

#### **Preface**

Many factors are driving companies to reinvent the way they work.

Competition. Consumer expectations. Economic headwinds. Climate impacts. Labor markets. Sustainability goals. Resilience and cybersecurity.

By far, though, the <u>leading driver</u> of change for today's businesses is technology.<sup>1</sup>

Today's C-suite leaders are at a pivotal moment. Artificial intelligence (AI) is transforming the way work is being done—automating repetitive tasks, optimizing workflows and enabling better, data-driven decisions. The stakes are enormous. Organizations that embraced new technologies and pursued AI-fueled reinvention between 2019 and 2024 reported top-line performance that was 15% higher than their peers. That figure could double by 2026.<sup>2</sup>

This explains why <u>86% of executives</u> plan to increase their investment in Generative AI in 2025, primarily in the area of information technology (IT).<sup>3</sup> And most global C-suite leaders—63%—plan to reinvent their IT function in the next three years to stay ahead of relentless technology disruptions.<sup>4</sup> If you're in that group or soon plan to be, here's something to consider.

The scope and pace of change today, driven mostly by technologies like gen AI and agentic architecture, goes beyond IT. This is not like disruptions of the past; simply updating or transforming your existing IT operating model won't solve the problem.

Gen AI is triggering a fundamental reassessment of how companies must operate and what IT's role should be. Business leaders today must ask: What is the future of the IT function? How should IT evolve in the age of gen AI, agentic AI and other emerging technologies? And, importantly, how can technology unlock revenue, income streams, innovations and shareholder value?

Over the past few decades, new technologies—and the IT department's role in deploying and managing those technologies—have played a central role in driving market differentiation. But gen AI is changing the landscape. It's driving change in ways that were unimaginable a few years ago, pushing technology strategy beyond the IT department and into the realm of business strategy. Functional areas across the organization—human resources (HR), finance, marketing, supply chain, legal, operations—now have a hand in reinventing their work using gen AI and are influencing decisions in the C-suite. And "mega processes" are being used to create value and agility across these functions.<sup>5</sup>



#### **Preface**

Many leaders are not prepared for the sweeping and hyper-accelerated changes that technologies like gen Al will bring. Chief executive officers (CEOs) are struggling to understand how—or whether—emerging technologies can deliver innovation, revenue and real value. Chief information officers (CIOs) and other technology leaders are grappling with how to restructure their IT departments to deliver value to the organization in the age of Al. This is as true for technology leaders in business as it is for those working in public service, defense, healthcare and service-orientated industries. Every business is feeling pressure to evolve beyond traditional ways of working to create a modern, competitive, business technology operating model.

This report examines the changing role of technology and the evolving role of CEOs and technical leaders in today's enterprises and organizations. It explores key considerations for reinvention in the era of AI and beyond, to take advantage not only of existing technologies, such as AI and agentic AI, but also the next wave of emerging tech, such as quantum and cognitive digital brains.<sup>6</sup>

In preparing this report, we drew on firsthand experience delivering AI-powered reinvention across our internal corporate functions at Accenture and for clients that are deploying gen AI to unlock new sources of value, innovation and growth. We also consulted a range of academics and industry thought leaders for insights on how future organizations will operate in the age of gen AI.

Our goal with this report is to provoke thought and spark conversation about the technology-led future of enterprise operating models and inspire C-suite leaders to proactively consider the changing realities of technology as they chart a path forward. We'll also discuss actions you can take to create a tech-forward foundation for the future, including recommendations that are based on our own reinvention at Accenture and our work on thousands of gen Al-led reinventions for clients.

Ultimately, this guide provides insights based on experience. We're sharing what we've learned to help you evolve beyond traditional ways of working and lay the foundation for a modern, business technology operating model that will support your growth ambitions for years to come.



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#### Introduction

You might remember a <u>clever ad campaign</u> that Intel ran a little over a decade ago. It was called Sponsors of Tomorrow and featured the tagline, "Our rock stars are not like your rock stars." The ads focused on the amusingly weird, often mysterious, proudly nerd-centered culture of a major global company whose entire brand is built on IT.

The ads marked a departure point for IT. The heroes of the ads—Intel's IT "rock stars"—were shown theatrically in slow motion, strutting out of the shadows and into an adoring corporate spotlight. The techies who kept odd hours, spoke their own language and worked on the fringes of the organization were now entering the corporate mainstream. IT was finally getting the recognition it deserved as a major driver of business success.

The ads were a hit. And they reflected reality.

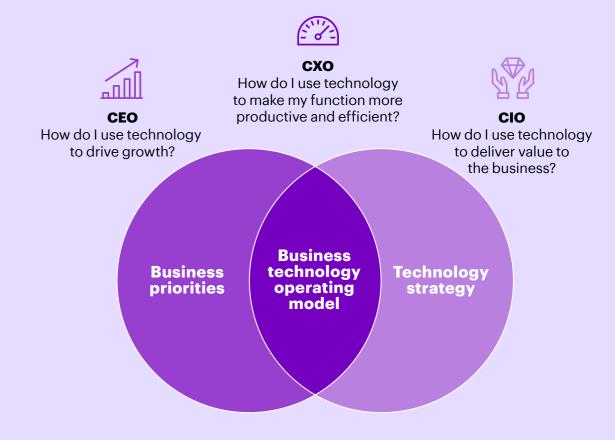
In a world where every company is focused on technology, the people who control that technology and drive it forward are some of the most important and influential people in the organization. They belong in the C-suite, helping influence corporate strategy and advising the CEO on business strategy and execution. That's the role many technology leaders play today—whether they focus on information, technology, innovation, data or artificial intelligence. But with generative AI and other emerging technologies, the levers of control are starting to change.

