Leading AI: The Human Variable in the ROI Equation

Executive Roundtable for Materials Growth
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Summary

Paul Gibbons has spent thirty years on the human side of technological change. He's the author of nine books, including *Adopting AI: The People-First Approach* and *The Science of Organizational Change*, the first to bring behavioral science into change management, and he held leadership roles at IBM Consulting, Deloitte, and PwC. None of that is why I wanted him in this room. I wanted him because he made the crossing himself, and recently. In 2023 he called AI a parlor trick and he meant it. By early 2026 he was running his own back office and marketing stack on agents he built.

His argument is that the constraint on AI value stopped being how smart the model is. Frontier models have been capable enough for over a year. What separates the companies making money from the ones burning it is the harness around the intelligence, and that's an organizational problem rather than a technical one. It also explains what most of us are living with. The small company is running away with this. The large one is stuck.

The Prize Is Real, and Large Organizations Are Worst Placed to Take It

Paul arrived at AI as a skeptic and he's now unambiguous. I put the standing objection to him: that all this AI noise pulls executives away from the real work of customers, strategy, and running the business. His answer was that building this capability has become the real work. The individual evidence supports him: he cited a controlled study of Boston Consulting Group consultants in which the cohort trained on AI worked 23% faster at 40% higher quality, and these were not weak performers being lifted to average.

Then the other half. By the McKinsey figures he cited, roughly 6% of organizations are substantially outperforming, 37% are making some money, and 57% are losing it. The mechanism is structural, and his own IBM history makes it concrete. A white paper he could write in a month took six months to publish, because it had to clear marketing, legal, public relations, and three levels of leadership. However fast one person gets, the work still crosses boundaries at human speed.

Value leaks quietly, too. Paul described firms discovering a quarter of a million dollars of model usage in a single month with nobody able to say what it bought. IT spends it, the commercial side would have to capture it, and nothing joins the two.

The Payoff Sits in a Mode That Is Less Than a Year Old

Paul frames adoption as three modes.

Mode one, personal productivity. Good tools, rising individual output. It works, and it's where most large organizations sit today.

Mode two, the AI your enterprise vendors are adding to the stack you already own. Secure and slow. Paul's objection runs deeper than speed: if every competitor buys the same capability from the same vendors on the same schedule, it can't differentiate anyone.

Mode three, agentic workload redesign. Wiring the intelligence into how the work actually gets done. It's the only mode that produces the returns everyone was promised.

The timing is what to carry home. We were all told 2025 would be the year of the agent. It wasn't, and Paul said so at the time. The capability arrived in February 2026. A strategy set in 2023, 2024, or 2025 was therefore set in a world where mode three did not exist, and concluding that agents were hype was reasonable then. That conclusion is out of date by months rather than years, which is the good news in this session. Nobody is seven years ahead of you.

Mode Three Is a Build, and What You Build Is the Harness

You can't buy mode three. Workflows are individual to the firm: the roles, the structures, the tech stack, and underneath it the informal layer, where someone in marketing knows a designer who can finish the job. No vendor encodes that, so nothing plugs in the way a laptop works out of the box.

Paul's image for what goes wrong is worth keeping. Einstein walks up to a crew digging a ditch and asks how he can help, so they hand him a shovel. That is "summarize this meeting for me." A general intelligence in your commercial organization is worth very little until the work around it is shaped so it has something to grip.

The harness is what you build: persistent memory so it knows the business without being briefed every time, enough working context to hold the real problem, guardrails defining what it must not touch, and connections into the systems where work lands. Prompt engineering was 2023 thinking. The discipline now is harness engineering, and nothing in your gap closes by waiting for the next model.

Your Organizational Memory Is the Gate

Persistent memory is the component that stops people. Paul described wrangling his own: thirty-five years of files across four storage services in a decade of file formats. Painful for one person. Multiply by ten thousand.

Fragmentation isn't the only failure mode. One member described an enterprise deployment where AI was rolled out broadly and then, entirely reasonably, walled off from the systems it needed by the organization's access controls. It couldn't do the work, people stopped trying, and the rollout looked complete while delivering nothing.

You also need one source of truth rather than many. Two people's AI working the same problem from different data will industrialize your disagreements.

What This Asks of You Personally

Organizations whose senior leaders build with AI are twice as likely to generate positive returns, on the evidence Paul cited. His contrast lands it: a chief executive never needed to know how to operate the ERP. This one is different, because you cannot specify a harness whose friction you have never felt.

Then small experiments rather than a large program. Microscale pilots are how you learn what agentic work does to a workflow before the budget is committed. Mode three attempted at scale in one transformation is how you lose money and credibility together.

On the stakes, Paul doesn't think your peer takes this from you. DuPont will not be out-AI'd by Dow. He thinks the startup eats the incumbent's lunch, and that the comfort capital intensity offers is the same comfort the horse and carriage industry had, which was extremely well capitalized in 1899.

About Paul Gibbons

Paul Gibbons is an AI adoption strategist and the author of nine books, including *Adopting AI: The People-First Approach*, rated an AI Book of the Year, and *The Science of Organizational Change*. He is ranked among the top voices to follow in AI and sits inside both the Anthropic and OpenAI partner networks. He previously held leadership roles at IBM Consulting, Deloitte, and PwC, and created the Adaptive Adoption, AI Leadership Delta, and RIST Trust frameworks.

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About Growth Arc Advisors LLC

After a 30 year career as an executive in the chemical industry, founder Kendall Justiniano started Growth Arc Advisors to help chemical business leaders implement the new thinking required for changing fundamentals. We're experienced industry operators who know the old playbooks, their gaps, and the new pages required.

The firm delivers customized engagements for Materials Executives in 3 key areas:

- ***Commercial Effectiveness**: increasing growth revenue through proven next-level commercial practices, including digital sales & marketing.
- ***Strategy**: helping clients navigate threats generated by sustainability, digital, and global demand shifts.
- ***Innovation**: accelerating return on innovation through focused investment.