

Kyndryl Readiness Report

Retail



The **Kyndryl Readiness Report** combines the perspectives of 3,200 business and technology leaders in 18 countries and 25 industries with insights from Kyndryl Bridge, the company's AI-driven digital business platform.

An Emerging Paradox

WHILE

91% of leaders are confident their IT infrastructure is best-in-class...

ONLY

44% of those leaders say their IT infrastructure is ready to manage future risks.

Key findings from the report

1

Leaders don't feel ready for risk and are struggling with diverse disruptions, the pace of change and talent gaps.

- Only 24% of business leaders express readiness across multiple external risks. (Lower than 29% industry average).
- While 47% of retail leaders report their readiness on technology and innovation, they report lower readiness across multiple key risks.

2

Leaders are confident in their current technology, yet end-of-life technology remains a challenge.

- 91% of business leaders believe their IT infrastructure is best-in-class.
- Only 44% of retail leaders, however, say their IT is ready to manage future risks.
- 38% of servers, networks and systems are nearing end-of-life status.

3

Although IT modernization is a top priority for business leaders, most are still in early stages of the modernization journey.

- 52% of retail leaders say upgrading their IT is the number one way to mitigate all of their business risks, most are still actively adopting digital technologies vs. leading modernization efforts.
- 96% of retail leaders say tech modernization is a high priority.

4

Tech modernization is hindered by complexity and prioritization paralysis.

- Complexity and compatibility are the largest challenges for retail leaders while pursuing their technology modernization goals.
- The primary sources of organizational tension are:
 - Resistance to change (34% vs. 30%, indus. avg.)
 - Communication gaps (32% vs. 22% indus. avg.)

5

Despite significant investments in AI to drive modernization, leaders struggle to see positive ROI.

- Roughly 7 in 10 retail businesses are investing in AI / Machine Learning.
- Only 16% say their AI implementation is ready to face future risks (lower than industry avg., 29%).
- 34% of businesses are achieving positive ROI on AI investments.

6

Leaders in IT modernization report better business-tech alignment, higher ROI and greater readiness for the future.

- 85% of leaders report increased operational efficiency and productivity.
- 71% of leaders achieved greater innovation.
- 60% of leader improved employee or customer experience.

4 keys to shift your readiness mindset

- Being people-ready is just as important as being technology-ready. IT is everyone's business.
- Weigh the fantastic against the familiar and embrace their interdependence.
- Operate, accelerate and iterate. Agility is the hallmark of modern technology leadership.
- Reframe the conversation about technology debt. Observability is an important ally.

Why Kyndryl?

Staying ahead in today's fast-paced, digital era requires strategic innovation and data-driven, informed decision-making. Let's work together to navigate the complexities of IT modernization and achieve your transformation goals.

Kyndryl expertise

Our experts bring deep experience in IT modernization, helping to establish and execute successful implementations.

Customized solutions

We work side by side with businesses to co-create and develop a tailored transformation roadmap with solutions designed to address specific challenges and needs.

Ongoing maintenance and support

With continued maintenance, support and guidance, we can support IT modernization journeys every step of the way.

Ready to take your IT modernization journey to new heights?

Schedule a no-cost consultation with a Kyndryl expert, visit:
www.kyndryl.com/us/en/consulting/engage



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