



HACKING THE CHANGE CURVE

Scaling Human + GenAI Collaboration

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Introduction: Cracking the Change Ceiling

This book is written for people who are wired to learn from other experts and from best practices that have already worked at other companies. This reader is someone who is usually a voracious learner and when in problem solving mode will often look to other leaders or experts for help and guidance.

Do not read this book if you're expecting a detailed playbook or instruction manual.

Why Should You Care About AI Adoption?

Your CFO and CEO place a higher value on the R than the I in the ROI equation. I don't care if you're a CIO, CTO, head of strategy, AI builder, or services provider and implementer. If you don't get human adoption on your AI investment, you get investment – without return.

I heard that Satya Nadella reviews Copilot usage numbers for all of their key clients. Of course he does. If he didn't – he'd be swimming in a lake of cancelled licenses and shredded brand reputation within a couple of years.

So how is this book different from change management? Well... About 50 years, psychology, method, mindset, and AI. Change management had a top-down, linear approach that focused on control and structure. That just doesn't work anymore. This book focuses on a more people-centric approach to achieve 3X-4X adoption outcomes.

There's a reason most AI adoption tops out around 20% - 30% of employees.

If traditional change management worked for AI, Satya and other builders wouldn't worry about usage. The big consulting firms don't care about adoption yet – because they rarely get paid on their performance. They get their project fees whether the client uses what they've implemented or not. They might get the blame when employees don't use it – why do they care? The deposit cleared – but that's a different book.

Ultimately, AI builders and client-side decision-makers have to care deeply about adoption. Because if you don't, investment approvals from the CFO will stop, contracts get cancelled, and the board will start chipping away at the leadership team until someone makes progress. If you came to the conclusion that adoption is a solvable problem and picked up this eBook – chances are, you're wired to make progress.

Let's get to it.

Chapter 1: Transform and Operate

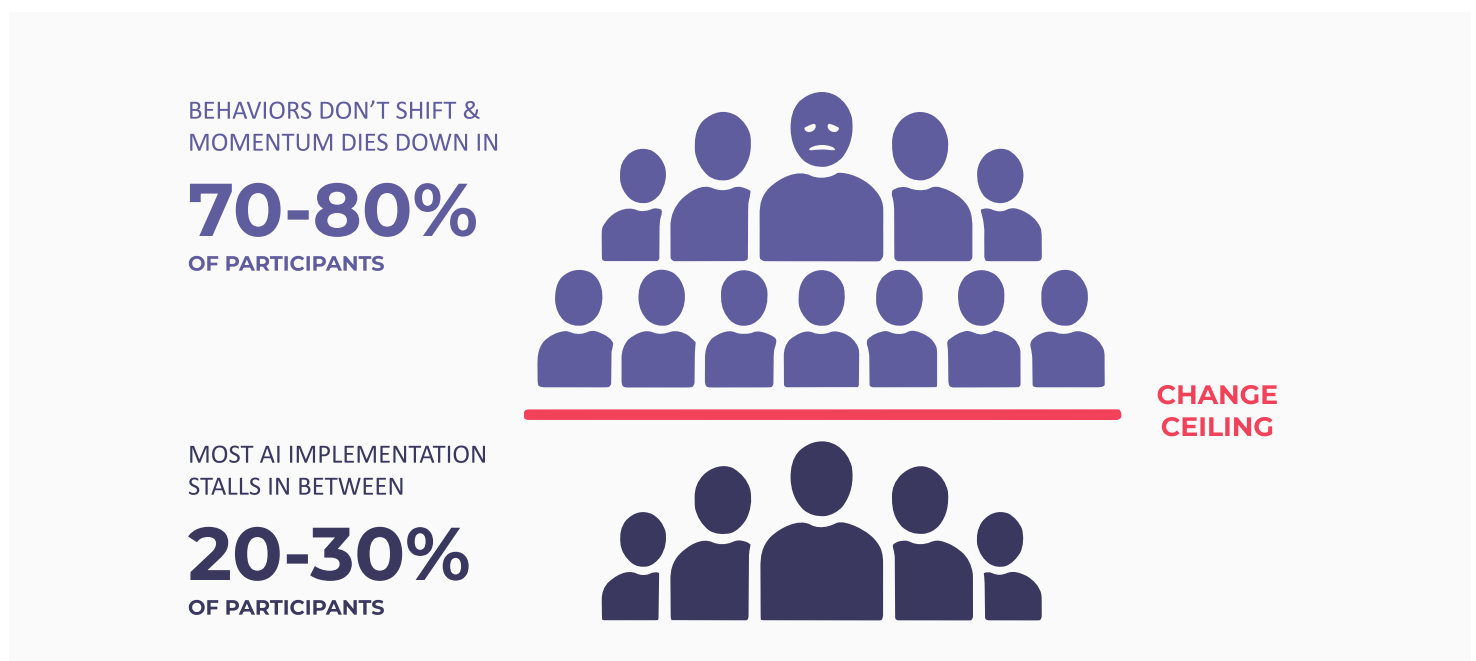
Transforming companies must do two things well: operate and evolve. Not everyone or every company is wired to do both. That's the real reason digital transformation and now AI adoption are glacially slow, stall, or fail entirely.

A 2024 BCG survey of 1,000 C-suite executives found only 26% of organizations had successfully moved beyond pilots to generate tangible value. That means 74% of companies struggling to scale AI deployments effectively.

We've proven that companies can flip these numbers and predictably achieve more than 70% adoption of AI tools. while also supporting company performance and transformation goals.

The goal of this eBook is to teach leaders, change practitioners, and project managers how a simple shift in their approach to rollout can increase their success rates with these initiatives WHILE ALSO maintaining company performance. By leaning into how people are wired psychologically instead of fighting or coaxing employees who freeze in the face of uncertainty we can do both. The approach in this eBook reduces organizational anxiety, increases trust, and unlocks real momentum behind transformation.

Here's why: Most AI implementations stall in adoption between 20% and 30% of employees. Corporate innovation teams call this the "change ceiling." The change ceiling is a moment that every transformation leader dreads. It's that invisible threshold where, despite the investment, the kickoff meetings, and the pilot programs adoption just stops between 20%-30% of participants. Behaviors don't shift and momentum dies down in the other 70% - 80% of the pilot or rollout groups. It's the silent killer of return on investment.



John Kotter has been advocating that leaders proactively manage resistance and anxiety in transformation efforts since 1995. Since then he's been telling us to leave the "no no" people out of the early stages. Now with the use of AI + psychology we've proven that he's absolutely right AND we can quantify it with data. 70% - 80% of employees in any organization have difficulty with uncertainty. They are wired psychologically to be anxious in the face of ambiguity and uncertainty. Including them early might tell change managers where some of the objections will come from in the more vocal resisters but it barely scratches the surface with the silent undercurrent of anger and fear.

In order for most in the resistant masses to change their behavior we have to meet two conditions: take the uncertainty out and trigger their need to fit in. Inviting anxiety into the process early – really just slows everyone else who IS comfortable with uncertainty down.

In the age of AI, the change ceiling appears sooner and more dramatically. Generative AI in particular, exposes the fragility presented by anxious resisters because its implementation is not transactional it's behavioral. Success depends less on integration with existing systems and more on integration with existing habits,

psychology, and leadership norms.

Yes, we use artificial intelligence to get our work done faster and without ruffling feathers for our clients. That said – everything in this GenAI adoption framework can be done without the aid of technology, it just takes a bit more time and may be clouded by human bias. This book is your roadmap for avoiding the change ceiling and scaling AI adoption with less drama, more velocity, and 6X more success.

