

REINVENTING ENTERPRISE MODELS

In the Age of Generative AI

Across industries, leaders are focused on business outcomes enabled by AI. The real barrier to unlocking AI's value is bringing people along for the journey and reshaping the very structure of your enterprise.

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WHEN WE REFLECT on the years following the launch of OpenAI's ChatGPT platform in December 2022, generative AI ('genAI') has rapidly captured our imagination and hit the top of the executive agenda. **Accenture** research shows that 86 per cent of executives expect to increase investment in AI technology in 2026. The value at stake is tremendous: Organizations successfully pursuing AI-fuelled reinvention have already delivered top-line performance 15 per cent higher than their peers between 2019 and 2024. That figure could double by the end of this year.

Going forward, value creation will demand thinking more deeply about how traditional workflows, functions and jobs can be redefined across the value chain. This involves reimagining not only how tasks are executed, but also how new capabilities can be scaled to create a transformative operating model—one that puts humans in the lead to holistically integrate technology, talent and processes to deliver sustainable value. In this article we will present a four-lens framework for enterprise model reinvention.

LENS 1: AMPLIFIED INTELLIGENCE

Human-plus-machine capabilities will unlock new levels of intelligence and innovation. To see the full potential, organizations must reconsider how they structure workflows to enable new 'connective intelligence tissue': a network of interactions that connects humans and genAI agents. For example, if functional interfaces are largely managed by intelligent agents with the human in the lead, could they open up new possibilities for running end-to-end processes (such as integrated business planning) in more efficient and dynamic ways?

GenAI introduces a new dimension to human+machine collaboration. Previously, these interactions were mostly limited to query-response exchanges intended to retrieve data and information. The generation of ideas, insights and content, by contrast, remained strictly the domain of humans. GenAI upends this paradigm by facilitating unprecedented, fluid collaboration between technology and humans. This can even include guiding humans to execute intelligence-requiring activities.

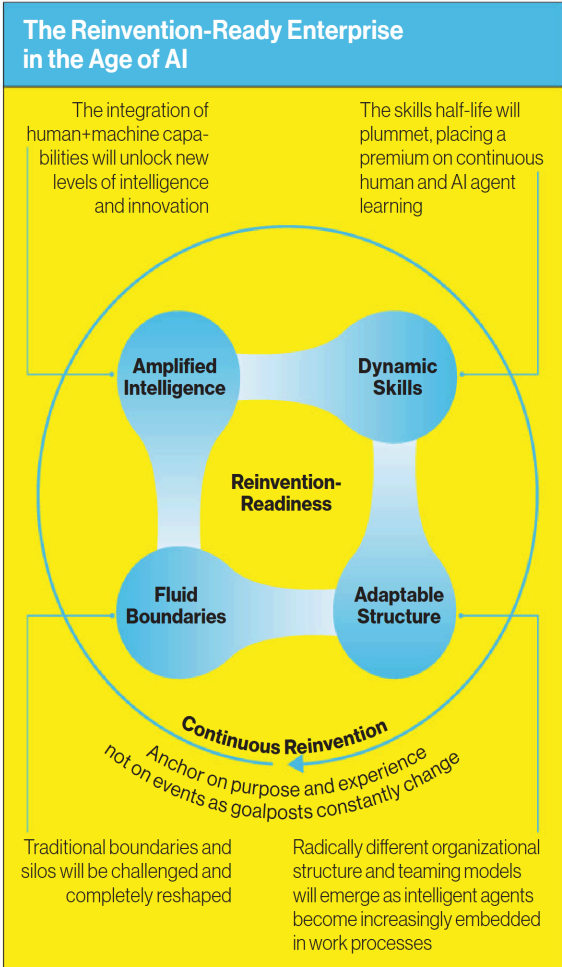


FIGURE ONE

Two critical ingredients are required for collective intelligence to amplify and drive impact. First, people must accept genAI agents as a new type of ‘intelligent colleague’ with novel capabilities that are different from their own. Imagine an entirely new workflow, where individuals can interact with someone else’s AI agent or a group of AI agents collaborating with one another to collect insights for their human lead to enhance decision making.

