Russell Reynolds Associates

AI transformation and leadership 2026

A CEO Playbook

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2026

CEO reputations will be defined by their leadership through AI change

In an era of AI-driven change, the burden of transformation now sits squarely with the CEO

Move to AI-First	In this **next chapter** of AI-led Transformation, **CEOs are moving** their organizations **to "AI-First"**
Re-imagination	This requires **re-thinking of the company's business / operating model, organizational structure, and leadership capability**
Ways of Working	While CEO's are beginning to reimagine what the "business of the future" could look like, they are **struggling at the operational complexities of moving established organizations, leadership teams and ways-of-working** to a more AI and tech first approach
Structure & Catalysts	The **immediate requirement is to assess the organization structure, board and leadership team against the future requirements of the business** and for CEOs to **make critical catalyst hires** where needed
Role Evolution	CEOs need to systematically r**eimagine core role descriptions, build on new leadership competencies, embrace organizational learning agility and align on new AI-enabled ways of working**
ROI & Growth	CEOs of AI First organizations are realizing **immediate ROI in terms of process improvement, increased profitability and efficiency** and are setting the stage for **new products, services and revenue streams to accelerate growth and valuation** relative to their peer groups
Legacy	For CEOs, this is about **legacy,** and ensuring organizational commitment to the extreme change required to ensure the future viability of their businesses and transition to the next generation of leadership.

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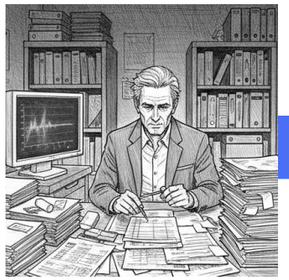
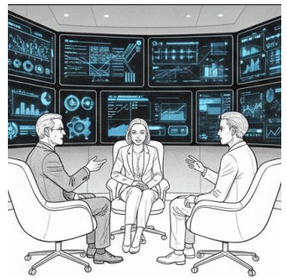
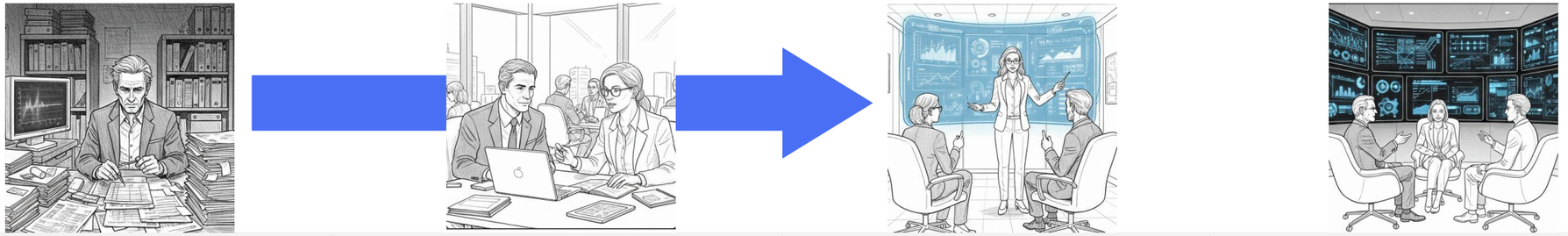
In this next chapter of AI-led Transformation, CEOs are moving their organizations to “AI-First”