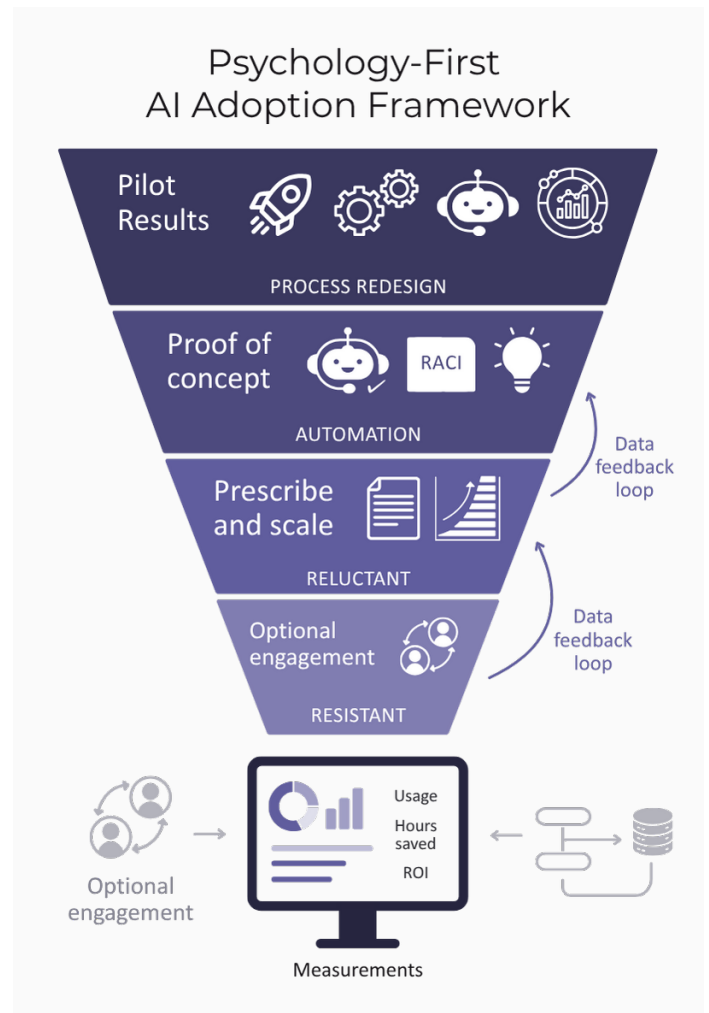
Chapter 2: From Industrial Stability to AI Ambiguity

Let's take a step back. Business and productivity have come a long way since the Industrial Revolution. From steam engines to assembly lines, from mainframes to SaaS, each leap in technology has required some level of human adaptation. But if we're honest, human psychology hasn't evolved at the same pace. We see it every day in behaviors at work – micromanagement, discussion about 'psychological safety', slow adoption of new technologies, delayed investments, freeze responses to economic uncertainty, etc.

Our founder, Karrie Sullivan, recently ran a workshop for a client's finance team in which they discussed the impact of AI and large language models on their industry as well as finance and accounting functions. As the discussion transitioned to Q&A, most people were quiet and polite, a few were curious, one was very visibly and vocally angry and cited security and other issues as reasons she objects to the technology. The seeds of resistance are sewn.

Karrie took her aside later, acknowledged her anger, and asked her how she personally felt about AI. The resistant team member expressed that she is deeply concerned that her job will go away and would impact how she takes care of her children as a single mom. People are emotionally attached to their jobs for a variety of reasons. These emotional connections are the seeds of uncertainty and resistance. The challenge is that these issues are rarely just about the technology or business strategy for people. Change managers and project leaders simply don't have bandwidth to take each person aside. Similarly, employees' personal and professional anxieties are also MUCH bigger than we should ask them to shoulder.

This is really no different than industrial revolution issues in the 1800s. A group of textile workers in England, known as the Luddites, smashed automated looms out of fear for their livelihoods. While their concerns were understandable, their resistance couldn't stop the tide of change. Today, many professionals are reacting the same way to AI. But the threat is no longer about jobs being automated. It's about relevance, identity, and



ambiguity.

Generative AI requires a type of thinking adaptive, non-linear, emotionally intelligent that isn't the default for most employees. It introduces new power and anxiety dynamics in organizations. Suddenly, those who can prompt and iterate ideas quickly and those who are psychologically comfortable with ambiguity have a performance advantage. Similarly, those who are intimidated by uncertainty find themselves afraid for their jobs and their futures. These are real fears.

The following chapters lay out a framework for managing AI adoption based on behavioral psychology, employee segmentation, and second order thinking. Identifying what we call your "Transform and Grow" team is the foundation of aligning operating and transformation goals to people who are naturally wired for each. Our approach is to remove anxiety from transformation. These methods help organizations tap into their most capable minds, reduce change resistance, and unlock exponential returns- without the need for a full reorganization.

We begin by exploring how mindsets, not job titles or functions, form the foundation of transformation success.

Chapter 3: First vs Second Order Thinking

First order thinking is defined as surface level decision making. It's focused on immediate outcomes and direct consequences: "If I do X, what happens next?" This is the domain of procedural thinking, linear logic, and repeatability. In stable industries, functions, and environments, first order thinkers thrive.

Let's take a quick look at banking as an example. Linear, rules-based thinking has long been a cornerstone of the banking industry. We WANT rule creators and followers to work in banking. If they don't follow rules, bad things happen. First order thinking, characterized by its reliance on predefined rules and logical conditions, offers several advantages that are particularly relevant in the complex and highly regulated world of banking.

First order, linear, rules-based, and process-oriented thinking ensures consistency and reliability in decision-making processes. Banks deal with vast amounts of data and numerous transactions daily. By applying a set of predefined rules, banks can automate decision-making processes, ensuring that each decision is made consistently and reliably. This is crucial in maintaining trust and confidence among customers, as they expect their financial institution to operate predictably and transparently. Similarly, linear thinkers are great at ethics and compliance. Silicon Valley Bank would likely still be in business today if more of the team was wired more for linear thinking than opportunistic, transactional problem solving.

There are drawbacks to this way of thinking in AI Adoption. First order thinkers that haven't yet developed second order thinking and EQ skills, struggle.

Second order thinking, on the other hand, is about systems, implications, and adaptability. It asks: "What happens after that? What unintended consequences might we trigger? How do those outcomes interact?" It requires emotional maturity, comfort with uncertainty, and an openness to experiment without guarantees of success. They're wired to anticipate without the emotional lag created by fear and other emotions that might otherwise hold them back.

Example: Consider a manufacturing firm adopting robotics. A first order thinker might measure success purely in terms of reduced labor costs or increased output. A second order thinker would also evaluate the impact on

workforce morale, the need for retraining employees, shifting strategy or business-model, and the possibility of developing new product and service lines enabled by these robots. The second order thinker might anticipate shifts in the industry that adoption might create, impacts to recruiting and retaining top talent, reactions from competitors, and/or impacts of increased volume on the supply chain.

The distinction between first and second order thinking matters because AI adoption is not just technical it's psychological. A prompt is not a form field; it's a reflection of how someone thinks and so is their language.

When we use AI to identify the second order thinkers in an organization, we can build transformation programs that start with capability-not tenure, role, politics, or an org chart.

First Order Thinking Leadership Styles

Our data shows that many of these leaders are in earlier stages of EQ development. It's not good or bad – it's just who they are and how they problem solve today. It does mean they often resort to control mechanisms including micromanagement, over-reliance on playbooks or processes. These behaviors are symptoms of anxiety and need for further EQ growth to improve emotional regulation. Similarly, these behaviors create psychological, culture, and performance drag as organizations undergo heavy periods of transformation.

Authoritarian leaders operate on the premise that people should follow orders without question. They often use intimidation or, in some cases, public displays of anger to push subordinates to fix problems. While this might achieve short-term compliance, it often suppresses creativity and risk-taking. In the AI context, where creative experimentation is essential, an authoritarian environment can stifle the very behaviors that lead to breakthroughs.

Command-and-control leadership is a more socially acceptable variant of authoritarianism. Leaders impose strict protocols and detailed reporting, ensuring they monitor each decision. Although such an approach may have sufficed when the business environment was stable, it tends to collapse under the complexity of AI. Command-and-control leaders crave predictability, but AI's unpredictable learning curves, ever-updating algorithms, and emergent capabilities defy rigid timetables.

Symptoms: Micromanagement and the Fear of “Looking Bad”

Closely tied to authoritarian and command-and-control styles is micromanagement. These leaders may closely scrutinize every task or decision, worried that any misstep will reflect poorly on them. In the AI sphere, where iterative testing and occasional failure are normal, micromanagers struggle to let teams learn through trial and error. Their intolerance for uncertainty leads to slower rollouts and missed opportunities to innovate.