Whereas technology leaders used to have sole discretion in how an organization's technology was deployed, that control is now in the hands of more people outside the IT department, many of whom are influencing major investments and managing how and where new technologies are used. Such is the impact of gen AI, agentic AI and other emerging tech: Companies are morphing at lightspeed and rethinking traditional roles. Perhaps more than any other period in history, technology is upending norms and changing how businesses operate and interact with technology.

That's why it's not enough to simply adjust current IT processes and approaches to try to stay ahead of techled disruption. Corporate and public-sector leaders must rethink how technology and its users in every corner of their organizations are guided, managed, measured and incentivized to make use of emerging tech.

IT continues to play a key role, acting as advisors to the C-suite and guiding technology deployments across the organization. But IT departments are also pivoting away from traditional IT operating models toward specialized services and leaner teams as technology practitioners disperse across the organization (see Table 1, below).

Figure 1: A technology-first focus across the C-suite



Source: Accenture 2025

#### Table 1

### Rethinking technology and the role of IT

Businesses are reconsidering IT roles and responsibilities. While technology leaders will continue to advise the C-suite, some IT practitioners will diffuse into the organization, reporting to business units that deploy and manage enterprise technology independent of the IT department.

#### From a traditional IT operating model...

One large, dedicated IT team handles an organization's technology needs, overseen and directed by the CIO.

The CIO is typically responsible for IT governance, technology selection, end-to-end solution delivery, application maintenance and infrastructure.

IT practitioners have organization-wide duties, handling tasks such as system maintenance, software development, tech support, employee training and supplier management.

The CIO manages the enterprise IT budget and allocation

IT budget is allocated as a percentage of overall revenue. "Keep the lights on" activities are prioritized over innovation. Investment governance and funding are managed by the CIO.

#### ...to a business technology operating model

More focused IT teams perform strategic, high-value activities and help drive technology innovation strategy while gen AI handles many routine IT tasks.

The CIO is a regulator of technology and infrastructure, responsible for defining standards and policies for governance and cybersecurity. The enterprise is empowered to perform some IT activities that were traditionally the province of the CIO.

IT practitioners handle business-critical IT activities such as managing data and cloud architecture, and overseeing teams of AI agents. They train teams on responsible AI use. Some IT practitioners who used to be part of the IT department are now embedded in business units (BUs) across the organization.

**Spending** on enterprise-wide IT investments continues to be assessed and guided by the CIO, but some business-technology investments are now governed and funded by the BUs.

**Technology budget** is measured as value delivered per unit of investment. Technology budgets prioritize innovative tech and processes, such as deploying AI agents and enabling cognitive digital brains to improve human + machine interaction. Investment governance and funding decisions are made at the enterprise level, supported by the CIO.

