

## The Rise of the AI Strategist:

# How connecting AI to commercial outcomes has become the defining test of C-suite leadership

6 minute read

AI is now deployed in at least one function in 88% of organisations. Yet 56% of CEOs report capturing neither revenue nor cost savings from it. The gap between AI deployment and business value is rarely caused by the technology itself. It is more often the result of a missing strategic framework that links AI investment to business priorities, measurable outcomes and executive accountability.

Crucially, this is not a middle-management execution issue. It sits at the top of organisations, where strategic direction, prioritisation and ownership of outcomes are set. In many cases, AI is being deployed without the level of executive clarity required to convert activity into value.

This challenge is now showing up at the leadership level. In an exclusive Rialto survey of professional clients, supported by feedback from our strategy consultants and executive career coaches, the single biggest capability gap threatening executive relevance was said to be the inability to connect AI to commercial strategy. Forty-four per cent of respondents named it as their primary concern. Nothing else came close.

When asked which capability will most differentiate high-performing leaders in an AI-augmented organisation, 21% of respondents said the ability to integrate AI into business strategy – more than cross-functional systems thinking, human-centred leadership and culture building and financial oversight and governance. Similarly, the top answer for “what will hiring boards prioritise in 2028-2030?” was the ability to translate AI into measurable commercial growth (25%).

AI has moved from the abstract to the definable. Executives must be able to clearly articulate their thinking and demonstrate measurable impact.

## THE COST OF AI ADOPTION WITHOUT STRATEGY

Adoption without strategy is the main reason almost nine tenths of AI proof-of-concepts never reach production. The average enterprise is thought to waste 18 to 24 months on failed pilots, at a cost of between \$500,000 and over \$3 million per initiative once technology investment, consulting fees and opportunity costs are counted.

The pattern is consistent: An organisation invests in tools, the technology team builds use cases and results are patchy or ambiguous. The CEO wants to know why the investment is not showing up in performance. The answer, almost always, is that the AI activity was never anchored to a clear commercial objective with defined metrics and executive accountability. The strategy conversation happened after the deployment decision, not before it. In many cases, it never happened at all.

McKinsey's 2025 State of AI report found that just 1% of organisations consider their AI strategy truly mature. Too many are running pilots without clear commercial intent, or deploying AI tools function by function without an organising logic that connects them to business objectives, margins or growth. The result is a proliferation of use cases and a shortage of outcomes.

## WHAT AI STRATEGY ACTUALLY MEANS

Strategy, in this context, is not a slide deck or a digital transformation roadmap. It is the answer to four specific questions that every board should be asking, at a minimum and every C-suite executive should be able to answer clearly:

1. What commercial problem is AI solving, and for whom?
2. Which measurable outcomes define success, and over what timeframe?
3. Who is accountable for delivery, and how is that accountability embedded in leadership reviews?
4. What governance structure ensures that AI decisions are made with appropriate oversight?

Through its work supporting senior leadership teams to align AI adoption with organisational objectives, Rialto has observed that the absence of clear answers to these four questions frequently results in well-intentioned experimentation without a defined route to measurable business value. Once these foundations are established, organisations are better positioned to address the practical challenges of implementation, including governance, decision-making speed and cross-functional collaboration.

Timescales matter more than most executives currently acknowledge. Companies with established AI governance frameworks move from pilot to production significantly faster than those without, because governance removes ambiguity about who approves what and how to handle decisions that fall outside the original brief. In practice, governance and speed are not in tension. Governance is what makes speed sustainable. (See our previous insight, [Speed vs Governance](#))

Equally important is the degree of alignment and collaboration across the leadership team. The value in AI-enabled customer service, for example, is only realised when operations, data, technology and commercial leadership are working towards the same objective. The CFO's workforce cost modelling feeds the COO's operating model redesign. The CHRO's reskilling programme determines the pace at which the COO can execute. When those conversations happen in silos, AI investments stall. When they happen as a coordinated leadership effort, they compound.

AI transformation demands a strategic mind that can hold commercial intent and operational complexity simultaneously, move on shorter planning loops than traditional strategy cycles allow, and make high-stakes decisions with limited precedent. That is a genuinely different cognitive demand from most of what executives have been developed to meet.

#### THE HSBC EXAMPLE: STRATEGY BEFORE TECHNOLOGY

In April 2026, HSBC appointed David Rice as its first Chief AI Officer. Rice spent nearly 20 years at HSBC, most recently as Chief Operating Officer for Corporate and Institutional Banking. He is a commercial executive, not a technologist.

