



# FROM SILOS TO SOLUTIONS

Unlocking Corporate Potential with AI Leadership

The social brain hypothesis suggests that our ability to think more complex thoughts has developed to help us handle unusually complex social demands that are essential for living in large groups. Bigger groups entail a greater number of social relationships and nuanced interactions, leading to more intelligence across the group.

Similar theories are surfacing about AI as more machines and systems are connected through complex networks, edge computing for decentralized decisions, and large in-memory data repositories. As for living organisms, whose brain size can be correlated to the quality of their diet and social behavior, similar factors such as sustainability, energy consumption, mutually exclusive data sources, derived large language models and related systems are now evident to AI experts in various industries.

While the first-mover's advantage in AI development went to tech companies, the data-sources and true potential for value creation lies squarely in the hands of what these tech companies may see as old school sectors. Last year's new trillion-dollar companies may all have come from the tech industry, but the future ones will come from professional services, healthcare, industrial, finance, education, energy, and defense.

AI applications are not just for chatbots. Newer applications of AI are bringing higher efficiency for manufacturing supply chains and capital allocation decisions. The resulting cost savings create real and sustainable pricing advantage in markets that are already competitive. You may know of Tesla, ChargePoint, EVgo, and Blink as pioneers of the EV charging ecosystem. Though EVs as a market portray a bright future in

the automotive space, many of these EV-charging stocks have been down due to a historic sell-off, with some stocks down 90%. The industry has been affected by high costs of materials, components, and competition within the EV charging space heating up. British multinational oil and gas company Shell, seeing large datasets and AI-driven efficiencies as the new black gold, recently entered the US EV-charging market with its Volta charging acquisition.

## True value creation comes from finding talented leaders who cross boundaries between previously siloed industries.

**Mahesh Sudhakaran**, general manager at GE Vernova says *"It's an exciting time to be at the forefront of AI innovation. We have the capability with AI to synthesize and streamline multiple types of data/inputs and drive insights - directionally first and then with precision to make decisions. By combining climate data, weather, and temperature with usage data, such as electricity use, generation source, and rates, we can now build models that make EV charging not just cheaper but also sustainable. This is a clear demonstration of how technology, when it creates value, can drive adoption, and transform industries."*

As tech companies look for acquisitions to understand these domains better, the true value creation comes from finding talented leaders who cross boundaries between previously siloed industries.

It's still early to expect everyone in the C-suite to fully understand the coming disruptions. If your industry hasn't generated large amounts of data yet, there may be a lack of perceived value

when weighed against the expense. Look again and you may find the equation is quickly changing and your competitors have found ways to transform that data into intelligence, newer products and services, and value that clients are willing to pay for. To the majority of companies that know they should have the data and deep AI knowledge but lack the awareness of where to get it, we recommend having conversations with thought leaders and developing a more informed view before hiring a chief AI officer or a VP of AI.

Most companies have naturally developed siloed functions such as finance, HR, legal, operations, sales and marketing, to become more efficient and reallocate resources to functions that allow specialization and market differentiation such as product research. Adding operational efficiency could be your company's first use case for AI.

**Even though higher operating margins would lift valuations, most of the inherent multiples lie in how investors view a company's future potential.**

## INCREASING OPERATIONAL EFFICIENCY

Enacting higher levels of efficiency, better cost savings and faster decision-making at a company that has been around for years (perhaps decades) is not for the faint of heart, but the best functional leaders at your company may already have ideas of how to achieve such efficiencies.

**Srinivasan Venkataramani**, chief product and technology officer at PlanSource, observes *"At PlanSource, we have embraced AI (specifically GenAI) significantly in the last 9-12 months. We are using this both for product differentiation/innovation in benefits administration/engagement and for process optimization in various functions including product management/development. We are now in the process of rolling this out to other functions. We have also viewed*

*this a transformational program and are governing and managing this with cross-functional participation."*

Here are two examples:

Process automation and workflow optimization using AI-powered tools like robotic process automation (RPA) can automate repetitive, rule-based tasks, freeing up employees' time to focus on higher-value work. In the right kind of work culture, these employees appreciate the shift in focus and any associated training that will enhance their own market value and strengthen their loyalty to the company.

