

# AI Transformation needs **more** **than technology**

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Why Organizational Change Management  
determines whether AI succeeds

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# Executive Summary

Most organizations are asking the wrong question about AI.

They're asking: "What can AI do for us?"

The better question is: "Are we ready to change how our people work?"

AI is not failing due to a lack of capability. It's failing because organizations haven't defined what good usage looks like, and more importantly, they haven't operationalized or reinforced it.

## 74%

According to Boston Consulting Group's 2024 global survey of 1,000 senior executives, 74% of companies have yet to show tangible value from AI, not because the technology doesn't work, but because the organizational conditions for using it don't exist.

BCG, 2024

## The Real Problem

Right now, nearly every large organization is investing in AI. Tools are being rolled out. Pilots are being launched. Leaders are excited about the potential.

## 88% / 6%

McKinsey's 2025 State of AI report found that 88% of organizations use AI in at least one business function, yet only one-third have begun scaling it across the enterprise, and a mere 6% qualify as true high performers generating significant EBIT impact.

McKinsey & Company, 2025

But in most organizations, the on-the-ground results look like this:

- AI works well in a few early use cases but never scales across the organization
- Different teams use it in completely different ways, creating inconsistency and risk
- Employees are unsure when to use AI—or whether they should use it at all
- Leaders don't fully agree on how AI should be governed or measured
- Trust in AI outputs is uneven, leading to underuse or misuse

The technology exists, but the value never fully shows up.

This is not a *technology* problem. It is a *change* problem.

## The Core Argument

AI doesn't fix organizational issues. It amplifies them.

- If your organization lacks clarity, AI creates more confusion
- If trust is low, AI gets ignored
- If workflows aren't defined, adoption becomes inconsistent
- If leadership isn't aligned, the signals employees receive will be contradictory

Organizational Change Management (OCM) is what closes the gap between AI being deployed and AI working. Not as a support function, but as a core part of how AI succeeds in the business.

**70%**

people & process

**20%**

technology

**10%**

AI algorithms

BCG's research is clear, the leading cause of AI implementation challenges is people and process issues, 70% of AI implementation challenges come from people and process, while technology accounts for just 20%, and AI algorithms themselves only 10%.

BCG, 2024

Yet most organizations are still treating AI as a technology rollout.

That's why adoption stalls or even fails.

## What This Paper Will Cover

This isn't a theoretical take on AI.

This is a practical breakdown of what happens inside organizations, and what needs to change if AI is going to deliver real value.

We'll walk through:

- Where AI adoption breaks down
- Why this transformation is different from prior technology shifts
- What "good" adoption looks like in practice
- And how to operationalize it using Organizational Change Management

Because AI doesn't become valuable when it's deployed.

It becomes valuable when people use it consistently, correctly, and at scale.

# The Evolution of AI Transformations

AI adoption doesn't happen overnight.

Organizations move through a series of maturity stages, and where they stall is rarely due to the technology itself.

It's almost always a breakdown in people, process, and clarity.

## The AI Maturity Curve

Most organizations fall somewhere along this progression:

| Maturity Stage                    | What It Looks Like                                                                                                                                                                                                                                                                                        |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Stage 1</b><br>Experimentation | AI is being explored by individuals or small teams. Usage is: <ul style="list-style-type: none"><li>• Ad hoc</li><li>• Inconsistent</li><li>• Largely ungoverned</li></ul> A few early adopters are getting value. Most people either aren't using it—or are using it poorly.                             |
| <b>Stage 2</b><br>Functional      | Specific teams or functions start using AI in defined ways. But: <ul style="list-style-type: none"><li>• There's no enterprise standard</li><li>• Governance is limited</li><li>• Success is localized</li></ul> This is where organizations start to feel progress—but it's misleading.                  |
| <b>Stage 3</b><br>Operational     | AI starts getting embedded into real workflows. At this stage: <ul style="list-style-type: none"><li>• Usage expectations are clearer</li><li>• Managers begin reinforcing behavior</li><li>• Results become measurable</li></ul> This is the point where AI can scale—but most organizations stall here. |
| <b>Stage 4</b><br>Enterprise      | AI becomes part of how the organization operates. <ul style="list-style-type: none"><li>• Usage is consistent</li><li>• Governance is clear</li><li>• Adoption is measured</li><li>• Leadership is actively engaged</li></ul> AI is no longer an add-on. It's integrated into how work gets done          |
| <b>Stage 5</b><br>Intelligent     | AI moves beyond execution and starts shaping decisions. <ul style="list-style-type: none"><li>• Insights are surfaced proactively</li><li>• Human judgment and AI are integrated</li><li>• The organization adapts faster</li></ul> Very few organizations reach this stage intentionally.                |

## Where Organizations Get Stuck

### Stage 1: Experimentation

The most common mistake at this stage is letting experimentation run without structure. Organizations assume early pilots will naturally scale into enterprise adoption, but they rarely do. Without clear success criteria, defined governance, and a deliberate plan to scale what works, pilots stay isolated. The individuals driving them move on, and the knowledge and momentum goes with them.

### Stage 2: Functional

At this stage, organizations often declare victory too early. A successful deployment within a single function creates the illusion of progress. Meanwhile, the rest of the organization begins developing its own approaches—often inconsistently and outside sanctioned systems. This is where shadow AI starts to emerge as a real and growing risk.

### Stage 3: Operational

Moving from functional to operational is where most organizations stall. This shift requires more than expanding access, it demands clear role-level expectations, active manager reinforcement, and governance that cuts across functions. When organizations skip this work, adoption plateaus, AI is used heavily in some areas, ignored in others, and never becomes consistent enough to scale.

### Stage 4: Enterprise

The biggest barrier to enterprise-wide AI adoption is almost always leadership misalignment. When senior leaders aren't aligned, and aren't consistently reinforcing how AI should be used, teams fill the gap with their own interpretations. The result is fragmented adoption that no amount of tool investment can fix.

### Stage 5: Intelligent

Very few organizations reach this stage by design. Those that do treat OCM as a core capability from the outset, not a one-time project activity. They build the structures, behaviors, and accountability needed to sustain adoption, and they measure AI the same way they measure any other critical business function.

## What Enables Movement Between Stages

The organizations that move through these stages successfully do three things well:

- **Clear ownership:** Someone is accountable for adoption, not just access.
- **Manager-level reinforcement:** Adoption is built into how managers lead their teams, not left to individual initiative. If managers aren't reinforcing AI usage, adoption stalls every time.
- **Defined workflows:** AI isn't optional or ambiguous. It's embedded into how specific roles get their work done.

*Technology* enables each stage. But *people and process* are what move an organization from one stage to the next.

# The AI Transformation Challenge

AI is not just another system being layered into the business. It fundamentally changes how people think, make decisions, and do their jobs, and that's what makes it far more complex than most previous technology shifts.

## Why AI Is Different

In the past, technology primarily automated tasks. AI goes further, it shapes and influences decision-making. That's a fundamentally different shift, and one many organizations underestimate.

For example, a new ERP system changes where data is entered. AI changes what information people rely on, how they evaluate options, and in some cases, whether they apply their own judgment at all.

That shift creates a fundamentally different kind of adoption challenge:

### **Trust is not automatic**

Employees have to decide whether they trust AI outputs. That confidence doesn't come from training sessions or rollout communications, it's built through experience, clear expectations, and consistent reinforcement.

### **Ambiguity is constant**

Unlike rule-based tools, AI can produce different outputs for similar inputs. Employees need guidance on how to interpret those outputs, when to challenge them, and when to rely on them. Without that clarity, usage becomes inconsistent, and in some cases, risky.

### **Accountability is unclear**

When AI contributes to a decision, who owns the outcome? Most organizations don't answer this before rollout, and it quickly becomes a barrier to adoption. When accountability is unclear, people hesitate to use the tool.