Second, organizations need to form and nurture a network of interactions that connects humans and AI agents, allowing knowledge, insights and innovation to flow seamlessly across individual, team and organizational levels. Take innovation, a job typically assigned to a centre of excellence (CoE) and often

tightly managed. What if innovation were not prescribed to a place and time, but rather bubbled up from the edges of the organization, where individuals and teams have direct insights into customer needs? With genAI, it is already possible for almost anyone to go from an idea to a customer-tested product concept, complete with a marketing campaign and a website, in less than a day. AI agents could then disseminate the idea and product concept amongst one another and advise human colleagues to join a team to progress it. Furthermore, domain experts working with their own AI agents could continuously scan thousands of emerging ideas to ensure the most promising ones are prioritized for testing and funding.

AI agents and connective intelligence tissue will equip employees at every level of an organization to make better decisions by providing contextually relevant information and actionable insights. Employees will need to develop new skills to better work with, and direct, these capabilities, integrating them into their everyday working practices. Organizations, meanwhile, will need an entirely new way of enabling employees to acquire and apply these skills—quickly and continuously, which brings us to Lens 2.

LENS 2: DYNAMIC SKILLS

We will see more co-learning between people and intelligent agents as they begin to innovate together. But how do you create the structures and incentives to harness this innovative nature of co-learning? And what are the implications for corporate learning?

AI is already dramatically impacting the traditional currency of skills. The time it takes for a skill to lose one-half of its value (its ‘half-life’) is shrinking at an increasing pace. This phenomenon underscores the growing need for dynamic job architectures, predictive workforce planning, new engines for developing talent and a new approach to pervasive learning and apprenticeship—all of which can be enhanced and supported by AI.

Consider an accelerated cycle of job changes as the nature of work is impacted by AI. Many workers will be expected to learn new skills, train AI agents to automate those skills and then re-imagine and redefine their own jobs. As AI automates



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aspects of both routine tasks and advanced skill-based tasks, the remaining work will be reconstituted into new jobs. This evolving job architecture means organizations will need to plan their workforce based on predicted career pathways rather than relying on traditional, predefined paths.

To accommodate this accelerated job cycle, a new approach to talent acquisition and development will be essential. Organizations will favour talent who thrive in such dynamic environments: curious and inquisitive individuals with a high aptitude for continuous learning and a strong appetite for change. Additionally, companies will increasingly expect new joiners to come with a commitment to lifelong learning and a readiness to reinvent themselves throughout their careers.

Many debate if ‘generalists’ or specialists will become obsolete with the rise of AI-augmented work. We believe that both will remain essential, as organizations will require a high degree of ambidexterity: expanding the possibilities of genAI, while cultivating uniquely human expertise in specialized domains. For example, some employees will become highly proficient in selecting fit-for-purpose LLMs, setting up systems to train and continuously update the models and pre-training AI agents. Others, augmented by AI agents, will exercise deep domain expertise to create better products and services. One thing is clear: Whether one is a generalist or a specialist, the ability to fuse human and machine skills will be essential.

A reimagined approach to learning and development is essential to support employees and foster dynamic skills and roles at both individual and organizational levels. People will receive real-time feedback and information on their performance, skill relevance and learning opportunities, moving away from the traditional, infrequent assessments conducted by managers or HR that commonly led to the prescribed curricula from static content.

Even the more recent trend toward democratized, on-demand self-service learning falls short of what will be required because it lacks personalized guidance tailored to an individual’s role, context and learning preferences. Here, a personal AI learning agent can be an invaluable companion. Aware of an employee’s changing role, experience and ambition, the agent

could proactively suggest upskilling/reskilling paths that are highly tailored to the individual’s professional goals, needs and unique learning preferences.

