

Transcending Leadership in the Agentic Era

Navigating the Now, New, and Next in AI

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Executive Summary



By Sumit Mehra,
Co-founder & CTO, Tredence

The software industry is undergoing a massive shift. Software-as-a-service models revolving around key workflows—data storage and management, user interactions, visualizations, and decision-making—are being transformed. Agents-as-a-service will soon prevail. Agentic artificial intelligence (AI) systems are domain-focused, intelligent tools that understand the contexts and rationales behind tasks, can execute all necessary steps autonomously, and incorporate feedback. Workflows will soon be automated end-to-end, thanks to advanced AI technologies, such as generative AI (GenAI) and interoperable agentic AI systems.

As a result, leaders are grappling with profound questions:

- *How do we lead and manage a workforce transitioning from AI-assisted (human-in-the-loop) to AI-driven (human-above-the-loop)?*
- *How do we structure people, processes, and technology to integrate AI advancements and maintain a competitive edge?*
- *How do we design innovative business models that evolve with agentic AI capabilities?*

This report is dedicated to helping businesses navigate these challenges. Having built four startups before Tredence—each of which faced key hurdles—I've learned that success isn't just about technology: It's about continuously engineering and optimizing client experiences. This demands a radically different leadership mindset. At Tredence, I've been amazed by the depth of thought leadership our teams have cultivated while solving some of the most pressing and complex problems in AI and enterprise business transformation. Through this report, we aim to share these insights and equip businesses with the strategies needed to thrive in the era of agentic AI.

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This report delves into the paradigm shift in leadership through five strategic lenses, offering a roadmap to navigate the **NOW**, **NEW**, and **NEXT** phases of AI-driven transformation. We provide deeper introspection into:

Lens 1: Business Value Realization

Structuring AI initiatives to deliver measurable ROI, sustain stakeholder engagement, and **maximize long-term value**.

Lens 2: Human + AI = Co-Intelligence

Redefining the role of humans in an AI-automated world while ensuring **cohesion between human strategy and machine execution.**

Lens 3: Business Process Re-Engineering

Leveraging **decision intelligence** and agentic AI systems to **automate and optimize** end-to-end business workflows.

Lens 4: Technology Evolution

Adapting to **emerging AI innovations**, including **quantum computing, brain-computer interfaces, and small domain-specific AI models.**

Lens 5: Governance and Compliance

Creating **agile compliance frameworks** that embed **responsible AI principles**, integrate new regulations, and scale AI adoption across organizations and ecosystems.

Leadership stands at the intersection of AI-driven intelligence and human intuition. The challenge isn't choosing between AI and human leadership but mastering their synergy to build an agile, ethical, and inclusive AI-powered future.

The future belongs to those who can navigate AI disruption, harnessing its potential while preserving human ingenuity.

Are you ready to take the cognitive leap and lead in the age of agentic AI?

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LENS 1

Business Value Realization

Maximizing AI ROI as market disruptions increase

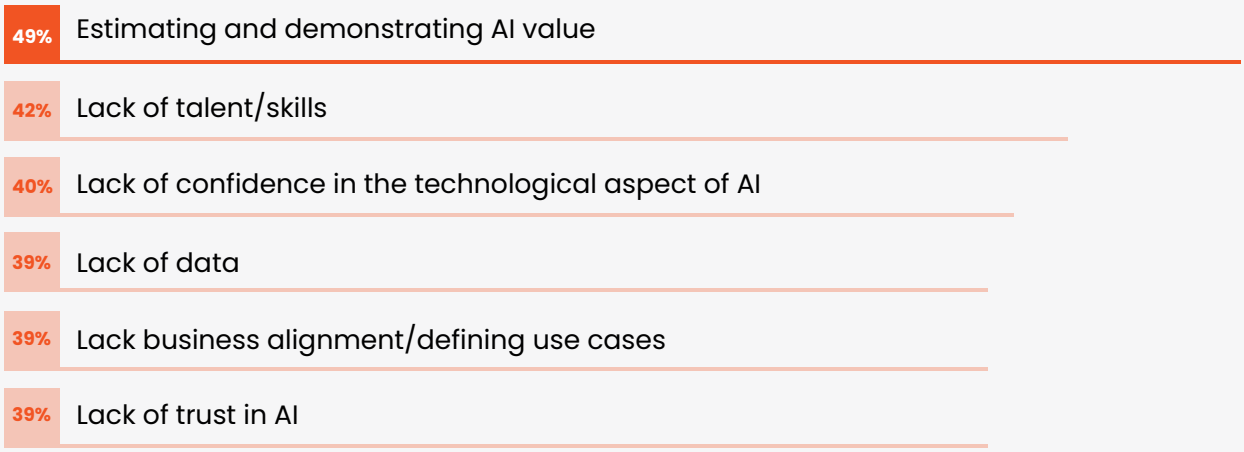
AI Adoption Is a Strategic Imperative

As AI adoption accelerates, enterprises face increasing pressure to generate tangible business value while navigating market disruptions, rapid technological advancements, and evolving consumer expectations. Organizations integrating AI strategically are already realizing substantial revenue growth, cost efficiencies, and differentiated capabilities.

However, many companies have had difficulties transitioning from proof of concept to enterprise-scale deployments due to fragmented data ecosystems, return on investment (ROI) and value realization, suboptimal use cases, lack of required skillset, inadequate LLMOps/MLOps frameworks[1], inefficient workflows, and unanticipated costs. To drive sustained ROI from AI, CXOs must embed AI into their business strategy with prudence, ensuring its accountability and scalability. Companies that invest in AI as a core part of their

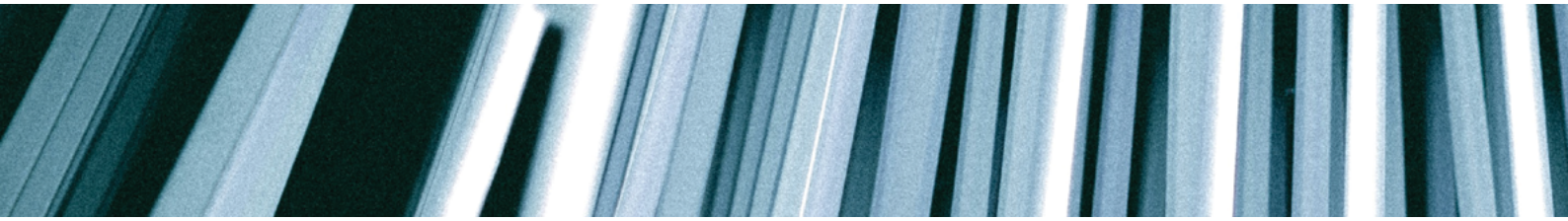
Top Barriers to Implement AI Techniques[2]

Determining ROI is the greatest barrier to developing and scaling AI technologies. This graphic depicts the top three barriers to AI adoption rated by Gartner survey respondents.



n = 632, leaders highly involved in AI; excludes "unsure"

Q. What are or will be the top 3 barriers to implementation of AI techniques within your organization?
Source: 2023 Gartner AI in the Enterprise Survey



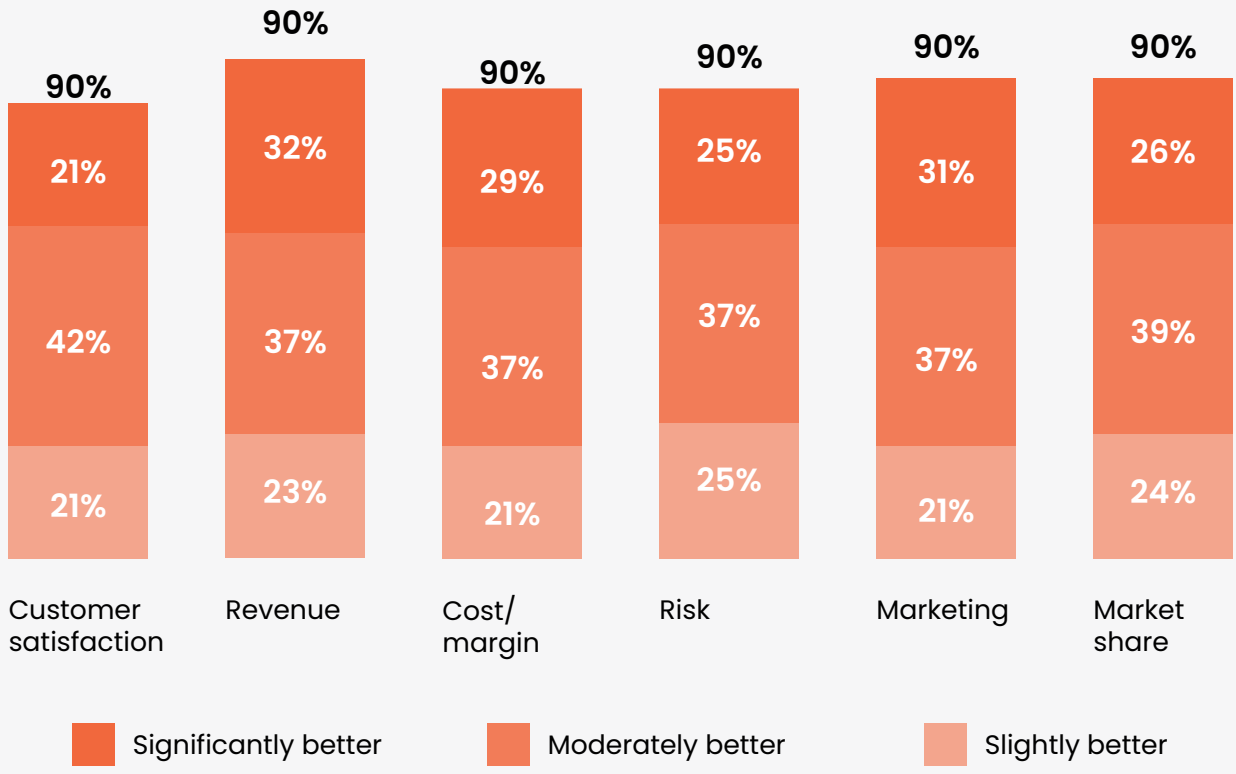
[1] Acronyms for large language model operations/machine learning operations.
[2] "Gartner Survey Finds Generative AI Is Now the Most Frequently Deployed AI Solution in Organizations," press release, Gartner, May 7, 2024, https://www.gartner.com/en/newsroom/press-releases/2024-05-07-gartner-survey-finds-generative-ai-is-now-the-most-frequently-deployed-ai-solution-in-organizations

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transformation strategy are more likely to see it as a key driver of performance. By integrating AI into their operations, they unlock efficiencies, enhance decision-making, and gain a competitive edge, reinforcing the direct link between AI adoption and business success.

AI leaders are outpacing others[3]

Companies investing in AI for transformation are more likely to say that AI drives performance.



Q. How did your company perform in 2023 (compared to the prior year, 2022) across the following business outcomes?
Base: All respondents (n=1,000).

Source: S&P Global Market Intelligence 451 Research and Vultr custom AI survey.