### **Risks vary by role**

AI recommendations in customer service carry very different implications than those in compliance, healthcare, or finance. Yet most organizations apply one-size-fits-all guidance. That doesn't work. Usage expectations need to be clearly defined at the role level.

## Common Adoption Challenges

In real-world AI deployments, we see the same barriers appear repeatedly:

### Employees don't know when to use AI and when not to

Without clear guidance, employees default to their own judgment. Some use AI for everything. Others avoid it entirely. Neither is what the organization intended. The result is inconsistency that drives both quality issues and increased risk.

### People question whether AI outputs are accurate

Even small errors early on can erode trust quickly. If an employee spots a mistake and there's no clear process to validate, correct, or report it, they often disengage. Without a feedback loop, every error becomes a reason to stop using the tool.

### There is no shared definition of responsible use

What data can be entered into AI systems? What outputs can be shared externally? When is human review required? These questions aren't answered during a tool rollout. They need to be clearly defined in policy, reinforced through training, and consistently applied in practice.

### Adoption rates vary dramatically across teams

AI adoption rarely happens evenly. There's typically a small group of early adopters, a larger group waiting for direction, and a segment that actively resists. Without manager reinforcement, the middle group defaults to inaction, and the organization captures only a fraction of the potential value.

### No clear ownership for AI-influenced decisions

When something goes wrong, an incorrect recommendation, a missed detail, a compliance issue, organizations often realize no one clearly owns the outcome. That ambiguity creates hesitation, because employees recognize the accountability gap before leadership has addressed it or is even aware of it.

### Shadow AI becomes a significant risk

When sanctioned tools are unavailable, unclear, or too restrictive, employees find alternatives. Unapproved platforms, browser extensions, and workarounds become the norm. The organization loses visibility into how AI is being used, what data is being shared, and what decisions it's influencing.

# 69%

Gartner's 2025 survey of 302 cybersecurity leaders found that 69% of organizations either suspect or have confirmed evidence that employees are using prohibited generative AI tools, and Gartner predicts that by 2030, more than 40% of enterprises will face security or compliance incidents directly linked to shadow AI.

Gartner, 2025

# \$650,000

IBM's 2025 Cost of Data Breach Report found that AI-associated breaches cost organizations more than \$650,000 per incident above baseline.

IBM, 2025



# What actually happens inside organizations when OCM is not embedded into AI transformations

When AI is treated as just another technology transformation, we see a consistent pattern:

## WEEKS 1-4

### Enthusiasm

- High engagement - tool access is still exciting
- Employees are open and willing to experiment
- There are a lot of early wins and usage numbers look promising

## WEEKS 5-8

### Plateau

- Early excitement fades and usage stabilizes or drops
- Employees who didn't immediately see value stop using the tools
- No one is reinforcing adoption
- There are no clear expectations or requirements to use AI

## WEEKS 9-16

### Fragmentation

- Different teams have developed different informal practices
- Some are using AI fully and continuing to optimize while others have stopped entirely
- Managers don't have visibility or consistent messaging
- Leadership assumes adoption is happening

## MONTH 6+

### Quiet Failure

- Usage data shows a minority of employees are active users
- The majority have reverted to prior workflows
- AI is "available" but not embedded and required, optional tools don't get adopted

AI doesn't usually fail in an obvious way. It fails quietly, through low usage, inconsistent behavior, and missed opportunity.

AI adoption doesn't break because the technology fails. It breaks because:

- Expectations aren't clear
- Workflows aren't defined
- Managers aren't reinforcing
- And no one is measuring behavior

# The Cost of Ignoring the Human Side

This pattern is not new. Organizations have been underestimating the human side of transformations for decades. The difference now is that with AI, the consequences show up faster, scale wider, and are harder to unwind.

## 95%

MIT's NANDA initiative found that despite \$30–40 billion in enterprise AI investment, approximately 95% of AI pilot programs fail to achieve rapid, measurable revenue impact, with the vast majority stalling before generating any material P&L effect.

MIT NANDA, 2025

This isn't because the technology doesn't work, it's because the organization never changed.

When the human side of an AI transformation isn't addressed, the effects multiply over time. A 2025 industry analysis found that 42% of companies abandoned most of their AI initiatives in 2025, up from just 17% the year prior, and the average organization scrapped 46% of AI proof-of-concepts before they reached production (Fullview, 2025).

When the human side isn't addressed, the failure isn't immediate. It compounds.

Failure shows up in very predictable ways:

## 1 Fragmented Adoption

Some employees use AI extensively. Others avoid it entirely. Even within the same function, teams develop their own ways of working.

At first, this can look like flexibility. Over time, it becomes a problem:

- Inconsistent outputs
- Increased rework
- Higher operational risk

And ultimately, a degraded customer experience.

## 2 Shadow AI Proliferation

When sanctioned tools:

- Don't meet real needs
- Are too restrictive
- Or aren't clearly explained

Employees don't wait, they find alternatives.

Consumer tools, browser extensions, and unofficial workflows quickly fill the gap.

Now the organization has:

- No visibility into usage
- No control over data
- No understanding of how decisions are being influenced

This is no longer a productivity issue. It's a compliance and risk issue.

# 78% / 71%

Microsoft's 2024 Work Trend Index found that 78% of AI users bring their own AI tools to work, and 71% of UK employees admit to using AI tools without IT approval.

Microsoft & LinkedIn, 2024

## 3 Leadership Disconnect

Leaders often overestimate adoption because they measure deployment—not usage. A tool rolled out to 10,000 employees looks like success on paper, even if only 800 are actively using it.

That gap between leadership perception and reality drives:

- Misaligned investment decisions
- False confidence
- Delayed course correction

## 4 Erosion of Data Confidence

AI depends on data, but more importantly, it depends on trust in that data.

If employees don't believe the underlying data is accurate, complete, or current, they will discount AI outputs, even when those outputs are valuable.

This is rarely just a data quality issue. It's a trust issue that was never addressed through communication, training, and reinforcement.

And trust is fragile. One incorrect output, if not handled properly, can undo weeks of progress.

If employees:

1. Don't understand how AI works
2. Don't know how to validate outputs
3. Don't have a way to report issues

They disengage. Not Loudly. Quietly. And once trust erodes, adoption rarely recovers on its own.

## 5 Accountability Gaps in High-Stakes Decisions

In regulated industries, AI-assisted decisions require clear accountability.

- Who reviews?
- Who approves?
- What documentation is required?

When these questions aren't answered before rollout, risk increases quickly.

If accountability isn't explicit:

- Employees hesitate
- Decisions slow down
- Or worse, decisions are made without clear ownership

Most organizations don't recognize this gap until it becomes a problem. Employees recognize it immediately.

## Silent Failure Patterns

AI doesn't fail with alarms. It fails through signals most organizations don't track or aren't interpreting correctly.

Here's what to watch for:

| Silent Failure Pattern                    | What it Signals                                                                                                                                 |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Low active user rates</b>              | Usage reports show high access without engagement. 20–30% active user rates are common in deployments without structured OCM.                   |
| <b>High bounce rates on AI features</b>   | Employees open AI tools and close them without completing a task. This signals confusion about use cases or lack of confidence in outputs.      |
| <b>Workarounds and parallel processes</b> | Teams develop informal protocols that bypass AI tools entirely. These workarounds become embedded in practice before anyone addresses them.     |
| <b>Inconsistent outputs across teams</b>  | Similar tasks produce wildly different outputs because different employees are using AI differently, or not at all.                             |
| <b>Manager avoidance</b>                  | Managers stop referencing AI in team conversations because they're uncertain how to reinforce something they don't fully understand themselves. |
| <b>Increased rework</b>                   | AI-assisted outputs that aren't validated correctly create errors that require correction downstream—often costing more time than the AI saved. |

Individually, these look like minor issues. Collectively, they signal something bigger, adoption never actually happened.

