TALENT, ORGANIZATION & PEOPLE SOLUTIONS

REINVENTING THE C-SUITE FOR AN AI-NATIVE WORLD

NEW MANDATES. NEW ACCOUNTABILITY. NEW OPERATING MODEL.

THE STRATEGIC SHIFT THAT DETERMINES LONG-TERM ADVANTAGE

The traditional C-suite was built for the pre-AI world: one where functions optimized independently, risk could be managed within known parameters, and competitive advantage came from executing established business processes more efficiently. That model no longer holds; AI demands a fundamentally different vision of how enterprises create value.

Indeed, AI creates an opportunity to challenge the status quo. It enables leaders to look beyond today's products, workflows, and business models and explore new sources of growth, new customer experiences, and entirely new ways of competing.

Still, many leaders continue to approach AI through the lens of the old paradigm. Their focus remains on making existing functions and processes more efficient, so they treat AI as a technology initiative rather than a catalyst for business reinvention. The result is predictable: 95% of AI pilot programs stall or plateau before delivering measurable returns.[1]

Successful leaders in the AI world start from a different premise. Instead of asking "Where can we add AI?" they ask "What becomes possible now that AI exists?" This shift, from AI-assisted to AI-native, is the difference between incremental efficiency and strategic advantage over the long term.

After all, an AI-assisted organization is only able to generate isolated productivity gains because it layers tools onto existing processes without redesigning the operating model to absorb and scale learnings. By contrast, an AI-native organization rebuilds the business around what AI makes possible: reshaping how it interacts with customers, rethinking how work is performed, reconsidering how decisions are made, and building systems that predict performance and learn continuously. This creates an AI-scaled operating model built to deliver value over time.

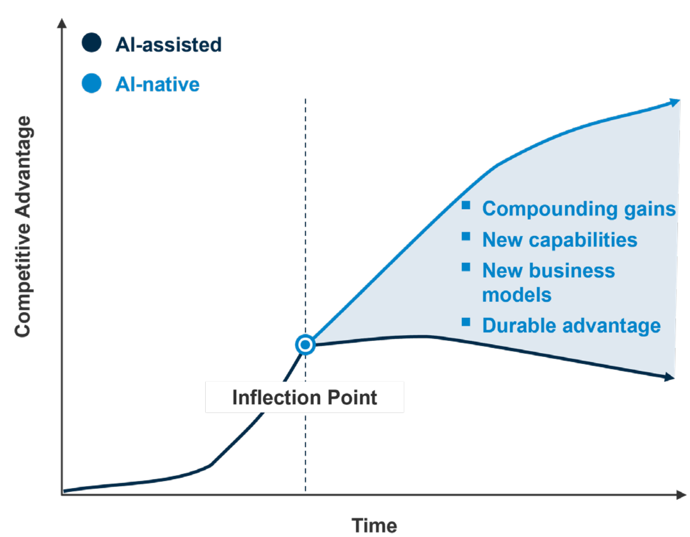
A Butterfly Effect: Two Questions, Two Paths

1 Where can we add AI to what we already do? → **AI-assisted**
Doing the same faster... maybe

- AI added to existing work
- Improves individual productivity
- Workflows unchanged
- IT-led initiative

2 How should the business be redesigned now that AI exists? → **AI-native**
Becoming fundamentally different

- New strategic enablement/growth
- End-to-end workflow transformation
- Human + machine decision redesign
- Data as strategic asset
- C-suite-led mandate



Importantly, the trajectory is not linear. Once an organization makes the shift to AI-native, gains compound, making it increasingly difficult for a competitor that remains at the AI-assisted stage to close the gap.

The difference isn't access to technology. It's the willingness of the C-suite to redesign how the enterprise operates.

THE FOUR C-SUITE MINDSET SHIFTS THAT ENABLE AI-NATIVE TRANSFORMATION

Most transformations ask leaders to manage change. But AI doesn't fit within existing executive responsibilities. It cuts across every function, forcing leaders to trade functional optimization for enterprise value creation. To bridge the gap between AI-assisted and AI-native, the C-suite must change in four fundamental ways. These aren't technical shifts; they're strategic ones.

01

FROM EFFICIENCY TO POSSIBILITY

Leaders who frame AI around efficiency, asking "How do we do the same things faster and cheaper?" can only deliver piecemeal wins. Leaders who frame AI around possibility, asking "What becomes viable now that wasn't before?" unlock entirely new revenue streams, category-defining products, and structural cost removal.