[3] *The new battleground: Unlocking the power of AI maturity with multi-model AI*, report, S&P Global Intelligence and Vultr, page 6, https://blogs.vultr.com/New-Report-from-SP-Global-Market-Intelligence-and-Vultr-Provides-Unique-Glimpse-into-Path-to-AI-Maturity

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Three Horizons of AI-Driven Value Creation

This lens explores actionable strategies for maximizing AI's impact across three-time horizons.

Now (0-12 Months)

Establishing a Financially Sustainable AI Foundation

New (2-3 Years)

Scaling AI Investments for Competitive Advantage

Next (4-6 Years)

Enabling Continuous Business Transformation Through AI

Now (0-12 Months)

Establishing a Financially Sustainable AI Foundation

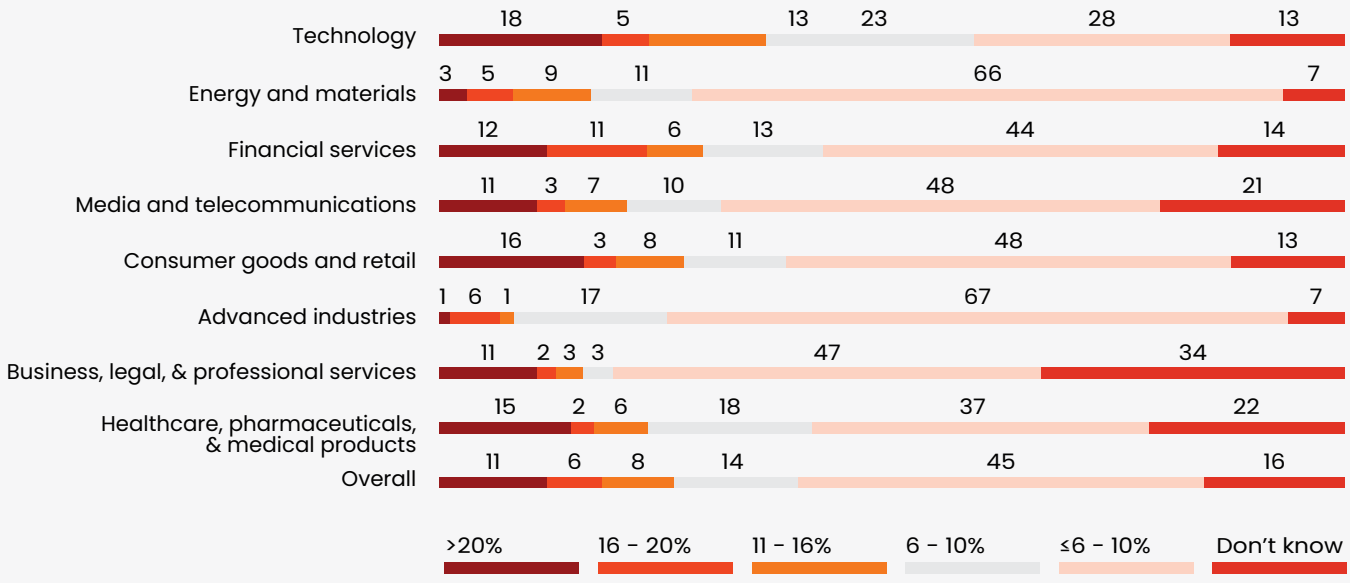
Key question: How can enterprises ensure financial viability while scaling AI adoption?

Strategic response: CXOs can use a framework to define value-driven AI investments, align with business metrics, and embed governance in initiatives.

Leaders must demonstrate extreme financial discipline to develop and scale AI initiatives, demonstrating their business impact with quantifiable outcomes and ROI.

GenAI and Analytical AI Investments Begin to Create Value[4]

In most industries, organizations are equally likely to invest more than five percent of their digital budgets in GenAI and analytical AI.



[4] Alex Singla, Alexander Sukharevsky, Lareina Yee, Michael Chui, and Bryce Hall, *The state of AI in early 2024: GenAI adoption spikes and begins to create value*, survey, McKinsey, May 30, 2024, https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai

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Immediate priorities for CXOs

Implementing a value identification-to-realization framework: Developing a structured approach to prioritize IT investments. Leaders must balance quick wins and a longer-term strategy to identify use cases, build GenAI and agentic AI capabilities, and measure progress and alignment against core business metrics. CXOs should define clear success criteria, including revenue impact, cost savings, productivity gains, and improvements in customer experience. By aligning key performance indicators (KPIs), executives can quantify progress against every stage of each AI initiative's development, keep stakeholders engaged, and create compelling stories to evangelize AI across the organization.

Analyzing comprehensive AI costs: Standardizing and analyzing all AI-related costs, from data acquisition and infrastructure investments to people, licensing and tool costs, prototyping and design, development, deployment, and end-user engagement. With comprehensive cost and benefit analyses, decision trees, and the value framework described above, leaders can develop total cost of ownership (TCO) analyses to assess the financial feasibility of planned initiatives. With these insights, CXOs can prioritize AI investments, reduce risk and complexity, and strategize ways to drive savings. They can also centralize investment data for sharing and reuse.

Implementing responsible AI guardrails: Leaders should develop and implement policies and guardrails for AI ethics, data use, and model training and development. They can also set up cross-functional AI governance teams, including legal, HR, risk, and compliance executives, who will oversee AI deployment and responsible AI education, training, and compliance. In addition, red teams should proactively monitor AI development practices and models, assessing them for bias, transparency, and ethical compliance. This topic is covered in depth in Lens 5. Proactive compliance will reduce AI costs by avoiding customer harm, lawsuits, and regulatory penalties.



"AI is only valuable when it moves the needle—on revenue, cost, or customer outcomes. Too many initiatives get stuck in experimentation because they chase novelty over business alignment. For AI to truly drive growth, it needs a clear link to commercial value, a strong operating cadence, and the discipline to scale what works. The real edge will go to companies that move beyond adopting AI and start architecting their business around it."

Rakesh Sancheti,
Chief Growth Officer

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How enterprises are using AI now and in the future[5]

AI will be used pervasively across industries and business functions in just a few years.

Low impact **High impact**



[5] Michael Chui, Eric Hazan, Roger Roberts, Alex Singla, Kate Smaje, Alexander Sukharevsky, Lareina Yee, and Rodney Zemmel, *The economic potential of generative AI: The next productivity frontier*, report, McKinsey, June 2023, page 20, https://www.mckinsey.com/~/media/mckinsey/industries/technology%20media%20and%20telecommunications/high%20tech/our%20insights/beyond%20the%20hype%20capturing%20the%20potential%20of%20ai%20and%20gen%20ai%20in%20tmt/beyond-the-hype-capturing-the-potential-of-ai-and-gen-ai-in-tmt.pdf

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"In the current AI-driven landscape, it's easy to get caught up in the hype and find yourself doing AI for AI's sake. At Casey's, data and analytics is all about solving problems and delivering value, not models and algorithms. We select the best tools for each job from our ever-expanding toolkit while staying abreast of industry trends and cutting-edge advancements. With the rise of agentic and multi-agent AI systems, we believe the next generation of AI is poised to revolutionize how we leverage data and technology to generate insights. We are actively evaluating how these innovations can help us deliver timely, actionable insights to our team members exactly where and when they need them — or even before they realize they do."

Matt Weber
Director of Data Science and Analytics

Casey's



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New (2-3 Years)

Scaling AI Investments
for Competitive Advantage

Key question: How can organizations maximize ROI while keeping pace with AI-driven innovation?

Strategic response: CXOs will use a dual-mode AI strategy to run and change the business, accelerating growth and eliminating organizational silos.

Strategic Actions for Scaling AI

CXOs will increasingly develop a dual-mode strategy to run and grow the business. They will deploy mature, stable AI solutions for "run" projects that increase business efficiency. A separate unit will focus on "grow and innovate" initiatives that unlock new business models, create value and differentiation, and can be integrated into the "run" environment later. To make this strategy a reality, leaders should be focusing on:

Optimizing organizational readiness for AI innovation

Assessing maturity across business functions to identify and address gaps in talent, infrastructure, and processes. This may require optimizing technology and processes by updating or replacing legacy technology, transforming business processes, creating extensible architectures, and developing LLMOps/MLOps capabilities. Establishing AI centers of excellence (CoEs) can drive standardization and best practices, ensuring consistency in AI adoption. CXOs can also evolve value frameworks to include longer-term KPIs, more accurately tracking AI's impact on their organization.

Building new AI-enabled business models

Moving beyond automation to enable AI-driven decision-making and personalized, in-moment experiences, where every interaction is optimized and drives customer delight. Companies can offer new business services, such as role-based AI agents, AI-driven market analysis and forecasting, AI-enabled dynamic pricing, personalized content creation at scale, and more. CXOs can explore how they can use AI-driven insights, prescriptive analytics, and automated processes to unlock new revenue streams.

Upskilling and transforming workforces

Developing AI literacy programs to equip employees with the skills to thrive in an AI-augmented work environment. For example, leaders can equip the workforce with new tools, including a sandbox environment to experiment in and do-it-yourself AI solutions, and value new behaviors, such as entrepreneurship and risk-taking. They also can establish cross-functional teams with domain, data, and technology expertise to drive AI experimentation, adoption, and governance.

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"AI is no longer just something to experiment with—it needs to deliver real business results. CXOs must take a structured approach to measuring its impact: making sure AI directly contributes to revenue, cost savings, and risk reduction. The real game-changer isn't just adopting AI but embedding it into everyday decision-making, operations, and customer experiences. Companies that do this well will move beyond small pilots to using AI at scale—where it's not just a tech upgrade, but a real competitive advantage."

Shashank Dubey
Co-founder & CRO

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Next (4-6 Years)

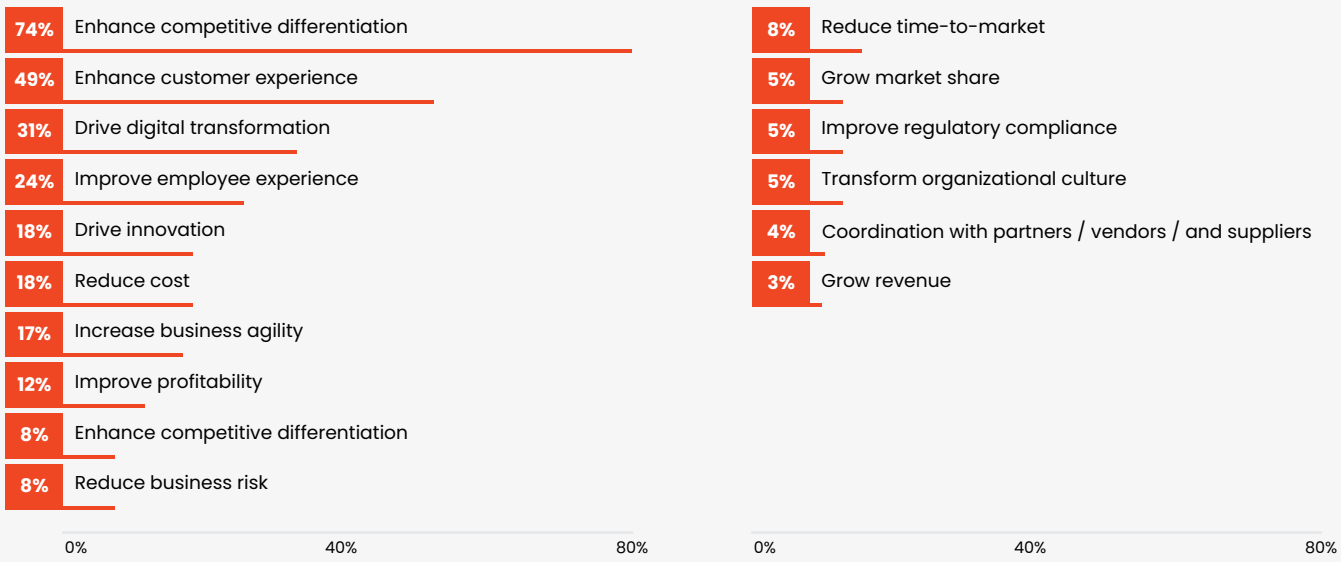
Enabling Continuous Business Transformation Through AI

Key question: How can AI fuel long-term business growth, agility, and innovation?