Real-World Research

Studies in organizational psychology consistently link authoritarian and micromanagement styles to lower employee engagement and weaker performance. A meta-analysis by Judge et al. (published in the Journal of Applied Psychology) found that teams with controlling leaders tend to resist change more strongly. They seldom volunteer novel ideas, a clear disadvantage when attempting to integrate advanced AI solutions.

Why it Matters: The Shift from Repeatable Work to Complex AI

A World of Growing Complexity

Before the industrial revolution most jobs were done from home or in very close proximity to it. People who spun or carded wool to be woven into fabric did so from their home. Weavers had looms at home. It was inefficient and unpredictable. It might take a week for a merchant to learn that one of his weavers was sick. During the Industrial Revolution, jobs were often defined by repetitive tasks. People in their homes were replaced by increasingly complex machines in a merchant workshop. Once an individual mastered their routine, they could be extremely efficient without regularly learning new skills. Attendance and task lists became important to make productivity reliable and predictable.

Today, technology cycles outpace the time it takes to develop organizational procedures. The moment a company finalizes a standard operating procedure for one AI tool, a new update or a competitor's product may render it obsolete.

Global Connectivity and Shrinking Talent Pools

Nearly 70% of the world has internet access, and mobile phones outnumber people on the planet. The pool of knowledge workers is simultaneously increasing in some regions and contracting in others, creating intense competition for tech-savvy and emotionally mature employees. Many companies that previously ran on three or four critical technologies now juggle dozens, including cloud infrastructure, data analytics, and AI-based automation.

Chapter 4: Leadership in a Second Order Thinking, AI Driven World

The industrial age rewarded command-and-control leadership. Managers who could enforce structure, maintain consistency, and execute against known variables were successful and satisfied. The problems they solved were often difficult but simple: design something, acquire resources, make the thing, store the thing, sell/distribute the thing, and collect compensation.

In most industries, business isn't quite so simple today. Complexity and chaos has become the norm. Anxiety and "psychological safety" are common topics at work and people are on more stress and anxiety medications than ever. Baby Boomers are retiring and leaving huge knowledge gaps. The introduction of AI tools and strategies add to the complexity. Now, leaders are being asked to guide teams through territory that is uncertain, fluid, and continuously evolving. This is where traditional leadership breaks down.

[A 2024 survey by Businessolver](#), involving approximately 400 CEOs, suggested that 55% reported experiencing mental health challenges in the past year. This marks a significant increase from previous years and highlights the growing mental health concerns at the executive level. These concerns and burnout are largely attributed to increasing complexity and pressure from stakeholders to make progress on growth and transformation initiatives amidst growing market volatility.

Conversely, high EQ leaders that prioritize proactive management of organizational anxiety fair much better. A study by Oxford Saïd Business School found that leaders who prioritized workforce emotions during transformations were 2.6 times more likely to achieve success compared to those who did not. Studies by McKinsey suggest up to 6 times more success when leaders proactively manage the psychology and resulting behaviors of employees. Conversely, underperforming transformations saw a 136% increase in emotional strain on the workforce, highlighting the critical role of emotional management in change initiatives.

To lead AI transformation effectively, leaders must shift from controlling outputs to cultivating conditions and outcomes. They must build psychological safety and trust, encourage iterative learning, continuous improvement, and normalize failure as part of experimentation. Second order leadership isn't about knowing all the answers. It's about asking the right questions, removing barriers, and being honest about uncertainty.

Let's be clear, we're not suggesting that you fire or re-organize your leaders or employees. What we recommend is that you understand which 10% - 20% of leaders and employees are wired for experimentation and which 80% are wired for stability. Once you've used the 80/20 rule to segment them, you know exactly how to assign roles on projects and pilots in any transformational initiative and who on your team should be charged with keeping the ship afloat as the other team runs ahead into the storm. We designed the Transform & Grow Framework to help companies get unstuck and help them both reduce anxiety and build momentum in early stages of transformation.

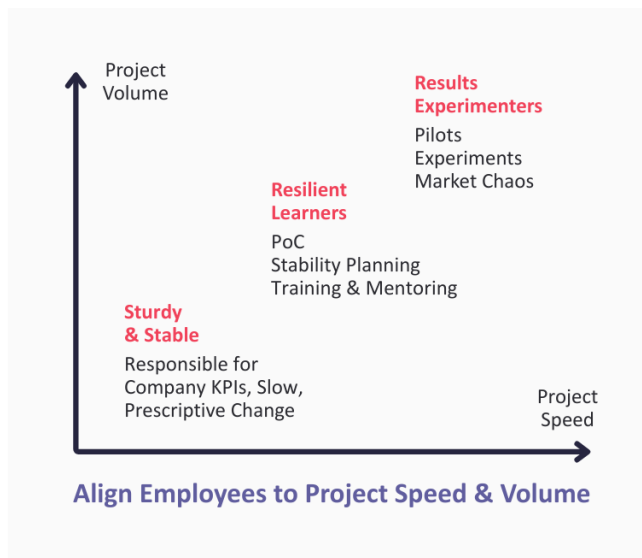
Transform & Grow Framework

Today: Transformation & Pilots are Stuck, Slow, no ROI

Simple Diagnostics:
Too much structure and/or anxiety.
Caused by randomness and politics on teams.

Volunteers want to be involved because NOT being involved is too stressful.

Anxiety and burnout stops or slows things down.



Roadmap Components

Segment employees into teams.
Align responsibilities to talent and psychology.
Everyone has a role to play.

No need to ruffle feathers or reorganize in early stages.
Retain top performers.
Faster, simpler transformation.
Less complexity and anxiety.

Next step: AI Powered Benchmarking

Transformation readiness.
Organizational readiness.

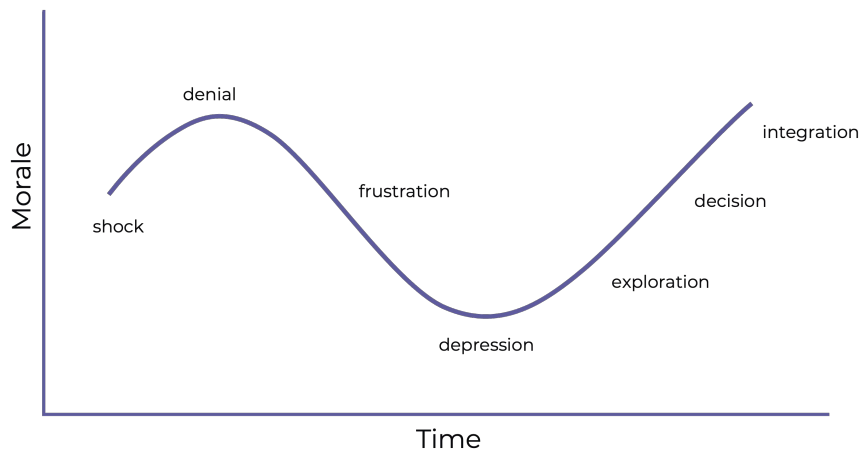
Chapter 5: Why Traditional Change Models Don't Work for AI (or Transformation)

Regardless of the method, change models run face first into politics and drama because of everything we've discussed so far in the book. Change management is also employee friction, survey, interview, time, and labor intensive. Humans are complicated so change management, pilot, proof of concept, and project management efforts tend to ruffle feathers as practitioners investigate impact, attempt to find champions, and leaders jockey

for insider knowledge and inclusion in high profile projects.

The bigger challenge is that all of the existing change methods treat employees as through they experience the change curve the same way. They may recommend segmenting by function or change impact to a role but not much beyond that. The reality is that early adopters and resilient employees follow similar adoption patterns. They can be predicted and identified.

John Kotter recognized this. Identifying them was just labor intensive and inconsistent.



Talent Hoarding

A major challenge arises when leaders, recognizing the productivity of individuals, keep them siloed in a particular department, often with little opportunity for promotion or advancement. This tactic, known as talent hoarding, prevents top performers from both contributing to cross-functional projects where they could accelerate the entire enterprise's AI adoption and being recognized for their contributions. Modern leadership must figure out how to free "Results" segment employees (see graphic on page 8 and more about this in chapter 6) so that they can seed innovation across the organization, rather than confining them to their manager's domain.