### The Real Risk

The most dangerous outcome isn't failure, it's false success. This is a tool that's technically deployed, rarely used, and quietly eroding ROI, while still being reported as a win.

# AI Doesn't Create Problems, It Exposes Them

When AI initiatives struggle, it's rarely because the technology falls short. It's because the organization isn't set up to use it effectively. More often than not, AI surfaces issues that were already there, and makes them impossible to ignore.

## The Amplification Effect

Think of AI as a signal amplifier. Whatever already exists in your organization, clarity or confusion, trust or skepticism, alignment or fragmentation, AI doesn't fix it. It makes it louder, more visible, and far more consequential.

| Existing Condition                 | How AI Amplifies It                                                                                                                               |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Unclear decision rights</b>     | AI adds a new input into decisions, but if no one knows who owns the decision, AI creates more disagreement, not clarity.                         |
| <b>Misaligned teams</b>            | If teams already operate differently, AI will increase that divergence. Each group will use AI to reinforce its own approach.                     |
| <b>Low data confidence</b>         | If employees don't trust their data, they won't trust AI outputs derived from it. The technology doesn't solve the trust deficit.                 |
| <b>Siloed working styles</b>       | AI insights that require cross-functional action don't get acted on when silos are strong. The recommendation sits unused.                        |
| <b>Weak manager accountability</b> | If managers don't actively drive behavior in their teams today, they won't drive AI adoption either. OCM cannot compensate for absent management. |
| <b>Poor documentation habits</b>   | AI tools that rely on institutional knowledge embedded in undocumented practices fail to capture real workflow value.                             |

## What This Looks Like in the Real World

### EXAMPLE | FINANCIAL SERVICES

#### Compliance Breakdown

A large bank successfully deployed an AI-based document review tool intended to accelerate compliance checks. But within three months, usage had dropped to under 20% of the target audience.

While the tool technically functioned, long-term adoption failed.

The reason: There was no defined standard for what level of AI output required human validation before submission. Because the accountability was unclear, most analysts simply continued reviewing documents manually, using AI as an occasional cross-check at best. The AI didn't create an accountability gap. It made a long-standing ambiguity in the compliance process impossible to ignore.

**AI didn't fail, the process did.**

### EXAMPLE | RETAIL OPERATIONS

#### Misalignment at Scale

A national retailer rolled out an AI-powered inventory forecasting tool across its supply chain function. The tool produced accurate demand signals, but three competing regional teams each had different interpretations of how to act on them.

The result was:

- Inconsistent decisions
- Worse outcomes in some regions
- Increased operational complexity

The AI didn't create the misalignment between regional teams. It exposed a coordination failure that had always existed and made its consequences measurable.

### EXAMPLE | HEALTHCARE ADMINISTRATION

#### Leadership Gap

A hospital system introduced AI-assisted scheduling to reduce patient wait times.

The tool worked as designed, but adoption stalled when frontline schedulers discovered that their managers had different expectations for how much discretion they retained over the AI's recommendations.

- Some managers expected the AI to be followed closely.
- Others treated it as advisory only.
- Schedulers in the middle didn't know what to do.

Schedulers weren't sure how much to rely on AI because managers weren't aligned.

Same tool. Same workflow. Different expectations. That creates paralysis.

The AI exposed a leadership alignment problem that had never been surfaced before because the old system required less judgment from frontline staff.

## Diagnostic Signals That Your Organization Is Not Ready For AI

Before scaling AI, organizations should assess their readiness honestly. If you see these signals, you don't have a technology problem, you have an organizational one.

The following signals indicate that OCM work is needed before or alongside any technical rollout:

- Leaders give inconsistent answers when asked how AI should be used in their area
- There is no defined owner for AI adoption outcomes
- Employees cannot describe how AI changes their specific job
- There is no process for reporting AI errors or providing feedback on AI outputs
- Usage is not being measured at the team or individual level
- Training consists entirely of "how to access the tool" rather than "how to use it in your workflow"
- Managers are not expected to reinforce AI usage in team conversations
- There is no governance policy covering acceptable use, data handling, and decision ownership

If three or more of these signals are present, AI adoption is at risk regardless of how good the technology is

# Lessons From Prior Transformations

This challenge isn't new. The same pattern has played out through every major technology shift of the past two decades. We've seen this pattern during ERP implementations, CRM rollouts and Cloud migrations.

What Organizations got wrong then:

- |                                                                                                                                                                                                                                                                                          |                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• They assumed access would drive adoption</li><li>• They over-invested in technical training</li><li>• They under-invested in workflow redesign</li><li>• They brought in OCM too late</li><li>• They measured deployment, not behavior</li></ul> | <p>The results were predictable:</p> <ul style="list-style-type: none"><li>• Slow adoption</li><li>• Workarounds</li><li>• Rework</li><li>• Delayed ROI</li></ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The organizations that learned from these patterns are better positioned for AI. Those that didn't are doomed to repeat the same mistakes.

## Cloud and Digital Transformation Comparison

During the wave of cloud migration and digital transformation efforts in the 2010s, organizations made a consistent set of mistakes:

- They treated adoption as a by-product of access. If employees could log in, the assumption was they would use the system.
- They invested heavily in technical training and almost nothing in workflow redesign.
- Change management was added late, often after go-live, when resistance and confusion were already entrenched.
- Success was measured by deployment milestones, not by actual usage or business outcomes.

The result, across dozens of ERP, CRM, and cloud platform implementations, was predictable: slow adoption, persistent workarounds, significant rework, and delayed ROI.

# 7x

more likely to meet objectives

# 93% vs 15%

excellent vs poor OCM

Most organizations eventually got there, but at a cost in time and money that was largely avoidable. Prosci's longitudinal research across thousands of change initiatives quantifies what effective change management actually means: projects with excellent change management are up to 7 times more likely to achieve their objectives than those with poor change management, and 93% of projects with excellent OCM met or exceeded their goals, compared to just 15% with poor OCM.

Prosci, 2024

The difference is not marginal. It is the difference between success and failure.



## How to Apply These Lessons Directly to AI

| Lesson                                  | How It Applies to AI                                                                                                                                         |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Access is not adoption</b>           | Making AI available does not mean employees will use it. Usage requires clear expectations, defined workflows, and active reinforcement.                     |
| <b>Bring OCM in early</b>               | Change management embedded from the start is dramatically more effective than change management added after go-live.                                         |
| <b>Measure behavior, not deployment</b> | The relevant metric isn't "how many employees have been given access." It's "how many are actively using it in their workflows."                             |
| <b>Leaders must model the change</b>    | Employees take cues from leadership. If senior leaders aren't visibly engaging with AI and reinforcing its use, the middle of the organization won't either. |
| <b>Workflows must be redesigned</b>     | AI doesn't add value by sitting alongside existing processes. It adds value when processes are redesigned to incorporate it.                                 |
| <b>Access is not adoption</b>           | Making AI available does not mean employees will use it. Usage requires clear expectations, defined workflows, and active reinforcement.                     |

### What's Different This Time

AI is not just a more complicated version of prior technology transformations. There are meaningful differences that raise the stakes for getting the human side right the first time:

#### **AI Affects Decision-Making, Not Just Execution**

Past transformations, like ERP rollouts, changed tasks, such as where data was entered and retrieved.

AI changes something deeper:

- What people decide
- How they evaluate options
- How they think about problems

That's a behavioral shift, not just a process change. And it requires more deliberate guidance, sustained reinforcement, and clear governance to get right.

## The Risk Profile Is Different

Shadow AI is not the same as shadow IT.