Strategic response: By embedding AI in business ecosystems and fostering cross-industry collaboration, CXOs can enable sustainable growth.

GenAI Drives Multiple Forms of Business Value[6]

Increasing productivity and enhancing the customer experience are the top two gains that enterprises achieve by deploying GenAI.



n - 78 CIOs, ecluding "not sure"

Q: What are the top three types of business value your enterprise seeks from applying generative AI?

Source: 2024 Gartner CIO Generative AI Survey www.gartner.com

Leaders are evolving business models, industry structures, and competitive landscapes. AI innovations will impact enterprise portfolios, customers, people, and processes. As a result, organizations that embed AI into their core value chains and foster ecosystem-wide partnerships will lead in the AI-driven economy.

[6] Tom Coshow, Arnold Gao, Lawrence Pingree, Anushree Verma, Don Scheibenreif, Haritha Khandabattu, and Gary Olliffe, *Top Strategic Technology Trends for 2025: Agentic AI, Gartner*, 21 October 2024, report, https://www.gartner.com/doc/reprints?id=1-2J9MY6NO&ct=241104&st=sb

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Long-Term Strategic Priorities

Establishing an AI transformation office: AI agents and agentic AI frameworks are transitioning from lab development to real-world applications. A transformation office team can partner with research institutions, AI labs, and academia to conduct advanced research and develop look-ahead research to build an ecosystem that supports the innovation agenda. Partners can develop a structured AI innovation pipeline to continuously experiment with new capabilities, such as multimodal AI, digital twins, and autonomous decision intelligence.

Creating AI-powered co-innovation strategies: Setting up collaborative innovation hubs with customers, vendors, and startups. One strategy is to establish shared innovation funds to develop prototypes of solutions that solve unique and complex customer challenges. These prototypes can be further developed and scaled across a larger customer base to drive more value.

Leveraging AI for sustainable and resilient growth: CXOs will create innovative collaboration models that apply data, algorithms, solutions, and unique value propositions from other industries to new verticals and customer scenarios. For example, partners can use AI to drive analytics that enable circular economy initiatives, optimizing energy efficiency and reducing environmental impact.

Conclusion: Creating the AI-Powered Enterprise of the Future

AI has fast become the driving force of business reinvention. Leaders should:

- Embed AI into the fabric of their business models
- Continuously refine AI strategies to unlock new avenues of growth
- Adopt responsible AI governance to foster trust and sustainability

Leaders must act decisively and play the long game: with sustaining investments, developing new capabilities, and transforming their business. By embracing AI as a strategic differentiator today, organizations can position themselves for long-term success in an AI-first world.

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"At Google Cloud, we are committed to sharing our decades of experience with pioneering AI innovation and helping organizations navigate through their toughest challenges. In particular, we are developing clear guidance and frameworks on how leaders can approach and develop robust AI strategies within their organizations. For instance, we use a simple prioritization matrix to help us plot out potential use cases, comparing their expected value generation against their estimated actionability and feasibility to help customers assess their capabilities and develop their AI roadmaps.

Generative AI has quickly moved beyond being a novel concept and is now a dynamic tool for achieving business objectives and transforming industries. Looking ahead to 2025, businesses must identify their core value drivers and explore how generative AI can re-imagine processes and rebuild experiences to fully realize the return on AI investments."

Carrie Tharp
Vice President, Solutions & Industries

Google Cloud



Source: https://cloud.google.com/transform/ai-impact-industries-2025

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LENS 2

Human + AI Agents = Co-intelligence

Navigating the cognitive leap to human-AI collaboration

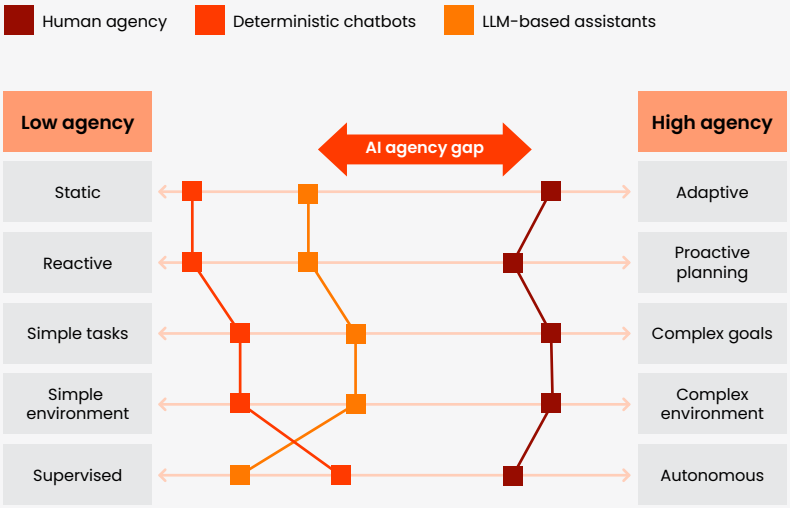
Redesigning Workforce Structures and Processes for Human-AI Interactions

AI is shifting organizational dynamics from human-led to AI-driven decision-making, requiring a re-envisioning of workforce structures. AI agents are intelligent, autonomous systems that execute tasks, learn from interactions, and adapt in real-time, enabling new collaboration modes. As a result, CXOs must redefine roles; reskill employees; and create environments where human expertise and AI capabilities merge to drive efficiency, agility, and innovation.

Agentic AI systems will form the foundation for innovative decision intelligence platforms that empower employees, stakeholders, and partners. They will provide task-specific agents executing end-to-end business processes and optimizing small and large decisions. Decision intelligence systems ingest first- and third-party data in different formats; offer trustworthy data and contextual tools for creating insights; and foster data sharing, exploration, and collaborative decision-making. Lens 3 discusses key steps to making decision intelligence a reality.

How Enterprises Will Deploy Agentic AI[7]

A growing percentage (15%) of all daily work decisions will be handled autonomously by 33% of agentic AI systems by 2028, up from 0% in 2024.



Source: Gartner



[7] "Top 10 Strategic Technology Trends for 2025," report, ibid.

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Three Horizons of AI-Augmented Workforce Evolution

Now (0-12 Months)

Laying the Groundwork for AI-Human Collaboration

New (2-3 Years)

Scaling Agentic AI to Drive Business Efficiencies

Next (4-6 Years)

Redefining Workforce Structures and Leadership Attributes

Now (0-12 months)

Laying the Groundwork for AI-Human Collaboration

Key question: How can leaders integrate AI into workflows while ensuring workforce adaptability, and how can they build and integrate decision intelligence systems and agentic AI?

Strategic response: Leaders must reassess their business processes, redesign workflows, invest in AI literacy, and implement AI governance frameworks.

Immediate priorities for CXOs

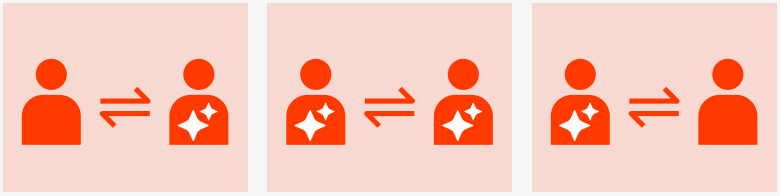
As they strategize how agentic AI can transform their business, leaders should focus on:

Developing an agentic AI strategy: CXOs can work with partners to develop an agentic AI strategy, roadmap, and governance framework to scale their AI capabilities, incorporate new advancements, and navigate disruptions. They should set up AI innovation labs to experiment with agentic AI use cases and implement governance frameworks to scale new capabilities.

Redesigning workflows for AI integration: Identifying top use cases for agentic AI where intellectual reasoning is required, decision-making is somewhat fluid but occurs within guardrails, processes can be divided into multiple steps, and multi-modal data such as imagery and video enriches decisions. Leaders can then streamline business processes to remove extra steps and potential failure points before automating them with agentic AI and empowering teams with AI-enabled copilots to guide workflows and decision-making. Finally, they should create process orchestration layers where agents can work independently or together.

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Agentic AI will enable various forms of collaboration[8]



Increasing workforce AI literacy: Reconcepting roles and tasks for future requirements. Leaders can then conduct a gap analysis, develop a roadmap, and identify where and how a joint workforce of humans and agentic AI can co-exist and thrive. CXOs will develop AI training programs and incentives, such as risk- and reward-based compensation and benefits mechanisms that motivate employees to learn new skills and adopt changed behaviors.

Empowering business functions with agentic AI tools: Encouraging business teams to build copilots and AI systems, leveraging AI platforms and AI for IT operations (AIOps) capabilities to centralize innovation and ensure that guardrails are consistently applied.



"The next wave of business transformation will be driven by AI that doesn't just process data but understands context, makes decisions, and acts autonomously. With decision intelligence and agentic AI, companies can move beyond automation to a future where AI enhances human expertise, streamlines collaboration, and fuels continuous innovation. Businesses that act decisively now won't follow the future. They'll help write it."

Munjay Singh
Chief Operating Officer

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"AI won't take your job.
It's somebody using AI that will."

– Richard E. Baldwin, Professor of International Economics at the IMD Business School[9]

[8] *Top Strategic Technology Trends for 2025: Agentic AI*, ibid.

[9] *AI & Automation Trends 2025*, eBook, UiPath, page 7, 2024, https://www.uipath.com/resources/automation-whitepapers/automation-trends-report

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"Snowflake is propelling businesses into the age of AI by creating a trusted platform where AI meets your data, streamlining the entire lifecycle in an easy, connected experience.

By bringing AI directly to the data, and integrating it within the data cloud, Snowflake eliminates traditional bottlenecks, enabling organizations to build and securely deploy and share data products, applications and models with unparalleled speed and scale.

This approach simplifies complex AI into tangible business outcomes, driving optimized operations, enhanced customer experiences, and ultimately, unlocking new revenue streams—propelling businesses to realize the true power of AI."

Madhan Arumugam
Global Vice President, Solution Engineering

snowflake®



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New (2-3 Years)

Scaling Agentic AI to
Drive Business Efficiencies

Key question: How can leaders ensure organizational readiness to scale agentic AI?

Strategic response: They can include diverse perspectives in AI development, implement AI-augmented decision-making, and enable agile AI workflows.

