

THE C-SUITE LENS: PERSPECTIVES ON PERFORMANCE

From Pilot to Scale

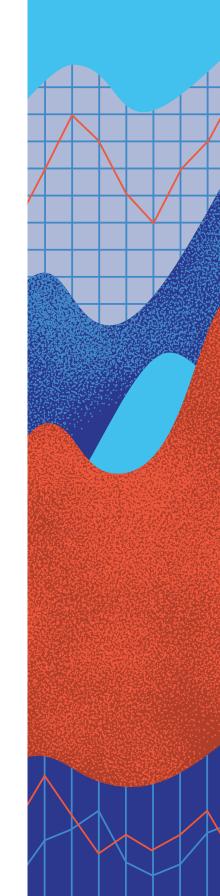
Building the GenAl-Ready Organization

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Introduction

While GenAl today is in the public eye, early forms of Al have influenced the workplace for decades. Al appeared in the 1950s, with more practical applications emerging thirty years later. With advances in machine learning and natural language processing, Al's role expanded. Most remember when GenAl took center stage in late 2022, with ChatGPT capturing the world's attention. According to OpenAl, more than one million people signed up in just five days.

The debut of GenAl technologies introduced an innovative way to reimagine how work gets done. Across sectors, C-suite leaders began to recognize GenAl's potential to revolutionize industries—some believe that it could become as ubiquitous as electricity.¹ The same leaders are also asking critical questions: What is GenAl truly capable of, and what might it replace? Could it create like humans do? Could it potentially harm without humans involved?

Today, the broad interest in GenAl persists, filled with potential as well as complexity. Rapid advancements challenge companies to quickly find advanced business applications, from new product development to process efficiencies. Relatedly, leaders also have a responsibility to ensure GenAl is used responsibly and ethically. On the other hand, the rapid development of data centers is now at the top of environmental concern lists, while the entry cost for companies to adopt GenAl at scale is proving restrictive.

It is also possible that the early hype over GenAI is losing some momentum. Recent research suggests that while 97% of executives feel an urgency to adopt AI, employee enthusiasm has dropped 20% in the US.² Now, business leaders are winding down two years of pilots, and 60% of organizations are not yet developing an enterprise approach to GenAI.³

C-suite leaders can start preparing a GenAI-ready environment by building:

- A smart operational and governance foundation
- Leadership capabilities focused on GenAl
- An insightful and engaging communications strategy

New York Times, "Behind OpenAl's Audacious Plan to Make A.I. Flow Like Electricity" September 25, 2024

²⁾ Slack, "The Fall 2024 Workforce Index Shows Executives and Employees Investing in AI, but Uncertainty Holding Back Adoption" November 12th, 2024

³⁾ IBM, "The CEO's guide to generative AI" April-May 2023

GenAl as a transformation imperative

Is 2025 the year when GenAl adoption proves itself, or not?⁴ Companies that have successfully run pilots are at a crossroads—two years of experimentation are giving way to the need to scale GenAl to show returns.⁵ Scaling GenAl brings practical challenges that take time to address, including technical complexity, data requirements, regulatory compliance, and high costs.

Another major hurdle to scaling GenAl is often overlooked: ensuring organizations are ready to adopt new approaches to how they work. Without a deliberate effort to prepare the organization for change, scaling GenAl risks becoming a technical project that lacks engagement from individuals critical to driving performance. The challenge is not just about scaling technology; it's about scaling new ways of working.

C-suite leaders can start today by preparing a GenAl-ready environment. Proven practices from previous transformation efforts, while accounting for the unique needs of GenAl, can serve as a blueprint. This means designing an integrated approach that focuses on building (i) a smart operational and governance foundation, (ii) leadership capabilities focused on GenAl, and (iii) an insightful and engaging communications strategy. This approach will position companies to lead the change more effectively and shape GenAl practices for the long term.

The challenge is not just about scaling technology, it's about scaling new ways of working.