How many times have project and transformation leaders heard "I'm not sure [name of high performer] has time or bandwidth for this. Maybe [name of methodical person] has time instead" gatekeeping from other leaders and middle managers? This is very typical first order people and resource management. They fear assigning high performers to challenging projects because they fear for their own performance. In reality – the high performer can probably handle both. They actually want the challenge. It's a great motivator and retention tool. More moderate performers can use the inspiration to behave more like early adopter, high performers so they too can be assigned to special projects.

Vanishing Volunteers

Vanishing Volunteers are employees who raise their hands to participate in pilots, proofs of concept, and other special projects. They do so because they're curious and anxious about not being included but then they don't actually follow through. Their participation becomes dormant and the seat in the pilot or project is wasted with little or no feedback. The other emotion we often get from this group is negative or cynical feedback often rooted in anger that has little to do with the project itself. This can often be misconstrued as good feedback by change practitioners although feedback underscored by anxiety comes from all directions when transformation teams aren't curated.

Political Friction and Anxiety

These are the biggest killers of transformation, innovation, and AI implementation initiatives. It's also the one

aspect of change that traditional change methods don't really address with any substance or instruction. The ability to pre-select employees who should participate in pilots and proofs of concept based on behavior and ability to embrace ambiguity barely gets a mention. We get it. Behavior and psychology can be a touchy subject. That's why we use AI to detect it – it removes the randomness, friction, and feather ruffling.

Most traditional change and project management models tend to be a bit too rigid to apply to broad, complex, and/or fluid transformation or innovation initiatives. Standardization helps with certification and consistency but tends to assume that people pass through the change curve linearly: denial, resistance, exploration, commitment. Linear approaches to change and project management worked more or less for structured software rollouts, process improvement projects, and reorganization efforts without as many moving parts. However, that standardization makes it difficult to scale and introduces too much structure (and anxiety) into complex or rapidly changing initiatives.

This gets to the heart of the problem with traditional change methods: Just like humans, the change curve isn't simple or linear. Not everyone experiences change, new technologies, or the world in the same way. This creates issues as change and project management practitioners deploy traditional methods and processes against complex transformation initiatives. Efforts to roll out, train, and communicate by role or department often fall flat because some employees are lost and resistant, while others are bored.

Transformation and AI add next level complexity. Generative AI especially because it isn't structured. GenAI isn't implemented, it's adopted. Success depends on how people experiment, share what they learn, and grow their usage. It's behavioral more than technical.

These challenges create the conditions for the change ceiling. When change practitioners include resisters to AI projects too early it does two things:

- Includes people in the pilot who want to be included because they don't like uncertainty or being left out but then do nothing once they receive a license.

The first problem is obvious. Unless the team aggressively manages out participants who aren't participating – the team will spend more time chasing them to participate than getting value out of their participation.

The second is less obvious but more damaging. Employees that tend toward anxiety need certainty before they move. AI doesn't offer that up front. Anxiety doesn't just drag participation down. Anxiety drags performance down. When change practitioners introduce uncertainty and anxiety too early, they can negatively impact company performance metrics.

Prevailing perceptions among most practitioners of traditional change models blame delays or failures on three things:

- Lack of leadership buy-in / clear vision
- Lack of participation / buy-in from middle managers
- Being brought into the project too late / as an afterthought

When we talk with change practitioners they believe the solution to these issues is to spend their time convincing leaders and middle managers to buy-in and get everyone on the same page relative to vision.

We have an alternate recommendation.

Find the 20% of early adopters, resilient leaders and middle managers. Leave the 80% of reluctant ones alone until it's time for them to participate. These are the seeds of your "Transform & Grow" team and your "Sturdy & Stable" team formation. It's counter-intuitive for most change practitioners. They're taught to bring everyone along to inspire ownership and that resisters can be your best advocates. They're not wrong per se. The extra effort just doesn't really move the needle as much as it gives the change practitioner the sense that they've learned where some of the objections might sound like. We find that when we align people to responsibilities they're wired for psychologically – they perform better, they're happier, they have less anxiety, and they're satisfied in the work they do.

The psychology says that if you want to go farther, faster-its more effective to let a small, resilient team cut a clear path so that the rest can follow.

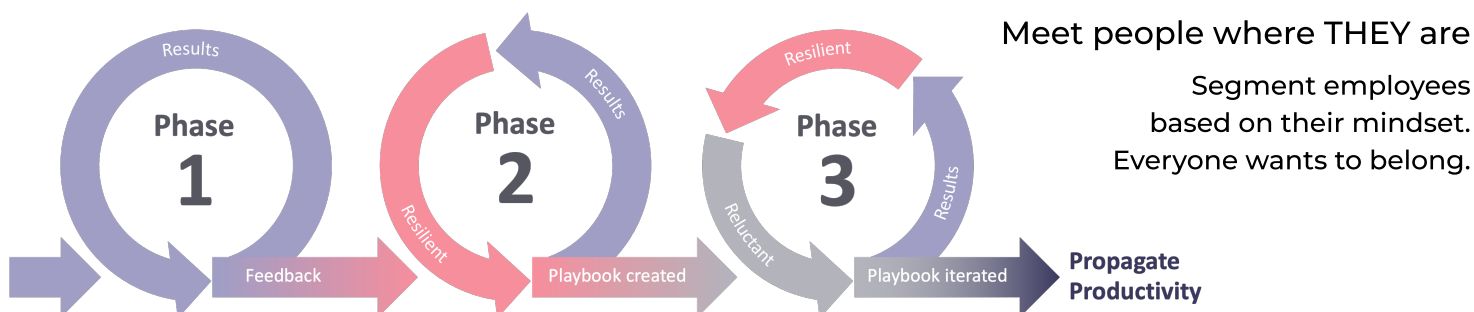
Relative to being brought into the project too late – we agree. That's why we integrate the rest of our method starting with rollout planning. We train project and change management teams how to do this together so they're on the same page as they increase the success rates of their pilots, projects, and transformation initiatives.

That's also why we introduce a different approach: AI + psychographic segmentation. It allows us to start with the 5% of the organization that can not only tolerate ambiguity but perform in it. Adoption should improve company performance.

Chapter 6: The 3R Employee Segmentation Model

I was researching the Kubler-Ross Change Curve, how it came to be, and most importantly critiques of it and wanted to figure out how to make change and transformation more palatable for people. Elisabeth Kübler-Ross initially described the change curve for stages of grief, including denial, anger, bargaining, depression, and acceptance. Organizational theorists later adapted this model to describe employee reactions to major change initiatives. However, the timeline and emotional intensity of each stage can vary dramatically among different people. By forcing a uniform approach, leaders risk stifling those who are already eager to adopt new technologies as well as the momentum that early adopters naturally create.

The biggest critique of Kubler-Ross was that not everyone experiences the change curve in the same way. That's when it "clicked". It's not situational nor is it a flaw with the change curve; people experience change and grief differently based on their own emotional resilience and maturity. At the same time, I was working with the inventor of a brilliant AI model that accurately maps language from social media profiles to psychology, creating a use case for AI Adoption. There are tons of use cases for the AI model, but we think change management and AI Adoption have the most leverage.



Based on that AI model, we've developed segmentation of employees, specifically focused on helping leaders and their teams understand how to deploy people based on how they adapt to change – or not. Rather than ruffling feathers over the course of months, AI makes it fast and easy to categorize employees into four distinct response types to change. It's also been constructed so segmentation can be used in way(s) that won't make HR uncomfortable. Because the assessment process is also fully remote and frictionless, no employee feathers are ruffled or anxiety introduced.

The Results segment, which makes up only about 5% - 7% of the organization, contains individuals who skip the traditional emotional arc of change entirely. Their numbers are small, so it's difficult to accurately or quickly identify them and more importantly for their bosses to part with them willingly. If this employee persona churns, it's usually a regrettable loss. They are the reason talent hoarding exists because they're typically high performers. They ALSO love to be challenged. They want the next "chewy" problem to solve, and their bosses often don't understand this about them.