Strategic Actions for Scaling Agentic AI

Companies will scale agentic AI across their businesses, systematically targeting high-value processes that agentic AI can transform autonomously. CXOs will focus on:



"Agentic AI is redefining how businesses operate—moving from AI-powered assistance to autonomous decision-making.

To stay ahead, companies must go beyond experimentation and align AI initiatives with their long-term strategy.

This requires assessing AI maturity, developing scalable capabilities, and identifying high-value use cases where AI can drive real impact. Efficiency is just the starting point. Structured AI adoption opens the door to smarter decisions, faster adaptation, and more defensible growth."

Aravind Chandramouli
Head, AI Center of Excellence (CoE)

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Ensuring AI development reflects diverse perspectives: Designing bias-free AI talent management programs by ensuring fair and equitable recruitment, interviewing, hiring, and development processes. Diverse teams better understand the full range of user needs and provide checks and balances to ensure these perspectives are included in solutions.

Building an AI talent ecosystem: Partnering with academia to build an AI talent pool. These efforts span high school and college science, technology, engineering, and mathematics (STEM) education, non-traditional learning paths, sourcing talent from various schools and organizations (such as historically black colleges and universities), and supporting existing partners' open education or diversity and inclusiveness initiatives.

Reviewing AI processes end-to-end: Companies must use responsible AI frameworks, implement guardrails, and audit processes to ensure data and model processes are fair and unbiased towards employees, customers, and society.

Enhancing AI-powered decision support: Using AI-driven analytics to create new insights and faster feedback loops, enhance workforce planning, and inform strategic business decisions. CXOs can use analytics to track employee attitudes, social sentiment, and organizational health across internal platforms, social media, Glassdoor, and job sites. CXOs can analyze talent and workforce development strategies against market trends, to identify gaps or competitor stumbles they can capitalize on.

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“AI is no longer just about improving processes. It’s beginning to reshape them from the ground up.

Across our portfolio, we’ve seen the most meaningful impact when companies stop trying to automate broken processes and instead rethink how the entire system works.

In private equity, what matters is scale, speed, and durability. Agentic AI is starting to deliver on that. It allows businesses to act faster, depend less on layers of approvals, and adjust to change as it happens. The real value lies in building operations that are not just more efficient but smarter and built to last.”

Arjun Gobinath
Director

Advent



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Next (4-6 Years)

Redefining Workforce Structures and Leadership Attributes

Key question: What will the AI-powered workforce of the future look like?

Strategic response: Companies will shift from hierarchical organizations to AI-augmented, decentralized workforces that are outcome-focused and equipped withcutting-edge tools.

Long-Term Strategic Priorities

As agentic AI handles more processes, organizations will flatten and change. Individuals will hold multiple roles and use AI systems to execute complex processes end-to-end.



"As agentic AI moves from concept to capability, the focus must shift from building smarter models to creating more intuitive systems. The challenge is not just technical. It's experiential. How do we design AI that understands context, respects user intent, and improves with use?

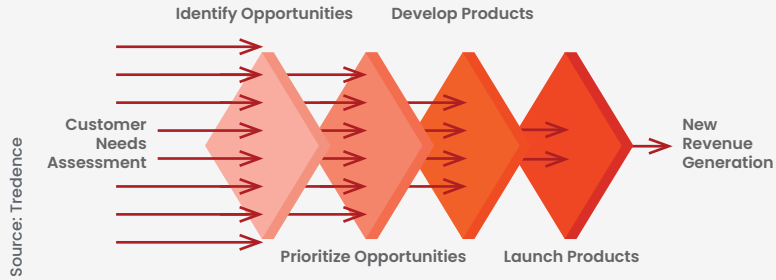
Across industries, success will depend on how well we blend intelligence with usability. The real breakthroughs won't come from scale alone, but from experiences that feel natural, responsive, and trustworthy.

Designing for co-intelligence means treating AI not as a layer of automation, but as a participant in decision-making. That requires empathy, adaptability, and the discipline to keep iterating."

Pavan Nanjundaiah
Head, Tredence Studio

Deploying AI-augmented teams: Individual contributors and small groups will be empowered to execute strategic business processes end-to-end—from project management to customer engagement—reducing reliance on extensive personnel structures. Groups as small as two to three will be given AI tools and goals, such as boosting profitability by a specific metric, and the freedom to make independent decisions to attain them within certain guardrails.

All hail the rise of the outcome-based workforce



Transforming workforce assignments: Using AI-powered tools for real-time skill mapping and workforce optimization. Leaders will dynamically allocate talent to projects based on AI-driven insights, providing the context and deliverables for each day's work. Because this will occur at scale, organizations will become highly effective and be able to manage business outcomes daily.

Pioneering advanced human-machine synergy: Integrating brain-computer interfaces (BCIs) to enhance decision-making, hire a broader range of talent, and equip employees with the tools they need to succeed. Leaders will expand workforce strategies, using human-machine collaboration and new talent pools to hire to perform a broader range of tasks. BCIs can personalize feedback, monitor users' cognitive states, and enable users to control processes with their thoughts. Potential applications include training and learning, decision support, data analysis, and more.

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"Agentic AI is changing how businesses work by going beyond traditional AI, which only helps with decision-making. Agentic AI brings advanced capabilities that can analyze data, make decisions, and take actions on its own, automating tasks and making processes faster and more efficient. In the real world, from adjusting marketing campaigns in real-time and improving supply chains to simplifying tasks using natural language tools, the technology is designed to offer a host of benefits to businesses, like saving time, reducing effort, and focusing on bigger goals.

But there are challenges, too. Agentic AI needs accurate data to make good decisions, clear rules about how much control it has, and strong security to protect sensitive information. Without proper planning and oversight, it can cause confusion and inefficiencies. To get the most out of agentic AI, businesses need to combine its speed and automation with human input, ensuring it works smoothly and aligns with their goals."

Namratha Dharshan
Chief Business Leader

ISG



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Conclusion: Creating AI-Powered Future Organizations

Business leaders should:

- Redesign organization structures to maximize human-AI collaboration
- Define new ways of working, including how humans and AI systems will partner and execute tasks
- Leverage agentic AI systems to scale and grow instead of just increasing headcounts

The AI-powered enterprise will be built on continuous learning, ethical AI implementation, and human-AI collaboration.

LENS 3

Business Process Re-engineering

Navigating the cognitive leap to human-AI collaboration



Strategic Imperatives for AI-Driven Process Reengineering

Business processes are undergoing a seismic shift driven by AI. The convergence of GenAI and agentic AI systems is unlocking new efficiencies in traditionally rigid and siloed workflows. Enterprises that embrace AI-driven process automation are experiencing unprecedented gains in operational agility, customer experience, and cost efficiency.

However, many enterprises struggle with legacy systems, fragmented data ecosystems, and deeply entrenched manual processes. Leaders must implement a structured approach that aligns AI investments with strategic business objectives to realize AI's full potential in process re-engineering.

Two of the functions that leaders are transforming with data, analytics, and AI are customer experience management (CXM) and supply chain management (SCM). By increasing insight into processes, agility, and responsiveness, enterprises can identify and capitalize on emerging opportunities while mitigating risks that could harm profitability and business viability.

175 models

Average number deployed by companies using GenAI for business transformation, with plans to grow to 200 within a year.[10]

[10] *The new battleground*, ibid, page 3.

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Three Horizons of AI-Driven Process Transformation

This lens explores actionable strategies for optimizing business operations across three time horizons:

Now (0-12 Months)

Establishing AI-Driven Efficiency in Core Processes

New (2-3 Years)

Scaling Intelligent Automation for Competitive Advantage

Next (4-6 Years)

Enabling Continuous Business Transformation Through AI

Now (0-12 Months)

Establishing AI-Driven Efficiency in Core Processes

Key question: Where should companies start their AI-driven transformation?

Strategic response: Leaders should modernize core workflows with AI, enhancing decision intelligence and optimizing operational efficiency.

Immediate Priorities for CXOs

Organizations must identify high-impact business applications where AI-driven transformation can be infused to generate immediate business value. Early AI adoption should focus on supply chain optimization, customer experience management, and intelligent automation of manual workflows.

Using AI to optimize supply chains: Companies can implement AI-powered demand forecasting, dependency and critical path analysis, scenarios, and recommendations to enhance procurement and inventory management. With AI systems and orchestration, companies can harmonize end-to-end processes that cross over business functions. That enables enterprises to optimize supply chain processes, such as procurement, warehousing, and transportation, leveraging real-time data analytics to reduce risks.

The Growing Pace of GenAI Adoption Among Supply Chain Leaders[11]

Half of supply chain leaders plan to implement GenAI in the next 12 months, with an additional 14% already in the implementation stage.



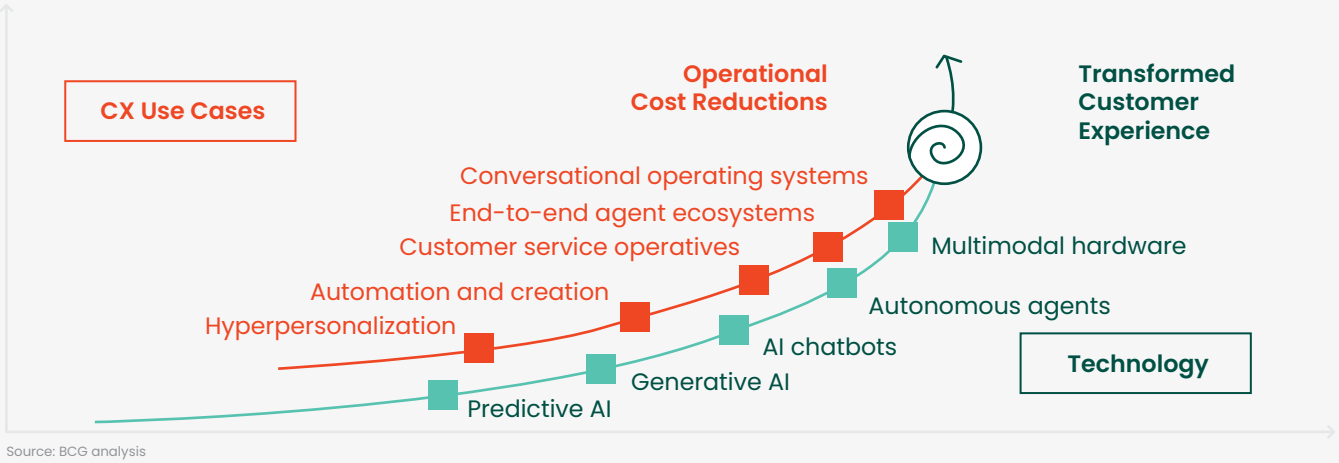
[11] "Gartner Survey Shows Half of Supply Chain Organizations Plan to Implement GenAI in the Next 12 Months," press release, Gartner, January 10, 2024, https://www.gartner.com/en/newsroom/press-releases/2024-01-10-gartner-survey-shows-half-of-supply-chain-organizations-plan-to-implement-genai-in-the-next-twelve-months

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Enhancing the customer experience with AI: Enterprises are using GenAI to map customer journeys, transform customer segmentation, and personalize marketing content, demonstrating a deeper understanding of customer wants and needs. Companies can use responsive web content, AI-powered chatbots, and virtual assistants to personalize interactions and optimize in-moment experiences.