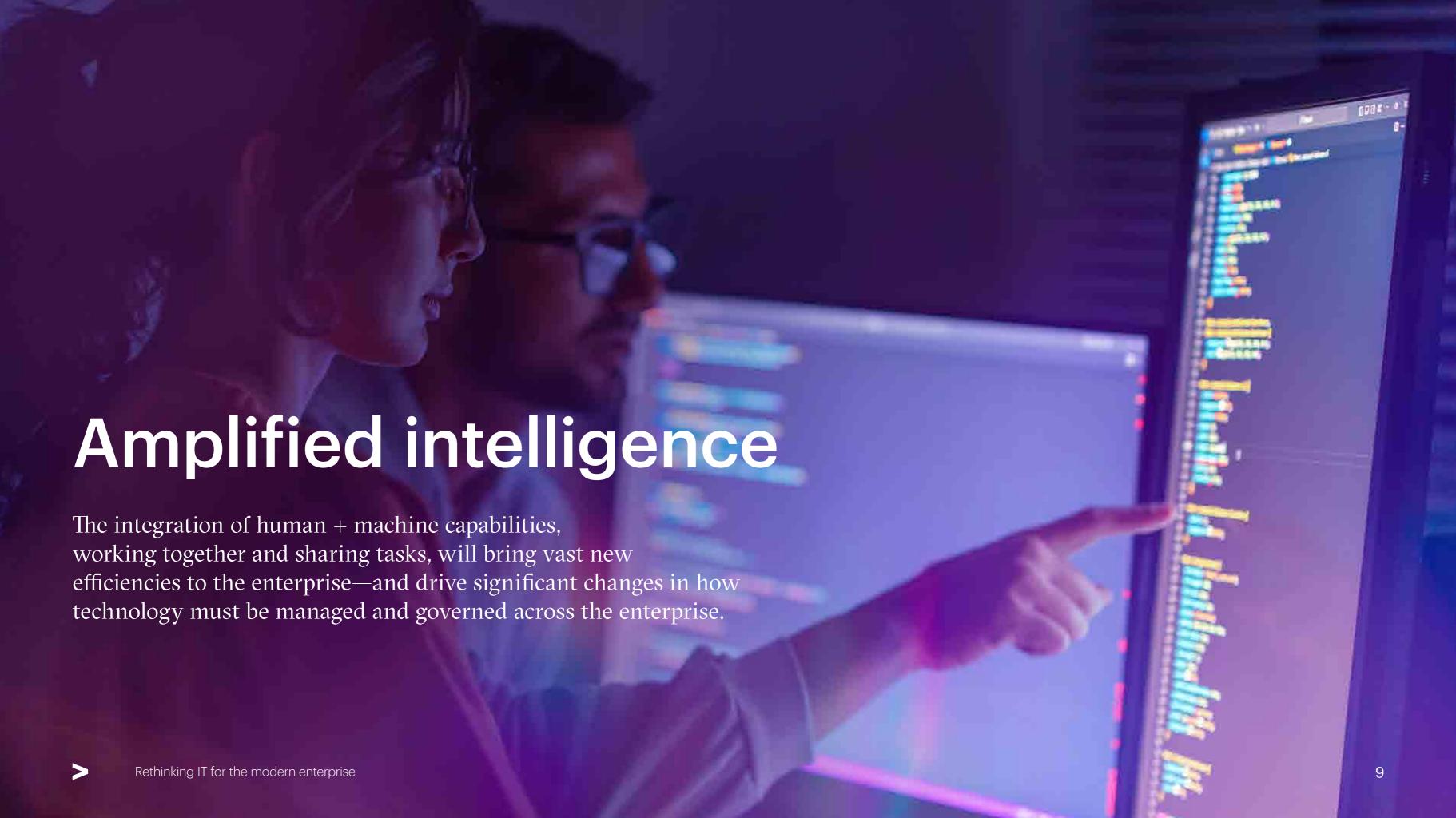
#### Introduction

Four lenses provide a framework for rethinking the role of technology and the evolving nature of IT in the modern tech-led enterprise:

- Amplified intelligence—how human + machine capabilities will drive new efficiencies and significant change in how tech is managed and governed.
- Dynamic skills—how new tools, service delivery models and roles are driving the need for continuous learning and upskilling—and unleashing the power of IT.
- Fluid boundaries—how access to data and technology is democratized across the business, resulting in flatter organizations and crossfunctional teams.
- Adaptable structures—how AI is changing employee motivation and resetting expectations of how teams are structured and its dynamics as humans and machines collaborate.

These lenses, originally defined in an Accenture report titled Reinventing enterprise models in the age of generative AI, provide a framework for thinking through the practicalities of reinventing core IT business functions and creating a reinvention-ready enterprise for the age of gen AI.<sup>7</sup>

Figure 2: Four lenses for rethinking the role of technology in organizations New tools, service delivery Human + machine capabilities will drive new models and roles are driving efficiencies and significant the need for continuous change in how tech is learning and upskilling—and managed and governed unleashing the power of IT **Amplified Dynamic** intelligence skills **IT operating** model for the modern enterprise Fluid **Adaptable** boundaries structures Access to data Al is changing employee and technology is motivation and resetting democratized across expectations of how teams the business, resulting in are structured and its Continuous Reinvention flatter organizations and dynamics as humans and cross-functional teams machines collaborate not on purpose and experiences change events as goalposts constantly change Source: Accenture 2025



#### Amplified intelligence

#### **Key insights:**

- Breakthroughs in human + machine intelligence require that business leaders improve their fluency and technical acumen.
- AI agents and cognitive digital brains will deliver a generational leap forward in the way that IT teams are supported by technology.
- A culture of trust is needed for new technologies to deliver business value, driving the need for responsible AI at scale.

## Amplifying human + machine intelligence

Amplified intelligence is a world where people and machines work better, faster and smarter together to improve efficiency across the organization. It's a great example of where the sum of the parts—human + machine—delivers a greater whole: a more capable, resilient and competitive enterprise.

Generative AI, agentic architectures and other breakthroughs are allowing more people in more areas of the business to select and deploy technology, blurring the line between business and tech. The natural language interface of gen AI tools allows nontech users to easily interact with data and generate insights. As technology improves, it is increasingly able to self-manage, work autonomously and fix its own defects without developer intervention.

Gen AI is changing the nature of IT: It's driving CIOs to focus on defining responsible policies and governance models to build trust in the technology. And it's driving an urgent need for executives at every level, up to and including the CEO, to improve their technical fluency and acumen. Deep knowledge of emerging tech is vital for understanding where the tools can realistically deliver value. It's also a factor in building trust: those who deeply understand the technology are better equipped to get outputs that are accurate, meaningful and real.

#### Amplified intelligence

#### The rise of AI agents and the cognitive digital brain

The single most important feature of AI is its ability to learn.

With AI, companies take a technology that has broad general knowledge and an intrinsic ability to learn and teach it about parts of the business. As people use the technology across their organization, they're further teaching it about their likes and needs. All these AI-teaching activities can be used to create a "cognitive digital brain" that contains workflows, institutional knowledge, value chains, social interactions and other crucial data about the business.

A cognitive digital brain is a system that can understand—and increasingly act—at a higher level than ever before. It will become the central nervous system for enterprise decision—making and continuous learning. <u>Cognitive digital brains</u> are comprised of four interconnected layers:<sup>8</sup>

- Knowledge: Technologies like knowledge graphs and vector databases gather, organize and structure data from across the enterprise and beyond.
- Models: Large-scale gen AI models, as well as classic machine-learning and deep-learning models, perform critical thinking and reasoning tasks to turn data into action.