Non-linear, results thinkers don't linger in denial or resistance. They don't need to spend a ton of time on learning. It would shock you to find them with an instruction manual. They jump straight to experimentation. These employees are wired for outcomes. They create value not through compliance or adherence to rules, but through a deep desire to improve systems and solve root cause problems. They tend to be highly resilient, low in emotional reactivity, and self-directed. These are the individuals who can and should lead your AI pilots.

The Resilient group, which represents around 15% of employees, is characterized by curiosity and competence. They are psychologically flexible, love to learn, and eager to engage once they see early indicators that the change is viable. With the right framing and minimal structure, these individuals will quickly ramp up, follow the Results group, and scale adoption across functions. Their ability to translate Results led discoveries into usable practices is invaluable.

The Reluctant & Resistant group, make up the bulk of the organization at roughly 80%. Most people pass through these stages of emotional development. Remember being a young adult who was focused on friends, perhaps ambition, or making enough money to afford the nice car/apartment, and even being afraid that you might lose what you'd worked for? Perhaps you feared speaking up in meetings because others might judge you? These are the same things that Reluctant and Resistant people experience at this point in their lives. They're not good or bad. It's just part of who they are right now as they relate to change and uncertainty. They are in charge of how they mature. So our goal with this group is to meet them where they are.

Most of them are not opposed to change, but they are uncomfortable with uncertainty. The reluctant portion of this group can be influenced by either the earlier adopters OR the resisters. That's why we slow roll their involvement. We reduce the potential for dramatic influences and avoid introducing anxiety into their work in the process. They tend to prefer to see use cases proven, processes documented, and support systems in place before they engage. These employees require clear playbooks, peer validation, and structured training. They'll follow once adoption feels normalized. They want to know the impact to them personally, usually their role and future income.

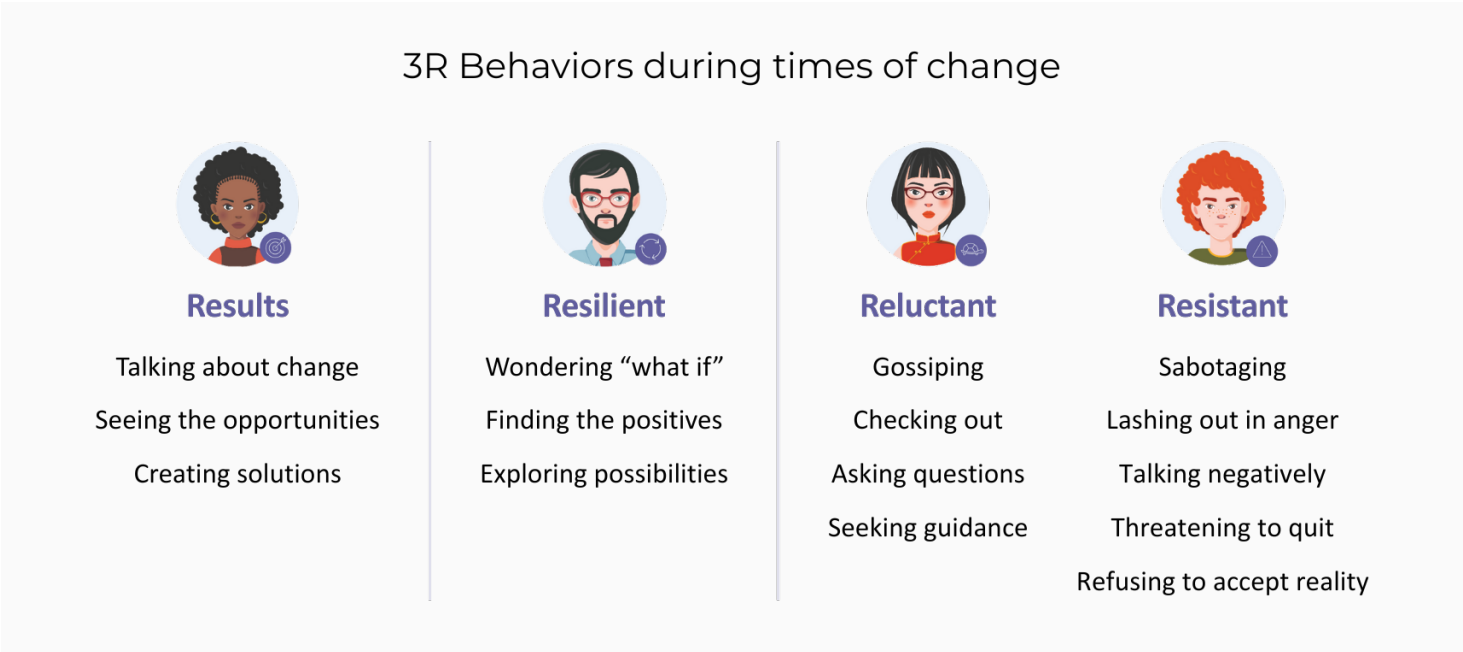
The Resistant group actively or passively blocks change. These individuals are often motivated by fear, a desire to protect power or identity, or protect themselves and others because they recall previous deeply negative experiences with change. Their experiences have taught them that change doesn't work out for them, so they resist it whether it's a conscious resistance or not. Their behaviors can include stonewalling, spreading

skepticism, or subtly undermining initiatives. They may be loud. They may be quiet.

Here's the thing – including them early in AI rollouts adds drag and anxiety to the system. It's a bit different than other implementations because AI presents SO much uncertainty in most organizations. While not all resistors are permanent, early-stage pilots should exclude this group. We combine them with Reluctant group because their behaviors and our treatment of them are largely the same. It's also human nature to apply labels to things so combining them reduces the risk of someone receiving a negative label and potentially negatively impacting their career.

This segmentation isn't about exclusion or labeling, it's about flow. When we start with the people wired to explore then follow them with people wired to learn, we build momentum instead of friction. And when we scale strategically, we bring everyone along, just not all at once.

What these steps do psychologically is create much higher leverage conditions for change: remove uncertainty for the 80% and triggers their need to fit in and perform well. This method inspires performance over demanding or coaxing it.



Chapter 7: Using AI to Find Your Innovators and Create Momentum

Most companies struggle to identify the employees best suited for innovation. High performers are often already overloaded. Managers may be biased by tenure or interpersonal loyalty. Traditional assessments are time consuming, often political, and usually outdated by the time they're completed.

That's why we recommend a different approach: use AI to identify the people most ready to use AI. It even looks weird when we write it.

Language is a powerful window into how people think. By analyzing only a small sample of natural text, about 75 words from a LinkedIn profile, we can evaluate cognitive patterns and segment employees into the 3R model. These psycholinguistic signals allow us to assess an individual's level of agency, emotional resilience, and

openness to ambiguity. This is incredibly valuable when scaling GenAI initiatives because it removes the guesswork and politics from pilot team selection.

No surveys. No interviews. No politics. No feathers ruffled.

The process is simple: we consume a lightweight list of employees or teams to segment and benchmark the organization against to quickly determine readiness and rollout strategy. We deliver segmented results. From there, we know exactly who to start with and how to tailor communications, training, and use case development to match their mindset. We coordinate training and rollout planning with IT, L&D, and project management teams. We don't – start with use case sessions in LLM rollouts. We do – walk through a library of example use cases with the Results team during training, but we find that they don't need much direction to get rolling.

By starting with your Results segment and layering in Resilient team members as the pilot matures, you ensure that your early use cases come from those most capable of rapid experimentation and outcome creation. This is how you build a successful people foundation for AI.

Chapter 8: Piloting with Purpose and Without the Politics

A successful AI pilot is not a technology experiment, it's a human behavior and work optimization strategy. The first phase of any generative AI rollout must begin by identifying and empowering the individuals most capable of navigating ambiguity, experimenting with new tools, and generating business value quickly. In most organizations, this subset of employees represents roughly 5% of the population and aligns with what we call the "Results" mindset. These individuals are not only skilled and autonomous, they thrive in environments that require rapid learning and self-direction. To capitalize on their capabilities, the pilot should be structured to prioritize outcomes, accelerate learning, and establish a foundation for broader cultural adoption.