When an employee uses an unapproved tool to send emails, the risk is manageable.

When they use an unapproved AI tool to generate customer-facing content, influence financial decisions, or process sensitive data, the exposure is significantly higher.

The scale, speed, and impact of those decisions make the risk categorically different.

## The Pace of Change Is Faster

AI capabilities are evolving faster than any prior technology category.

Organizations that build a strong OCM foundation now, clear governance, manager reinforcement, defined workflows, and meaningful measurement, will be able to adapt as the technology evolves.

Those that don't will fall further behind with every new capability release.

## Trust Is More Critical

Traditional systems did exactly what they were programmed to do.

AI makes recommendations that require judgment.

If employees don't trust the outputs:

- They won't use the tool
- Or they'll override it reflexively
- Either way, the value is lost.

Trust doesn't happen automatically. It must be built through transparency, training, feedback mechanisms, and visible leadership support, and it has to be reinforced over time.

### Bottom Line

Organizations that learned from past transformations, and embedded OCM as a core capability, are positioned to succeed. Those that didn't will repeat the same mistakes, only now with higher stakes and greater cost.

# What Good AI Adoption Looks Like

Most organizations don't fail because AI doesn't work. They fail because no one clearly defines what successful use looks like. As a result, AI becomes optional, and optional tools don't get adopted.

## 3x

McKinsey's 2025 State of AI research reinforces this: high-performing organizations are three times more likely to have senior leaders who actively demonstrate ownership of—and personal commitment to—AI adoption, including visibly using it themselves.

McKinsey, 2025

In other words, leadership behavior isn't just important, it's the single strongest predictor of whether adoption succeeds.

## The Core Distinction

In most organizations, AI is a tool employees can use.

In high-performing organizations, AI is part of how the job gets done.

That distinction is everything.

The difference isn't the technology, it's how the organization operationalizes it:

- How AI is embedded into workflows
- How managers actively reinforce usage
- And how behavior is measured and held accountable

## What “Good” Looks Like in Practice

Good AI adoption is not about access. It's about consistency.

### Employees

- Know when to use AI, and when not to
- Understand what "good output" looks like
- Are expected to use it, not just encouraged

### Managers

- Reinforce usage consistently
- Have visibility into adoption
- Coach based on real behavior, not assumptions

### Leadership

- Uses AI visibly
- Sends consistent, aligned signals
- Treats adoption as an operational metric

If AI usage isn't being measured, adoption isn't being managed, and if it isn't being managed, it won't improve.

## Role Based Examples: Before and After

### Customer Service

| State                           | Description                                                                                                                                                                                                                                                                  |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Before</b><br>AI is optional | Reps handle tickets in their own way. AI is available, but not required, some use it, most don't. As a result, response time and quality vary widely, and performance is inconsistent across the team.                                                                       |
| <b>After</b><br>AI is embedded  | AI generates the first draft for every customer response. Reps review, refine, and send. Relevant knowledge articles are surfaced automatically, and managers have visibility into how AI is being used, where edits are happening, and where additional coaching is needed. |

What changes:

- **Faster response times**
  - Example: Average handle time reduced by 30–40%
- **More consistent quality**
  - Example: First-contact resolution improved by 15–25%
- **Better manager coaching**
  - Example: Managers use edit patterns to identify gaps and reinforce best practices
- **Faster ramp for new hires**
  - Example: Training time reduced by leveraging AI-generated responses as learning models

### Sales

| State                           | Description                                                                                                                                                                                                                                                                   |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Before</b><br>AI is optional | Sales reps manually research accounts, draft outreach from scratch, and prepare for meetings without a consistent approach. A few top performers leverage AI, but most rely on traditional methods, leading to variability in both effort and outcomes.                       |
| <b>After</b><br>AI is embedded  | AI is integrated directly into the workflow. Before every meeting, it generates account summaries and drafts first-pass outreach based on context. Preparation happens within the CRM, not as a separate step, so reps refine and personalize rather than start from scratch. |

What Changes:

- **Increased outreach without added headcount**
  - Example: Outreach volume increases by 30–50%
- **Significantly reduced prep time**
  - Example: Meeting preparation drops from ~45 minutes to ~15 minutes on average
- **More consistent, higher-quality engagement**
  - Example: Email response rates improve when AI-generated personalization is used as a starting point
- **Greater manager visibility into activity**
  - Example: CRM-integrated AI logs provide insight into account engagement and rep behavior

## Finance & Accounting

| State                           | Description                                                                                                                                                                                                                                                                     |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Before</b><br>AI is optional | Analysts manually review variance reports, build narratives from raw data, and spend significant time on routine commentary. AI tools may be available, but usage is inconsistent resulting in inefficiencies and limited impact.                                               |
| <b>After</b><br>AI is embedded  | AI generates first-draft variance commentary for monthly financial packages. Analysts review, validate, and refine. Anomalies are flagged in real time for human review, and standard reporting is automated, allowing analysts to focus on interpretation and decision-making. |

What Changes:

- **Time shifts from reporting to analysis**
  - Example: Month-end commentary time reduced by 40–60%
- **Issues are identified earlier**
  - Example: AI improves anomaly detection, surfacing insights that may be missed in manual reviews especially under tight timelines
- **Capacity is redirected to higher-value work**
  - Example: Finance teams spend more time on strategic analysis and less on repetitive reporting tasks

## Operations & Supply Chain

| State                           | Description                                                                                                                                                                                                                                                                   |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Before</b><br>AI is optional | Planners manually analyze demand signals, review historical data, and build forecasts. While AI tools may be available, they're typically used by a small group of power users. Most planners continue relying on traditional methods, leading to variability in accuracy and |
| <b>After</b><br>AI is embedded  | AI-generated forecasts become the starting point for every planning cycle. Planners review the recommendations, adjust for market context, and document any overrides. Those overrides are tracked and fed back into the model, continuously improving performance over time. |

What Changes:

- **Improved forecast accuracy**
  - Example: Accuracy increases by 15–25% in markets where planners actively engage with AI recommendations
- **Shorter planning cycles**
  - Example: Planning cycle time reduced by ~30%
- **More consistent decision-making**
  - Example: Inventory carrying costs decrease as AI-driven forecasts outperform manual estimates

# Organizational Change Management as a Core AI Capability

Most organizations treat change management as communication, training, and something that happens late in a project. That approach doesn't work for AI.

AI transformation requires OCM to be a core delivery capability, embedded from the start and sustained well beyond launch.

## What OCM Actually Does in an AI Context

OCM in an AI transformation isn't about managing resistance to a new system. It's about answering the operational questions the technology itself cannot:

- When should AI be used within this workflow?
- Who owns the outcome of an AI-assisted decision?
- What does "good usage" look like at the role level?
- How do we know adoption is actually happening?

OCM is what turns AI from a tool into something the business can reliably use.

Each of these questions requires deliberate, structured work. And when they're not addressed, clearly and consistently, adoption stalls. Every time.

Here's how OCM addresses them in practice:

## 1 Leadership Alignment

### Definition

Ensuring senior leaders share a consistent understanding of why AI is being adopted, how it will be governed, and what success looks like.

### What It Means in Practice

Leadership alignment is not a one-time kickoff, it's a series of structured conversations designed to surface and resolve misalignment early, before it becomes visible to the broader organization.

Leaders need to align on:

- The business case — why AI matters and where it creates value
- The governance model — how AI should and should not be used
- Usage standards — what is non-negotiable
- Consistent messaging — how they will reinforce expectations with their teams

## EXAMPLE

In a large professional services firm deploying AI across its consulting practice, three division heads had fundamentally different views on whether AI-generated outputs required disclosure to clients.

OCM surfaced this misalignment in the second week of the engagement.