- Agents: These problem-solvers can tackle tasks with minimal human input, learn and grow over time and make recommendations for planning and adaptation.
- Architecture: A comprehensive backbone turns AI
   experiments into enterprise solutions, democratizing
   intelligence across the organization in a repeatable way so
   solutions can be made once and reused.

This is the future we're heading toward. It's a future where AI doesn't just respond to prompts or coded instructions but also learns, improves and works as part of a team. One early example includes "intelligent AI coaches," which use agentic architecture to process unstructured data and automate dynamic tasks without supervision. Another intriguing example may soon be found in development operations (DevOps), where individual AI agents that specialize in vertical disciplines like design, testing and documentation are controlled by AI "super agents" to build software-driven systems from the ground up.

This is a generational leap beyond early-generation AI solutions that merely automate tasks. Today, agentic AI is not just answering questions—it's creating. And it's changing everything about how technology-led enterprises must design, deploy and manage new technologies moving forward.



#### Amplified intelligence

#### **Trust: The new currency of AI**

Nobody talked about "responsible cloud" or "responsible internet" when those technologies came on the scene. But today, "responsible AI" is part of every company's technology strategy, and for good reason. Without responsible AI, trust in the tools is lost and the advantages of human + machine interactions are limited.

When Accenture surveyed more than 4,000 executives at some of the world's largest companies, 77% said they believe the true benefits of AI are achievable only when AI is built on a foundation of trust; an even higher share of respondents (81%) said their organization's trust strategy must be well-defined and evolve in parallel with their technology strategy. Governance models and policies must adapt to this reality.

The risks and uncertainties introduced by gen AI, agentic AI and other emerging technologies are putting pressure on current governance models. Governance exists today to manage risks around data, confidentiality and security. Gen AI adds a new range of risks related to bias, harm, unreliable output and

other anomalies. That makes responsible AI a priority for organizations. CIOs and IT teams will increasingly be tasked with building trust between AI-led systems and those who use the systems, including employees, clients and partners. One key will be delivering greater transparency for AI outputs and creating deeper understanding for how the technology actually works.

One example: gen Al doesn't "think" or "understand." It offers probable responses based on context drawn from large language models (LLMs), which can make its behavior either amazingly helpful or frustratingly inaccurate. Since Al outputs often seem plausible, incorrect information can be hard to spot and even harder to explain.

Some 75% of knowledge workers report using gen Al tools, according to research by Microsoft, so it's essential to make sure they understand the technology they're using. 10 Moving forward, IT teams will have the role of communicating to their organizations how gen Al is making its decisions and how context influences its outputs. This depth of understanding will be crucial for building trust across the enterprise, especially as the deployment and management of Al tools increasingly moves to the business.

"Our current investments in generative AI are focused on risk and governance, namely creating the right kind of controls and policies for its effective use. Our value case is delayed since we're investing in a foundation for the future and standing-up the right governance for using the technology."

Chief Information Officer and Global Wealth Manager—International wealth management group



#### **Key insights:**

- AI-augmented workflows allow leaner IT teams to focus their superpowers on driving growth and reducing costs for the organization.
- Managed services from AI-enabled partners will allow IT teams to automate key workloads, deliver services faster and close knowledge gaps as workers retire or redeploy.
- The relationship between the CEO and technology leaders will evolve as tech strategy and business priorities converge.

#### Driving revenue up and costs down

When used effectively, AI tools can super-charge growth. Since 2022, companies with the highest AI maturity—meaning those that deeply understand and deploy the technology—have been growing three percentage points more each year compared to companies with the lowest level of AI maturity. That represents a growth rate that is <u>4.7 times faster for topperforming AI adopters</u>.<sup>11</sup>

On the other side of the ledger, AI tools can also super-charge operational cost savings. At Accenture, for example, our sales teams have used gen AI to transform workflows, including drafting and updating proposals. This has boosted productivity by 35%. Some 93% of employees reported that they complete tasks faster using M365 Copilot. And in application architecture, our AI-enabled developers are coding faster, leading to increased project completion rates.<sup>12</sup>

The same types of changes are appearing across IT departments. By augmenting workflows and automating tasks, AI allows leaner IT teams to complete more tasks faster and focus their superpowers on strategic activities that can further drive revenue and remove costs.

#### More reliance on AI-enabled partners

Technology spending is predicted to increase across all industries and sectors. But that doesn't mean IT budgets will increase.

In the past, IT budgets were typically allocated as a percentage of the annual operating budget. The trend moving forward is for IT budgets to be calculated as a percentage of business value delivered back to the organization. As a result, IT budgets will no longer be seen as a cost that is set to a percentage of revenue. Instead, they will be seen as a floating unit cost that changes based on how much value is delivered. And as IT workers migrate to business units or other functional areas, that value will inevitably need to be delivered with leaner teams.

These shifts are what's behind a trend toward managed IT services delivered through AI-enabled ecosystem partners. Intelligent managed services, powered by AI, are taking over key IT tasks such as legacy system maintenance. For example, AI-driven tools can analyze and refactor outdated code and do it more efficiently and with less risk compared to manual processes. Advanced AI is facilitating the automated migration of workloads to modern, cloud-based architectures, significantly reducing the time



and complexity involved in these transitions. All is also now playing a crucial role in capturing, documenting and transferring knowledge about legacy systems—thereby closing the knowledge gap created when workers with knowledge of legacy systems retire or redeploy to other parts of the business.

