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The AI-driven leader: Four strategies for success in a new era

[AI and automation](#)

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A new study by the IBM Institute for Business Value found that CEOs are facing talent, culture, and governance challenges as they move swiftly to implement and scale generative AI across their enterprises.

The annual global study of 3,000 CEOs from over 30 countries and 26 industries found that 64% of those surveyed say succeeding with generative AI will depend more on people's adoption than the technology itself. Yet 61% say they are pushing their organization to adopt generative AI more quickly than some people are comfortable with.

Two-thirds of executives say the potential productivity gains from AI and automation are so strong that they must accept more risk to remain competitive and say they will take more risk than their competition to maintain their competitive edge.

Here are four key learnings from the study. **1. Have the right vision and culture.**

The era of rigid five-year plans is behind us. With uncertainty clouding the future, CEOs must pivot to nurturing essential capabilities for long-term prosperity. Agile and adaptable teams enable organizations to seize emerging opportunities promptly, rather than perpetually playing catchup.

Achieving this agility demands a candid evaluation of the organization's current tech readiness, market stance, and gaps in skills and capabilities. By confronting these challenges head-on, CEOs can harness the potential of generative AI with the right vision and culture to thrive in a landscape marked by constant disruption and change.

2. Uplevel talent and skills.

CEOs recognize that their teams are crucial to their competitive edge. Half are now hiring for generative AI roles that did not exist a year ago. Even so, many feel their organizations are under immense strain. Over half of CEOs are struggling to fill essential technology positions, and expect this challenge will continue. Alarmingly, CEOs project that 35% of their workforce will need retraining and upskilling within the next three years, a sharp increase from just 6%

retaining and [reskilling](#) within the next three years, a sharp increase from just 6% in 2021.

The future's augmented workforce could surpass the capabilities of individuals and machines working separately. However, integrating tomorrow's talent into outdated models will not suffice. CEOs need to leverage the expertise of today's innovators to shape the future of work.

3. Leverage generative AI innovation.

Customers can't predict what they might want in the future, not because they are indecisive, but because the next big trend could shift everything. This unpredictability is why CEOs now rank [product and service innovation](#) as their top priority for the next three years, a significant jump from sixth place in 2023.

Generative AI empowers companies to [mine extensive customer data](#), from market research to device metrics, generating groundbreaking product ideas. It validates bold concepts against real-world criteria, allowing employees to focus on creative development. With these transformative tools, 86% of global digital product leaders now consider generative AI crucial for product design. Yet true innovation demands even more: swift market responses and rapid feedback loops to ensure customer voices are integral to the process.

4. Forge potent partnerships.

CEOs must trust their partners, but prioritizing connections over capabilities can be detrimental, especially in the race for generative AI dominance. CEOs are becoming more selective, with nearly two-thirds focusing on fewer, high-quality partners to maintain a competitive edge. This strategy keeps key expertise and capabilities within a trusted circle of vendors.

While trust and shared values are crucial, CEOs must avoid clinging to familiar but unproductive partnerships. To accelerate transformation, they need to assess their strengths and outsource nonessential tasks, allowing them to concentrate on core aspects. By placing the right partners in pivotal roles, CEOs can access previously unattainable capabilities, driving innovation and growth.

We are learning that CEOs can leverage generative AI by embracing uncertainty and playing to their organization's strengths. They must reassess assumptions and pivot quickly as conditions change. The five-year fixed strategy is obsolete; instead, CEOs should focus on agility and adaptability. Honest assessments of tech readiness, market position, skill gaps, partnerships are crucial. By confronting these realities, CEOs can unlock generative AI's potential and thrive amid disruption.