To enable this new way of learning, the Learning and Development (L&D) function will look completely different. Its focus will shift from pre-configured learning programs and content to providing AI learning companions and LLMs trained on internal and external skill learning content that is closely and continuously aligned to the changing nature of work and required jobs. Additionally, the L&D function will be responsible for nurturing continuous and pervasive learning by embedding it holistically into the job roles. This requires close collaboration between business and HR leaders, and we expect the L&D function to gain prominence within the C-suite, following a similar trajectory as IT and digital functions when they became integral to business strategy.

The ability to dynamically evolve one’s skills for the task at hand (and longer-term strategic goals) will enable people to work across disciplines and functions, which is a catalyst in dissolving the traditional boundaries within organizations. Leaders must cultivate ‘human fluency’—the ability to adapt talent and practices to maximize the potential of technology. The human side of AI is critical, starting with leadership and cascading through every level of the organization. With more than 60 per cent of employees saying they require more learning or confidence in using AI tools at work, it’s essential for leaders to prioritize transparency, training and open dialogue to guide their people through this transformation.

LENS 3: FLUID BOUNDARIES

Traditional boundaries and silos will be challenged and completely reshaped. As work is reimagined, organizations should rethink traditional workforce structures and constructs. For instance, contact centres could evolve into intelligent operations hubs, organized in entirely new ways to better align with the demands of a changing workforce.

As AI automates more routine work across end-to-end processes, humans will focus on more fulfilling, strategic work, such as highly creative tasks or resolving exceptions in AI-automated



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workflows. Such work will, by definition, transcend traditional organizational boundaries and require people to work together in new ways and in more cross-functional teams.

Furthermore, transparency will radically increase as genAI eases and accelerates the flow of information and insights across the organization, including geographies, time zones, languages and regulatory jurisdictions. This will further challenge and reshape the boundaries of traditional hierarchies in which resources and information are tightly orchestrated through managerial layers in siloes.

Finally, the base level of expertise can be lessened as specialists across disciplines—for example, R&D, marketing and sales—can work together in ways that were previously more challenging. This is driven by the ease of interacting with genAI to quickly access a synthesis of information and rich insights across disparate and unstructured information sources.

To deepen our understanding of these trends, let's examine the ramifications of fluid boundaries on select organizational and operating model constructs, starting at the top. C-suites are the pinnacle of information aggregation and, ultimately, decision-making. Yet, organizational siloes often originate at the top, cascading downward as business units and functional divisions are structured around various power dynamics that include information flows. Imagine instead, a de-siloed C-suite where a genAI agent can provide holistic visibility across the organization in just a single prompt. C-suite leaders could ask questions and instantly gain insights into any part of the business without needing to be deep experts in those areas.

For example, a chief marketing officer at a life sciences company might quickly inquire about emerging clinical trial outcomes to proactively plan a future marketing campaign for a particular drug. The orientation of such a C-suite could pivot from managing mostly in siloes to identifying critical company-wide issues and forming sub-teams to solve them. A leader's deep domain and functional expertise would still be required to make decisions and run the organization. However, some domain expertise could become more easily interchangeable among leaders skilled in using AI agents. A multinational financial services organization is already experimenting with this idea by temporarily swapping C-suite roles, for example, asking its CIO to become its CHRO and vice versa.

Corporate functions will also look different as genAI takes on many traditional tasks. These departments will be leaner and staffed by employees who are adept at fusing their specialized skills to direct AI capabilities. This allows for the essential cross-functional collaboration needed to achieve business objectives. Consider the potential for Go-to-Market, HR, L&D, Risk and Strategy functions to jointly make real-time AI-supported decisions about the shape, skills and size of the company's sales workforce, considering new offerings, emerging competitive dynamics and changing regulatory or political environment.