More and more companies are also relying on Alenabled partners to help handle complex tasks across the enterprise. This has long-term implications on training and skilling enterprise-wide, especially in IT, where teams must differentiate between mission-critical skills that should stay in-house and outsourced skills that can be delivered on-demand by Al-enabled partners and platform providers.

## The evolving relationship between the CEO and technology leaders

As AI tools transform more and more of IT's remit, the role of the technology executive will evolve in significant ways. We see two broad paths based on how Accenture clients are reinventing their organizations.

In one scenario, CIOs/CTOs focus less on "keep the lights on" activities and more on expanding the use of next-generation technologies to drive the company's business strategy forward. These technology executives work closely with the CEO as a trusted advisor, helping their technology-led organizations modernize and evolve to meet key business objectives.

"The IT department of every company is going to be the HR department of AI agents in the future."

Jensen Huang, CEO of NVIDIA, CES 2025 keynote address

Corporate organizational structures are shifting as a result, with the tech leaders sitting on the executive board and reporting directly to the CEO.

In another scenario, the role of CIO remains focused on more traditional IT tasks, but expands to include additional duties that are mission-critical in a technology-led enterprise. Some CIO roles evolve into a chief data information officer (CDIO) role, or the role of CIO may merge with the chief technology officer (CTO) to become a chief technology information officer (CTIO). Here again, corporate organizational structures are shifting to accommodate the fact that technology leaders are key advisors reporting directly to the CEO. In the future, organizations may consider a chief business and technology officer (CBTO) to excel with their tech transformations.

In both scenarios, the human + machine model will affect the technology executive's role just as it affects the rest of the organization. Everyone in the organization, including tech leaders and their teams, will be interacting with AI agents on a frequent basis. Jensen Huang, CEO of NVIDIA, shared his vision of that future at the Consumer Electronics Show 2025 in Las Vegas: "In a lot of ways, the IT department of every company is going to be the HR department of AI agents in the future. Today, they manage and maintain a bunch of software from the IT industry. In the future, they will maintain, nurture, onboard and improve a whole bunch of digital agents and provision them to the companies to use." 13

Moving forward, technology strategy and business priorities will continue to converge until they are nearly indistinguishable. This will require that business leaders have an intimate understanding of the technology that is driving their business transformation. Similarly, CIOs and other technology leaders must evolve into key strategic business partners, guiding innovation and digital transformation to drive business strategy across the organization.

The skillsets of technology executives will naturally evolve to include responsibilities that are core to business success, such as driving digital transformation, overseeing data stewardship, scaling AI initiatives, and managing AI risk and governance.

"Early in our careers, I used to hire software engineers that were curious about compilers. But there is very limited use for that skill set anymore. Caring about the compiler is like caring about the engine while driving a car. Do I really need to know how the engine works? Only, if the engine breaks, which is not all the time. Then I will need a specialist who can solve complex problems. Will I hire for those rare times? No, because I can call [cloud] hyperscalers or platform providers for those rare failures to help me solve the super complex problems."

Chief Information Officer and Global Wealth Manager—International wealth management group



## Accelerating growth with AI and data

A leading APAC beverages company, expanding in the U.S., aimed to speed up market delivery, reduce development costs and improve developer experience. The company partnered with Accenture to launch a solution to better leverage their first-party data and integrate data-driven insights into their operations. Accenture used technologies including cloud computing, AI and data analytics to build 360-degree views of the client's customer, allowing the client to analyze buying behavior, create personalized marketing campaigns and optimize their supply chain. The transformation led to a 46% reduction in P1/P2 incident creation, a 10% decrease in time required for root cause analysis for P1/P2 tickets, and a 33% reduction in service request build effort.





#### Fluid boundaries

#### **Key insights:**

- The wide availability of gen AI tools will blur the line between business and IT teams, resulting in integrated businesstechnology functions.
- The C-suite and board will become more fluent in technology to drive growth.
- Modernizing the data foundation will be key to achieving results with new technologies.

#### **Greater interaction across LOBs**

Cloud computing, the Internet of Things, datadriven analytics, 5G, augmented reality and other technologies began blurring the lines between business and IT years ago. Gen AI is accelerating the trend.

Gen AI is now so integrated across lines of business (LOBs) that naming strategies have changed. It's now common practice for IT teams to stand up integrated business-technology teams such as marketing technology ("martech"), human resources technology ("HR tech"), finance technology ("fintech"), regulatory tech ("reg tech") and sales technology ("sales tech").

There's still a place for IT to own specialized tasks while AI tools cover simpler tasks. For example, no-code/low-code software development is great for handling simple coding assignments that traditionally were the purview of IT, but it is not well suited to creating highly customized user interfaces. Thus, the IT function in a technology-led enterprise will shift its focus to areas of specialization like training large language models and automating complex business workflows.

As access to technology, data and gen AI tools increases, organizational hierarchies and functions will continue to flatten and compress. New titles are emerging—such as chief AI ethics officer—to reflect combined responsibilities, with implications for IT roles, skills and ways of working.

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"We don't talk any more about the relationship between the technology department and the business. It's one. Technology is a part of the business. There's no technology group that would consider themselves not part of the business."