	Laggard	Transformer	AI-First	AI-Native
				
			The market is rewarding the companies integrating AI across the enterprise	
Strategy	• AI is **ad-hoc and tactical**, disconnected from business strategy • Processes remain **manual and backward-looking**; AI framed as cost reduction	• AI linked to **digital transformation** initiatives • Use cases delivered in pockets; impact uneven across the enterprise	• AI embedded **by default** in core workflows and decisions • Products and services reimagined with AI as a primary value driver	• Business models **born AI-enabled** and continuously optimized • Strategy, execution, and learning operate as a single feedback loop
Leadership	• CEO lacks an AI support system; ownership is **diffused** • Board and leaders have limited AI or systems fluency; risk appetite is low	• Central AI/data teams emerge; leadership **supported but dependent** on partners • Board engagement increasing but episodic	• CEO enabled by a cross-functional “AI cabinet” • C-suite roles evolve; culture supports **AI-augmented ways of working**	• Leaders and board fluent in **AI and systems thinking** • Culture rewards experimentation, speed, and reinvention
Technology	• Legacy systems dominate; **fragmented data** limits progress	• Central AI/data teams emerge; leadership **supported but dependent** on partners • Board engagement increasing but episodic	• Scalable, AI-ready platforms with **clean, connected data**	• Fully integrated, continuously learning enterprise platform • Automation assumed; systems **self-optimize** in near real time

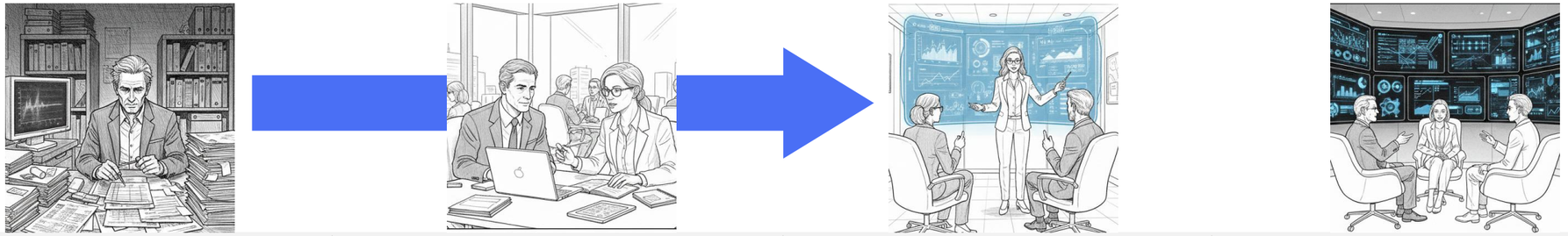
Ref: BCG Tech and AI Forum – Build for the Future x AI

AI Transformation – industry case studies



	Laggard	Transformer	AI-First	AI-Native
Retail	*Traditional bricks-and-mortar retailers with limited digital integration / customer data*	Walmart: Scaling AI across supply chain and operations to drive efficiency and speed	amazon: AI-native business with automation embedded across operations and products.	SHEIN: Entire retail model built on AI-driven demand sensing
Consumer Goods	*Legacy FMCG manufacturers with rules based demand planning*	Unilever: AI applied across demand planning, marketing, and supply chain	P&G: AI embedded into decision-making and commercial workflows	– *No true AI-native scaled incumbents yet*
Banks	*Regional retail banks e.g. local mutuals*	J.P.Morgan: Enterprise-wide AI embedded across risk, trading, and customer operations.	Capital One: Data- and AI-led bank using ML as a core operating capability.	Robinhood: Algorithmic, AI-led financial platform built on automation and data.
Insurers	*Traditional multiline insurers with manual underwriting & claims*	AXA: Scaling AI across pricing, underwriting, and claims	PROGRESSIVE: AI central to pricing, risk selection, and customer experience	Lemonade: AI-driven underwriting, claims automation, and customer interaction
Real Estate	*Traditional property owners with low data standardisation*	CBRE: Applying AI to valuation, leasing, and portfolio optimisation	Zillow: AI embedded into pricing, demand forecasting, and user experience	Opendoor: Algorithmic pricing and AI-driven transaction model
VC/PE	*Limited operations enablement and inconsistent use of data and AI*	Blackstone: Deploying AI across investment analysis and portfolio ops	a16z: AI embedded into sourcing, research, and portfolio support	THRIVE CAPITAL: Thesis-driven investing shaped directly by AI-era dynamics
Industrials	*Mid-market traditional manufacturing conglomerates*	SIEMENS: Applying AI to industrial automation and digital twins at scale	BOSCH: Industrial AI embedded across manufacturing, products, and IoT platforms.	flexport.: Logistics and trade infrastructure platform built around AI-driven optimisation