CEO Georges Elhedery was direct about the strategic logic: "Our customers increasingly expect their bank to deliver services uniquely aligned to their specific needs, and fast. That is why we are building a bank that is designed for the future. AI plays a key role in how we get there."

HSBC's AI programme connects to a single financial target: a return on tangible equity above 17% for 2026 to 2028, with AI-driven efficiencies expected to contribute to that outcome. The bank has given 85% of employees access to generative AI tools and is reportedly planning a reduction of up to 20,000 non-client-facing roles over three to five years, while redeploying human capacity toward higher-value customer work.

A named executive is accountable for outcomes, a financial target to which AI must contribute is set and a workforce plan is attached to the commercial model. The CEO frames it as the means by which the bank delivers on its customer promise, not a technology initiative run by technicians.

#### WHICH EXECUTIVE CAPABILITIES NEED TO EVOLVE IN AN AI-DRIVEN ENVIRONMENT

The conversation about AI and executive roles has historically been anchored in technology leadership, rather than being treated as a broader question of business strategy and executive accountability.

CEOs must move beyond a general AI vision to a clearly articulated link between AI investment and return on investment. Boards increasingly want clarity on where AI creates sustainable competitive advantage. A technology roadmap is no longer sufficient.

For CFOs, AI is reshaping cost structures, investment decisions and operating model economics in ways that require direct financial interpretation and challenge traditional approaches to assessing value and risk. They must be able to interrogate the assumptions behind an AI business case and model the workforce cost implications of automation at scale.

CHROs are at the centre of the largest human capital challenge most will ever manage. Workforce reinvention at AI pace requires decisions on reskilling, role redesign and the shape of human-AI teams that existing HR frameworks were not built to handle. Our survey found that leading workforce reinvention at scale is the third most cited hiring priority for 2028 to 2030.

COOs and transformation leaders are being asked to redesign operating models rather than optimise existing ones. Executives who can co-design AI-era workflows, restructure governance and sustain momentum through disruption are increasingly the ones boards want at the table.

What connects all of them: strategic intent that is specific, commercially grounded and measurable.

## WHAT AI DEMANDS THAT LEADERSHIP NEVER DID BEFORE

It demands faster and more consequential decisions with less precedent to draw on. The pace at which AI reshapes cost structures, competitive dynamics and workforce models does not match traditional planning cycles. Executives who rely on three-year strategy reviews to respond to AI-driven change will consistently be late.

It demands cross-functional authority and fluency that most executives have not formally held. AI creates value at the intersections: between commercial and technology, between finance and operations, between HR and the business units it serves.

And it demands a new kind of accountability. A Pearl Meyer survey from April 2026 found that 45% of board members consider clear executive ownership of AI decisions one of their top three readiness factors. Only 22% of C-suite respondents agreed. That accountability gap is where AI strategies can quietly fail.

Our survey found that 25% of respondents believe the most critical hiring criterion for 2028 to 2030 will be the ability to translate AI into measurable commercial growth. Boards and remuneration committees are beginning to price it accordingly. Research from the Oxford Internet Institute points to an average 23% wage premium for AI-literacy, while Russell Reynolds Associates reports that Chief AI Officer and Chief Digital Officer mandates are among the fastest-growing in executive search.

## THE WINDOW TO ACT IS SHORTER THAN MOST EXECUTIVES THINK

The question for any executive reading this is whether their ability to align AI with commercial objectives, set measurable outcomes and govern for results is visible to the people who make decisions about leadership, succession and future organisational capability. In a market increasingly shifting from experience-based to skills-based evaluation, boards are asking not only what leaders have achieved, but whether they possess the capabilities required for the next phase of growth and transformation. Demonstrable AI leadership capability is rapidly becoming one of those differentiators.

Through our work advising executives and leadership teams on career strategy, leadership development and organisational transformation, Rialto is seeing these capabilities emerge as increasingly important indicators of executive readiness and long-term career value.

The AI strategist is a new standard of executive performance, not a new job title. Those already meeting it are not waiting for the market to demand it.

## FREQUENTLY ASKED QUESTIONS

### Why are so many AI investments failing to deliver commercial value?

AI is being treated as a functional initiative rather than a strategic one. Without a clear commercial objective, defined metrics and executive accountability from the outset, AI deployments rarely connect to the bottom line.

### What does it mean for an executive to have an AI strategy?

It is a clear articulation of which business problems AI will solve, what measurable outcomes are expected and by when, who is accountable for delivery and how risk and governance will be managed. A technology roadmap is a different document. Executives who can answer those questions in board language are the ones boards and remuneration committees are beginning to seek out and pay a premium for.

