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Art of the Possible Business Use Case: Dick's Sporting Goods & the Agentic AI Framework

This ***"Art of the Possible" Business Use Case*** provides a fictionalized scenario created solely to demonstrate how **RE:INVENTION's** proprietary **13-Step Agentic AI Framework** might be applied to augment and complement Dick's Sporting Goods' real-world AI strategy. It is a theoretical means of exploring and testing "proof of concept" and potential for conversion. It is not based on internal DSG operations or confidential data.

Dick's Sporting Goods: Operationalizing Agentic AI

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Client Profile

- Company: Dick's Sporting Goods
- Industry: Retail (Sporting Goods & Apparel)
- Employees: ~18,000 full-time, 50,000+ seasonal
- Annual Revenue: ~$13 billion
- Challenge: Fragmented inventory signals between stores and fulfillment centers, inefficient store restocking, and high promotional markdown costs due to delayed local demand sensing.

Strategic Objective (Demonstration Scenario)

Implement Agentic AI across Dick's omni-channel operations to:

- Reduce inventory misallocation

- Improve real-time stock-to-shelf availability

- Enable autonomous fulfillment source decisions

- Minimize promotional overstock and revenue leakage

Why Agentic AI?

While Dick's already uses predictive analytics for merchandising and promotions, traditional systems are reactive and siloed.

Agentic AI introduces:

- Autonomous agents capable of taking operational action
- Threshold- and priority-driven fulfillment decisions
- Cross-system intelligence orchestration (POS, WMS, eComm engine)
  This expands Dick's ability to move from predictive insight → real-time action → measurable value.

Agentic AI Execution Gap Snapshot: Dick's Sporting Goods

⚠️ Execution Gaps Identified

Based on RE:INVENTION's 13-Step Agentic AI Framework™

🔢 Step	Name	Gap Description
2	Direct the Agent to Knowledge	DSG's systems are not feeding agents a complete, real-time view of localized inventory, demand, and contextual data.
4	Enumerate Value Priorities	Personalization, experience, and customer-centric outcomes are not prioritized explicitly in agent logic.
9	Monitor Real-Time Performance	DSG lacks continuous oversight of agent actions, escalation triggers, and real-time performance feedback loops.

💥 Impact: These gaps reduce personalization scalability, margin optimization, and AI execution speed.

PHASE 1: Defining & Structuring the Agent

Step 1 – Define the Agent's Role

Agent Type: Omni-Channel Fulfillment Optimization Agent
Responsible for:

- Monitoring SKU-level inventory across stores, DCs, and online

- Deciding fulfillment location (ship from store vs. DC)

- Recommending store restock or promotion triggers

Step 2 – Direct the Agent to Knowledge

- Real-time POS data

- Warehouse Management System (WMS)

- Online order flow

- Local foot traffic trends

- Promotion calendars and sell-through rates

Step 3 – Generate Predictive Outcomes & Prescriptive Actions

- Forecast local SKU demand 7 days forward

- Trigger pre-emptive restock shipments

- Autonomously adjust fulfillment routing

- Recommend markdowns with minimal margin impact

Step 4 – Enumerate Value Priorities

- In-stock availability

- Fulfillment speed and margin preservation

- Store team workload efficiency

- Promotion profitability

Step 5 – Set Performance Thresholds

- 97% in-stock for top 1,000 SKUs

- 92% fulfillment accuracy

- 6% increase in margin retention on promo SKUs

- <2-hour delay between local demand spike and restock trigger

PHASE 2: Implementation & Integration

Step 6 – Grant Autonomy

- Agent can reroute eComm orders to store vs. DC

- Trigger restock shipments based on predictive gaps

- Push markdown recommendations to category managers

Step 7 – Test and Train the Agent

- Shadow-test in high-volume metro markets (Atlanta, Chicago, LA)