AI Transformation – industry case studies



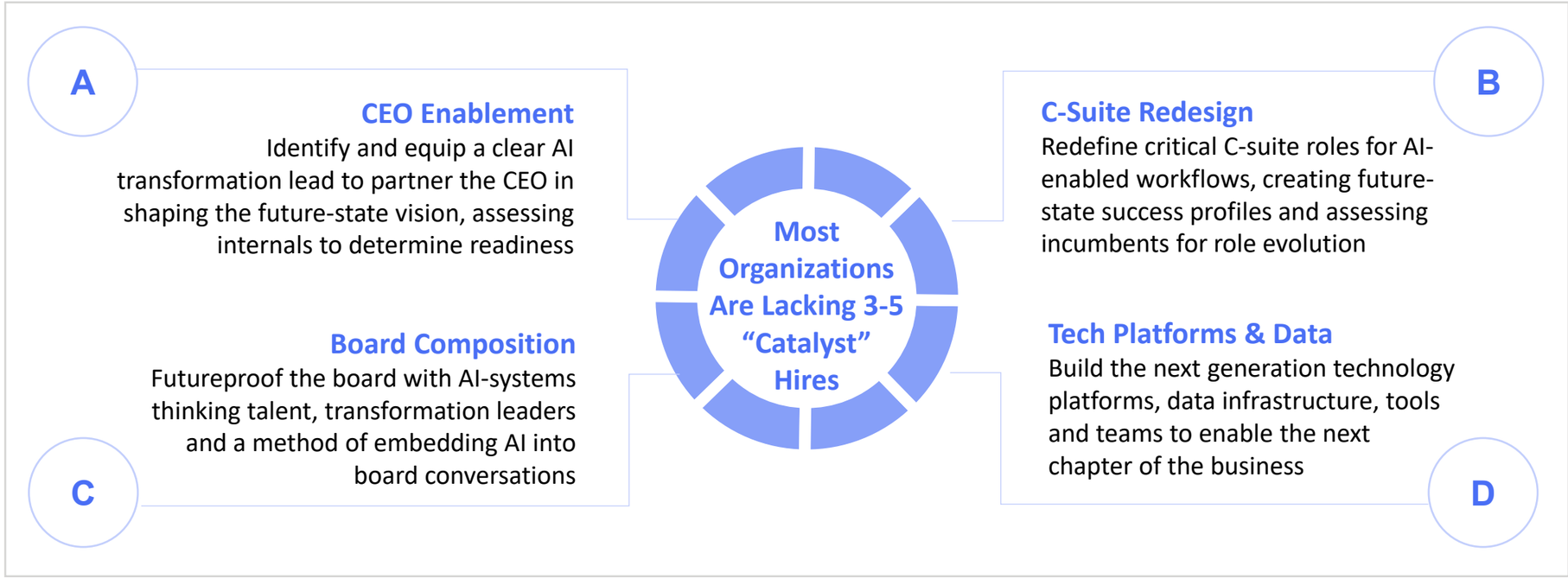
	Laggard	Transformer	AI-First	AI-Native
Automotive	*Legacy OEMs where data capabilities are constrained by legacy platforms*	Investing heavily in software and AI capabilities	AI embedded across manufacturing, energy, and vehicle systems	AI-native system optimising autonomy, manufacturing, and fleet learning.
Pharmaceuticals	*Established pharma organisations where end-to-end AI integration is limited*	Applying AI across discovery, development, and mnufcting., while modernizing data	Drug discovery platform built around machine learning	Built around machine learning and large-scale biological data, with AI as the core engine
Provider/Payer	*Conventional hospital systems and provider networks with low interoperability*	Scaling AI across claims, care management, and analytics	AI embedded into care pathways and decision support	AI-driven insurance and care navigation model
MedTech	*Traditional medical device companies with hardware-led models*	Scaling AI while modernizing data platforms and embedding device-software integration	-	AI-native precision medicine company built on clinical data and models.
Information Services	*Legacy data and content providers with static products and limited AI integration*	Embedding generative AI into core legal, tax, and risk products	AI embedded as a core value-creation engine and decision making	Built as an AI-native legal intelligence platform
Hardware	*Traditional hardware manufacturers with limited software and data layers*	Adding AI features across devices and services	AI embedded into product, platform, and ecosystem strategy	Hardware designed exclusively for AI workloads
Software	*Legacy software vendors e.g. where cloud migration is incomplete*	Embedding generative AI across core enterprise software platforms	AI-native organisation shaping products through large-scale machine learning.	AI-native company focused on building and governing frontier models.