Senior-level executive—Multinational chemical company

#### Fluid boundaries



Many Accenture clients are integrating processes to eliminate siloed operations by creating "mega processes" that drive efficiency and scale. These processes align with governance, strategy and outcomes while maintaining existing knowledge and functional expertise. The collaboration shifts to a more interconnected enterprise that supports agentic Al architectures by simplifying value narratives and governance. This integration has led to an 80% reduction in data processing time and a 40% improvement in time to market for new products and services.<sup>14</sup>

#### Greater tech fluency in the C-suite

Technical fluency is an imperative for technology-led companies, and this applies to everyone in the organization. Senior leadership, including the CEO and board of directors, must deeply understand the technology and embrace continuous learning to know how emerging technologies can deliver value to the organization. The stakes are higher than many realize. Without a deep grasp of technology—how it works, what it can do, who needs it, what it will change, what success looks like—organizations will limit the benefits and return on investment of AI tools, and future growth will be compromised.

Accenture research found that 75% of tech-forward companies have both a <u>tech-fluent CEO and tech-fluent C-suites</u>. These leaders have taken responsibility to develop outlooks

on the business potential of emerging technologies, such as gen AI. They can speak with confidence about how these technologies relate to the company's current strategy and strategic alternatives.

These technically-focused companies use technology for competitive advantage. They're laser focused on using technology to grow and innovate, and are better at capitalizing on their technology investment to drive strategy.

#### Modernizing the data foundation

Having the right, connected data in the right format is essential for success with new technologies. Tech leaders benefit from an enterprise-wide perspective when it comes to data, enhancing data-driven decision-making when collaborating with business leaders.

It's crucial that data be easy to find and accurate and that it carries the right policy disclaimers. Organizations in every industry, including most Accenture clients, are advancing data modernization as a top business priority, focusing on the digital core and the critical data that is most relevant to business growth. The importance of a strong digital core can't be overstated. Digital core combines cloud, data, Al and security in a set of interoperable platforms, making it a key foundational component for a successful Al strategy.

#### Fluid boundaries

# Blurring the lines between business and IT

By Alan Thorogood, Massachusetts Institute of Technology, Center for Information Systems Research

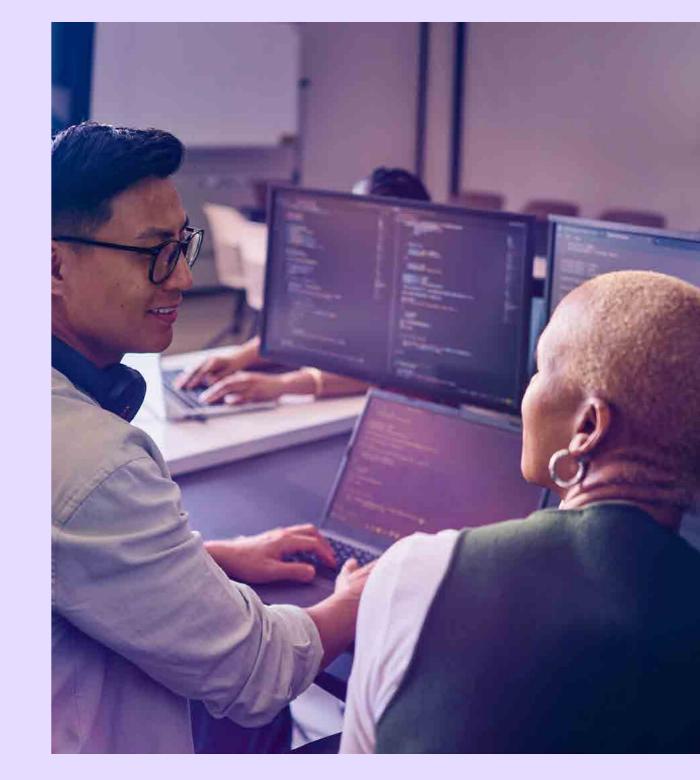
In a 2024 research project on the future of organizational IT, research scientists at MIT Sloan's Center for Information Systems Research (CISR) interviewed over 40 CIOs and their peers. These CIOs described how business unit performance now intertwines with technology in many ways, with business unit strategies increasingly including technology in their scope. They emphasized that IT is critical to every aspect of a business unit's performance.