How AI Agents Are Transforming the Customer Experience (CX)[12]

AI agents enable new interaction modes while driving down costs.



Source: BCG analysis

Redefining user interactions with advanced technology: Creating avatars and harnessing GenAI's different user interaction modes, such as text, voice-to-text, and conversational AI, to provide a better user experience (UX). Companies can use agentic AI systems to create role-based avatars, collect relevant signals, and develop recommendations, abstracting and packaging these insights for use across the company. They can also align interaction modes with use cases to enhance the UX, streamlining navigation and increasing accessibility.

Streamlining decision-making with AI: Harnessing data products, analytics, machine learning models, and decision intelligence to make data-driven decisions. CXOs are integrating decision intelligence tools into financial planning and risk management to create AI insights that eliminate organizational silos and speed and improve cross-functional decision-making. With integrated forecasting capabilities, companies can continuously monitor changing market dynamics, proactively mitigating risks and capitalizing on new business opportunities.



"The supply chain has always been a balancing act—managing demand, optimizing inventory, and ensuring smooth operations. With AI-driven insights and agentic AI, businesses can finally break down silos and make real-time, cross-functional decisions. From forecasting demand to optimizing procurement and pricing, AI enables supply chains to be more efficient, responsive, and intelligent. Companies that embed AI into their supply chains won't just respond to change. They'll anticipate it and turn it into opportunity."

Majaz Mohammed
Vice President, Supply Chain

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[12] Karen Lellouche Tordjman, Dutch MacDonald, Phil Gerrard, Robert Derow, Bridget Scott, Kartik Poria, Rob Bell, and Mark Irwin, "How AI Agents Are Opening the Golden Era of Customer Experience," article, BCG, January 13, 2025, https://www.bcg.com/publications/2025/how-ai-agents-opening-golden-era-customer-experience

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"The shift toward AI-driven transformation demands more than just technology adoption — it requires a fundamental change in how businesses orchestrate data, align teams, and deliver value. In this evolving landscape, success hinges on an organization's ability to break down silos and create interconnected experiences that empower faster, informed decision-making.

By harnessing GenAI's ability to filter meaningful insights from vast data streams, businesses can move from reactive strategies to proactive engagement. This enables teams across CX, marketing, and sales to anticipate customer needs and respond in real time — transforming every micro-moment into a strategic advantage. The key lies in prioritizing outcomes over outputs, fostering a culture of value creation, and embedding intelligent automation into daily operations to unlock sustainable growth."

Surjyadeb Goswami
Research Director-AI & Automation

IDC



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New (2-3 Years)

Scaling Intelligent Automation for Competitive Advantage

Key question: How can enterprises scale AI adoption while ensuring business alignment?

Strategic response: They can automate processes enterprise-wide and redefine workforce roles to spur AI-driven innovation.

Companies must shift from isolated AI deployments to enterprise-wide automation as AI capabilities mature. This transition requires that leaders maintain a dual focus on AI scalability and human-AI collaboration.

Strategic Actions for Scaling Enterprise-Wide Automation

Driving enterprise-wide AI adoption

Determining which processes AI can fully automate and which will be AI-driven but human-governed across finance, sales, delivery, customer support, HR, and operations. CXOs will use these insights to set strategy, standardize frameworks to ensure consistent deployment across business functions, and embed KPIs in new systems to measure progress and optimize outcomes. They will also leverage AI governance structures to ensure regulatory compliance and ethical AI use.

Empowering workforces with AI capabilities

Re-designing job roles to enhance collaborative AI and human creativity and problem-solving. For example, product managers will take on more market research and development roles: using agentic AI to gain instant customer, market and product insights; design and test products; and create dynamic, hyper-personalized user experiences at scale. Similarly, developers will shift their focus to building and maintaining AI platforms and underlying infrastructure and developing advanced functionalities.

Using AI to innovate business processes

Leveraging AI to optimize all aspects of the business. Leaders must harness predictive analytics to drive business model innovation, decision intelligence to enable proactive strategy execution, and AI to enable new product development and service delivery models. For example, companies should use agentic frameworks to hyper-personalize the CX with seamless omni-channel execution: anticipating customer needs, providing real-time offers, and continuously updating them based on context.

40%

Of global employment is exposed to AI, with some jobs replaced by automation and others enhanced with AI-powered tools.[13]

[13] Kristalina Georgieva, "AI Will Transform the Global Economy. Let's Make Sure It Benefits Humanity," article, International Monetary Fund, January 14, 2024, https://www.imf.org/en/Blogs/Articles/2024/01/14/ai-will-transform-the-global-economy-lets-make-sure-it-benefits-humanity

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"Customers today expect more than just transactions—they want brands to understand them, anticipate their needs, and engage with them in a meaningful way. AI makes this possible by connecting data across channels, personalizing interactions, and making every touchpoint feel effortless. Those who align every customer interaction with real-time intelligence and intent won't just retain customers. They'll turn experience into competitive advantage."

Surya Shanmuga Sundaram
Vice President, Customer Experience Management (CXM)

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Next (4-6 Years)

Enabling Continuous Business Transformation Through AI

Key question: How can AI sustain long-term business resilience and growth?

Strategic response: Leaders will future-proof processes, embed AI across ecosystems, and drive AI-powered innovation to increase market relevance.

The future of AI-powered business process re-engineering extends beyond automation—it is about fostering an AI-native enterprise where AI drives strategic decision-making, market differentiation, and industry leadership.

Long-Term Strategic Priorities

Increasing process resilience with AI: Developing AI-driven operational resilience strategies to adapt in real-time to market disruptions, such as macro events, customer changes, and new technology advancements, and capitalize on the opportunities it will create. Leaders will implement AI-powered business continuity frameworks and use AI to enhance regulatory compliance and risk management.

Standardizing decision-making: Using agentic AI to automate more processes. Leaders will develop a catalog of all decisions, feed these inputs into agentic AI systems, and select the right complex decisions to automate. These capabilities will empower decision-makers to focus on the strategic aspects of their roles and guide organizations through disruptive change.

Enabling AI-driven strategic decision-making: Providing role-based, contextual agents and AI platforms that empower teams with real-time business intelligence, scenario planning, and decision orchestration to optimize outcomes.

80%

Of executives believe that automation can be applied to every business decision.[14]

[14] "Gartner Survey Reveals 80% of Executives Think Automation Can Be Applied to Any Business Decision," press release, Gartner, August 22, 2022, https://www.gartner.com/en/newsroom/press-releases/2022-08-22-gartner-survey-reveals-80-percent-of-executives-think-automation-can-be-applied-to-any-business-decision

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Fueling cross-industry AI collaboration: Establishing AI ecosystems that enable new data-sharing partnerships, innovate new solutions, and use AI-powered market intelligence to anticipate shifts. For example, companies will leverage confidential computing advances, data clean room technology, and third-party data sets to share and enrich encrypted data, run models on it, and derive insights they can legally use. They will also tap into non-endemic partnerships to create more value, such as offering insights into customer purchase patterns or selling ad space to promote products and services they don't sell.

Conclusion: The AI-Powered Future of Business Operations

AI-driven process re-engineering is an ongoing strategic imperative. The next generation of business leaders will be those who:

- Embed AI into their operational frameworks for agility and resilience.
- Continuously refine AI-driven processes to enhance efficiency and productivity.
- Leverage AI as a strategic enabler for new business models and industry transformation.

Organizations that prioritize AI in their transformation journeys today will define the future of industry innovation, operational excellence, and market leadership.



"The biggest challenge businesses face today isn't just disruption—it's the speed at which disruption happens. AI allows companies to move from reactive decision-making to proactive strategy. By continuously learning from data, identifying patterns, and automating insights, AI enables businesses to make informed choices faster, adapt to change seamlessly, and turn uncertainty into opportunity. Real transformation begins when AI stops being a function and starts becoming the lens through which the entire business is run."

Praveen Satyanarayana
Senior Director, Customer Experience Management

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“At Casey’s, our team of platform and data engineers are transforming engineering and operations through intelligent automation, driving unparalleled efficiency and innovation.

By leveraging best-in-class technologies that include Databricks and the Azure cloud, we are not only streamlining processes but also establishing an enterprise data engineering capability beyond the Data & Analytics practice. This simplifies the process for non-data engineers, unlocking unprecedented levels of data democratization.

By harnessing our data assets, we are able to uncover actionable insights that drive strategic decision-making and foster a data-driven culture. This approach not only enhances operational performance but also creates new opportunities for revenue growth and customer engagement.”

Casey's

Ryan Fye
Director of Data Strategy

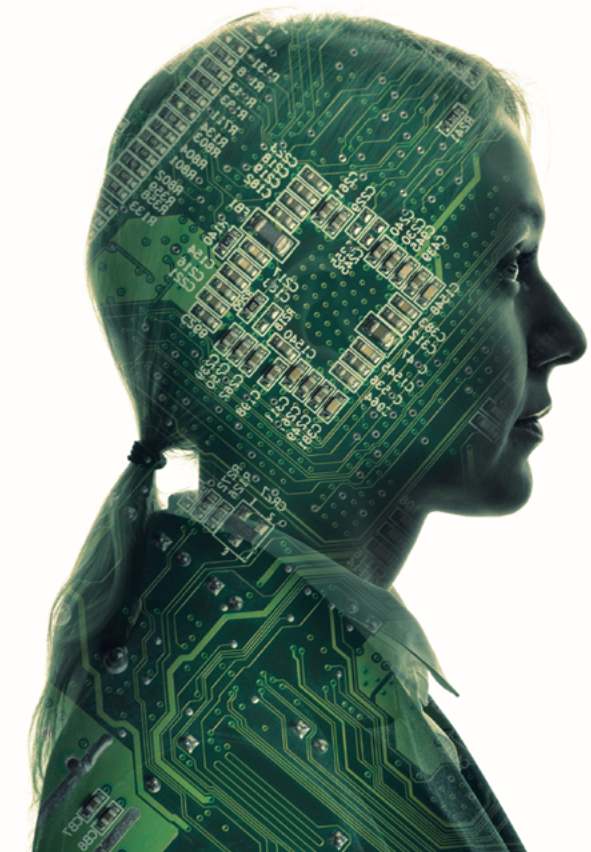


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LENS 4

Technology Evolution

Navigating emerging technological advancements and aligning them with business needs



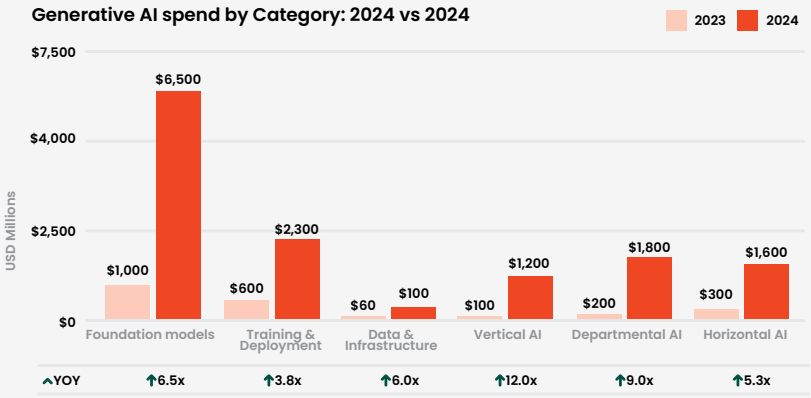
Strategic Imperatives for AI Adoption

As enterprises grapple with the fast pace of AI and agentic AI development, leaders must determine the optimal balance between aggressive adoption and prudent risk mitigation.