Implication: **New revenue pools, not just more efficient ones.**

02

FROM TOOLS TO ARCHITECTURE

Leaders who treat AI as a collection of tools will keep layering capabilities onto processes built for a pre-AI world, generating incremental gains at best. Leaders who view AI as an architectural principle do something fundamentally different: they reimagine end-to-end processes, redefine roles, and reallocate accountability based on what human vs machine actors do best.

Implication: **Structurally more cost-efficient economics, not just incremental savings.**

03

FROM AUGMENTATION TO COMPOSITION

AI-assisted leaders give people better tools to do the same work. AI-native leaders take a more rigorous path: they determine what is no longer required, which outcomes require human judgment, which are best executed by AI, and how the two interact in terms of sequencing, orchestration, and optimization.

Implication: **New labor model with compressed organizational layers.**

04

FROM IT AGENDA TO ENTERPRISE MANDATE

When AI sits within the IT agenda, focus remains on technical outputs: deployment speed, model accuracy, system uptime. Leaders who elevate AI to an enterprise mandate shift both ownership and accountability to the C-suite, with clear P&L accountability. The focus moves from technical performance to business impact.

Implication: **Sustained enterprise value beyond AI pilots.**

LIVING THE SHIFTS: HOW AI-NATIVE C-SUITES ACTUALLY OPERATE

These mindset shifts don't stay theoretical. Leading AI-native organizations have embedded them into their core operating rhythm: how the C-suite actually makes decisions, allocates resources, and structures accountability. This isn't a future state to aim for. It's how business gets done now.

- **They own enterprise value jointly:** Functional heads stop optimizing in silos. Instead, they make explicit trade-offs together and share accountability for three outcomes: new revenue, structural cost removal, and organizational redesign. Performance metrics and incentives shift to measure achieved results. Talent becomes an enterprise-wide pool to be deployed wherever it creates the most value.
- **They reallocate on compressed cycles:** Annual planning is dead. AI-native leaders operate in real time: daily risk-based escalation resolutions, weekly bottleneck reviews, monthly prioritization and resource decisions, quarterly market reviews and "art of the possible" business model redesign. AI-powered intelligence surfaces what's working and what isn't. When a constraint emerges or a new opportunity appears, capital and people flow there immediately.
- **They design human–AI workflows at the C-suite level:** Leaders don't just ask "How do we make people more productive with AI?"; they ask "What stays human? What goes to AI? Where do they work together? Where do humans move next?" These aren't IT questions; they're business architecture ones (see our previous article on Workforce Planning in the AI Era). Organizations executing this shift see 15–20% service improvements and 10–15% logistics cost reductions.[2]
- **They compete on learning velocity:** Competitive advantage isn't about control; it's about the speed at which your organization learns, reskills, and reallocates. The fastest organizations identify inefficiencies and capability gaps in real time and either stop performing the work entirely or redeploy people before those gaps become liabilities. The workforce is viewed as a dynamic asset, not a static headcount.

COMMERCIAL EVIDENCE: WHEN OPERATING MODEL REDESIGN WORKS

The evidence isn't anecdotal. Organizations that have made the deliberate shift from AI-assisted to AI-native are producing outcomes that are unavailable to those still operating on the traditional model, as seen below.

CASE STUDY 1: DIGITAL-FIRST RESTAURANT AND DELIVERY

Strategic Reframe

From: How do we improve digital ordering?

To: What if the entire customer relationship became digital-first?

Operational Redesign

Marketing, fulfillment, analytics, and store operations were reoriented around digital as the primary interface. Demand prediction moved to AI forecasting, delivery routing to AI optimization, and customer engagement to personalized AI-driven recommendations.

Results

>85% digital sales
+↑ same-store growth
10x enterprise value expansion

CASE STUDY 2: INDUSTRIAL AGRICULTURE

Strategic Reframe

From: How do we add AI to farm equipment?

To: How should farming operate if machines decide and act autonomously?

Operational Redesign

Product engineering, customer support, data governance, and go-to-market were simultaneously redesigned around autonomous precision agriculture. Decision rights shifted from local managers to AI-driven systems. Support moved from reactive to predictive.

Results

>50% herbicide usage reduction
↑↑ ops efficiency and resource optimization
New recurring technology revenue streams—unavailable before redesign

CASE STUDY 3: CREATIVE SOFTWARE

Strategic Reframe

From: How do we add AI to creative tools?

To: How do we reinvent value creation before AI commoditizes creative production?

Operational Redesign

Product strategy, licensing, trust frameworks, and enterprise workflows were redesigned together. Models were trained on licensed content. AI was embedded as default mode. Enterprise workflows were redesigned around AI-assisted creation as standard practice.

