The paradox of proactive leadership

Find out how C-suite leaders are learning from past technology implementations and reinventing their organizations for the future.

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Don't be blinded by the short game

Where were you the day the World Wide Web was invented?

While you might not remember exactly, there are a few things we know for sure: you weren't scouring Facebook Marketplace, sending Slack messages to your colleagues, or pulling up your new favorite series on Netflix.

Much like the growing dot-com bubble of the late '90s, we're experiencing a unique period of technological growth that will influence human behavior, jobs, and society as a whole, testing the ability of organizations to adapt. Companies like Microsoft and Amazon have embraced both rapid innovation and continuous change, allowing them to still be relevant and thriving.

Today's executives are facing a similar dilemma: How do you keep up with the constant introduction of technological advancements while remaining focused and aligned to long-term strategy?

"We're at that 'internet just started' moment, but already expecting quarterly returns," says Slalom Managing Director Amalia Goodwin. "What is your organization going to be selling in three to five years? Because 'long term' is now five years instead of 10. So we have to think about what it really means to 'move faster.'"

In our Q3 executive forums, we heard from 100+ senior leaders about how they're navigating this paradox and building a future-proof enterprise. In these discussions, three key themes emerged:

1. Making the most of digital transformation investments

Most leaders have already completed a digital transformation in some form. But the challenge ahead is how to make the most of these multiyear technology investments.

How are you leveraging data and technology to enhance your customer experience across channels? Are you introducing new capabilities to differentiate your business? What are new revenue streams that can be introduced?

"Once your digital infrastructure is in place, meaningful business transformation can begin," says Slalom Managing Director Michelle Page-Rivera, PhD. "Investing in

digital technology simply lays a foundation and puts companies at the starting line. What these organizations actually do with that investment is what creates value and market differentiation."

Taking digital transformations to the next level—and maximizing those investments—requires foresight, digital fluency, and rapid decision-making. It's about using data to proactively predict buying behaviors and pave tailored pathways for customers through hyperfocus and hyper-personalization.

The next step? AI agents that can analyze data, answer queries, and perform repetitive tasks.

"We haven't quite 'productionized' the new world of AI, workflow automation, and agents yet," says Goodwin. "It's still on the cusp, but it's going to be the next stage of your digital transformation."

2. Finding and communicating value in an AI-driven world

In spite of the hype, many organizations are [struggling to translate AI into financial returns](). Approximately 85% of leaders surveyed agree that there are still areas of their organization that aren't yet prepared to integrate with AI. To avoid getting caught in the proof-of-concept loop, or with too much flowing into an innovation pipeline, organizations need to start moving beyond experimentation to [measuring tangible value]().

And—most importantly—how is that value being communicated to key stakeholders?

"Boards are starting to push their senior leaders on their AI roadmaps and differentiation," says Slalom Chief Customer Amy Loftus. "While last year it was more about what leaders are exploring and piloting, this year it's about specifics. What are the levels of investment? Where is the return going to come from? And when?"

It's not just about the [ROI with AI](), but continuously uncovering new areas to invest and translating that value to decision makers across the organization so the right ideas can move to production quickly. This requires much tighter alignment between AI innovation, business strategy, and key stakeholders.

"It's a joint task force among business, technology, and product teams. This enables the organization to better move as one." —CPO session participant

3. Arming and enabling your enterprise for the future

In 1995—before kick-starting the popularization of online retail—Amazon was simply an online bookseller. Today, the company spans ecommerce, cloud computing, and digital streaming—and is considered one of the world's most valuable brands.

The organizations of tomorrow will look vastly different from organizations today. And while the specifics are impossible to predict, it's important for leaders to consider how their businesses may change to accommodate shifting consumer and internal talent needs—and adapt accordingly.

"To build your enterprise for the future, you have to lay a foundation of ongoing learning and skilling," says Goodwin. Leaders need to be able to balance adaptive strategies with effective governance and long-term planning, she says. "Your teams are going to have to work with agents and other digital entities. You're going to have to have cross-functional governance and a speed of decision-making you've never had before."

With these rapid changes, there's a need to go beyond AI technology and revisit your organization's design: *what* work needs to be done, *how* that work gets done, and *who* does the work—digital or human.

"Shifting your strategy to incorporate AI also means shifting your ways of working," says Page-Rivera. "We're going see a wave of AI-first organizations built on an entirely new digital and human infrastructure, leaving behind companies mired by legacy technology and overengineered operating models."

Today's leaders have the opportunity to retool their workforce and take full advantage of emerging technologies, including AI and automation.

"AI is generating buzz. However, pushing back on vendors can ensure the focus is right and the value is there." —CDO session participant

Key takeaways

Chief technology officer (CTO)

Our [2023 research suggested](#) 87% of executives encounter significant hurdles when trying to implement AI—an issue that's still pervasive among senior leaders today. Some common barriers that still slow or prevent AI adoption include:

- Ensuring the long-term impact justifies such a significant spend

- Investing in change initiatives so workforces understand what's coming

- Accounting for for new privacy, IP protection, and ethical usage policies

- Implementing new "rules of the road" for software development lifecycle processes

- Defining successes or new processes for adopting emerging technologies

Today's CTOs are focused on building and maintaining AI-enabled product engineering teams, mitigating risk, and [using a strategic framework for measuring ROI.](#)

Innovation leaders

[Gartner predicts](#) that more than 100 million people will engage with AI colleagues every day by 2026. Innovation leaders are thinking ahead to generative AI's growing autonomy, including how it can help inform strategies, execute processes, and further empower human talent.