The boundary between business and technology will continue to erode and become increasingly translucent. The natural language interface of genAI tools will make this boundary largely irrelevant, allowing people without specialized tech skills to easily query and interact with data, synthesize information and generate insights—a trend that will only continue to accelerate. This will allow organizations to seamlessly embed technology into workflows without the need for extensive technology development projects. While the IT/Tech function will remain essential, its focus will be building and managing scalable, company-wide infrastructure and platforms.

Lastly, the ecosystems of partners will increasingly experience the fluidity of evolving boundaries among them. Many products and assets, both digital and physical, are already enriched with data and information from multiple sources. GenAI will further enhance these products with intelligence, driving deeper process and data integration across ecosystem boundaries in secure, regulatory-compliant ways. Consider a modern car already equipped with navigation, streaming services and soon, autonomous driving capabilities.

The power of genAI holds a lot of promise to create fluidity across boundaries, but it's not sufficient. As we have learned with other technological waves, it takes human intent, resolve and stamina to transform the ways we work, collaborate and organize.

LENS 4: ADAPTABLE STRUCTURES

Radically different organizational structures and teaming models will emerge as intelligent agents become increasingly embedded in work processes. As people develop, direct, and collaborate with AI agents, the structures they work within must adapt. For example, will the core unit of an organization

become a human+machine partnership rather than a full-time equivalent (FTE)? How will traditional metrics like spans and layers or shared services and global capability centres (GCCs) evolve? Could this be the moment when platform-based organizational models, pioneered by tech companies, become the standard?

Answering these questions requires rethinking how organizational and operating constructs evolve at all levels: from employees (basic unit) to teaming methods, reporting hierarchies and platform-based models.

When using genAI agents becomes a necessity to perform one's job, partnership between an employee and AI agent(s) will become the base unit of organizational structure and capacity. This will require a significant mindset shift, requiring leaders to rethink:

- How employees interact with their colleagues and AI agents;
- How managers assign tasks and build teams by quickly augmenting employees' skills and capabilities with one or more AI agents; and
- How managers and HR define job requirements.

A boost to organizational agility can be achieved by allowing more freedom for teams to self-organize, aided by AI agents and guided by simple rules, such as ensuring alignment to organizational objectives. This is particularly true for accelerating innovation, as discussed in the Amplified Intelligence section. With information transparency from AI, employees can find ideas of interest and commit their time to teams that share common goals. As a result, the reduced need for managing information flow, team formation and their work will naturally lead to flatter hierarchies.

Alongside structural and operational changes, individual productivity targets, such as those for sales associates, should reflect AI-driven efficiencies and enhanced customer satisfaction. At the organizational level, marketing teams should track improvements in campaign cost, speed and effectiveness as they integrate AI. However, rising performance expectations must be matched with investments in AI training and funding. We recommend leaders take the following actions now:

REFLECT ON YOUR CURRENT AI AMBITION. Are you thinking deeply about future needs of your business, like new ways of working, talent and skills and organizational/operating model implications? Consider the four dimensions described in this article.

FOCUS ON EARLY OPPORTUNITIES TO SCALE AI. Are you addressing the implications for organizing work differently? Without reshaping work, processes, tasks and required skills, it's difficult to fully realize genAI's value at scale.

PREPARE YOUR ORGANIZATION TO BE 'REINVENTION READY.' Our research shows that Reinventors consistently set new performance benchmarks and continuously adapt talent and ways of working to sustain momentum.

INVEST IN TRUST AND ENGAGEMENT. Build skills and learning infrastructure, foster responsible AI practices and prioritize transparency and dialogue with your people so your organization can incorporate human-led AI solutions and grow through change.

In closing

While it's still early days and much remains unknown about how AI technologies will scale, two things are clear: operating model and organizational design are critical enablers of unlocking value and this is a pivotal moment in the evolution of genAI. The actions business leaders take today will shape the future of their organizations and industries, presenting a unique opportunity to reimagine work and unlock new frontiers of performance. **RM**



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