

# Making Big Changes Stick: How a Supermarket Handled Smart Technology and Kept People Happy

MD Juman Hussan

Department of Analytics University of New South Wales

**Abstract-** This paper looks at how a big Australian supermarket, Woolworths, put new smart technology (AI) into its business. We wanted to see if they followed the right steps to manage this big change. The move to use AI in things like checking stock and talking to customers (like with their chatbot, 'Olive') is a huge deal. This study uses common ideas like Kotter's eight-step change model to see where the company did well and where they struggled. We also use the Organisational Culture Assessment Instrument (OCAI) idea and The Communication Diagnostic concept to check on the company's team spirit and how they talked about the changes. We found that while the smart systems made things faster and sales grew (like their online sales hitting 5.1 billion), the communication with warehouse teams caused problems, leading to disagreements. This shows that even the cleverest systems need simple, clear human leadership and a team culture that wants to learn new things (a growth mindset) to truly work well.

**Keywords:** Woolworths, Artificial Intelligence (AI), Organisational Change, Kotter's Eight-Step Change Model, Organisational Culture Assessment Instrument (OCAI), Communication Diagnostic.

## I. INTRODUCTION

Smart technology, what people call AI, is now a normal part of life, not just a future dream. In Australia, this clever technology is quietly working in many places. You see it when your phone unlocks with your face or when your map app finds the quickest way to avoid traffic.

In big stores, AI is a game-changer. Take Woolworths, a very large supermarket chain. They use this smart technology to manage their stock better and talk to their customers. The system looks at tons of shopping information and figures out what people will want to buy next. This helps the store always have the right things on the shelves and stops food from being wasted. This research article looks closely at this big shift at Woolworths. We ask: How does a company change its entire way of working to fit in with these new smart systems? We use a famous plan called Kotter's eight steps to figure this out and give some simple lessons for other businesses.

## II. THEORETICAL FRAMEWORK: SIMPLE PLANS FOR BIG CHANGES

### Kotter's Eight-Step Change Model

John Kotter, a wise person in business, gave us a simple, eight-step plan for making sure a big change actually works and stays in place. The steps are easy: first, make everyone feel the urgency (Step 1). Then, put together a good guiding team (Step 2). You create a simple vision (Step 3) and tell everyone about it clearly (Step 4). You remove things that block the change (Step 5), celebrate small wins (Step 6), keep pushing forward (Step 7), and finally, make the change stick in the company culture (Step 8). We used this plan to check on the Woolworths case.

### Culture and Mindset

A company's team spirit is everything. We looked at the idea of the Organisational Culture Assessment Instrument (OCAI). This concept helps us see if a company's culture is flexible and focused on new ideas (a 'clan' or 'adhocracy' culture) or stuck in old ways (a 'hierarchy' or 'market' culture). A company needs a flexible culture to adopt AI successfully. This goes hand-in-hand with a Growth Mindset.

A growth mindset means people believe they can learn new things and get better, even with smart machines. This is much better than a fixed mindset, where people fear change and losing their jobs.

**The Communication Diagnostic**

When a company changes, talking to people clearly is the most important thing. The Communication Diagnostic concept tells us that communication must be honest, two-way, and focus on the 'why' and 'how' of the change. If team members feel left out or watched, the change will not work well.

**III. ANALYSIS CHAPTER: LOOKING CLOSELY AT THE SUPERMARKET’S CHANGE**

This section gives a strong look at the numbers and the stories behind the change at Woolworths. The smart technology has two sides: a good side for customers and a tough side for the warehouse teams. We gathered this information from many public reports and case studies.

The company clearly made everyone feel the urgency (Kotter Step 1) and created a simple vision (Kotter Step 3): to be the best and fastest supermarket, both in the store and online. They invested billions of dollars in their digital network and stores.

They put in place a clever voice-activated chatbot called 'Olive' to answer customer calls. This system is a huge win for Kotter Step 6 (Celebrating Wins) and Kotter Step 5 (Removing Blocks).

- **Customer Experience:** Olive now handles thousands of questions every week. It can even process a refund for a missing item (like saying "the oranges are missing") without a person needing to step in.
- **Result:** This good service caused a 2-point jump in the customer satisfaction score (NPS).

The systems they put in place also made the company very efficient.

Table 1: Key Performance Metrics Post-Smart System Adoption (Woolworths and Retail Trends)

Area of Impact	Metric / Example	Result / Data Point	Source
Customer Experience	NPS Score Change (due to Chatbot 'Olive')	+2 points uplift	
Digital Growth	E-commerce Sales (FY23)	5.1 Billion	
Operational Efficiency	Inventory Management Improvement	Up to 20-30% Reduction in Inventory (Retail Trend)	
Loyalty & Personalisation	Customer Likelihood to Buy (with tailored offer)	5x more likely to buy	

**Statistical Analysis:** Understanding the Value

The numbers show a clear win for the customer and for the company's money side.

- **Graph 1:** Comparison of Sales Growth Drivers. We can see that the online part of the business, called 'e-commerce,' grew by 13.2% in the second half of the year. This happened because the smart systems could handle the huge amount of visitors—up to 16.3 million weekly visits to their digital apps. This growth is a direct result of the AI making shopping easier and faster for people.
- **Graph 2:** Estimated Inventory Loss Reduction. By using AI for forecasting, the system looks at the weather, holidays, and what is trending online to predict what people will buy. In general retail, this type of smart system can reduce the amount of stock you need to keep by 20% to 30%. This is a huge money saving because less food goes bad.

III. THE CULTURAL ROADBLOCK: THE AUTOMATION PARADOX

The biggest problem was with the team members. While the company was celebrating customer wins, they forgot to remove roadblocks (Kotter Step 5) and talk clearly (Kotter Step 4) to everyone, especially the warehouse staff. The company put in a system to watch and measure the work of its teams, trying to get more done.

This created the Automation Paradox: the smart systems made the human jobs more stressful, not easier.

- **Problem:** Workers felt they were being treated like "cogs in a machine," leading to high stress and safety worries.
- **Result:** This fear and lack of trust led to worker strikes and empty shelves in the stores. This shows a failure in The Communication Diagnostic, where the message from the top was not met with trust from the team.

Table 2: OCAI and Communication Diagnostic Score Simulation During Change

Area of Culture/Communication	Ideal "Growth Mindset" Score	Actual "Fixed Mindset" Score	Key Takeaway (Kotter Step Failure)
Trust in Management	80% (High)	35% (Low - Due to monitoring)	Failure in Kotter Step 4: Communicate the Vision
Focus on Learning/Flexibility	75% (High)	50% (Medium - Some teams flexible, warehouse not)	Failure in OCAI: Culture did not fully shift to 'Growth'
Job Security Feeling	70% (High)	20% (Very Low - Fear of being replaced)	Failure in Kotter Step 5: Remove Blockages

IV. CONCLUSION AND FUTURE FOCUS

This look at Woolworths shows us a clear lesson: smart systems are not just about computers; they are about people. The company did a great job in putting the technology in place, which led to happy customers and a growing online business. However, they missed the vital human step in Kotter’s model: the cultural and communication side. They failed to get the full team to adopt a Growth Mindset.

For any big company looking to use AI, the simple lesson is this: Talk to your people clearly and simply (The Communication Diagnostic). Show them how the new smart system helps them, not just how it helps the company’s money. You must make sure the new way of working is built into the culture (Kotter Step 8) so that the smart change actually sticks.

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