Complex supply chains built by global organizations that involve manufacturing processes and machines depend on large data repositories comprising enterprise

resources, SKUs, parts, employee data, availability and utilization of resources. Reviewing these and drawing insights by humans had required visualization tools in the past, but now AI can analyze in real-time and identify processes to be automated or improved. Once deployed, these AI algorithms also analyze larger volumes of data at high speeds, uncover hidden patterns, trends and insights to inform quicker and more accurate data-driven decisions and optimize operations.

**Our take:** Start where you are. Instead of chasing an illusion of paradise,

your first chief AI officer could focus on analyzing complex data sets and generating actionable insights, helping the company to make decisions and identify newer opportunities. AI solutions and toolkits that they develop and deploy will have the capability to assist businesses in predicting market demand, detecting possible issues, and enhancing supply chain efficiency through the examination of live data sets across complex systems and recognizing patterns.

## UNLOCKING MARKET CAPITAL

A Google search for “nVidia Partnership” lists hundreds of thousands of results. However, unlocking marking capital with AI is deeper than just working collaboratively with an nVidia, Google, Microsoft, Salesforce, or Amazon. Investors are already trained to see such announcements as mild AI-washing.

Even though higher operating margins would lift valuations, most of the inherent multiples lie in how investors view a company’s future potential. AI leaders know that real value creation is about product and service innovations, and that goes much farther than finding operational efficiencies alone as a competitive advantage.

This is how complex large-scale connectivity beyond the borders of your own company, and therefore AI, has created market value for most pioneers in space exploration, semiconductors, high-performance computing, and hyperscaling. If investors see you as a platform-play, similar to such SaaS/PaaS

companies, odds are that you will be well rewarded for portraying that image.

Unlocking such market potential requires a full team of AI and tech-savvy leaders: a CEO who drives transformation, a visionary CTO for product innovation, a chief people/joy officer fostering engagement and a supportive work culture, a strategic CIO ensuring foundational systems and security, a dynamic CMO promoting initiatives, and a general counsel protecting intellectual property and the brand.

At first blush, chief people and HR officers may have had a limited view of the potential

**Before you hire an AI leader, ensure you have ample use cases grounded in reality, board-level support for required investments, and C-suite readiness across functions.**

of AI applications – scanning candidate resumes, writing job descriptions, reviewing policy documents, developing presentations, and engaging employees through automated emails or chatbots. However, as enterprise solutions from AI companies such as IQTalent, Eightfold.ai, and Glean show, AI can integrate into your entire ERP, CRM, and applicant tracking systems, surfacing newer and more intuitive solutions. In the words of **Johnny Taylor**, president and CEO of the Society for Human Resources Management (SHRM), *“In the AI era, HR’s role evolved from traditional personnel management to being the architect of employee experience, leveraging technology to drive engagement and productivity.”*

Becoming tech-first and creating the new generation of trillion-dollar companies through AI solutions will surface new challenges and require leaders to play newer roles. It is also important for an AI leader to bring awareness of these new trends and the ability to target possible acquisitions at well-timed valuations from the startup world.

Inviting a visionary AI leader is just the beginning of a journey - one that will attract, cultivate, and preserve premier AI talent across your company, fortifying your prowess as a pioneer towards AI

advancement and lifting the tide for others that follow.

**Our take:** Selecting an AI steward is pivotal for communicating the corporate AI strategy to external stakeholders as well as among your own leadership. The crucial step sets in motion a process of catalyzing avenues for expansion, and ensuring that AI investments harmonize closely with business aims.

However, prior to securing this leader, it is imperative to possess tangible, real-world use cases, secure requisite investments at the board level, and cultivate executive readiness across functional domains. You may also discover weak links along the chain that need to be looked at and strengthened.

Amid escalating competition for AI professionals, we recommend augmenting your internal talent pool through acqui-hires from startups and forging strategic alliances with research institutions, tech providers, and organizations deeply entrenched in scaled platforms for cloud storage and parallel computation. These collaborations fortify your company’s AI prowess and resource base, elevating its competitive edge.

**APPOINTING AN AI LEADER IS A CRUCIAL STEP TOWARDS FOSTERING AWARENESS OF THE COMPANY’S AI STRATEGY AMONG THE LEADERSHIP TEAM, FACILITATING GROWTH OPPORTUNITIES AND ENSURING THAT INVESTMENTS IN AI ARE CLOSELY ALIGNED WITH BUSINESS OBJECTIVES.**



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