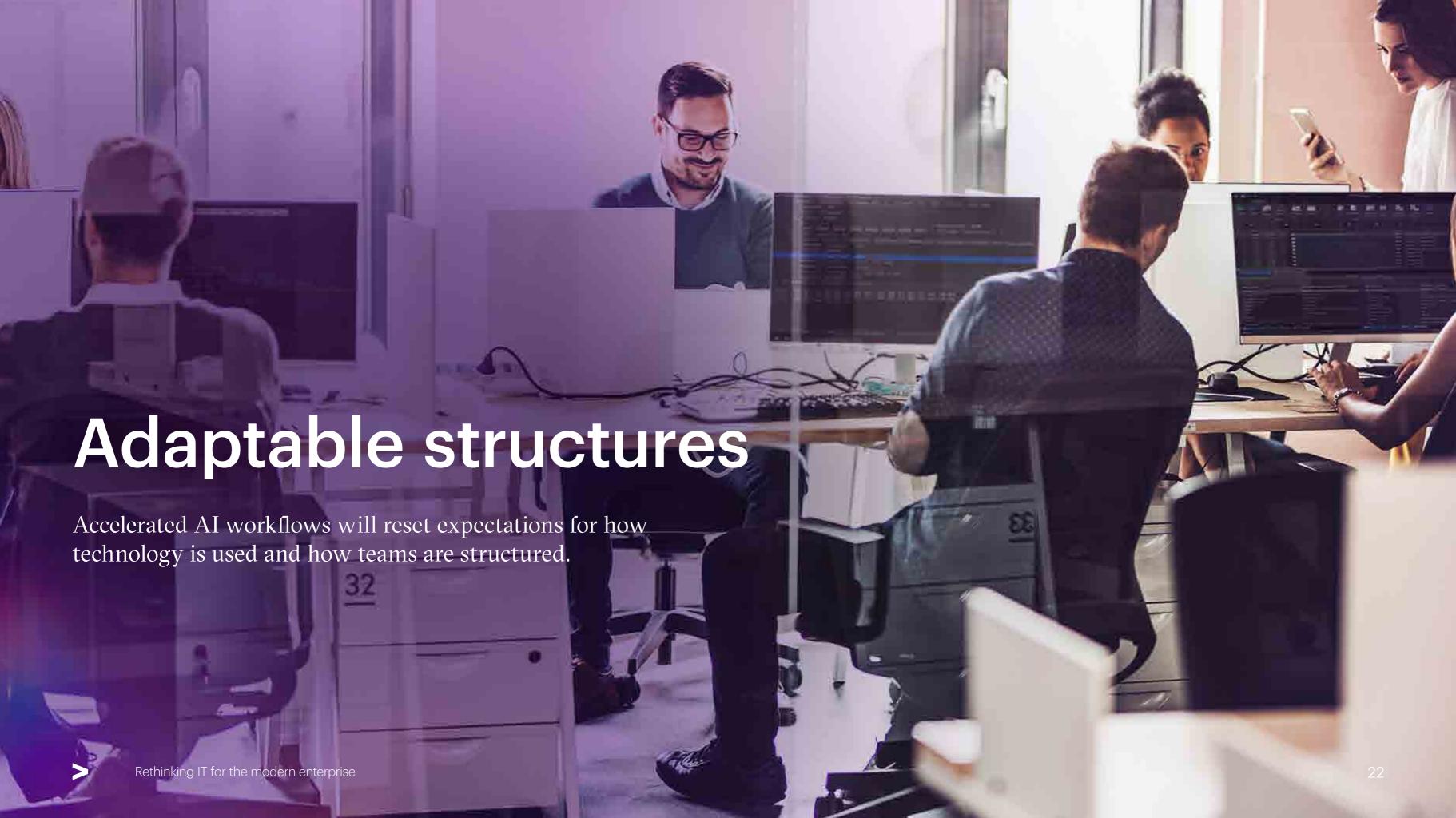
Business units now incorporate technologies like AI throughout their operations. They take ownership of data and its acceptable uses, and are moving into low- and no-code software development, systems engineering and integration. You can even imagine them taking over legacy system management and updates at some point, although the CIOs interviewed doubt the near-term feasibility.

Despite this shift, corporate IT remains crucial. Instead of focusing on technology selection, integration and software development, corporate IT now regulates how business units use technology. This role involves controlling costs, securing systems, setting standards, and ensuring conformance to enterprise architecture. One CIO described this as "community policing," highlighting the need for corporate IT to maintain order and consistency in a tech-driven environment.

With business units making technology decisions, corporate IT is undergoing significant transformation. Enterprises must examine their IT organization to ensure they have the right skills both in IT and business units. Many CIOs noted the rapid growth of "biztechs," individuals who combine business and IT expertise, helping business units achieve a seamless integration of business and technology. Is your organization set up to get the best out of these biztechs? In 2025, organizational structures and processes should be adapted to this new reality.

It's time to enable business units through standards, enterprise architecture, development platforms, API libraries, CI/CD pipelines and technology SMEs. It's important that these resources be accepted, relevant, transparent and available. Strong compliance monitoring and enforcement are also necessary, and should be executed collaboratively and in proportion to the corresponding risk, with an explicit goal of improving business performance.





#### Adaptable structures

#### **Key insights:**

- Incentives and a culture of trust will normalize AI and drive adoption.
- Thoughtful changes to employee culture will help drive adoption and trust.
- Compressed delivery cycles will alter agile workflows and staffing models.

#### **Building trust to normalize AI**

People have been hearing that AI is going to take their jobs. The reality is that AI will transform work, taking over parts of jobs that most people don't want to do while creating entirely new roles and new opportunities. Still, the resistance and worry are real. Leaders need to normalize gen AI through training and leading by example. Only then will the worry subside, making scaled implementation possible.

Normalizing human + machine collaboration at scale and creating positive models for using AI will require training workers to use the technology effectively. A reimagined approach to learning and development is essential to support employees and foster dynamic skills and roles at both individual and organizational levels. In place of traditional, infrequent assessments, people will receive real-time feedback and information on their performance, skill relevance and learning opportunities.

"These big room planning events that occur every 90 days are not frequent enough for us to plan AI work. 90 days is an eternity, given our pace of development."

Product Management Leader—John Wiley & Sons, Inc.

