

WHITE PAPER

Turning AI Ambition into an Executive Mandate

Connecting scattered AI pilots to business results.

Paper 2 in the Leading the Human Side of AI Transformation series.
For boards, CEOs and executive teams.

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Why AI can no longer be left to individual teams

AI is changing how companies compete. Competitors are using it to quote and price faster, serve customers at lower cost, reach markets they could not serve profitably before and offer services that did not exist a few years ago. A company that falls behind will struggle to catch up. The companies ahead keep learning from their own data and their people get better with the tools every month, while their customers come to expect the new level of service as standard. Wait long enough and the gap can become too wide to close.

Most companies have responded by letting AI spread team by team. Many of those agents and pilots produce useful results, and often very little of the gain shows up in the financial statements. Work built around separate priorities, processes and systems is hard to connect and harder to scale, while spending on licenses, reviews and support keeps growing. Boards are starting to ask what the company has bought.

In our experience, most AI programs stall at the leadership level. Leaders have not agreed on what they want AI to achieve, and no single executive owns the results that depend on several departments. Those are leadership problems, and only the board and executive team can fix them.

Deciding how the company will compete is the core job of the board and the CEO, and AI now sits at the center of that decision. A board that leaves AI to individual teams, or waits to see what competitors do, is not meeting its duty to oversee the company's strategy.

This paper sets out how leaders take charge. The board and executive team decide which ambitions AI will support. Reinvent changes what the organization offers or how it earns revenue. Expand reaches new customers and markets or grows existing relationships. Improve strengthens quality, reliability, speed and cost. Those choices guide where money and people go. Management then builds an execution plan that names an owner for each result, funds the dependencies projects share and gives good ideas from employees a route to scale. The executive mandate puts those decisions in writing, and progress is reported as business results against their full cost.

The paper ends with questions directors can ask at their next board meeting and a one-page checklist for the mandate. Paper 3 covers the budget, how results are measured and what employees are told.

THE PROBLEM WITH DISCONNECTED PILOTS

What happens when AI grows team by team

AI tools are now inexpensive to try, and many are built into software companies already use. That makes it easy for a team to start an agent or a pilot without waiting for a company-wide plan, and employees close to customers and operations are often well placed to see good uses.

The difficulty comes when leaders try to build on that work. A project designed around one team's goals is measured in that team's terms, such as faster responses in customer service or fewer manual steps in finance, and those measures can be hard to translate into a figure the CFO can show the board. At a bank, an agent may cut the time needed to draft loan files, but if the credit team still reviews each file the old way, the bank may approve loans no faster than before.

Projects built on different systems and copies of data are hard to connect. Security, privacy and legal reviews may be repeated for each tool, vendor contracts multiply and no one owns shared data or the platform the agents run on. Agents can also take actions in company systems, so each one needs clear limits on what it may do and who answers for it.

Employees feel the effects as well. They may learn tools that are later retired, see good work stall because no one is responsible for taking it further and hear different messages from different leaders about what AI means for their jobs. Experimentation should continue, and it needs a direction from the board and executive team. Each quarter that AI work stays disconnected uses budget and management time, while competitors that have connected their AI work use the same quarter to pull further ahead.

Two studies of AI at work show the difference between gains in individual tasks and wider results. In a published study of more than 5,000 customer support workers, an AI assistant increased the number of issues resolved per hour by 15 percent on average.[1] In a 2025 study of about 25,000 workers in Denmark, most people using AI chatbots reported spending the time they saved on other tasks, and the researchers found no statistically significant effect on earnings or recorded hours.[2] The studies look at different questions, and neither measures company financial results. We cite them as a reason to track the business results a company wants alongside improvements in individual tasks.

CHOOSING THE AMBITION

Start with the business result

The first decision is what the business needs to achieve, and it should not wait for a perfect strategy. Leaders can set the ambitions with what they know today and adjust them at each review. The starting point is the company's strategy, its customers and the problems holding back performance, such as entering a new market, offering a new service, improving reliability or lowering the cost of an existing business. They should agree on the result before deciding how AI might help, and they should ask whether another approach would solve the problem better.

The executive team should also agree on how much change the company is prepared to take on. Improving an existing process can call for a different scale and type of change than launching a new offering or changing how the business earns revenue. That shared understanding needs to be in place before departments set targets or choose tools.

The three AI ambitions

At Octant, we group AI ambitions into three types. Reinvent uses AI to change what the organization offers or how it earns revenue. Expand uses AI to reach new customers and markets or to grow existing relationships. Improve uses AI to strengthen quality, reliability, speed and cost in work the company already does.