Individuals chosen for this group are not necessarily defined by job title or seniority, but by their psychological readiness and behavioral traits: high agency, low friction, low anxiety, and a track record of self-guided problem solving. Once selected, these employees receive light-touch enablement, including licenses to generative AI platforms such as ChatGPT, Microsoft Copilot, or Google Gemini. They are given a concise, high-leverage onboarding guide that includes examples of successful prompts, brief usage guides, and contextual guardrails to ensure responsible experimentation.

Importantly, this group is not asked to go through hours of training or follow a rigid playbook. Instead, they are given permission, and responsibility, to explore the tools within their existing workflows and identify use cases that deliver tangible improvements in efficiency, quality, or creativity. For a period of two to three weeks, Results participants are expected to document their top use cases, including when and how they used the tool, the outcome it generated, and any insights about performance, friction, or user experience.

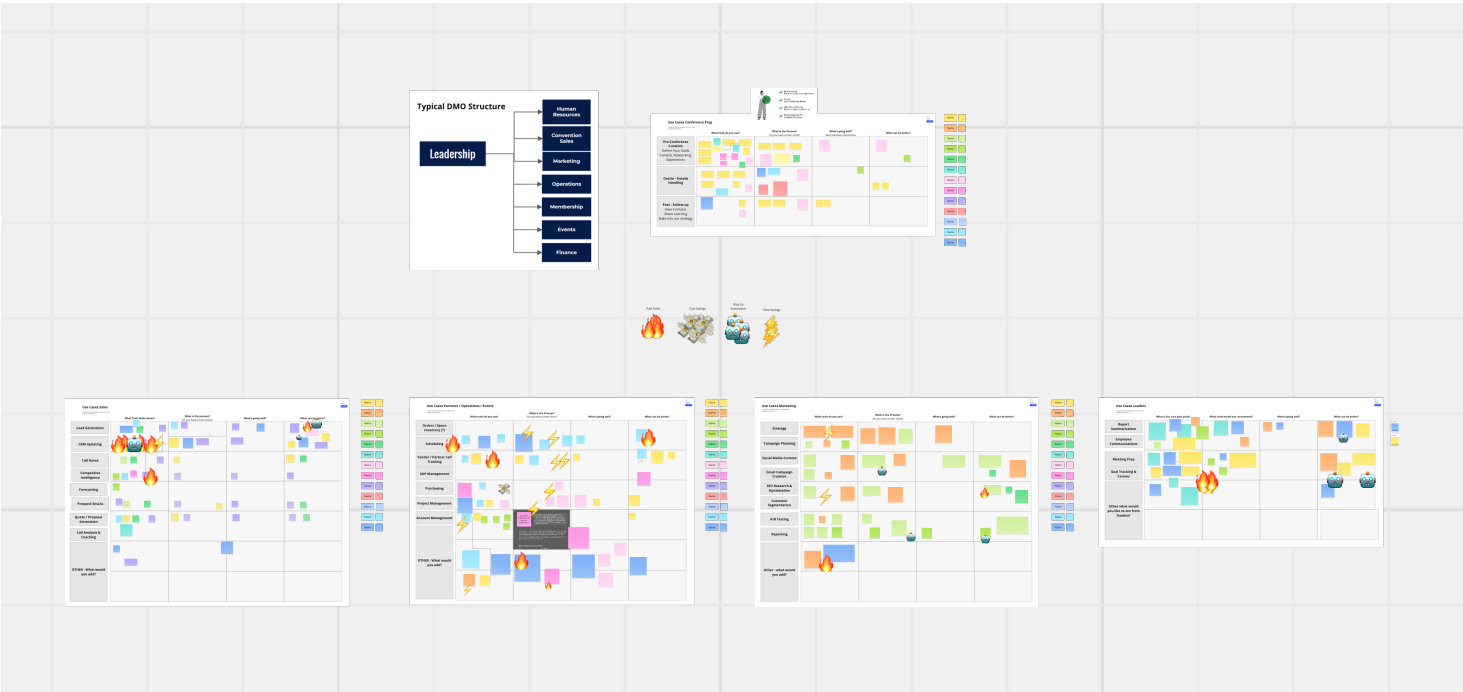
At the end of the pilot window, these employees are brought together in a collaborative workshop to synthesize their findings. Using visual collaboration tools such as Miro, they share insights function by function, cluster similar use cases, and help prioritize ideas based on criteria such as business impact, scalability, and ease of

implementation. The goal of this session is not just to reflect, it is to create the first draft of a business case portfolio that informs the next phase of investment. Participants help estimate time saved, value created, and the likely adoption curve if their examples were scaled across their department or function.

For context, typical use cases often emerge in function-specific clusters. In marketing, employees use LLMs to generate campaign drafts, repurpose product specs into customer-friendly narratives, and create tailored messaging for specific personas. In sales, use cases might include summarizing call transcripts, creating personalized follow-up emails, or developing pitch outlines from CRM data. Sales operations often focus on training documentation, process guides, and content reuse. In finance, generative tools are used to write variance narratives, simplify reporting language, or build first-draft board communications. In purchasing and procurement, AI helps draft vendor communication, streamline policy rewrites, and synthesize supplier performance data.

Once these high-value examples are identified, the organization shifts focus to the Resilient mindset segment. Representing around 15% of employees, Resilient individuals are psychologically capable of change but require a bit more structure, proof, and support. The purpose of this phase is validation. These employees receive more structured training and are asked to use the previously identified use cases as their initial blueprint.

The expectation for Resilient participants is to work within these frameworks over a 2–4 week period. Their role is not only to adopt but to stress-test. They are tasked with highlighting failure modes, documenting usability issues, identifying where the tool falls short or needs integration, and refining the prompts or workflows developed by their Results counterparts. This input is captured in a facilitated workshop designed to translate raw experimentation into scalable documentation.



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The output of this workshop is the operationalization of AI use cases: detailed process maps, simplified standard operating procedures, templated prompts, checklists, and risk mitigation strategies. These assets provide the essential bridge between individual experimentation and organizational adoption. They are not just "how-tos", they are cultural artifacts that reflect the organization's evolving fluency with AI.

What makes this model powerful is its realism. Most organizations try to scale too early, spreading AI access across hundreds or thousands of users before understanding what actually works. By sequencing pilots through Results and Resilient mindsets, organizations accelerate time-to-value while dramatically reducing rollout friction. More importantly, they build internal credibility. When it's time to engage the broader Reluctant and Resistant segments, those employees will see trusted peers, not consultants, demonstrating success. This psychological shift transforms adoption from something mandated into something modeled.

In the next chapter, we explore how to translate these early wins into a full-scale enterprise rollout, without losing momentum or inviting organizational drag.

Chapter 9: From Proof to Performance, Scaling with Strategy

Once the Results and Resilient mindsets have completed their pilots and proof-of-concept phases, the next critical step is shifting from isolated experimentation to enterprise-level planning. At this point, organizations are equipped with real-world use cases, team-driven feedback, and measurable insights into where generative AI is already delivering value. What they need now is a rigorous approach to prioritizing broader investments and translating pilot outcomes into a compelling roadmap.

The first step is to synthesize the use cases captured from the Results and Resilient pilot teams into a structured investment strategy. Each use case should be evaluated not only for its initial success but also for its potential to scale across teams or functions. The prioritization framework should assess five key dimensions:

- 1. Automation** – Can this workflow or task be automated with minimal human intervention? If so, what tools (e.g., RPA, custom scripts, embedded AI) are required?
- 2. Agent Opportunity** – Could this process be handled by an AI agent operating semi-independently, such as summarizing inputs, triggering workflows, or routing communications?
- 3. Data Infrastructure Needs** – Does the use case depend on better data availability, quality, or structure? Are there bottlenecks related to unstructured data, system access, or fragmented formats?
- 4. System Integration** – Will realizing this use case at scale require integration with existing platforms like CRM, ERP, ticketing systems, or content repositories?
- 5. Other Dependencies or Enablers** – Are there other critical prerequisites such as training, compliance reviews, or security approvals that must be addressed first?