Had it emerged post-rollout, it would have created significant client and regulatory risk.

Addressing it early enabled the organization to establish a clear governance position that leaders could communicate consistently.

### Outcome

Aligned leadership removes ambiguity, sends consistent signals, and accelerates adoption—especially at the middle-management level where behavior is reinforced day to day.

## 2 Role-Level Translation

### Definition

Clearly defining how AI changes the day-to-day work of each affected role.

### What It Means in Practice

Generic AI training doesn't drive adoption, role-specific workflow guidance does.

Employees don't need to understand AI in theory; they need to understand exactly how their job changes in practice.

For each affected role, OCM defines:

- What tasks change
- What the new workflow looks like
- What the employee is responsible for at each step
- What "good" looks like in terms of output and decision-making

This is where adoption truly begins.

## EXAMPLE

A healthcare payer implementing AI-assisted claims processing developed role-specific job aids for claims examiners, supervisors, and quality reviewers.

Each was a one-page guide that:

- Mapped the before-and-after workflow
- Clarified exactly when AI outputs required human validation

Within the first 60 days, adoption reached 78% of the target population, well above the 40–50% typically seen without role-specific guidance.

## Outcome

When employees understand exactly how AI fits into their role, they adopt it faster, use it more consistently, and produce more reliable outcomes.

# 3 Trust & Governance

## Definition

Building employee confidence in AI outputs while establishing clear, enforceable standards for how it should be used.

## What It Means in Practice

Trust isn't built by telling employees AI is accurate; it's built through clarity, transparency, and consistency.

It requires:

- Transparency — explaining how AI works and how it was trained
- Clear expectations — outlining what it does well and where it has limitations
- Defined validation processes — giving employees a clear way to verify, challenge, and report outputs
- Published governance — policies that define acceptable use, data handling, and decision ownership

Employees need to understand:

- What AI is good at
- What it isn't
- When to rely on it
- When to question it

Governance is what makes AI usage safe and scalable.

## EXAMPLE

A financial services firm deployed an AI-driven credit recommendation tool with high technical accuracy, but low adoption.

Analysts weren't confident explaining to clients or auditors why they followed AI recommendations.

OCM introduced a simple decision documentation framework that:

1. Provided clear language for explaining AI-supported decisions
2. Established a consistent audit trail

Within 90 days, adoption increased from 25% to 68%..

## Outcome

When employees trust the outputs and understand the governance behind them, they use AI where it matters most, and use it with confidence.



## 4 Adoption Reinforcement

### Definition

Embedding AI usage expectations into manager behavior, team routines, and performance conversations.

### What It Means in Practice

Managers are the single most powerful lever in AI adoption. If they're not actively reinforcing usage, adoption will plateau, regardless of how strong the rollout was.

# 41%

McKinsey research shows that only 41% of managers are willing to change their own behaviors to support organizational change. That makes manager enablement something that must be built intentionally, not assumed.

McKinsey OCM Solution, 2025

OCM equips managers with:

- Clear talking points on why AI matters and what's expected
- Team-level adoption data they can act on
- Practical coaching guidance to address common barriers

Because adoption doesn't happen in training sessions. It happens in team meetings, in real workflows, and in day-to-day conversations..

### EXAMPLE

A retail organization saw AI adoption plateau at 35% following a strong initial launch. OCM introduced a simple, manager-led intervention: a five-minute AI adoption check-in during weekly team meetings. Managers:

- Reviewed team usage
- Recognized strong adoption
- Addressed specific questions and blockers

Within eight weeks, adoption increased to 71%.

### Outcome

Manager reinforcement is the most effective, and most cost-efficient, driver of adoption. It requires no new technology, only clear expectations, the right data, and consistent follow-through.

# How to Operationalize AI Adoption: An OCM-Led Approach

This isn't a rollout plan, it's a behavior change plan. Each phase focuses on creating clarity, reinforcing expectations, and building the mechanisms needed to sustain adoption.

| Timeframe                                                           | Key Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Weeks 0–4</b><br><b>Align and Define the Foundation</b>          | <p>Focus: Establish clarity, alignment, and guardrails before scaling anything.</p> <ul style="list-style-type: none"><li>• Conduct structured leadership alignment sessions to define expectations, governance, and success criteria</li><li>• Identify adoption risks, stakeholder concerns, and potential resistance points</li><li>• Map affected roles and current vs. future-state workflows</li><li>• Define the governance framework and acceptable use standards (data, validation, decision ownership)</li><li>• Establish baseline adoption metrics to measure progress over time</li></ul> <p><b>OCM Objective:</b> Remove ambiguity early and create a consistent foundation for adoption.</p>                                   |
| <b>Weeks 4–8</b><br><b>Translate and Enable Behavior Change</b>     | <p>Focus: Make AI real at the role level and equip managers to drive adoption.</p> <ul style="list-style-type: none"><li>• Develop role-specific workflow guides and job aids (what changes, how to use AI, what "good" looks like)</li><li>• Deliver targeted, role-based training focused on workflows—not just tools</li><li>• Launch a manager enablement program with clear expectations, talking points, and adoption data</li><li>• Begin tracking active usage and workflow integration</li><li>• Identify early adopters and establish a change champion network to reinforce behaviors peer-to-peer</li></ul> <p><b>OCM Objective:</b> Translate strategy into day-to-day behavior and create reinforcement at multiple levels.</p> |
| <b>Weeks 8–12</b><br><b>Reinforce, Refine, and Prepare to Scale</b> | <p>Focus: Turn initial adoption into consistent, repeatable behavior.</p> <ul style="list-style-type: none"><li>• Analyze adoption data to identify where usage is stalling and why</li><li>• Reinforce behaviors by embedding AI into manager routines (e.g., team check-ins, performance conversations)</li><li>• Address barriers by refining workflows based on real usage patterns and feedback</li><li>• Assess governance adherence and compliance in practice—not just in policy</li><li>• Begin planning to scale adoption to additional teams or functions using proven approaches</li></ul> <p><b>OCM Objective:</b> Sustain momentum, close adoption gaps, and prepare for scalable growth.</p>                                   |

## Bottom Line

OCM is what turns early adoption into consistent behavior, and consistent behavior into scalable value.

## Examples of Key OCM Artifacts to Enable AI Adoption

This isn't a rollout plan, it's a behavior change plan. Each phase focuses on creating clarity, reinforcing expectations, and building the mechanisms needed to sustain adoption.

These artifacts aren't just deliverables, they are the mechanisms that drive clarity, reinforce behavior, and sustain adoption over time.

### **Leadership Alignment Summary**

A documented view of agreed-upon governance, usage expectations, and communication commitments—ensuring leaders send consistent signals across the organization.

### **Role-Specific Workflow Guides**

Clear, practical "before and after" views of how AI changes the day-to-day work for each role—defining where AI fits, what changes, and what good looks like in execution.

### **Manager Enablement Toolkit**

The core tools managers need to drive adoption, including talking points, team-level adoption dashboards, and coaching guidance to address real-world barriers.

### **Governance Framework and Acceptable Use Policy**

Clearly defined standards for how AI should be used, including data handling, output validation, and decision ownership—providing the guardrails that make adoption safe and scalable.

### **Adoption Dashboard**

Real-time visibility into usage across teams, roles, and workflows—turning adoption into a measurable, manageable operational metric rather than an assumption.

Together, these artifacts operationalize OCM, translating strategy into clear expectations, actionable guidance, and sustained behavior change.

# Hylaine's Implementation Model

Build, Execute, Scale & Sustain

Hylaine's approach to AI adoption is built on a four-phase model designed to operationalize Organizational Change Management as a core capability, making adoption structured, repeatable, and measurable at scale.

Each phase builds on the last, moving from alignment and readiness to real-world execution, to scalable replication, and ultimately to embedded, sustained behavior change within the organization.