As these autonomous technologies start to develop humanlike processing capabilities, leaders will need to embrace [adaptive mindsets](#) and implement strategic plans that [keep humans and technology operating in lockstep](#). This includes:

- Making the mindset shift from linear to exponential thinking

- Including employees in key conversations to promote buy-in

- Understanding and experimenting with use cases for agentic AI

Sustainability leaders

We can't afford to overlook the environmental and societal impacts of AI. The global demand for AI energy is [projected to multiply by 10 by 2026](#), underlining the need for more efficient distribution networks and transitions to renewables. Without transparency and accountability, AI can worsen climate issues and put decarbonization goals at risk.

As data and IT experts partner within organizations to ideate and design AI tools, AI adoption for sustainability is maturing. Industries are also expanding their AI use to support sustainability initiatives, including sustainability data processing, energy generation forecasting, and AI-guided lifecycle assessments.

By partnering with AI solution providers, organizations can leverage AI to improve supply chain logistics and support nonprofit fundraising efforts by using AI as a tool to identify potential donors.

Chief operating officer (COO)

Today's COOs are exploring the emotional stages of the generative AI "hype cycle" and determining how to convey the value of [AI-powered operations](#) to other senior leaders. Varying levels of optimism, frustration, and confusion surrounding AI experimentation and adoption make it a complex issue to address.

While leader buy-in may vary, there are a few commonly shared operational goals: increase revenue, reduce costs, and mitigate risk. Operational leaders continue to discuss how organizations can identify and make business cases for the right AI investments, including:

- Making a shift toward purpose-driven, cost-effective AI models

- Adopting a structured, "factory-based" approach to AI implementation

- Improving customer interactions by using AI to manage supply chain challenges

- Integrating AI into product development, particularly for healthcare

- Leveraging the organization's existing tools before investing in new ones

- Considering use cases from an end-to-end lifecycle perspective

Chief product officer (CPO)

Senior product leaders are focused on the critical role governance plays in building trust and excellence within product organizations. This includes finding the balance between structured governance and maintaining agility, ensuring that governance frameworks support strategic alignment without stifling innovation.

Today's CPOs offer various perspectives on how governance should be defined in the product space, including solutions for effectively integrating this function throughout the organization:

- Provide the structure and guardrails for capacity- and value-based product funding

- Ensure that the work and process are properly aligned to strategic outcomes

- Account for compliance requirements within regulated industries

- Create a decision-making framework that includes subsequent reporting and documentation

- Provide teams with guidance versus mandating strict rules

- Develop checks and balances throughout the product lifecycle

Chief human resources officer (CHRO)

AI is creating a ripple effect across the workplace, influencing everything from employee skills and career planning to talent shortages. The CHROs in attendance shared three key priorities for their organizations:

- [Dynamic skilling](#) and ongoing learning

- Learning to do more with less

- Creating a distributed global workforce

To build a truly [adaptive workforce](#), human resources leaders need to anticipate the shifts that come with AI. Future-focused leadership, decentralized decision-making, and a culture of continuous learning are just a few of the characteristics that set [adaptive organizations](#) apart from their more rigid counterparts.

Chief data officer (CDO)

Determining the real value of an organization's data can be daunting for today's CDOs, especially in the burgeoning world of AI initiatives. As part of the leadership team, the CDO can:

- Help address talent gaps

- Assess AI vendors, tools, and capabilities

- Differentiate between hype and innovative solutions

- Drive efficiency and measure productivity

- Address new AI regulations and/or concerns

Developing sustainable AI initiatives requires reliable data, tangible success measures, and structured guardrails. The CDO's involvement and influence in business decisions continues to expand and, in some instances, requires centralizing authority to help the organization achieve ROI.

Chief information officer (CIO)

Today's information and technology leaders are focused on the expanding role of AI in business success, including monetizing data, making AI part of their "core curriculum," and implementing structural changes that support employees. This includes:

- Approaching AI like any other technology implementation

- Shifting from a project- to product-centric mindset

- Leveraging enterprise data to drive operational efficiencies and generate revenue

- Evolving the IT operating model

CIOs need to find the balance between focusing on KPIs and mitigating risk, bringing strategic ideas for increasing adoption and engagement to the table while also collaborating with other business units to break down silos.

Chief marketing officer (CMO)

A major shift in generational wealth is underway, making it necessary for companies to understand what's driving purchasing decisions in this digital age. Millennials are currently in their prime earning and spending years, and their financial influence will continue to increase as they progress in their careers.

An estimated 84% of millennials are influenced by their favorite brand beyond the products or services it provides. According to Nielsen IQ, the combined purchasing power of millennials and Gen Z is currently 39.6% of global spend. However, by 2031, Gen Z's spending power is expected to outpace millennials by 400%.

Brands are now moving beyond just selling products to selling entire lifestyles. To succeed tomorrow, brands will need to create emotional connections and fulfill unique needs through networked ecosystems, omnichannel branding, and hyper-personalization.

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