These criteria are then used to rank each use case across cost, ease of execution, strategic impact, and cross-functional relevance. The top-ranking use cases should be bundled into investment themes, such as "Sales Content Automation," "AI-enabled Budget Variance Reporting," or "Procurement Communication Agents", each with a clear ROI projection and technical scope.

ROI should be calculated using simple but credible logic:

- **Time saved per instance** (hours)
- **Number of employees affected** (reach)
- **Average hourly cost** (fully loaded salary + overhead)
- **Additional benefits** (e.g., quality improvements, reduced lag time, higher customer satisfaction)

These estimates are aggregated into a comprehensive value model to help the CTO and CFO assess cumulative impact. For instance, if five AI use cases together could save 12,000 hours annually across finance and sales, with an average loaded cost of \$80/hour, that represents nearly \$1 million in recoverable capacity.

With this data in hand, the next step is to prepare a formal board- or executive-level presentation. This presentation serves two purposes: to secure continued investment and to align leadership on the strategic direction of AI adoption.

The board presentation should include the following elements:

- **Pilot Summary** – Highlight the goals, scope, and success stories of the Results and Resilient pilot teams. Share real user quotes, screenshots, and before/after examples to illustrate impact.
- **Top Use Cases** – Present a short list of the highest-performing, most scalable use cases, clearly showing estimated time saved, ROI, and employee reach.
- **Investment Priorities** – Outline the specific investments required to scale these use cases. This includes AI agent development, workflow automation, integration tools, data architecture enhancements, and change enablement.
- **Performance Metrics** – Show how usage was measured across the 3R framework (Results, Resilient, Reluctant), total hours saved, license utilization, and system engagement rates.
- **Innovation Pipeline** – Identify emerging ideas surfaced by the Results team that go beyond initial use cases and offer long-term value creation potential.
- **Funding Request** – Offer a phased investment roadmap with funding tiers based on scope, infrastructure, and time-to-value.

The tone of this presentation must be grounded in pragmatism and proof, not hype. By focusing on measured wins, cross-functional alignment, and scalable opportunities, you position AI not as an experiment, but as a strategic growth lever.

Immediately following this step, the organization is prepared to begin formalizing enterprise-wide rollout plans, onboarding the Reluctant segment with confidence, and embedding AI into the daily operating model.

Chapter 10: Turning Momentum into Movement

Once your early Results and Resilient adopters begin demonstrating tangible AI impact, the natural question from the rest of the organization becomes: “Why weren’t we included?” It’s an emotional question, not just a logistical one. That’s because most employees are used to change being rolled out through structured, top-down processes where inclusion is determined by job function, hierarchy, or department.

Successful AI adoption isn't about fairness. It's about outcomes.

We've learned that piloting AI in the same way we rolled out SaaS tools doesn't work. You can't democratize experimentation when most employees aren't psychologically ready for it. Starting small, with high agency minds, creates the conditions for faster ROI, better internal storytelling, and smoother buy in from those who follow.

This doesn't mean excluding others forever. It means sequencing the rollout in a way that builds momentum. In fact, when you start with Results and Resilient mindsets, you give Reluctant employees the peer proof they need to shift from resistance to curiosity. Instead of pushing adoption from the top down, change begins to pull itself forward.

The key to avoiding internal politics is clarity of purpose. Communicate early and often about why pilot team members were selected. Explain that the early phase is about reducing friction, minimizing drag, and generating internal case studies. Make clear that this isn't about favoritism it's about flight velocity.

As we rollout to the Reluctant and Resistance employee personas it's important to communicate that they'll be adopting something that's already successful. If they choose not to use the tools, the license will be taken away and re-allocated.

And when others see that the people on the pilot team are creating value, saving time, and getting visibility from executives, a subtle but powerful fear of missing out begins to build. That fear, when managed properly, becomes fuel for adoption.

Early wins are essential, but scale is where the real impact happens. The good news? Results and Resilient employees aren't just early adopters they're cultural amplifiers. These are the people others look to when they're unsure. When they share their learning openly, mentor their peers, and lead by example, they become a gravitational force that pulls others forward.

That's why we recommend incorporating structured storytelling into your rollout.

Start a podcast or vlog series internally. Highlight how pilot team members used GenAI tools like ChatGPT, Copilot, or Gemini to solve real problems. Don't sanitize their stories. Let them talk about false starts, surprising discoveries, and breakthroughs.

Pair Reluctant team members with Resilient mentors. Create opt in learning cohorts or office hours where experimentation is encouraged and failure is normalized. Frame AI as a craft not a compliance exercise. This human-to-human modeling of behavior is far more effective than any training video or instruction manual.

As stories multiply, so does permission. People begin to see themselves in the change not as victims of disruption, but as contributors to evolution.

At scale, you can begin to layer in process: use case libraries, prompt templates, best practice hubs. But all of those tools are only effective when people are already emotionally bought in. First comes trust. Then comes process.

Chapter 11: Measurement, Tracking Momentum and Proving Impact

Effective AI adoption is not just about pilots and training sessions, it's about sustained impact. To ensure that your AI investment delivers ongoing value, organizations must build a rigorous and transparent measurement system. Measurement is not simply a mechanism to prove ROI; it's a feedback engine that drives prioritization, resource allocation, and behavioral reinforcement.

At the heart of this system is the ability to track both usage and outcomes by department, segment, and function. It begins with data and ends with action. Measurement should be frequent, actionable, and tightly connected to business goals.

Tracking Usage by Department and Segment

Usage metrics must be segmented not just by tool or application, but by user psychology. By tracking usage across the Results, Resilient, and Reluctant segments (3R framework), we gain insight into how different groups are engaging with the technology, and why.

Key usage metrics include:

- Daily and weekly active users by tool (e.g., Copilot, Gemini, ChatGPT)
- Number and quality of prompts or outputs generated
- Tool usage frequency and duration per department
- License utilization rates and dormant accounts

These figures should be cross-referenced with 3R data to identify who's driving results and where drop-off is occurring. In practice, we expect Results users to have the highest engagement, followed by Resilient users. Reluctant and Resistant users may need tailored communication, peer mentoring, or in some cases, reallocation of their licenses to higher impact employees.

Measuring Outcomes and Estimating ROI

While usage is a leading indicator, outcomes are the ultimate measure of success. Teams must move beyond anecdotes to measurable productivity, efficiency, or creative gains. Every validated use case should be paired with a basic ROI model:

- 1. Time Saved** – Estimate time saved per task and per user.
- 2. User Volume** – Identify how many users per department are applying the use case.
- 3. Hourly Cost** – Use average loaded cost per employee to quantify value.
- 4. Quality Uplift** – Consider error reduction, speed to decision, or content effectiveness as intangible but meaningful ROI multipliers.

Example:

A use case for drafting marketing emails saves 1.5 hours/week per person. If 30 employees use it and their average loaded cost is \$70/hour:

$1.5 \text{ hours} \times 30 \text{ employees} \times 50 \text{ weeks} \times \$70 = \$157,500 \text{ annual value}$

Each department should identify its top three measurable use cases and report ROI estimates quarterly. These can be reviewed with the CTO or Transformation Office and validated against actual performance.

Capturing Innovation and Value Creation

Results mindset users will naturally begin to suggest new ideas once initial use cases become habit. These innovations should be collected systematically, treated seriously, and, where appropriate, tested.

Ideas can be submitted via internal forms, Slack threads, or mentioned during regular design sessions. Leaders should review new idea submissions quarterly and evaluate:

- Alignment with strategic priorities
- Cost vs. value to test or prototype
- Potential cross-functional applicability

Even if only 1 in 10 ideas is viable, the cumulative impact of crowd-sourced experimentation will create compounding value.

Feeding Measurement into Sustainment and License Strategy

Measurement should never live in a vacuum. It should directly inform your ongoing sustainment efforts:

- High performers (especially Results users) should be invited to share wins, mentor peers, and participate in innovation forums.
- Under-utilizers should receive nudges, first educational, then managerial. If usage remains stagnant, consider reallocating licenses.
- Reluctant users who begin to engage should be recognized, supported, and gradually coached into higher confidence.