RRA's view on Leadership through AI transformation

CEOs need to systematically assess their leadership capabilities across the organization and fill critical gaps

Define Future-state Business Strategy

Rethink leadership capabilities needed to transform the organization



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And CEOs need to reimagine how jobs are structured, focus on future forward skill-sets and align the organization around new ways of working

1

Revaluate each leader

Roles shift from static tasks to **decision-making, judgment, and AI-orchestrated processes**, with clear cross-functional interdependencies

2

Embed new leadership skills

Advantage shifts from prior role experience to **learning agility, adaptability, and leadership potential**. Leaders must operate in ambiguity and reskill continuously

3

Elevate those with an AI First mindset

Transformation is led by **active AI practitioners**, not sponsors. Leaders must **embed AI into daily decisions** and workflows, not retrofit legacy models

4

Critically assess top leadership talent

New assessment models identify **forward-leaning skills, learning capacity, and mindset**. CEOs must ensure their **inner circle meets the bar** on these capabilities

5

Upskill leadership and organization

AI-First requires **new skills across leaders and teams**. Organisations must build **practical AI literacy**, strengthen **judgement**, and protect time for innovation and experimentation

6

Drive organizational alignment

AI-driven workflow change across **functions, geographies, and business units** is complex. CEOs must rally teams around a **shared direction** and accelerate alignment

7

Nurture next generation culture

In an AI-First world, **culture, values, and purpose** differentiate performance. The best CEOs create a culture of open experimentation and sharing, free of fear of failure

Russell Reynolds Associates has a suite of services for leadership to best capture the opportunity of AI while mitigating the challenges

RRA leadership advisory solutions to accelerate AI transformation

1

Revaluate each leader

Translates AI ambition into concrete role implications, clarifying decision shifts and capability requirements. **Assessing existing team** against these requirements

2

Embed new leadership skills

Builds leaders' **capacity to operate under uncertainty**, strengthening judgement, learning agility, and **confidence working alongside AI**-enabled insight rather than past expertise

3

Elevate those with an AI First mindset

Supports leaders to **embed AI into daily decisions** and ways of working, reinforcing behaviors that favor **experimentation, adaptability, and learning** over optimization of legacy models

4

Critically assess top leadership talent

Reframes assessment around forward-leaning skills, learning capacity, and systems thinking — **ensuring future leaders meet the bar for AI-critical roles** and contexts.

5

Upskill leadership and organization

Assess for practical AI literacy across leaders and teams, aligning decision principles, strengthening judgement, and ability to **protect time and attention for innovation and experimentation**.

6

Drive organizational alignment

Aligns executives and boards around shared decision ownership, risk posture, and priorities — reducing fragmentation and **accelerating AI-enabled change** across the enterprise.