### Which executives need to develop AI strategic capability?

All of them. CEOs need an AI vision connected to competitive strategy. CFOs need to interrogate AI economics and model automation's workforce cost implications. CHROs are leading the largest workforce reinvention challenge most will face in their careers. COOs are being asked to redesign operating models. The common thread: strategic alignment, clear objectives, measurable outcomes and accountability for results.

*This insight draws on Rialto's proprietary survey of and feedback from senior professionals spanning Board Directors, C-suite executives, HR and Talent leaders and senior functional leaders from organisations with 500 to 10,000+ employees across sectors, reflecting both those with direct hiring authority and those subject to it.*

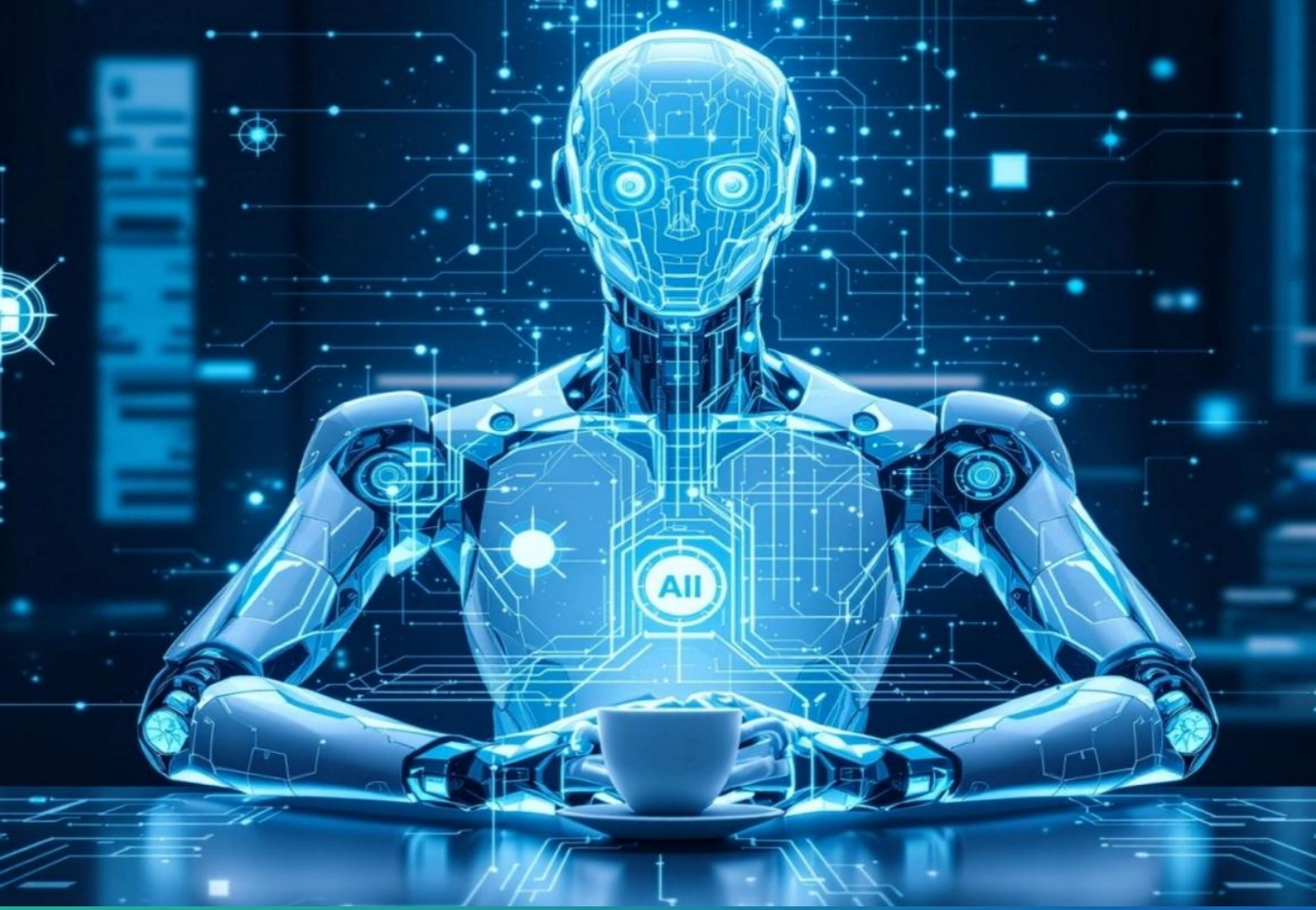
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