Results

>22B AI-generated assets in ~2 years
>$200B market value sustained despite disruption
+↑ product engagement across suite

Each case study demonstrates the same dynamic: C-suite aligned on a single strategic question, then drove operating model redesign across the enterprise. Instead of optimizing incrementally, leaders fundamentally rethought the business and measured success by outcomes, not adoption rates.

Importantly, this alignment doesn't happen in a technology committee: it requires C-suite accountability.

C-SUITE REINVENTION, NOT RETRAINING

The traditional C-suite model created well-run but siloed organizations, with the CRO controlling sales and revenue, the CFO controlling finance, the COO owning operations, and the CMO managing marketing. It worked when competitive windows lasted years and market disruptions were telegraphed—something that feels like a distant memory today. That's why appointing a Chief AI Officer or leaving AI to the technology function may generate early momentum, but it cannot, on its own, create the mutual accountability across business and technology leaders that enterprise transformation demands.

Instead, the entire C-suite must be completely redesigned, with changes to every executive role and AI established as a shared leadership mandate.

CEO

AI Reinvention Architect

Mandate: Define where AI reshapes the business model, value proposition, operations, and decision speed. Set ambition, force trade-offs, determine strategic boundaries, and create urgency.

Profile: Systems thinker with enterprise-wide perspective. AI-literate. Comfortable with ambiguity and rapid change. Willing to challenge legacy assumptions—including their own—and act without complete information.

Pitfalls: Delegates AI as a tech initiative, failing to define how it reshapes the business model, operating model, and competitive positioning.

CFO

Value Capture Governor

Mandate: Steward AI investment portfolio and ensure measurable value. Capture gains not as cost savings alone, but as new capital for growth. Shift from static budgeting to dynamic resource allocation. Translate AI value creation into a compelling investor narrative that builds confidence in AI strategy.

Profile: Fluent in AI economics and value creation logic. Able to evaluate staged, uncertain investments. Data-driven with strong discipline around tracking realized, not projected, value. Builds credibility by connecting AI metrics to shareholder value creation.

Pitfalls: Funds AI activity without value theses, using outdated metrics (labor cost vs productivity gains, ignoring learning loop effects). Fails to connect AI ROI to investor expectations and value creation.

COO

Intelligent Operations Designer

Mandate: Own end-to-end workflow redesign across the enterprise. Define how work is decomposed into tasks, decisions, and handoffs and how those are distributed between humans and AI. Ensure execution against measurable outcomes. Manage workforce transition as part of redesign.

Profile: Deep process and systems thinker. Strong operator with transformation experience. Data-literate and capable of interrogating AI-driven outputs. Understands work decomposition and its implications for people.

Pitfalls: Automates broken processes instead of redesigning workflows. Fails to define human-AI decision rights or measure outcome gains. Ignores workforce implications and adoption requirements.

CSMO

Growth Engine Driver

Mandate: Own how customer value is created, acquired, and optimized across the entire lifecycle using AI. Build a learning system where every customer interaction reshapes the next.

Profile: Fluent in pipeline and LTV economics. Builds integrated customer acquisition and value engines with learning loops. Obsessed with outcomes and friction removal. Orchestrates sales and marketing as one system.

Pitfalls: Deploys in silos—targeting, lead scoring, sales closes—without integration. Focuses on deal velocity, not LTV. Doesn't iterate based on realized outcomes.

CIO

AI Platform Architect

Mandate: Own the enterprise AI stack, data architecture and governance, and platform infrastructure. Build scalable, reusable, and secure foundations that enable rapid deployment of AI across workflows.

Profile: Product- and platform-oriented leader with deep technical expertise. Experienced in AI deployment at scale and able to bridge business strategy and technical execution.

Pitfalls: Defaults to disconnected tools across functions rather than building empowered, scalable platforms that enable agile throughput and business value.

CHRO

Future of Work Architect

Mandate: Redefine how people and AI work together to create value. Build an organization powered by data, insight, and continuous learning culture. Prepare people for success in an AI-first world. Ensure AI interactions feel human-aware.

Profile: Business-minded with deep expertise in organization design and workforce strategy. Fluent in digital and data. Understands task- and skill-level work decomposition and economic implications of AI on labor.

Pitfalls: Focuses on AI only for the HR function or AI as a training problem for the broader enterprise—leaving roles, incentives, and workflows generally unchanged.

CLO

Trust and Risk Steward

Mandate: Embed legal safeguards into AI deployment. Govern model risk, bias, regulatory exposure, and reputational impact while defining acceptable risk thresholds that enable rapid experimentation. Build guardrails that accelerate value creation, not bottlenecks that paralyze it.