7

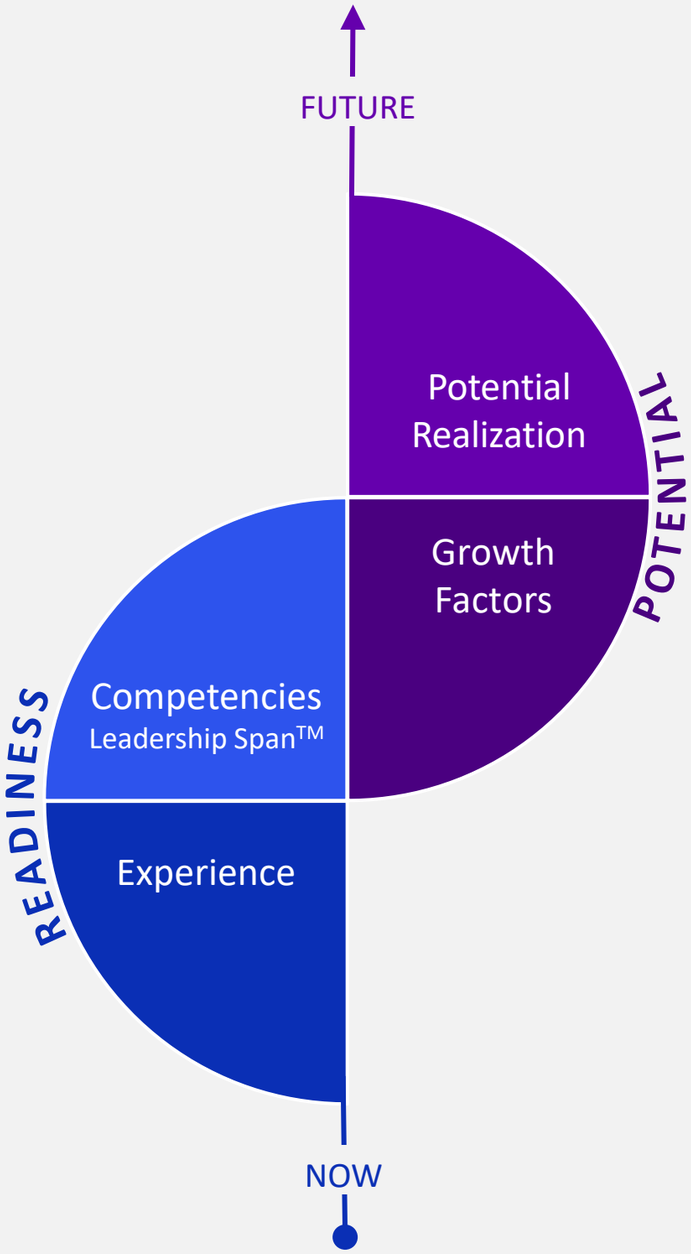
Nurture next generation culture

Resets leadership norms and **incentives to legitimise learning, challenge, and experimentation**, while supporting leaders stepping into AI-critical roles to establish early credibility and trust.

We support organisations across these dimensions, from enterprise-wide transformation to targeted leadership and team interventions

How we assess to find future focused, AI-ready leaders to meet this criteria

	Assessment areas	How this maps onto AI competencies
Interviewing	Self-knowledge	Aware of **own AI fluency and gaps**; actively seeks learning and exposure.
Potential Realization	Values and aspirations	Connects AI to **personal values and future vision**, not just efficiency.
	Wider impact and legacy	Considers **long-term organisational, societal, and workforce impact** of AI.
Leadership Portrait™	**Systems thinking (+CPP assessment)**	Treats AI as a **cross-enterprise system**, not isolated tools or pilots.
Future Success	Curiosity and adaptability	**Experiments regularly** and adapts leadership as AI evolves.
	Drive and resilience	Pushes through **ambiguity, early failure, and resistance**.
	Social intelligence	Handles **fear, scepticism, and ethics** with empathy and credibility.
Leadership Span™	Setting strategy	Positions AI as a **business model lever**, not an IT programme.
Leadership Ability	Executing for results	Turns AI ambition into **prioritised use cases and scaled outcomes**.
	Leading teams	Builds **psychological safety** and protects time to learn and experiment.
	Building relationships & influence	**Evangelises AI credibly** with board, peers, and teams.
Interviewing	Relevant experience	Has led **technology-, data-, or AI-enabled transformation**.
Experience	Skills	Shows **practical AI literacy** and knows how to challenge outputs.
	Track record	Proven ability to **scale beyond pilots** into real impact.

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