⁴⁾ The Economist, "Will the bubble burst for Al in 2025, or will it start to deliver?" November 18, 2024

⁵⁾ The Wall Street Journal, "Companies Had Fun Experimenting With Al. Now They Have to Show the Returns." October 9, 2024

1

Build a smart operational and governance foundation

Any successful business transformation needs strong strategic alignment, governance, and executive sponsorship. With GenAl, that foundation must include (i) access to integrated data sets and (ii) identifying and prioritizing the processes and operations that will benefit from GenAl. Doing the groundwork to scope changes for the future state is essential to set the stage.

From there, bringing teams along in a structured way helps scale adoption. Whether inspired by business movements like Lean, design thinking, or change management frameworks, organizations looking to scale GenAl can start now by building an operating foundation with governance and management systems that can adapt well to the rapidly changing environment.

Strategic opportunities:

- Align data and GenAl strategies with enterprise use cases: Access to enterprise data and models is foundational to scaling GenAl efforts. However, understanding strategic use cases will be essential.
 Companies can start this effort now using a phased approach, given the likely complexity of data integration efforts.⁶
- Ensure visible executive sponsorship of GenAl efforts: Sponsorship is necessary for the success of any enterprise transformation, particularly one with the excitement and uncertainty that comes with GenAl. Sponsors demonstrate commitment from the start by encouraging and modeling a culture of continuous improvement to accelerate adoption.⁷
- Establish cross-functional governance and centers of excellence: GenAl at scale will benefit more from cross-functional approaches, due to its impact on all aspects of work. Connecting leaders from business units, IT, HR, marketing, and legal helps address all facets of implementation, noting opportunities and implications. This structure can also serve as a center of excellence.

Case in point: CHROs from top companies—including GE, Intel, Workday, and IBM—defined a cross-functional framework for organizations to champion the responsible use of Al while promoting alignment to business goals and organizational purpose. The principles they outlined recognized Al's potential to impact how work gets done across the enterprise while promoting optimal use of resources to drive the greatest impact.⁸

⁶⁾ The Wall Street Journal, "Companies Had Fun Experimenting With Al. Now They Have to Show the Returns." October 9, 2024

⁷⁾ Harvard Business Review, "How to Be Systematic About Adopting Al at Your Company" November 22, 2024

⁸⁾ GE, "CHRO Principles: Responsible Use of Al in Organizations" March 2024

2

Build leadership capabilities focused on GenAl

Business leaders recognize that GenAl has the potential to reshape the future of work across nearly every sector. The World Economic Forum estimated that 50% of the global population needs new skills to meet shifts in demand driven by new technologies. Relatedly, in a recent Gallup survey, three-quarters of Americans expressed concern that Al will reduce the number of available jobs over the next decade. While it is early for most companies to have definitive answers, organizations can start by preparing leaders to adapt to a GenAl-focused transformation and, in turn, guide their teams.

Strategic opportunities:

- Use leadership assessment strategies: To be ready for GenAl at scale, companies can start by
 assessing leaders in a way that gauges their ability to lead complex transformation. Assessment
 approaches can help organizations build the right GenAl-focused leadership development strategies,
 including designing custom programs.
- Integrate personalized leadership coaching: In the context of transformation, personalized coaching can accelerate a leader's ability to bring teams along. For example, coaching focused on strategic planning, leading change, and managing resistance can improve a leader's ability to guide teams in support of a broader GenAl effort.
- Create GenAl communities of practice to inform talent strategies: Starting cross-functional GenAl communities of practice can highlight collaborative and learning opportunities between people and GenAl technology. Communities of practice can also offer insight into the capabilities an organization needs to optimize processes and output at scale. By equipping teams to learn and build together, there is a greater chance of adoption in the long term.