Companies are adopting different approaches to using GenAI, some of which will be far more successful than others. They span taking a caution-and-control approach, shutting down GenAI tool access until guardrails improve. Others are charging ahead as early adopters, increasing their risk tolerance to build organizational muscle for using GenAI. Still others have set up calvary units, small teams that experiment and innovate, establishing technology feasibility and roadmaps, determining ROI, and setting up standards and procedures for broader adoption. A final group is taking a centralized, hybrid approach, establishing a dedicated AI CoE that governs how GenAI solutions are rolled out.

How Enterprises Are Investing GenAI Dollars[15]

Spending soared across all categories from 2023 to 2024, with vertical AI growth far outpacing horizontal AI investment.



Source: Menlo Ventures

Which adoption strategy enterprises use will depend on their industries, AI readiness, budgets, and other factors. However, taking a measured but innovative approach to GenAI is generally preferred to no engagement, enabling companies to harness GenAI's transformational capabilities while implementing proper governance, training, and controls.

[15] By Tim Tully, Joff Redfern, and Derek Xiao, with Claude Sonnet 3.5, *2024: The State of Generative AI in the Enterprise*, report, Menlo Ventures, November 20, 2024, https://menlovc.com/2024-the-state-of-generative-ai-in-the-enterprise/

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Three Horizons of Advanced Technology Adoption

Now (0-12 Months)

Establishing a Robust AI Foundation

New (2-3 Years)

Scaling AI Ecosystems for Sustained Growth

Next (4-6 Years)

Building Future-Ready AI-Driven Business Models

Now (0-12 Months)

Establishing a Robust AI Foundation

Key question: What changes can enterprises make to facilitate business transformation?

Strategic response: Enterprises should strengthen AI and data capabilities, integrate ethical AI frameworks, and develop an agile technology infrastructure.

Organizations are transitioning from AI technology experimentation to productionizing models to solve real business problems. This process involves establishing a strong AI foundation with adaptable data ecosystems, cloud-driven architectures, and automated compliance protocols to enable increasingly complex use cases.

Immediate priorities for CXOs

As they strategize how agentic AI can transform their business, leaders should focus on:

Preparing organizations for rapid AI innovation: Evaluating business readiness to adopt the latest innovations. Companies are modernizing data and infrastructure to support GenAI deployments at scale, codifying technology evaluation and selection processes, and implementing change management. They're also developing data ecosystems, integrating first- and third-party data to create AI-powered insights. And finally, they're building change-ready organizations by fostering a culture of continuous learning with AI training, data literacy, and soft skills development.

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Deploying AI-powered engineering and IT capabilities: Standardizing use of GitHub Copilot and Gemini Code Assist, which help data engineers write, refactor, and optimize code; documentation generation; data model creation; and migration assistants. AI-powered tools optimize real-time queries and enable continuous pipeline health monitoring. In addition, companies will use AI governance playbooks to standardize solution development and ensure compliance with regulatory and security requirements.

26% Average productivity gain achieved by developers using GitHub Copilot.[16]

Forging strategic AI partnerships: Evaluating AI vendors and solutions based on their transformation impact and scalability and their ability to bring in the right data and AI talent rather than specific skill sets. Companies are leveraging vendor AI accelerator ecosystems to speed deployment timeframes, minimize costs, and reduce risks.

[16] "New Research Reveals AI Coding Assistants Boost Developer Productivity by 26%: What IT Leaders Need to Know," article," *IT Revolution*, September 12, 2024, https://itrevolution.com/articles/new-research-reveals-ai-coding-assistants-boost-developer-productivity-by-26-what-it-leaders-need-to-know/



"In the past, technology supported the business strategy. Now, technology is the strategy. AI-first organizations will move from simply reacting to market changes to shaping them. They'll build adaptive processes, intelligent automation, and decision-making frameworks that evolve in real-time. Twinning with AI isn't about faster output. It's about better thinking. The real advantage will come to those who treat AI as a cognitive partner across the business."

Lakshmikant LK Gundavarapu
Chief Innovation Officer

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New (2-3 Years)

Scaling AI Ecosystems for Sustained Growth

Key question: How can organizations maximize ROI while keeping pace with AI-driven technology advancements?

Strategic response: Leaders should adopt a dual-mode AI strategy that balances efficiency and innovation.

As AI capabilities mature, enterprises will move beyond siloed implementations toward integrated AI ecosystems with scalable AI architectures, ethical AI compliance models, and AI-augmented decision-making frameworks.

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“At Nestlé, we measure business value in two ways: cashable outcomes like sales growth and cost savings, and non-cashable gains like better productivity and stronger customer connections.

Our success comes from aligning technology with our goals, having strong leadership support, and focusing on change management. We prioritize high-value projects, test them on a small scale, and then expand. This approach helps us deliver real results and create consistent value across all operations.”

Sambit Dutta
Vice President, Digital Strategy and Business Transformation

Nestlé



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Strategic Actions for Scaling AI Ecosystems

Adapting cloud and hybrid AI strategies: Using GPU-intensive infrastructures to scale higher-density AI workloads, like real-time analytics and agentic AI capabilities. With greater computing firepower, enterprises will deploy more advanced autonomous capabilities, such as autonomous pipelines that continuously adapt to new requirements without impacting downstream systems. Finally, companies are processing more data at the edge to create analytics and enable decision intelligence.

Deploying integrated multimodal interfaces: Enabling engineers to interact with data systems how they want to, via text, voice, and graphical interfaces, and capture data from previously hard-to-access sources, such as PDFs and video feeds.

Developing ethical data governance models: Standardizing AI risk management policies with continuous auditing mechanisms that ensure sensitive data doesn't leak into models or answers, enable the automated redaction of confidential information, and check data and systems regularly for bias and toxicity.

Building domain-specific, multimodal AI applications: Moving beyond tax-based AI models to integrate images, audio, video, software code, IoT signals, and sensor-driven intelligence. With richer inputs, companies can develop AI-powered decision support tools tailored for specific industry challenges, such as healthcare, finance, and supply chain applications.

51%

Of data monetization's value comes from improving internal operations, 31% from developing data-driven products and services, and 18% from selling data.[17]

[17] "Data is Everybody's Business: The Fundamentals of Data Monetization," article, MIT Management Sloan School, October 16, 2023, https://mitsloan.mit.edu/press/data-everybodys-business-fundamentals-data-monetization



"The businesses that will thrive in this AI era are not the ones that move fastest or wait longest. They are the ones that find the right balance between bold experimentation and responsible adoption. AI is not here to replace human judgment. It is here to strengthen it.

Leaders must move beyond hesitation and engage deeply with what AI can enable, while also putting the right guardrails in place. The real challenge is to turn technological momentum into meaningful outcomes that stand the test of time."

Unmesh Kulkarni
Head, Generative AI

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Next (4-6 Years)

Building Future-Ready AI-Driven Business Models

Key question: What emerging AI advancements should leaders prioritize for long-term transformation?

Strategic response: Top trends to adopt include AI-native business models, autonomous AI ecosystems, and quantum computing.

Organizations that embed AI across their business models will unlock new revenue streams and operational efficiencies as AI continues to disrupt industries. The convergence of quantum computing, multi-agent AI systems, and decentralized intelligence will shape enterprises' future growth trajectories.

Long-Term Strategic Priorities

Adopting expert small language models: Transitioning away from resource-intensive large language models (LLMs) to domain-specific small language models (SLMs) that offer greater accuracy, efficiency, and cost-effectiveness. Modular and scalable, SLMs enable organizations to deploy AI solutions that provide pinpoint expertise tailored to industry needs. Companies will also deploy and scale AI copilots customized for internal decision-making and multi-agentic architectures for real-time decision-making and autonomous workflows.

Speeding the development of custom GenAI applications for different tasks



Accelerating autonomous business processes: Using multimodal data integration, reinforcement learning, and AI memory integration to enable advanced decision automation. Companies will also harness quantum computing to hyper-compress LLMs and solve increasingly complex computational challenges. These capabilities will enable firms to develop AI-driven autonomous business models, enabling machine-to-machine transactions like negotiation, buying, & selling.

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Strengthening AI ecosystems through cross-industry collaboration: Forming AI consortia to establish best practices and industry-wide AI regulations. These groups will leverage AI-powered data exchange platforms to drive innovation across verticals and build open-source AI frameworks for interoperability and responsible AI adoption.



"AI is entering a phase where systems don't just operate in isolation. They interact, learn, and improve together. Multi-agent architectures are reshaping how data flows through an organization. This makes it possible to design systems that respond to context, adjust to change, and support smarter decisions.

For data teams, this shift moves the focus from pipelines to intelligence. It is about building environments where systems evolve with the business and help it stay one step ahead."

Arnab Sen
Vice President, Data Engineering

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Conclusion: Embracing a Technology-First Mindset for AI Leadership

AI-driven process re-engineering is an ongoing strategic imperative. The next generation of business leaders will be those who:

- Embed AI into their operational frameworks for agility and resilience.
- Continuously refine AI-driven processes to enhance efficiency and productivity.
- Leverage AI as a strategic enabler for new business models and industry transformation.

Organizations that prioritize AI in their transformation journeys today will define the future of industry innovation, operational excellence, and market leadership.



"Businesses that view AI as a tool to replace tasks are missing the bigger picture. GenAI is fundamentally changing how enterprises think, decide, and operate by creating intelligent, self-learning systems that go beyond efficiency to drive strategic advantage. This shift requires a mindset change—leaders must move from 'adopting AI' to 'architecting for AI.' Businesses need to rethink existing and upcoming data, infrastructure and governance in their ecosystem to keep up and set the pace for an AI-first world."

Anugraha Sinha
Director, Generative AI

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LENS 5

Governance and Compliance

Preparing to manage and govern AI applications at scale

Strategic Imperatives for AI Governance

As AI permeates every facet of business operations, enterprises face unprecedented challenges in regulatory compliance, ethical AI adoption, and risk management. The proliferation of agentic AI systems and GenAI requires that leaders establish robust governance structures to ensure responsible AI deployment.

CXOs must take proactive measures to safeguard data, prevent biases, and maintain public trust while unlocking AI's full potential to drive efficiency and innovation. That means ensuring end-to-end transparency and traceability across all data and model processes and ensuring compliance processes can accommodate model growth across business functions, customers, and partners. Compliance frameworks must also support the transition to fully automated processes, where agents consider variables and make decisions on organizations' behalf.

Three Time Horizons for Evolving AI Governance

Now (0-12 Months)

Establishing AI Compliance Foundations

New (2-3 Years)

Scaling AI Governance for Enterprise-wide Trust

Next (4-6 Years)

Embedding AI Ethics into Future Business Models

Now (0-12 Months)

Establishing AI Compliance Foundations



Key question: How can companies develop governance frameworks that balance innovation and compliance?