## Phase 1: Build | Establish the Foundation for Adoption

### Objective

Create the organizational conditions required for AI adoption to succeed before scaling begins. This phase is not about preparing for deployment, it's about ensuring the organization is ready to adopt, trust, and consistently use AI.

Clarity at this stage prevents fragmentation, resistance, and rework later.

### What This Phase Solves from an OCM Lens

Most organizations fail to scale AI because they skip this step. They deploy tools before:

- Leaders are aligned
- Governance is defined
- Roles understand how work changes
- Managers are equipped to reinforce behavior

Phase 1 eliminates that risk by building the behavioral, structural, and governance foundation required for adoption.

### Key Focus Areas

#### *1. Leadership Alignment & Sponsorship Activation*

Move beyond awareness to true alignment on:

- Why AI matters (business case + risk of inaction)
- How AI will be used (and where it won't)
- What success looks like (adoption, not deployment)
- What leaders are expected to model and reinforce

**Outcome:** Leaders send consistent, credible signals across the organization

## *2. Organizational Readiness & Adoption Risk Assessment*

Establish a clear view of:

- Current AI usage patterns (formal + shadow AI)
- Trust in data, AI, and prior transformations
- Change saturation and capacity across teams
- Likely resistance points (by role, function, tenure)

**Outcome:** Adoption risks are identified early—not discovered during rollout

## *3. Role & Workflow Impact Definition*

Translate AI from concept to day-to-day work:

- Identify high-value use cases tied to real workflows
- Map current vs. future-state workflows
- Define role-level expectations for AI usage
- Clarify where human judgment is required

**Outcome:** Employees will understand exactly how their job changes

## *4. Governance & Trust Framework (Critical Gap in Most Orgs)*

Define how AI is used safely and consistently:

- Acceptable use standards
- Data handling and input guidelines
- Output validation expectations
- Decision ownership and accountability
- Documentation and audit requirements

**Outcome:** AI becomes safe to use, not just available

## *5. Adoption Measurement & Success Definition*

Shift from deployment metrics to behavior metrics:

- Define what "good adoption" looks like
- Establish baseline usage metrics
- Identify leading indicators of success/failure
- Align metrics to business outcomes

**Outcome:** Adoption becomes visible, measurable, and manageable

## Key Activities

- Facilitate structured leadership alignment sessions (working sessions, not briefings)
- Conduct organizational readiness and adoption diagnostics
- Map impacted roles, workflows, and behavioral shifts
- Define AI governance and acceptable use framework
- Identify and prioritize high-value use cases
- Establish baseline adoption metrics and targets
- Develop stakeholder and influence strategy

## Deliverables

- **AI Readiness & Adoption Risk Assessment:** including trust, resistance, and shadow AI analysis
- **Leadership Alignment & Governance Summary:** documented positions, expectations, and messaging
- **Role & Workflow Impact Maps:** clear before/after definition of how work changes
- **Use Case Prioritization Matrix:** value, feasibility, and adoption readiness
- **AI Governance & Acceptable Use Framework:** policy + operational guidance
- **Adoption Measurement Framework & Baseline Dashboard**

## Success Metrics

- Leadership alignment is documented and consistent across functions
- Governance framework is defined and understood before rollout
- Top priority use cases are clearly defined and tied to workflows
- Role-level impact is articulated for all key user groups
- Baseline adoption metrics are established and agreed upon

## Common Pitfalls

- **Skipping alignment because it feels slow:** This is the most expensive shortcut in AI transformation
- **Treating governance as a legal exercise:** Governance must define how work gets done, not just what's allowed
- **Defining use cases in isolation:** Without frontline input, adoption breaks immediately
- **Assuming adoption will follow deployment:** It won't, without deliberate OCM, usage remains inconsistent

Phase 1 is where AI adoption is won or lost. If clarity, alignment, and governance are not established here, no amount of execution will fix it later.

## Phase 2: Execute | Prove Adoption in Real Workflows

### Objective

Demonstrate that AI drives measurable value when it is embedded into real workflows, used by real employees, and reinforced by managers.

This phase is not about enabling access or showcasing capability.

It is about proving that AI can be adopted consistently, trusted in practice, and integrated into how work actually gets done.

### What This Phase Solves from an OCM Lens

Most organizations stall here. They move from alignment to rollout, without ever proving:

- How AI works in real workflows
- What "good usage" actually looks like
- Whether employees trust and use it consistently
- Whether managers can reinforce it

Phase 2 closes that gap by turning AI from a concept into observable, repeatable behavior.

### Key Focus Areas

#### 1. Workflow Integration (Where Adoption Actually Happens)

AI is embedded directly into how work gets done:

- Redesign workflows for priority use cases
- Define step-by-step where AI is used, reviewed, and validated
- Clarify where human judgment is required
- Eliminate "optional usage"

**Outcome:** AI becomes part of the workflow, not something employees have to remember to use

#### 2. Role-Based Enablement (Make It Real for Employees)

Move beyond tool training to job execution:

- Deliver role-specific training tied to real scenarios
- Show exactly how tasks change, not just how the tool works
- Provide job aids and in-the-flow guidance
- Reinforce what "good" looks like

**Outcome:** Employees understand how to use AI in their job on day one

#### 3. Manager Activation & Reinforcement

Turn managers into adoption drivers:

- Equip managers with team-level adoption data
- Provide clear coaching guidance and talking points
- Embed AI into team routines and check-ins
- Set expectations for reinforcement behaviors

**Outcome:** Adoption is reinforced where it actually happens, within teams

#### 4. Trust Building & Feedback Loops

Make adoption safe and self-correcting:

- Implement structured feedback and error reporting mechanisms
- Define how employees validate and escalate AI outputs
- Capture real usage experiences and concerns
- Close the loop visibly to build trust

**Outcome:** Employees don't disengage when issues occur, they contribute to improving the system

#### 5. Adoption Measurement & Active Intervention

Manage adoption like an operational metric:

- Track active usage weekly (not just access)
- Identify where adoption is lagging and why
- Intervene quickly with targeted support
- Adjust workflows and guidance based on real behavior

**Outcome:** Adoption gaps are addressed early, before they become systemic

#### Key Activities

- Redesign and validate priority workflows with embedded AI usage
- Develop and deliver role-specific training and job aids
- Launch manager enablement program with dashboards and coaching tools
- Establish feedback loops and error reporting processes
- Monitor adoption data weekly and conduct targeted interventions
- Identify and activate early adopters and change champions
- Refine workflows and guidance based on real usage patterns

#### Deliverables

- **Role-Specific Workflow Guides:** clear, step-by-step integration of AI into daily work
- **Role-Based Training Program:** scenario-driven, workflow-focused, not generic
- **Manager Enablement Toolkit:** adoption dashboards, coaching guides, reinforcement talking points
- **Feedback & Issue Management Framework:** clear process for reporting, validating, and resolving AI-related issues
- **Weekly Adoption Scorecard:** visibility into usage, behavior, and performance by team/role

#### Success Metrics

- 65–80% active usage within 60 days of go-live
- Measurable time savings on targeted workflows
- Improved output quality and consistency
- Manager confidence scores exceed defined thresholds
- Active participation in feedback loops (employees reporting and engaging)



## Common Pitfalls

- **Measuring access instead of behavior:** Deployment is not adoption
- **Treating training as the solution:** Without workflow integration, training doesn't stick
- **Failing to equip managers with data:** Managers can't reinforce what they can't see
- **Ignoring early signals of low adoption:** Small gaps become systemic failures quickly
- **Not closing the feedback loop:** Unaddressed issues erode trust and stall adoption

Phase 2 is where credibility is earned. If employees don't use AI here, in real workflows, under real conditions, it will not scale.