#### Adaptable structures

"It's important to focus on eliminating undesirable tasks rather than solely on metrics. People are eager to use tools that make their jobs less tedious and more engaging. When employees are encouraged to minimize tedious work, they can dramatically reduce time spent on processes—from two weeks to just 30 minutes. Ultimately, this mindset drives efficiency and enhances job satisfaction."

Former Executive Vice President and Chief Marketing Officer—Microsoft

When seeking to normalize AI, trust can take two forms. Workers must trust the technology itself—something IT can address through governance, data and responsible Al strategies. At the same time, workers must trust the organization and its Al strategy. To address this, the C-suite can foster a corporate culture that embraces emerging technologies such as gen AI and provides an incentive framework to reward employees for learning and using the technologies. Without such a framework, adoption will be compromised, productivity gains will be inconsistent and the vast potential of the technology will be lost. CEOs play an important role here by leading by example, supporting a culture of experimentation and enabling collaboration in human + machine teams.

#### Impact of gen AI on employee culture

The rise of gen AI will create real impacts for workers enterprise-wide, requiring flexible approaches to managing employee expectations. For example, gen AI can provide insights into employee utilization and productivity levels, potentially sowing distrust and undermining adoption rates. Frequent communication with employees and the thoughtful evolution of corporate culture can help reduce pockets of resistance and help employees embrace new technologies. Organizations that reward users with performance incentives can further drive adoption and get people familiar with the technology.

It speaks to the importance of having a well-defined talent strategy that reflects your corporate culture. Organizations that successfully reinvent and get the full value of gen AI are 2.9 times more likely than their less successful counterparts to have a comprehensive talent roadmap that addresses how gen AI will reshape their workforce. And they are 2.8 times more likely to have tailored gen AI learning paths for both technical and non-technical roles.<sup>16</sup>

#### Adaptable structures

## New team dynamic for compressed delivery cycles

IT teams are the vanguard when it comes to the impact of gen AI on how they work. Most technology delivery work today is done using some type of agile framework, like the Scaled Agile Framework (SAFe) or the Scrum framework. Agile practices are designed to focus on outcomes and provide the ability to adjust quickly to dynamically changing environments. Unfortunately, over time, the practices have become more about planning and the ability to manage workflows.

As increasingly complex tasks get automated, cycle times and overall delivery frameworks will compress, reducing reliance on traditional agile practices and triggering the development of new practices. A range of factors will affect team success in this accelerated world of gen Al. Experience gaps, onboarding times and a traditional approach to staffing models, where persistent teams are maintained across the life of a project, must be considered. IT leaders will have to ask whether teams really need to remain intact for 12 to 24 months in a work environment where delivery cycles are heavily compressed, and how those people can be redeployed for more innovative work.

## Microsoft uses employee feedback to smooth Copilot rollout

Thanks to strong relationships with its works councils, Microsoft is receiving real-world feedback to accelerate adoption of new technology with employees. The company is addressing questions raised by teams in Germany and France, engaging them early in the process and working with internal councils to formalize feedback. The deployment of Microsoft 365 Copilot was a key example of this collaboration. Initially, Microsoft's German team had concerns about Al's potential to evaluate individual performance. Through open communication and a unified approach, Microsoft addressed these concerns and enabled a tolerance phase for Copilot. France followed suit, implementing a technology council to oversee AI integration, helping drive adoption, feedback and product improvements. The councils subsequently shifted from oversight to becoming proactive partners in innovation, helping to identify potential issues and enhance product development for their teams. It underscores the importance of involving employees early, communicating transparently, and providing training to capture feedback at every phase of technology deployment.<sup>17</sup>



#### Opportunities for action

CEOs and their leadership teams can take immediate action to create a foundation for a new business technology operating model. These steps reflect lessons learned from our own reinvention at Accenture and over 2,000 gen Al-led projects for our clients worldwide. When combined with the four lenses outlined above, they create an essential roadmap to help organizations reinvent in the age of Al and prepare for new, emerging waves of technology transformation.

## Here are the key actions leaders can take now:

## 1. Reimagine your business through technology

- Connect every point of your IT strategy to the business agenda and create clear metrics that link every technology initiative to a specific business outcome.
- Identify specific points where AI, data and emerging technologies can deliver value throughout your organization.
- Double down on product-oriented teams and use these to create a new portfolio of digital products to drive revenue growth.
- Implement secure technology
   platforms as part of your digital core.
   These should include enterprise-wide
   DevSecOps capabilities, automated
   security and compliance controls, and
   self-service technology platforms.
- Explore how you can use agentic Al in your business, particularly in your enterprise architecture.

## 2. Flatten hierarchies with a tech-adept leadership and workforce

- Create new, hybrid roles that combine business and technical expertise.
- Build AI and automation capabilities across the organization, underpinned with an ethical framework for AI deployment.
- Establish technology fluency as a core leadership competency at board and C-suite levels. Develop tech and Al literacy programs for your workforce.
- Ensure there is clear executive ownership and accountability for technology-driven transformation.
- Support your people with continuous learning programs for emerging technologies and incentivize them to use new technologies. Use this to underpin a global talent acquisition and development strategy.

## 3. Accelerate AI adoption with partnerships

- Build a strategic technology partner ecosystem with complementary capabilities that fill talent and technology gaps.
- Implement a clear partner framework that will manage partner relationships and measure value.
- Create platform teams focused on scaling priority initiatives using Al.
- Create joint innovation programs with key partners, and use their capabilities to rapidly scale your innovations.

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