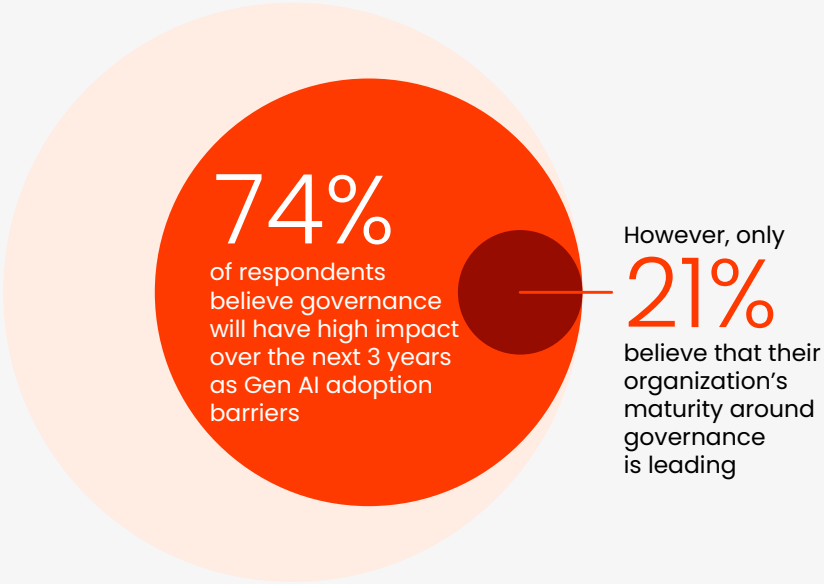
Strategic response: Enterprises can increase transparency, evolve AI policies and frameworks, automate risk management protocols for all AI initiatives, and establish meaningful conversations with clients.

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As AI adoption accelerates, enterprises must move swiftly to build governance mechanisms that ensure responsible AI usage. This process begins with defining AI ethics, aligning with regulatory standards, and deploying AI-driven systems to scale compliance mechanisms.

Governance Can Catalyze Growth If Enterprises Invest Appropriately[18]

While three in four survey respondents believe governance's impacts will increase with AI adoption, far fewer have built market-leading capabilities.



Source: IBM

Immediate Priorities for CXOs

Defining ethical standards: Establishing company-wide principles for fairness, transparency, accountability, privacy, and security for all AI processes. CXOs will want to align enterprise governance policies with the latest global standards, such as ISO/IEC 42001:2023, NIST AI Risk Management Framework[19], and new regulations, such as the European Union AI Act and the U.S. Blueprint for an AI Bill of Rights.

Emerging AI Standards That Companies Should Align To[19]

By proactively alignment to new standards, enterprises can develop systems that are safe and broadly accepted by stakeholders.

ISO/IEC 42001:2023, the latest AI Management System (AIMS) standard	NIST AI Risk Management Framework (RMF)
Provides a rigorous methodology and controls for building trustworthy AI systems.	Helps organizations evolve AI risk management practices to meet their goals and priorities.

Ensuring data privacy and security: Strengthening encryption and access controls for AI models and data sets. They will also develop federated learning models to enhance privacy while streamlining cross-organization AI collaboration.

[18] *The enterprise guide to AI governance*, IBM, research brief, page 4, 2024, https://www.ibm.com/downloads/documents/us-en/107a02e9f2c8facd

[19] Acronyms for the International Organization for Standardization/International Electrotechnical Commission and National Institute of Standards and Technology.

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Implementing risk management protocols for AI deployments: Developing comprehensive protocols to identify and mitigate design, data, model, and operational risks associated with AI technologies. Strategies include conducting upfront risk assessments, using AI platforms to standardize development processes and create shareable assets, automating more compliance processes, and developing incident plans to respond to ethical breaches and compliance violations proactively.

Automating AI regulatory compliance: Deploying AI-powered compliance monitoring and auditing tools to track AI decisions, detect potential violations in real-time, and trigger alerts so teams can quickly respond and mitigate them. Leaders will also implement real-time bias detection frameworks to mitigate risks inherent in AI-driven decision-making.

New (2-3 Years)

Scaling AI Governance for Enterprise-wide Trust

Key question: How can CXOs ensure governance keeps pace with rapid AI advancements?

Strategic response: Leaders can build adaptive governance models, enhance explainability, and implement enterprise-wide compliance frameworks to ensure development occurs within guardrails.

As AI systems become increasingly autonomous, governance frameworks must evolve to provide dynamic oversight. Leaders will integrate AI governance into core business processes and foster industry-wide collaboration for ethical AI deployment.

As AI-Related Risks Grow, CXOs Seek to Evolve Governance[20]

Three in five CXOs say additional AI policies are needed to mitigate growing regulatory and compliance risks, yet there is still a gap in compliance capabilities.



[20] *The enterprise guide to AI governance*, ibid, page 5.

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"At Mars, using AI responsibly is a key priority. With generative AI evolving rapidly, we recognized the need for a unified platform to scale innovation efficiently and ethically.

This platform empowers our teams to explore AI-driven solutions while ensuring compliance with privacy, security, and responsible AI principles.

Our responsible AI framework not only drives innovation but also safeguards the interests of our people, consumers, and partners. It provides the tools and guardrails needed for scalable and sustainable AI adoption."

Kaarthik Subramaniam
Director of Digital Experiences Platforms
Mars Global Services

MARS



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Strategic Actions for Scaling AI Governance



"Regulations are tightening, but enterprises can't wait for mandates to dictate responsible AI use. The future belongs to businesses that proactively enforce AI security—ensuring data privacy, bias mitigation, and explainability at scale.

AI must not only be intelligent but also accountable, with auditable trails that regulators, customers, and partners can trust.

As agentic AI takes center stage, businesses need real-time compliance monitoring where AI governs AI, flagging risks before they escalate."

Manoj Kuruvanthody
Chief Information Security Officer & Data Protection Officer

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Developing explainable AI (XAI) frameworks: Implementing model interpretability techniques to ensure transparency in AI-driven decisions. Leaders must develop transparent and auditable models, document and explain high-risk application decisions, and share why recommendations are made for specific users.

Building adaptive AI governance models: Standardizing AI governance policies across global markets to streamline compliance. Companies are deploying frameworks with modules for data governance, algorithmic bias mitigation, model validation and testing, and human oversight to increase agility and responsiveness to evolving compliance requirements. They are also building explainability into audit processes to identify who made certain decisions, when, and why.

Key Tools to Incorporate into Risk Assessments

Info-Tech Research Group recommends that companies operating in Canada, the US, or Singapore leverage these tools.[21]

Key Tools to incorporate into Risk Assessments

Canada	US	Monetary Authority of Singapore
Algorithmic Impact Assessment tool, Bill C-27 Artificial Intelligence and Data Act	National AI Initiative Act of 2020 (Division E, SEC 5001)	EU AIDA[22] and its Intelligence Act
Responsible Use of AI Guiding Principles		FEAT Principles Assessment Methodology[23]

Creating scalable data governance frameworks: Ensuring governance structures can grow with data volumes and diversity. They should encompass strong access controls and data lineage, provenance, classification, sovereignty, compliance, quality, and integrity auditability.

Fostering AI governance: Partnering with regulatory bodies, industry consortia, and academic institutions to share responsible AI frameworks and ensure their applicability across industries and business models. Companies will establish AI governance alliances to share best practices and compliance innovations.

[21] "Govern the Use of AI Responsibly With a Fit-for-Purpose Structure", presentation, Info-Tech Research Group, slide 32, 2024, Govern the Use of AI Responsibly With a Fit-for-Purpose Structure | Info-Tech Research Group

[22] Acronym for the European Parliament's Special Committee on Artificial Intelligence in a Digital Age.

[23] Refers to the Principles to Promote Fairness, Ethics, Accountability and Transparency (FEAT) in the Use of Artificial Intelligence and Data Analytics in Singapore's Financial Sector.

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Next (4-6 Years)

Embedding AI Ethics into Future Business Models

Key question: How can AI governance frameworks evolve to support next-generation AI capabilities?

Strategic response: CXOs can leverage fully automated compliance processes to ensure regulatory alignment while maintaining the pace of AI development.

The future of AI governance will see machines monitoring machines, with AI systems enforcing compliance autonomously while humans provide oversight. Companies must prepare for an AI-first regulatory environment where governance is deeply embedded into AI models and operational frameworks.

Long-Term Strategic Priorities

Implementing AI-driven regulatory automation: Deploying self-regulating AgentOps systems that monitor compliance in real-time and adjust governance policies autonomously. Leaders will also leverage AI-powered risk intelligence to predict and mitigate compliance risks proactively. These tools will be able to identify compliance issues across data flows crossing functional processes; complex agentic AI systems, with myriad sub-agents executing individual processes; and different interaction modes, with new data types. With these capabilities, companies can use agentic AI processes to scale global processes, such as product launches.

Improving agentic AI understanding: Improving AI literacy to ensure that teams use data, systems, and model outputs responsibly. Companies will educate their people on compliance risks their organization faces, how systems use data and create outputs, compliance thresholds, and how to escalate issues when risks arise. They'll empower teams with automated bias checks and mitigations for high-risk models and explainable AI platforms that audit processes.

Advancing ethical AI development: Using bias reduction algorithms and fairness testing to ensure AI models align with evolving ethical standards. Teams will also use tools with embedded ethical AI to identify new market opportunities and develop products, prioritizing privacy-first AI solutions that minimize customer data usage while maximizing AI utility.

Pioneering AI-powered compliance innovations: Exploring the latest AI agentic-based governance models where AI systems self-govern and flag regulatory risks. Companies will also integrate BCIs into compliance frameworks to enable more initiative oversight of AI initiatives.

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databricks

"Data is the catalyst for AI, so it must be a foundational component of the process. Few aspects of data management are as critical as controlling how data is collected and who can access it—or what's commonly called data governance. In this new AI era, governing the data becomes as important as protecting it. A security barrier is important, but so is managing everything that actually happens inside those walls. Analytics, real-time applications or GenAI — it all comes back to data governance."

Robin Sutara
Field Chief Data Strategy Officer

Dael Williamson
EMEA Chief Technology Officer



Source: https://www.databricks.com/blog/winning-genai-building-right-processes-data-intelligence-future

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Conclusion: Embracing a Technology-First Mindset for AI Leadership

Governance is no longer a reactive compliance exercise but a strategic differentiator. Those companies that master AI governance will lead the market in building trust and enabling sustainable innovation and growth. They will:

- Establish guardrails, policies, responsible AI, and explainable AI frameworks.
- Set up a cross-functional team of leaders from various functions, including end users, to advise, monitor and provide feedback.
- Initiate enterprise-wide AI literacy programs to educate and sensitize employees about the AI impacts and implications.

By embedding ethical AI principles, automating compliance, and fostering transparent AI ecosystems, enterprises will mitigate risks and position themselves as pioneers in the AI-first economy. They will also shape the ethical and regulatory frameworks that define the future of AI-powered enterprises.



"As businesses adopt AI at scale, the challenge shifts from building accurate models to ensuring they are fair, accountable, and transparent. With AI systems making more decisions on their own, companies need governance that actively manages risk, addresses bias, and upholds ethical standards throughout the process.