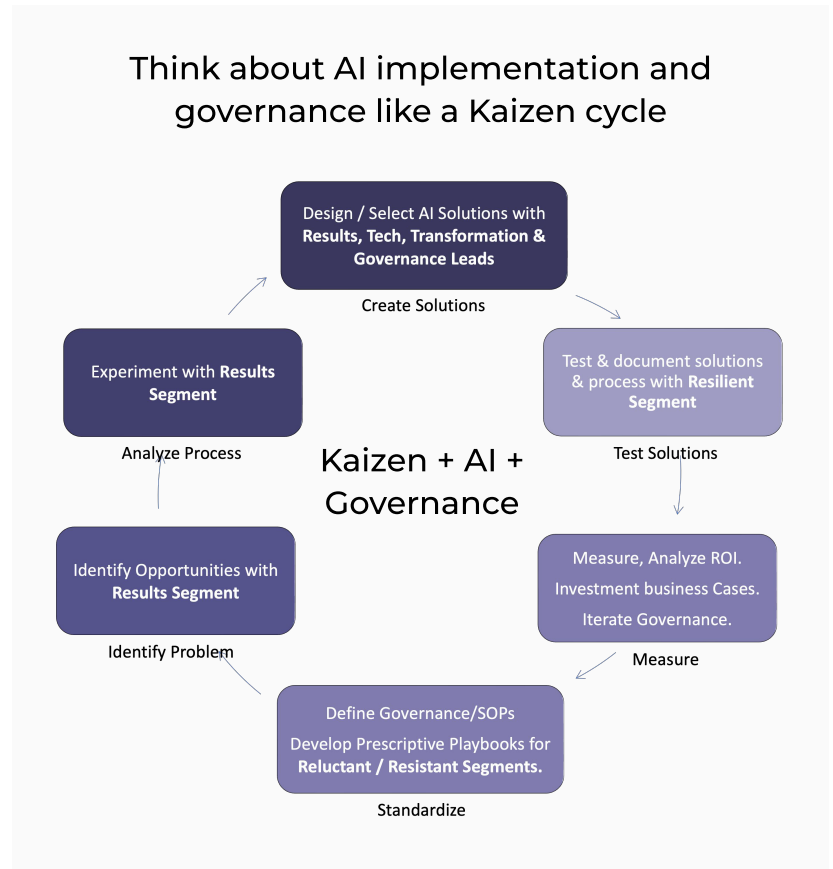
This closed loop of measurement → communication → intervention → feedback keeps the AI rollout dynamic and alive.

Tracking must be both human and operational. Results aren't just about hours saved, they're about shifting culture. A smart measurement system helps tell that story.

Next, we outline how to take these insights and begin the full-scale rollout across the organization.

Chapter 12: Avoiding the Plateau

There's a predictable moment in every transformation and adoption where early momentum slows. The Results segment begins to push for deeper integration, while the Reluctant segment still struggles to form habits. This is where many companies plateau. To push through think about AI strategy, adoption, and development kind of like Kaizen – continuous improvement. We've provided a lot more detail in the earlier "Kaizen" stages relative to selecting teams, identifying problems & use cases, testing them with proofs of concept, etc. Ultimately, the next iteration looks very similar except you have to start to think about your organization design, distribution of budgets, and how your customer journey or value creation might change as you continue to refine your strategy, adopt AI technologies, and rationalize your data / technology infrastructure.



Infrastructure Support

As experimentation turns into workflows, teams need automation support, tool integrations, and permission to redesign outdated processes. This is where AI adoption intersects with data strategy, workflow engineering, and cross functional decision making. Similarly, governance (e.g., who's allowed to create and deploy an agent or assistant?) will evolve over time and has to keep up with the most resilient teams in the company.

Leadership Reinforcement

Mid-level leaders especially those with high IQ but underdeveloped EQ must be coached to shift from controlling tasks to facilitating transformation. If left unaddressed, this layer can quietly choke adoption through passive resistance or micromanagement.

Segmentation

It's also worth noting that human development isn't static. Employees grow, regress, and shift based on experience, pressure, and context. That's why we recommend re-segmenting the organization annually. It allows you to catch new pockets of growth, re-engage previously Reluctant employees, and identify new Resistors whose behavior may now require intervention.

Sustainable adoption isn't just about training. It's about tuning the system. Over time, your goal is to design an organization where Results and Resilient thinkers are the norm not the exception.

Chapter 13: Leading in the Age of Human + AI Teams

Leadership in the era of AI is no longer about commanding from the top of a hierarchy, it's about designing environments where human ingenuity and machine intelligence reinforce each other. As AI augments more functions across the business, leadership itself must evolve. The new era of leadership demands deep psychological insight, a systems mindset, and a willingness to co-create with both people and platforms.

Human-AI Leadership as an Operating Model

High-functioning human-AI teams operate on trust, clarity, and measurable impact. Leaders must recognize where machines outperform humans (e.g., pattern recognition, repetitive tasks, document synthesis) and where humans retain the edge (e.g., empathy, ethics, strategic abstraction). Rather than competing with AI, leaders must orchestrate both capabilities to create outcomes faster and smarter.

This begins with expectation-setting and role clarity. Each team member, human or AI, should know what they're responsible for, where they contribute, and how their performance is measured. This clarity builds trust and reduces friction.

Reconsidering Organizational Design

Traditional organizational design, with vertical departments and rigid hierarchies, is misaligned with modern workflows. As AI tools begin to interact with systems and people across business units, organizations must begin rethinking structure itself.

Instead of static org charts, imagine your organization designed like a customer journey map: horizontal swim lanes that reflect how value is created and delivered across moments that matter. In these swim lanes, you'll find not just job titles, but roles, data handoffs, systems, and AI agents working in tandem.

Each swim lane should be structured around:

- Customer objectives or touch points
- Cross-functional responsibilities
- AI agent interventions or automations
- Human interaction and decision points
- Shared data and process visibility

Overlaying this journey-based architecture with a RACI (Responsible, Accountable, Consulted, Informed) model ensures that both human and digital participants know where they fit and how they contribute.

This evolution in org design naturally shifts companies toward more agile, customer-centric, and continuously improving operations. Workflows are optimized for outcomes, not internal alignment. And performance improves as handoffs between humans and machines becomes more seamless.

The Role of Leadership in Continuous Improvement

Leadership in this context is less about hierarchy and more about stewardship. Leaders are now facilitators of alignment, feedback, and experimentation. They must be curious enough to explore emerging technologies, patient enough to coach Reluctant teams, and bold enough to champion the Results segment into visibility and influence.

Continuous improvement becomes a cultural expectation, not a compliance mandate. Leaders must ask:

- Where are we seeing unnecessary friction?
- Which processes are out of step with customer needs?
- Are we using our data and technology to improve human decision-making, or just to monitor it?

In companies that lead in the age of AI, these questions are asked in every department, by every team. Leadership becomes distributed, empowered by access to insight and enabled by a clear vision for change.

The next frontier isn't just adoption. It's transformation, from a static, hierarchical business model to a responsive, high-velocity organism driven by human + AI co-creation.

The future of work isn't AI replacing humans. It's humans who know how to use AI replacing those who don't. More than that, it's about collaboration between people and machines, yes, and also between different types of mindsets. High agency innovators and steady operators. Visionaries and translators. Risk takers and stabilizers.

Leading these blended environments requires a different skillset. Emotional intelligence is no longer a soft skill it's the strategic differentiator. Leaders must be able to read signals spoken and unspoken about fear, resistance, overload, and readiness. They must be willing to say, "I don't know, let's find out," and model curiosity instead of certainty.

AI adoption is not a technology play. It's a leadership play. It's a culture play. It's a human systems play so just because we've made it to predictable adoption rates – transformation isn't done. Our goal with this book isn't just helping you implement Generative AI or similar tools, it's establishing a foundation and capabilities for long-term transformation and adoption.

The organizations that thrive in the next decade won't be the ones with the most tools. They'll be the ones with the most psychologically aligned teams where second order thinking, resilience, and trust are core operating principles, value creation, and where customer-focused continuous improvement reign.

Your job as a leader is to build that team, protect that trust, and scale that mindset.