## Phase 3: Scale | Systematically Expand What Works

### Objective

Expand proven AI adoption practices across additional teams, functions, and geographies—while maintaining consistency, speed, and quality.

This phase is not about replicating deployment.

It is about replicating adoption outcomes without rebuilding the approach each time.

### What This Phase Solves from an OCM Lens

Most organizations fail to scale AI because they treat each rollout as a new effort. They:

- Rebuild materials from scratch
- Lose what worked in the pilot
- Underestimate differences across teams
- Scale deployment faster than adoption capability

Phase 3 solves this by turning pilot success into a repeatable, adaptable OCM system.

### Key Focus Areas

#### 1. Codification of What Works (Turn Experience into System)

Capture and operationalize learnings from execution:

- Identify which workflow changes drove adoption
- Document which training approaches were most effective
- Define which manager behaviors reinforced usage
- Capture common barriers and how they were resolved

**Outcome:** Success becomes repeatable, not dependent on individuals

#### 2. Playbook Development & Standardization

Create a scalable OCM engine:

- Develop a modular OCM playbook with reusable templates
- Standardize workflows, training approaches, and governance application
- Build guidance that is adaptable, not rigid

**Outcome:** New teams don't start from zero, they start from what already works

### *3. Local Adaptation (Scale Without Breaking Adoption)*

Balance consistency with flexibility:

- Tailor workflows and messaging to local realities
- Account for differences in:
  - Team structure
  - Leadership maturity
  - Trust in AI/data
- Identify population-specific adoption risks early

**Outcome:** Adoption remains strong, even as scale increases

### *4. Local Adaptation (Scale Without Breaking Adoption)*

Distribute ownership of adoption:

- Train internal champions in each new area
- Equip them with playbooks, tools, and coaching guidance
- Establish a distributed reinforcement model

**Outcome:** Adoption is driven locally, not dependent on a central team

### *5. Scaled Measurement & Continuous Feedback*

Maintain visibility as complexity increases:

- Apply a consistent adoption measurement framework across all areas
- Compare adoption performance across teams and regions
- Identify patterns and systemic barriers
- Continuously refine the approach based on real data

**Outcome:** Scaling improves over time, not degrades

### **Key Activities**

- Document pilot learnings, success drivers, and barriers
- Build and refine OCM playbook with reusable components
- Train and activate local champions and change agents
- Adapt workflows, training, and messaging for new populations
- Roll out using a wave-based approach
- Monitor adoption performance and intervene as needed
- Continuously update playbook based on new insights

### **Deliverables**

- OCM Scale Playbook - modular, reusable templates, workflows, and guidance
- Champion Enablement Program - training, toolkits, and reinforcement model
- Adoption Scorecards by Team/Function - consistent measurement with local visibility
- Pilot Learnings & Scale Recommendations - codified insights to guide expansion

## Success Metrics

- Scaled deployments achieve adoption rates within 10–15 points of pilot performance
- Time to reach 60% adoption decreases with each rollout wave
- Playbook reuse rate is high (measurable reduction in rebuild effort)
- Adoption consistency improves across teams and regions

## Common Pitfalls

- Assuming one-size-fits-all scaling - What worked must be adapted, not blindly replicated
- Scaling deployment faster than adoption capability - Adoption quality degrades in later waves
- Failing to codify learnings from execution - Organizations repeat the same mistakes
- Over-centralizing ownership - Without local champions, adoption doesn't stick
- Losing visibility as scale increases - Without consistent measurement, fragmentation returns
- Phase 3 is where adoption becomes a capability, not an initiative. If it can't be repeated consistently, it won't scale.

Phase 3 is where adoption becomes a capability, not an initiative. If it can't be repeated consistently, it won't scale.

## Phase 4: Sustain | Embed Adoption as an Organizational Capability

### Objective

Transition AI adoption from a supported initiative to an embedded organizational capability—owned, measured, and continuously improved by the business.

This phase is not the end of the work.

It is the point where adoption becomes part of how the organization operates, not something driven by a project team.

### What This Phase Solves from an OCM Lens

Most organizations lose value after initial success. They:

- Treat adoption as complete after rollout
- Remove support too early
- Stop measuring behavior consistently
- Fail to build internal ownership

The result:

- Adoption erodes over time
- Behaviors regress
- ROI declines quietly

Phase 4 prevents that by embedding ownership, reinforcement, and continuous improvement into the organization itself.

## Key Focus Areas

### 1. Ownership Transition & Capability Transfer

Shift accountability from project to business:

- Define clear internal ownership for adoption, governance, and measurement
- Transition OCM responsibilities to internal teams (HR, Ops, COE, etc.)
- Establish roles, responsibilities, and escalation paths
- Ensure internal teams are equipped, not just assigned

**Outcome:** Adoption is owned by the organization, not dependent on external support

### 2. Ongoing Governance & Reinforcement Cadence

Make adoption visible and reviewable:

- Establish monthly/quarterly adoption reviews at leadership level
- Reinforce expectations through leadership forums and business rhythms
- Maintain governance oversight as usage evolves

**Outcome:** Adoption is continuously reinforced, not left to chance

### 3. Manager & Leader Capability Integration

Embed AI into how leaders lead:

- Incorporate AI adoption into manager expectations and performance conversations
- Integrate into leadership development programs
- Equip leaders to reinforce, coach, and evolve usage over time

**Outcome:** Reinforcement becomes part of leadership behavior, not a temporary push

### 4. Continuous Feedback & Innovation Loop

Keep adoption dynamic and improving:

- Create mechanisms for employees to:
  - Surface new use cases
  - Flag issues or risks
  - Share best practices
- Establish a structured process to evaluate and prioritize new opportunities

**Outcome:** AI adoption evolves with the business, not stagnates

### 5. Embedded Measurement & Business Integration

Make adoption part of how performance is tracked:

- Integrate AI adoption metrics into existing business reporting
- Align adoption with operational KPIs and outcomes
- Maintain visibility at leadership and team levels

**Outcome:** Adoption is treated like any other critical business metric

## Key Activities

- Execute structured transition of ownership to internal teams
- Establish governance cadence and leadership review forums
- Embed AI expectations into manager and leadership routines
- Integrate adoption metrics into business performance reporting
- Launch continuous feedback and use case intake mechanisms
- Assess and build internal OCM capability maturity

## Deliverables

- **Transition Plan with Defined Ownership:** clear roles, responsibilities, and accountability model
- **Adoption Governance & Review Calendar:** cadence, participants, and decision-making structure
- **Embedded Adoption Dashboard:** integrated into business reporting and performance reviews
- **Internal OCM Capability Assessment & Development Plan:** roadmap to sustain and evolve adoption independently

## Success Metrics

- Internal teams own and lead adoption reviews independently
- AI adoption metrics are embedded in quarterly business reviews alongside core KPIs
- New use cases are continuously identified, evaluated, and prioritized internally
- Adoption levels are sustained or improved over time—not degraded post-rollout

## Common Pitfalls

- **Transitioning ownership too early:** Without demonstrated capability, adoption regresses
- **Losing measurement continuity during handoff:** Gaps in data break accountability and visibility
- **Treating sustainment as the end:** It is the beginning of ongoing capability, not project closure
- **Failing to embed into business rhythms:** If it's not in leadership reviews, it's not prioritized
- **Not investing in internal capability:** Without it, organizations become dependent or lose progress

Phase 4 is where adoption becomes part of the business. If it isn't owned, measured, and reinforced internally, it won't last.

# Measuring AI Adoption & ROI

You cannot manage AI adoption without measuring it, and most organizations aren't measuring what actually matters.

AI is often deployed without a clear measurement strategy or the infrastructure to track real usage. The result is a dangerous blind spot: leaders believe adoption is happening, but what they're actually measuring is deployment, not behavior.