- A/B compare agent vs. legacy routing decisions

Step 8 – Create the Environment & Deploy

- Plug agent into WMS, ERP, eComm backend, and store handhelds

- Enable real-time feedback loop from POS

Step 9 – Monitor Real-Time Performance

- Dashboards for fulfillment deviation, margin loss by location, stockout risk zones

- Escalation flags when override thresholds breached

Step 10 – Implement Resource Optimization AI

- Forecast daily restocking labor needs

- Adjust staff allocation for seasonal demand surges

- Synchronize staff hours with fulfillment intensity

PHASE 3: Optimization & Monitoring

Step 11 – Ensure Scalability

- Expand to smaller-format stores and regional partner hubs

- Tune agents by geography and product category

Step 12 – Protect Security & Compliance

- Audit trail of all autonomous decisions

- Business override authority for category, ops, and store managers

- PII compliance and channel-specific data firewalls

Step 13 – Establish Benchmarking

- Agent vs. human fulfillment accuracy

- Margin performance on markdown decisions

- Restock reaction time delta

- Stockout avoidance frequency

Strategic Overlap

- Aligns with Dick's real-world investment in omni-channel growth and digital transformation

- Complements merchandising systems with executional precision

- Adds autonomy and accountability, enabling store and eComm agility without manual escalations

Financial Outcome Predictions (*Modeled Scenario Based on DSG Priorities*)

1. Inventory Optimization & GMROI Lift

Prediction: +0.6 increase in GMROI across top 1,000 SKUs
Financial Impact: ~$8M–$10M in annual margin gain
Why: Better SKU-level forecasting, reduction in overstock, smarter promotion triggers

2. Fulfillment Accuracy and Speed

Prediction: +5% increase in fulfillment accuracy, faster ship-from-store alignment
Financial Impact: ~$3M–$4M in operational savings and improved customer satisfaction
Why: Fewer misroutes, reduced returns, less manual intervention

3. Promo Margin Protection

Prediction: 6–8% increase in margin retention on promotional SKUs
Financial Impact: $5M+ in preserved profit
Why: Real-time markdown guidance avoids margin-destroying clearance events

4. Labor Optimization

Prediction: +10% store team productivity
Financial Impact: $1.5M+ in staffing efficiency and better allocation
Why: AI-guided restocking and labor timing aligned to demand
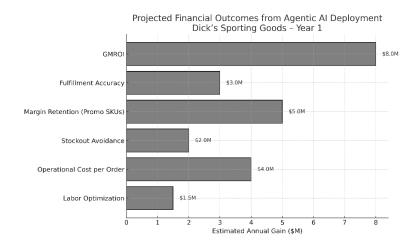
5. Operational Cost Reduction

Prediction: 12–14% reduction in cost per order
Financial Impact: ~$4M+ in logistics and fulfillment cost savings
Why: Smart routing, reduced distance shipping, fewer escalations

📊 Modeled Financial Value of Agentic AI Deployment at DSG

A single agent deployment -- focused on editorial triage and compliance monitoring -- could deliver significant business impact within the first year, leveraging **RE:INVENTION's 13-Step Agentic AI Framework™** and transformation benchmarks.

Projected Financial Outcomes from Agentic AI Deployment
Dick's Sporting Goods – Year 1

Metric	Estimated Annual Gain ($M)
GMROI	$8.0M
Fulfillment Accuracy	$3.0M
Margin Retention (Promo SKUs)	$5.0M
Stockout Avoidance	$2.0M
Operational Cost per Order	$4.0M
Labor Optimization	$1.5M

Total Modeled Impact: $23.5M+ Year 1 ROI*

*Estimate reflects scenario modeling using prior RE:INVENTION client outcomes, industry benchmarks, and our 13-Step Agentic AI methodology.

Summary Insight

"Agentic AI gave us a new capability: to act faster than our systems were built to decide. Inventory moved where it mattered, before the demand spike. We didn't just sense the need -- we solved it in motion."

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For more information on RE:INVENTION Consulting's services or for a complementary one-hour consultation please contact:

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