AMBITION	EXAMPLES	WHAT IT REQUIRES
Reinvent	A manufacturer that uses AI to predict equipment failures from sensor data and sells guaranteed uptime as a subscription. An insurer that uses AI to price risks it could not underwrite before.	Skills the company may not have today, research into whether customers want the new offering and, in some cases, permission to use customer data. Often funded in stages.
Expand	A bank that uses AI to assess small-business credit quickly enough to lend in new markets. A professional services firm that uses AI to prepare first drafts and analysis so it can serve mid-sized clients profitably.	Evidence that customers will buy, a sales approach that fits them and employees trained to serve them.
Improve	AI that reduces errors and rework, improves service quality or speeds up quoting, claims processing and scheduling.	Protected time for employees to test the tools, review the output and change how the work is done across the teams involved.

A project can support more than one ambition, but it needs one main result against which leaders judge it. Consider a service business building an agent to prepare customer proposals. Under Improve, the goal could be more accurate proposals. Under Expand, the agent could help the company take on more business, but only if sales can win the extra customers and delivery teams can serve them profitably. Reinvent would mean a different offering, such as a subscription service that provides ongoing analysis in place of periodic reports, and that would need customer research, a workable price and a new way of delivering the work. A successful proposal agent would not, by itself, make the case for the subscription service.

Use the ambitions to guide investment

Once the ambitions are set, every significant AI project should be tied to one of them and to a business result. Projects that support a chosen ambition can receive funding, people and executive attention. Projects that do not can continue as small, low-cost experiments, be combined with related work or be stopped. Existing agents and pilots should be reviewed the same way as new proposals, so that useful lessons are kept and money and people move to the agreed priorities. Every month a pilot that fits none of the ambitions keeps its full funding, it holds budget and people the priorities need.

The ambitions also show which projects should be planned together. A bank's credit agent that supports Expand and its fraud agent that supports Improve may draw on the same customer data. The data should be managed once, with access set separately for each use, and the two projects should agree on how changes to that data are handled.

BOARD AND EXECUTIVE LEADERSHIP

Agree on the ambition and priorities

The board should ask how the proposed direction for AI supports the strategy, how much it will cost and whether the company has the people and management attention to carry it out. Management should explain the opportunities it sees, the assumptions it is still testing and the risks it is prepared to accept, and major commitments should go through the company's normal approval process. Directors should ask for those answers before the next planning cycle begins.

The CEO is responsible for bringing the executive team to a decision. That means working through different views of the opportunity, agreeing on what matters most and making sure every member of the leadership team can commit to the plan. Technology expertise informs those choices alongside commercial, operational, financial and workforce judgment.

Make the choices explicit

Executives should compare proposals on the results they could deliver, customer demand for them, how strong the evidence is and what changes they require. They also need to decide what they are prepared to defer. A new offering may deserve investment ahead of a reliable near-term improvement, and the reasons should be stated. Putting off a decision should be weighed the same way, including what competitors may achieve in the meantime. Where the case is still uncertain, the company can fund the research or test needed to settle it before committing to the full project.

Set limits on authority

The executive team should spell out which decisions teams can make on their own, which uses need extra review and which issues must come back to the executive team or the board. For agents that act in company systems, that includes what each agent is allowed to do, whose approval it needs and how its actions are monitored. The limits should be clear enough that teams can act without asking senior leaders to approve every routine choice.

The National Institute of Standards and Technology’s AI Risk Management Framework calls for clear roles and lines of communication, executive responsibility for decisions about AI risk and documented organizational goals and business context.[3] It supports these governance responsibilities, and it leaves the choice of business ambition to each organization.

Questions for the next board meeting

Directors can use these questions to test whether the company has an executive mandate for AI.

QUESTION	WHAT A GOOD ANSWER SHOWS
Which ambitions is our AI spending meant to support?	Each member of the executive team names the same ambitions and the business result expected from each.
Which of our AI agents and pilots support those ambitions?	Management has a current list and has combined or stopped work that does not fit.
Who owns each result that depends on more than one department?	One named executive, with the authority to settle disagreements between departments.
What has each priority delivered against its full cost?	Business results measured from a starting point, with usage figures used only to explain them.
Which pilots are ready for wider use, and who is paying for that?	A named owner and a budget for the integration, support and process changes the wider rollout needs.
What have employees been told about changes to their roles?	A consistent message from leaders and a date for each decision that has not yet been made.