AI regulation is changing quickly. To stay ahead, businesses need compliance frameworks that adapt in real time. Responsible AI must be built into every stage—from how data is collected to how decisions are delivered—so outcomes remain trustworthy and aligned with real-world impact."

Ravindra Patil
Vice President, Data Science

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"Agents must verify the authenticity of entities that they interact with, determine permissions, and enforce security constraints. A standardized approach to authentication, authorization, and trust scoring would enable agents to evaluate new interactions dynamically. This would create an AI-native equivalent of Zero Trust security, allowing agents to autonomously assess whether another entity is legitimate before engaging in transactions or sharing sensitive information.

While there are a few early attempts at evolving standards for data provenance for AI or for decentralized trust on the internet at large, nothing currently exists that's specific to AI agents. Many emerging agentic platforms are either extending their retrieval-augmented generation governance systems, attempting to repurpose existing governance tools for agents, or have this as a roadmap item to tackle within the next year."

Leslie Joseph
Principal Analyst

Rowan Curran
Principal Analyst



Source: https://www.forrester.com/blogs/interoperability-is-key-to-unlocking-agentic-ais-future/

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Strategic Takeaways

GenAI and agentic AI are poised to redefine business, workforce dynamics, and leadership. Traditional leadership paradigms, built on human cognitive skills such as logical reasoning, problem-solving, and decision-making, will be fundamentally reshaped. Intelligent machines will execute structured tasks and learn from interaction, incorporating "soft" leadership traits, such as emotional intelligence, adaptability, and collaborative decision-making.

As organizations transition into the cognitive age, leadership attributes that once signified strength—such as hierarchical authority, deep subject-matter expertise, and command-and-control structures—will become less relevant. Instead, qualities like empathy, humility, adaptability, vision, and engagement will define successful leadership in the AI-powered enterprise.

Key Leadership Considerations in the Agentic Era



Rules of competition

AI-driven disruption will redefine competitive landscapes. Leaders must anticipate shifts in market structures, organizational configurations, and industry boundaries to navigate new competitive rules effectively.



Vision

Visionary leadership will be paramount as companies confront a rapidly evolving AI landscape. Leaders must provide a clear strategic direction, ensuring that AI-driven transformation aligns with long-term organizational goals.



Management processes

GenAI's rapid evolution requires leaders to adopt a bold, risk-taking approach that fosters cross-functional collaboration, strategic investments, and continuous innovation.



Engagement

AI-driven enterprises require leaders who can sift through digital noise to identify key insights that disrupt or reinforce their visions. Leaders must inspire and mobilize teams toward AI-led innovation while overcoming resistance to change.



Objective risk management

AI adoption introduces uncertainty and mission-critical risks. Leaders must manage system-wide risks that extend beyond organizations to broader societal impacts.



Products and business models

Unlike previous technology shifts, GenAI demands that leaders actively shape product and service models. AI-driven solutions must be designed to conceive new opportunities while mitigating human biases and aligning with ethical and regulatory standards.

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Ethics

Responsible AI development must be a core leadership priority. AI models should be transparent, explainable, and free from biases that could lead to unintended consequences or reputational risks.

Humility and empathy

AI-driven organizations require leaders to embrace learning from multiple sources, including younger employees and external experts. The ability to trust, delegate, and remain open to new perspectives will be essential.

Adaptability

Organizations must cultivate a culture of resilience and adaptability, identifying risks and opportunities as they arise. Leaders must remain open to new insights, adjust strategies based on evolving realities, and effectively communicate these changes to stakeholders.



"Decision-making is shifting from human intuition to AI-driven intelligence. Traditionally, businesses relied on static systems where humans interpreted data, but with generative and agentic AI, we are entering Decision-Making 2.0—where AI analyzes, simulates, and automates decisions at scale.

AI-powered decision intelligence enables businesses to optimize supply chains, improve customer engagement, and make real-time strategic choices. But adoption of these capabilities requires trust. AI must be explainable, ethical, and aligned with business goals."

Soumendra Mohanty
Chief Strategy Officer

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The Future of Human and Machine Leadership

A compelling model for the future is systems leadership, which blends intelligence, creativity, and wisdom—qualities that AI will continue to enhance. As machine leaders gain prominence, organizations must prepare for hybrid leadership structures where AI augments human decision-making and strategy execution.

As a result, the core principles of leadership will evolve, requiring executives to adapt, guide their organizations through AI-driven transformation, and address the profound ethical implications of AI leadership.

Preparing for the Next Phase of Leadership Evolution

The future belongs to leaders who embrace AI not as a tool but as a partner in decision-making. Organizations that proactively integrate AI into leadership frameworks will gain a competitive edge, leveraging AI's analytical power while maintaining human ingenuity. As we step into the next era of leadership, businesses, governments, and society must be ready to accept and shape a future where leadership is a shared responsibility between humans and intelligent machines.

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Final Reflections



By Shub Bhowmick
Chief Executive Officer & Co-founder

The ‘Agentic AI Playbook’ serves as a critical compass for leaders navigating one of the most profound industrial shifts of our time. In my view, this moment goes beyond technology adoption. It redefines the architecture of the modern enterprise itself. The real imperative for today’s leaders is not just to integrate AI into business processes but to consciously design a future where human ingenuity and machine autonomy operate in concert.

This is the age of co-intelligence. A space where strategic clarity, ethical grounding, and adaptive thinking become non-negotiable. We’re witnessing a systemic reshaping of industries, where value creation is no longer confined to traditional hierarchies or legacy systems. Competitive advantage will now come from leaders who can shift gears. From control to collaboration. From certainty to experimentation. From efficiency to trust.

The true differentiator in this Now, New, and Next phase of AI evolution will be the boldness to embed AI into the heart of value chains. To build collaborative ecosystems that span beyond company walls. And to govern this transformation with purpose. Those who do so will not just react to change. They will shape a future where exponential value and responsible innovation go hand in hand.



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The Tredence Advantage

Creating a Value Delivery Flywheel

Tredence has designed its organizational and operational model to create ever-increasing value for our clients. Here's how we do it:

Data Science & AI Expertise
3500+ Tredencians transforming businesses with data science and AI expertise

Accelerated Impact with ATOM.AI
Ecosystem of 150+ AI/ML accelerators delivering 50% faster time-to-value

Innovation Engine
Investing 10% of revenue in AI/GenAI advancements

Customer Excellence
Achieving 94% net promoter score (NPS) across 1000 engagements

Last-Mile AI Approach
Customized solutions for complex data challenges

AI Center of Excellence
Accelerators evolving through expert-driven innovation

Agentic GenAI Expertise
Enhancing decision intelligence with GenAI-powered workflows

Deep Domain Expertise
Industry-specific solutions for outsized business impact

Robust Partnerships
Co-innovation with leading hyperscalers and data and AI independent software vendors

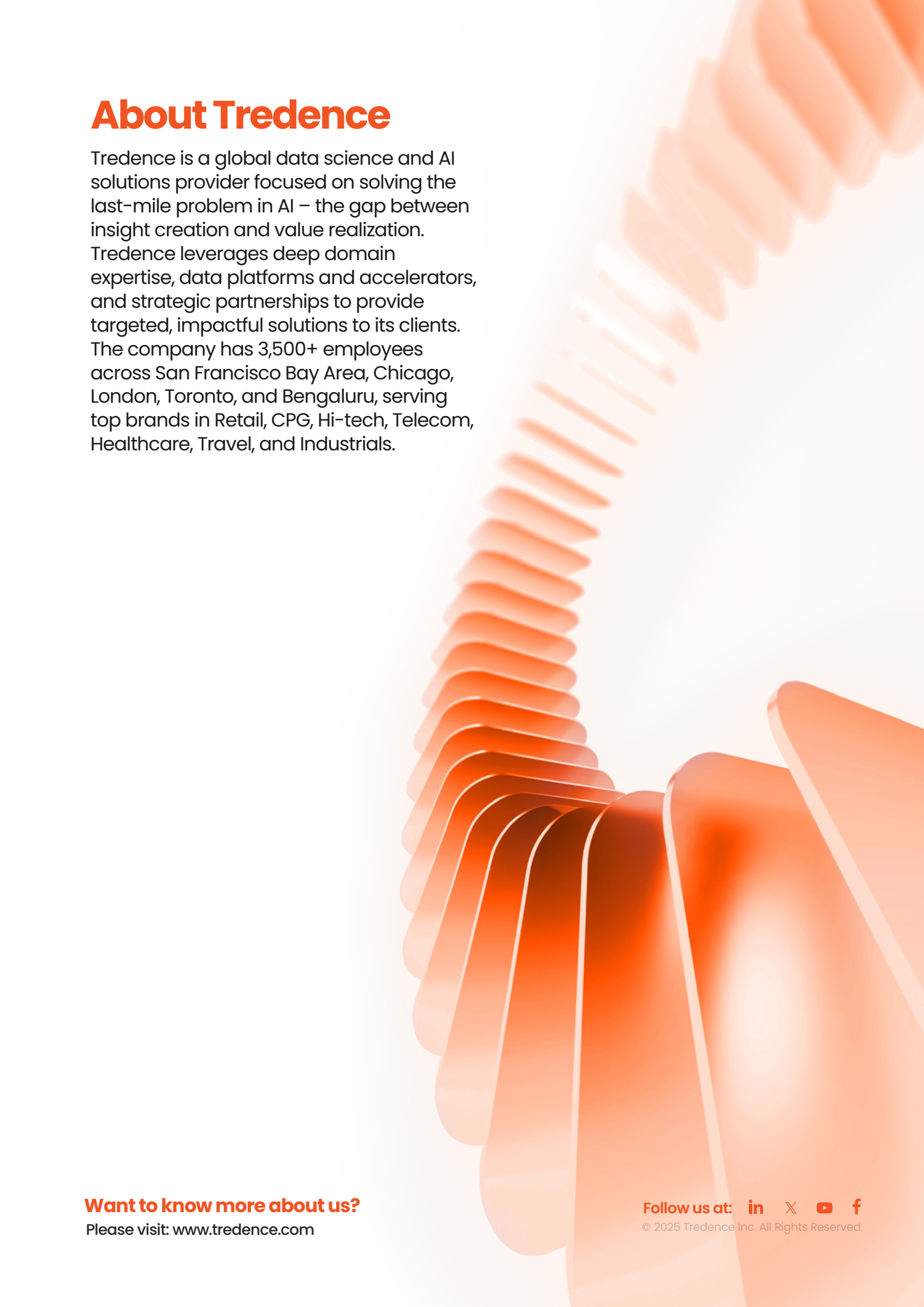
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For feedback, comments, or to invite our leaders for speaking opportunities, please reach out to Rana at **rana.jyoti@tredence.com.**

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About Tredence

Tredence is a global data science and AI solutions provider focused on solving the last-mile problem in AI – the gap between insight creation and value realization. Tredence leverages deep domain expertise, data platforms and accelerators, and strategic partnerships to provide targeted, impactful solutions to its clients. The company has 3,500+ employees across San Francisco Bay Area, Chicago, London, Toronto, and Bengaluru, serving top brands in Retail, CPG, Hi-tech, Telecom, Healthcare, Travel, and Industrials.



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