> ❌ Built for cost containment ❌ Stability focused ❌ Run + change separated ❌ Manual monitoring and ticket-driven workflows ❌ Offshore labor as the core delivery model ❌ Limited workflow visibility ❌ Change dependent on new budget ❌ Legacy apps avoided 	<ul style="list-style-type: none"> ✅ Built for efficiency and reinvention ✅ Stability + modernization combined ✅ Run + change integrated ✅ AI-driven monitoring, auto-remediation, predictive insights ✅ AI-augmented delivery teams Full end-to-end retail workflow observability ✅ Modernization self-funded through operational efficiency ✅ Legacy modernization accelerated through agentic AI

Breakthroughs in generative and agentic AI, predictive automation, and AI-powered observability now enable retailers to automate routine monitoring, testing, and maintenance; detect issues before they impact performance; optimize infrastructure in real time; and modernize legacy systems far more safely and efficiently.

This isn't managed services as the industry once knew it. It's a modern operating model for retailers who want operations to fuel reinvention—not hold it back.

→ [Learn more about Logic's Managed Services](#)

The path forward

For retailers, the opportunity isn't finding more budget—it's using the same budget differently. With the right automation, observability, and modernization foundations, the dollars that keep systems running today can also fund tomorrow's innovation.

But putting this model into practice—reimagining labor, deploying agentic AI, automating the run layer, modernizing architecture, and instrumenting retail workflows—requires capabilities most small IT teams can't stand up alone. This is where Logic plays a uniquely valuable role.

As part of Accenture, Logic delivers a combination few partners can match:

- **Deep retail expertise** across merchandising, supply chain, stores, and omnichannel
- **Global-scale AI and automation capabilities** to accelerate modernization safely
- **A right-sized delivery model** that fits lean teams, hybrid stacks, and seasonal variability
- **A managed services approach** designed not just to run systems, but to continuously evolve them



The result is a modern operating model where:

- ✓ automation frees up scarce engineering capacity
- ✓ insights improve decision-making and stability
- ✓ reinvestment becomes a built-in outcome, not a separate project

If your organization is looking to unlock budget for modernization, benchmark its capabilities, or begin piloting AI-enabled reinvention, Logic's retail technology experts can help you get started. A short assessment can highlight where automation, observability, and right-sized modernization will generate the fastest impact—and how your transformation can begin using the resources you already have.

Next Steps

Schedule a conversation with Logic's retail technology experts to explore your opportunities for self-funded, AI-enabled transformation.

→ [Book a Meeting](#)