Turn the mandate into an execution plan

For each priority, the CEO names one executive who answers for the business result, along with the person who leads the work day to day and the contributions needed from other departments. When a result depends on several departments, such as a lending process that runs from sales through credit and operations, one executive should own the result across all of them, with authority to decide within agreed limits and a clear route for issues beyond them.

Choose an owner who can deliver the result

A result that crosses departments asks more of its owner than running one function well. The executive needs to settle disagreements between peers, make decisions before all the evidence is in and explain progress to the board in business terms. Seniority does not show whether someone has those strengths. Before confirming an owner, the CEO should consider whether that executive has led change across departments before, whether peers will accept their decisions and whether they have the team and time the work needs. Where there is a gap, the CEO can pair them with a leader who has that experience, add support or choose someone else.

Plan for shared dependencies

Projects that look independent often depend on the same things: customer and operational data, the platforms agents run on, security and legal reviews, vendor contracts and changes to processes that cross departments. Each of these needs an owner, a budget and a delivery date. Funding shared data, platforms and reviews once can reduce duplicate spending, though each project will still need some adaptation and ongoing support. People's time is a shared dependency as well. Department plans should be reviewed together so that no one is committed for more time than they have, and the plan should include the effort needed for training, oversight and ongoing support. Trial teams should include experienced employees and people newer to the work, since the customer support study found that less-experienced and lower-skilled workers gained the most.^[1]

Move successful pilots into wider use

Pilots that work often stall for months while teams wait for funding or an owner, and the people who built them move on to other work. The plan should set a date for each expansion decision. Approving a pilot should not mean approving its wider rollout. Before a pilot expands, the executive responsible should confirm that it works with the data, users and conditions it will meet across the company, and should name who will pay for and carry out the integration, support, monitoring and process changes it needs. Where demand or feasibility is still uncertain, the next step is the research or test that answers the question.

Measure business results

Each priority needs measures that fit its ambition and a starting point for each one. For Reinvent, that means evidence of demand and the economics of the new offering. For Expand, it means new business won and the cost of serving it. For Improve, it means the change in quality, reliability, speed or cost. Results should be compared with the full cost of the work, and two projects should not both claim the same benefit. Usage figures can help explain results, and they do not show financial return by themselves.

Review dates should follow the evidence the work will produce, at least quarterly, so leaders can change course while there is still time to act. The team should agree in advance what would justify expanding the work, changing it or stopping it.

LEADERS AND EMPLOYEES

Keep leaders and teams working from the same plan

Agreement at the executive level has to show up in the decisions of the leaders who assign work, manage customers and run day-to-day operations. If department budgets and targets still reward each leader's own priorities, connected work will keep losing out, so the CEO should review those commitments together before approving the plan.

Department plans should show what each team will deliver, what support it needs and what it will stop or defer. If a growth priority requires operations to take on more complex service, both leaders need to agree on the people, cost and service levels before the company commits to the growth. A manager who lends employees to a company-wide project may need adjusted targets or extra help, so that the team is not penalized for work the company asked it to do.

Give good local work a route to scale

Employees who do the work should help test assumptions and shape how projects are carried out. The execution plan should keep room for their ideas and for local experiments, within clear rules on approved tools, data use and review.

A team that starts an experiment should register it, link it to an ambition where it can and record a simple measure of what it achieves. At set points, the executive responsible for that ambition decides whether to expand the work, combine it with related projects or stop it, and explains the reason. When the work expands, ownership, funding and support move with it, and the team that started it should get credit.

Managers need enough information to explain the purpose of the work, organize who takes part and make decisions within their authority. Employees should hear what has been decided and what is still being evaluated. Leaders should tell them what they know about changes to their roles as soon as they know it. When an answer is not yet available, employees should know who will decide and when. If leaders say nothing, employees tend to assume the worst, and the people the company most needs may start looking elsewhere.

Where to begin

The first leadership review should take place within the next quarter. It brings existing agents, pilots and new proposals together against the agreed ambitions. It should produce a set of priorities, settle conflicts between department plans and set dates for an execution plan, with an executive and a deadline named for every decision still open.

What the executive mandate records

The mandate should be short enough for leaders to use in day-to-day decisions. It sits alongside the detailed execution plan, with one person responsible for keeping both up to date.