Most organizations default to tracking:

- Access
- Licenses
- Deployment milestones

None of these indicate whether AI is being used, how it's being used, or whether it's delivering value.

The OCM Shift: From Access to Behavior

Effective AI adoption requires a fundamental shift in how success is defined and measured:

From "Do people have access to AI?" to "Are people using AI within their workflows, and is it changing outcomes?"

This is where OCM plays a critical role.

OCM defines:

- What "good usage" looks like at the role level
- Where AI should be embedded in workflows
- How behavior should be measured and reinforced

Without that structure, measurement is incomplete, and adoption cannot be actively managed.

BCG's 2025 research reinforces this gap, many organizations struggling with AI don't track financial KPIs tied to their initiatives at all, making it nearly impossible to determine whether investments are paying off (BCG, 2025).

**\$3.70 → \$10.30**

In contrast, organizations that measure and manage adoption effectively report \$3.70 in value for every \$1 invested up to \$10.30 per \$1 for top performers.

Fullview, 2025

## What to Measure

Effective AI adoption measurement operates across three levels, each aligned to how OCM drives behavior change.

### Level 1

#### **Activity Metrics — are people using it?**

These metrics establish visibility into whether AI is being used at all.

- Active user rate — percentage of target employees using AI tools regularly (e.g., weekly)
- Session frequency — average number of AI interactions per user
- Feature utilization — which capabilities are used vs. ignored
- Workflow integration rate — percentage of defined AI-enabled tasks where AI is actually used

OCM Insight: Activity metrics identify where adoption is starting, and where it's stalling.

### Level 2

#### **Behavioral Metrics — are people using it correctly?**

These metrics determine whether AI is being used as intended within defined workflows.

- Override rate — how often AI recommendations are ignored and where
- Validation behavior — adherence to required human review steps
- Error catch rate — how frequently issues are identified and corrected
- Feedback submission rate — usage of feedback mechanisms to report AI performance

OCM Insight: Behavior metrics reveal whether expectations are clear—and whether reinforcement is working.

### Level 3

#### **Impact Metrics — is it making a difference?**

- Task completion time — reduction in time for AI-enabled tasks
- Output quality — improvements in manager or peer-reviewed work
- Error rates — downstream error reduction compared to baseline
- Capacity displacement — hours freed and reallocated to higher-value work

OCM Insight: Impact metrics validate that behavior change is translating into real outcomes.

## Connecting Adoption to ROI

Adoption becomes ROI when behavior change translates into measurable business impact.

The linkage is clear:

- **Baselines are established:** Activity metrics show where adoption is (and isn't) happening
- **Behavior becomes consistent:** Behavioral metrics confirm AI is being used as intended
- **Outcomes improve:** Impact metrics quantify value: time saved, errors reduced, capacity freed

Organizations that measure adoption rigorously consistently outperform those that don't, not because measurement creates value, but because it creates accountability.

# Conclusion

AI is not just another technology transformation. It changes how work gets done, how decisions are made, and how organizations compete.

The organizations that succeed won't be the ones with the most advanced tools. They will be the ones that can drive consistent, correct, and scalable adoption of those tools.

## The Core Distinction

Organizations that treat AI as a tool rollout will continue to struggle.

Organizations that treat it as a transformation in how people work will succeed.

That distinction is fundamentally an OCM challenge.

It comes down to whether the organization can answer three questions before it attempts to scale:

- Do leaders agree on how AI should be used, governed, and measured, and are they reinforcing it consistently?
- Do employees understand exactly how AI changes their specific role, not in theory, but within their workflow?
- Is usage being measured at a level that enables real visibility, accountability, and course correction?

If any of these are unclear, the investment is at risk, not because the technology will fail, but because adoption will.

Without OCM:

- Adoption plateaus
- Shadow AI proliferates
- The gap between expected and realized value continues to widen.

## The Urgency

AI capabilities are evolving faster than any prior technology category.

Every month an organization delays building the OCM foundation, it falls further behind, and the gap becomes harder to close.

Organizations that invest in that foundation now:

- Move faster
- Adapt faster
- Capture more value

Those that don't fall further behind with every iteration.

BCG's research shows that AI-leading organizations are already outperforming peers



1.5x

higher revenue growth

1.6x

greater shareholder returns

1.4x

higher returns on invested capital

That gap is not static, it's compounding.

Organizations that build OCM capability early create an advantage that accelerates over time. Each new AI capability is absorbed faster, reinforced more effectively, and translated into measurable outcomes.

For those organizations, AI becomes an accelerant.

For others, it becomes a repeated missed opportunity.

### Bottom Line

AI does not determine success. Adoption does. OCM is what turns AI from a promising technology into a repeatable, scalable competitive capability—not once, but continuously, as the technology evolves and the organization grows.

# What To Do Next

If AI is part of your organization's strategy, and it should be, the time to address the human side is now.

Not after the next tool is deployed.

Not once adoption starts to stall.

**Now.**

Because once adoption breaks, it is significantly harder and more expensive to recover.

Start With an Honest OCM Assessment

Before scaling anything, assess whether the foundation for adoption actually exists:

| Area                        | The Question to Answer                                                                                                                                        |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Leadership Alignment</b> | Can every senior leader clearly and consistently articulate how AI should be used, governed, and measured within their function, and are they reinforcing it? |
| <b>Role-Level Clarity</b>   | Can employees describe, step by step, how AI changes their specific workflow, not in theory, but in practice?                                                 |
| <b>Usage Measurement</b>    | Are you tracking active usage and behavior, not just deployment? Is adoption visible at the team level with manager accountability?                           |
| <b>Governance Framework</b> | Do you have clear, communicated standards for acceptable use, data handling, and decision ownership?                                                          |
| <b>Manager Enablement</b>   | Are managers equipped with the data, expectations, and language needed to actively reinforce AI usage?                                                        |
| <b>Feedback Mechanisms</b>  | Can employees surface issues, report errors, and influence improvements—and is that feedback being acted on?                                                  |

If any of these answers are unclear, the issue is not technology. It's adoption readiness.

## Take Action Where It Matters Most

OCM is about prioritizing the right interventions, not doing everything at once.

Focus on the gaps that will block adoption:

### **If leadership isn't aligned**

Facilitate structured alignment sessions within the next 30 days

These are working sessions, not briefings, and should result in clear, documented positions on governance, expectations, and accountability

### **If employees don't know how their job changes**

Define role-level workflows (before and after)

Create simple, practical job aids

Deliver role-specific training tied to real work, not generic enablement

### **If usage isn't being measured**

Implement an adoption dashboard within 60 days

Track active usage by role and team

Make adoption a standing agenda item in leadership reviews

### **If governance isn't defined**

Establish a clear, cross-functional acceptable use framework

Define data handling, validation expectations, and decision ownership

Communicate it clearly and reinforce it consistently

### **If managers aren't reinforcing adoption**

Embed AI usage into manager expectations

Provide team-level adoption data

Enable real coaching conversations, not assumptions.

## How Hylaine Can Help

Hylaine provides practical, execution-focused OCM support for organizations navigating AI transformation.

We don't operate as a separate workstream, we embed directly into delivery, ensuring that adoption is built alongside the solution, not after it.

Our focus is simple:

Drive measurable adoption outcomes, not just complete milestones

Engagements can range from:

- Targeted readiness assessments and OCM strategy to
- Full-scale, embedded OCM delivery across the entire AI transformation lifecycle

## Where to Start

Start with an AI adoption readiness conversation.

We will:

- Assess your current state
- Identify the highest-risk gaps
- Define a clear, practical path forward

AI adoption does not happen by accident.  
It happens by design.

OCM is that design. Let's build it, intentionally.

## References

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