Profile: Expert in tech and regulatory risk. Trusted advisor to CEO. Balances control with enablement and understands pace required for competitive advantage. Able to translate legal constraints into opportunities for safe innovation.

Pitfalls: Acts as a blocker by default. Treats all AI deployment as risk to minimize rather than capability to govern.

EIGHT CAPABILITIES EVERY C-SUITE MEMBER NEEDS

Beyond role-specific mandates, eight capabilities across three action areas define the C-suite's ability to lead AI transformation. In short, every C-suite executive needs to think, operate, and lead differently, developing the following skills:

THINK DIFFERENTLY

1. **AI fluency:** Understand what AI can and cannot do, prioritize high-value work, and spot the difference between genuine strategy and "efficiency theatre."

2. **Systems thinking:** Become experts in the enterprise value chain, realizing that decisions in one function create second- and third-order effects.

3. **Workflow literacy:** Rethink work at the task and decision level to redesign human–AI composition.

OPERATE DIFFERENTLY

4. **Experimentation orientation:** Test hypotheses, fail fast, scale winners, and kill losers—weekly, not annually.

5. **Data-driven decision-making:** Use data and AI-generated insight as part of default operating model, not as a periodic governance check.

6. **Resource courage:** Reallocate capital, talent, and attention from legacy activities to AI-enabled growth without waiting for consensus or perfect information. Shift from measuring leadership influence by span of control and budget to outcomes achieved.

LEAD DIFFERENTLY

7. **Change leadership:** Model rapid transformation in C-suite and then lead others through it at pace, all while maintaining trust and engagement. The tension between speed and stability makes this the hardest and most underestimated capability.

8. **Stakeholder navigation:** Build coalition across board, investors, employees, and regulators by translating AI value creation into stakeholder-specific narratives, managing competing interests without losing transformation momentum.

THE BOTTOM LINE: YOUR C-SUITE HOLDS THE KEY TO LONG-TERM ADVANTAGE

The leaders who will shape their industries over the next three years will not be those with the most AI tools. Rather, they will be those who find ways to reinvent revenue growth, rethink cost bases, and redesign how their C-suite operates, moving from functional silos to shared enterprise accountability, from annual planning to continuous value realization, and from control-based management to learning velocity. This isn't a technology challenge. It's a leadership one. And it begins with a simple question: "What becomes possible now that AI exists?"

Organizations that answer it well fundamentally change how they create value. Leaders jointly own outcomes, orchestrate human and AI capabilities, continuously reallocate talent and capital, and measure success by business impact rather than technology deployment. Competitors operating on traditional structures simply cannot keep pace. The resulting gap will not narrow: it will widen weekly, monthly, quarterly.

So, the choice is straightforward: lead the reshaping in your industry, or respond to someone else's vision. Your runway to decide is short.

REFERENCES

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2. Deloitte, The State of AI in the Enterprise (Deloitte, 2026).

ABOUT THE AUTHORS

Adam Malamut, PhD

Managing Director

Talent, Organization & People

Adam believes companies grow when its people thrive ... and people thrive when work delivers real customer value.

With 20+ years leading large-scale transformation, Adam has helped organizations navigate pivotal change. He previously served as Chief Customer Experience Officer at Marriott International and Chief Talent & Organization Officer at both Marriott and Allstate. He led the strategy and build of Marriott's enterprise data and analytics platform, establishing the foundation for AI-enabled personalized customer experiences.

Operating at the intersection of strategy and execution, Adam partners with forward-thinking organizations to rethink customer engagement, accelerate responsible AI innovation, develop workforce capabilities for the AI era, and build resilient, growth-oriented operating models. He brings deep experience across hospitality, financial services, retail, and technology sectors.

Rebecca Stockley

Managing Director

Talent, Organization & People

Rebecca's work is characterized by a disciplined focus on execution - translating strategic intent into measurable operational outcomes through structured change, governance reform, and cultural alignment. She has more than two decades of experience guiding complex enterprise transformations at the intersection of strategy, organizational design, and human capital.

Previously she led the Transformation Program for Transamerica's Individual Solutions business, and KPMG Advisory in New York, where she advanced their Transformation Insurance practice within the firm's Transformation Delivery Services practice - overseeing large-scale engagements across some of the industry's most complex institutions.

Her core mandate is enabling leadership alignment around a unified strategic vision and ensuring the organizational infrastructure - operating models, governance frameworks, and talent architecture - is positioned to deliver results with accountability and velocity.

Alvarez & Marsal works directly with C-suite leadership teams on performance improvement, transformation, and AI-enabled operating model redesign.

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