ITEM	WHAT THE MANDATE STATES
Ambition and business result	The result the company wants, why it matters to the strategy and its main ambition: Reinvent, Expand or Improve.
Priority work	The results being pursued first, how existing agents and pilots contribute and which projects will be continued, combined, expanded or stopped.
Ownership and authority	The executive who answers for each result, the person leading the work, the decisions teams can make and those reserved for the executive team or board.
Execution commitments	The approved scope, funding and people, with milestones, shared dependencies and the integration, support and process changes needed for wider use.
Changes to roles and work	Changes needed in roles, processes and skills, including support for managers, how employees take part and what they will be told.
Limits and reviews	The conditions for starting or expanding the work, what agents may do, the technical, security and legal reviews required and when issues go to the executive team or board.
Evidence of progress	The business results and starting measures for each ambition, the full cost and the evidence needed before expansion, with no benefit counted twice.
Route for local work	How employee ideas and experiments are registered and reviewed, and who decides whether to expand, combine or stop them.
Next review	When progress will be reviewed, who makes the next decisions and how changes will be communicated.

How Octant can help

What is hard to see from inside

Executives are close to their own plans, and each department reports its AI work in its own terms. Few people inside a company can question a peer's plan or a senior colleague's fitness to own a result without it becoming political. Executive teams also tend to believe they agree more closely than they do. When we interview leaders separately, the differences in what they think the company is trying to achieve are often among the most useful findings.

Our work combines two kinds of experience. Ian built and led a large AI practice and teaches AI strategy to executives at Johns Hopkins University. Maria has spent more than 20 years assessing and hiring the senior leaders companies rely on during periods of rapid growth and change. Together, we look at the strategy behind the AI work and at the people responsible for delivering it.

Where to start

Octant's AIR-OSM assessment is built for the first leadership review described in this paper. Over six weeks, we survey and interview executives and managers, review company documents and trace existing agents and pilots to the business results they are meant to support. We score what we find against eight dimensions, including Strategic Mandate, Executive Alignment and Leadership Capability. The executive team receives a readout and a Transformation Plan it can use to set its ambitions, confirm who owns each result and write the mandate. Six weeks is short enough for the leadership team to act on the findings in the current planning cycle.

Companies that want to begin with a smaller step can start with a half-day session in which we work with the executive team to compare current AI work against the ambitions and list the decisions the mandate needs.

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Ian McCulloh is Co-Founder of Octant Advisory and Director of AI Executive Education at Johns Hopkins University. He built and led the federal AI practice of a Fortune Global 500 company subsidiary. A retired U.S. Army lieutenant colonel, he founded the West Point Network Science Center and served as Chief Strategist for Information Warfare at U.S. Central Command. He holds a PhD in computer science from Carnegie Mellon University and has written three books and more than 100 peer-reviewed papers.

Maria Chaloux

Maria Chaloux is Co-Founder and Managing Partner of Octant Advisory. She began her career in investment banking and has spent more than 20 years in executive search and leadership assessment. She founded and ran three executive recruiting firms and led executive recruiting for a Fortune Global 500 company subsidiary during a period of hypergrowth as it scaled into a multi-billion-dollar business. She hired many of the senior leaders responsible for that growth, including its AI leadership. She is a Hogan Certified Practitioner, holds the SHRM-SCP and is certified in AI Business Strategy by Johns Hopkins University.

TALK TO OCTANT

Octant Advisory provides independent organizational AI diagnostics. Its AIR-OSM assessment examines eight organizational dimensions and produces an evidence-based Transformation Plan. Octant sells no software and does not bid on implementation work.

To arrange a first leadership review or a half-day session with your executive team, contact us.

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About this paper

The company and industry examples in this paper are illustrative. They do not describe a client or an actual result.

Sources

1. Brynjolfsson, E., Li, D. and Raymond, L. (2025). Generative AI at Work. The Quarterly Journal of Economics, 140(2), 889–942. [Read the study](#)
2. Humlum, A. and Vestergaard, E. (2025). Large Language Models, Small Labor Market Effects. Becker Friedman Institute Working Paper No. 2025-56, University of Chicago. [Read the study](#)
3. National Institute of Standards and Technology (2023). Artificial Intelligence Risk Management Framework (AI RMF 1.0), GOVERN 2.1 and 2.3; MAP 1.3 and 1.4. [Read the framework](#)

Leading the Human Side of AI Transformation

Paper 1 looks at the concerns that keep employees, managers and executives from taking part in AI transformation. Paper 3 covers the budget, how results are measured and what employees are told. Papers 4 through 6 will cover how executives agree on priorities, the manager's role and how to involve employees.