Case in point: Dell Technologies has made workforce readiness for Al a public priority, naming its first Chief Artificial Intelligence Officer to lead these efforts. The role's mandate includes rolling out tailored training programs for 120,000 employees, ensuring they are equipped to navigate Al's growing influence. The training is customized by role, offering introductory courses for nontechnical employees and advanced coursework for data science professionals. This strategic approach ensures that every team member, regardless of their expertise, is prepared to contribute meaningfully to Dell's Al-driven transformation.¹⁴

⁹⁾ World Economic Forum, "The Reskilling Revolution" Retrieved December 2024

¹⁰⁾ Gallup, "Americans Express Real Concerns About Artificial Intelligence" August 27, 2024

¹¹⁾ Harvard Business Review, "Set Your Team Up to Collaborate with Al Successfully" November 25, 2024

¹²⁾ Harvard Business Review, "Embracing Gen Al at Work" September-October 2024

¹³⁾ Harvard Business Review, "How to Be Systematic About Adopting Al at Your Company" November 22, 2024

¹⁴⁾ Fortune, "Employees don't have to finish last in Al race" May 2, 2024

3

Build an insightful and engaging communications strategy

When uncertainty is high, effective and consistent communication plays a crucial role. In the disruptive world of GenAl, strong communication approaches are even more critical. According to Gallup, while 93% of CHROs report using Al in their organizations, only 33% of employees are aware of these efforts, and 15% feel their organization has communicated a clear strategy for integrating Al into business practices.¹⁵

Rather than focusing only on certainty, leaders can promote adaptability when considering the practical realities of GenAl at scale. Creating new business narratives that share the core idea of the GenAl transformation while conveying how it relates to the organization's strategy and vision helps teams acknowledge the unique journey ahead. Similarly, using structured change communication practices to share learnings, milestones, and accomplishments helps educate and build confidence in what's possible.¹⁶

Strategic opportunities:

- **Design a relevant business narrative:** A strong GenAl vision and narrative goes beyond informing—it frames GenAl as a professional growth opportunity. Consistent communication about GenAl's impact on work, highlighting potential benefits, can help teams understand the change and, ideally, easily adapt to new approaches.
- Communicate the GenAl vision to all levels of the organization: In any business transformation, structured communication is an asset. Leaders who can share a clear idea of what work could look like in a GenAl-ready organization help teams understand the larger changes to come, knowing how their contributions fit in along the way.¹⁷
- **Highlight individual stories to scale successes:** Leaders can spotlight successes—including those from GenAl pilots—to bring the transformation to life for teams. This makes what is to come relatable rather than technical. In addition, creating a cohort of GenAl 'change ambassadors' or early adopters can broaden the reach of stories and examples across the organization.

Case in point: Asana demonstrates the power of sharing success through intentional communication. The company hosts show-and-tell sessions and uses an Al-focused Slack channel to encourage employees to share their Al experiments and innovations. These platforms enable employees to learn from one another and reuse successful examples, creating an environment where collaboration drives adoption. By spotlighting individual contributions and creating opportunities for knowledge exchange, Asana has embedded sharing as a cornerstone of its Al communication strategy.¹⁸

¹⁸⁾ Charter Works, "Al in the workplace: How companies and workers are getting it right." Retrieved December 2024.



¹⁵⁾ Gallup, "Al in the Workplace: Answering 3 Big Questions" October 8, 2024

¹⁶⁾ Prosci, "5 Tips for Better Change Management Communication" September 19, 2024

¹⁷⁾ Institute for Public Relations, "Generative Alin Organizations: Insights and Strategies from Communication Leaders" February 7, 2024

Scaling for impact: The GenAI advantage

GenAl is already reshaping industries. For companies to fully benefit, leaders know they will need to move beyond experiments, backed by strong technology and employees ready to use it. By starting to build the GenAl-ready organization now, teams will be ready to expand pilot efforts to drive enterprise impact. Using an integrated transformation approach—built on smart operational, leadership development, and communication strategies—ensures the focus stays on what people need, how they work, and what's possible.

About Council Advisors

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