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What Boards Need to Do About AI

Navigating the opportunities and risks.

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I had the opportunity this week to spend an evening with 50 directors of global companies, courtesy of RSR Partners, and discuss the rapidly evolving AI landscape. The conversation reinforced how deeply AI is reshaping industries and the unique role that boards can play in navigating both its opportunities and risks.

AI is a once-in-a-generation technology disruption, and the board members in attendance get it. They know that we are witnessing a fundamental shift in how intelligence operates within businesses, not just incremental progress. The most advanced AI models are no longer just retrieving information; they are reasoning, problem-solving, and accelerating innovation at an unprecedented pace. This shift is already redrawing competitive boundaries.

For boards and CEOs, the challenge is that AI's impact is not uniform. Some industries—particularly those built on research, analysis, and content generation—are already experiencing massive disruption. Others may feel more insulated today, but they will also find that AI-driven efficiency and new business models will rewrite the rules of competition over time. It's not hyperbole to say that competitive advantage is at stake, and the pace of change is unforgiving. If your company believes it is insulated from this

disruption or can “wait and see,” you need to look harder at your business and the potential of AI to change the basis of competition in your industry.

The reality is that most companies are behind. While nearly every leadership team is experimenting with AI, only about 20% are scaling AI initiatives in ways that are truly reshaping productivity, customer offerings, and business models. But averages, when it comes to competitive advantage, mean little. In every sector, there is a company that is leading—reinventing its business, defining new ways of working, and setting new benchmarks. That means the average company is, by definition, falling behind.

What separates leaders from laggards in any industry is something that is easy to say and hard to do: Treat AI like a business transformation, not a technology deployment. AI is not just another tool. It requires rewiring processes, rethinking cost structures, and embedding AI-driven capabilities deep into how the business operates. Unlike prior technology disruptions, these tools do not create value alone. You must roll up your sleeves and change the business. So, it’s not surprising that a common denominator among leading AI adopters is a CEO who actively champions AI with a clear vision for their company and who digs in on the execution.

Boards have a critical role to play in ensuring their companies don’t just adopt AI but actually compete in an AI-driven world. That requires stepping up in three areas:

1. **Setting the AI strategy.** Are we clear on the two or three AI battlegrounds that will define competitive advantage in our industry? Are we ahead or behind—and are we overwhelming AI with investment, energy, and attention? Are we treating this as a business transformation or a technology add-on?
2. **CEO coaching and succession.** Do we have a CEO and leadership team that truly understand and prioritize AI? Are they devoting time, experimenting with these tools, and surrounding themselves with the right talent? Do we have the senior technology expertise to execute at the

necessary pace? Do we have a mission and commitment that attracts the talent needed to win in this new era?

3. Governance, risk, and compliance. Two years ago, AI risk was front and center on every board agenda. Now, at some boards, it has faded to the middle burner. That's a mistake. AI governance isn't just about compliance; it's about ensuring responsible, strategic execution. Do we have the right oversight frameworks, data security policies, and internal capabilities to manage AI at scale?

AI is moving faster than any technology shift we've seen before. The decisions boards make today—on investment, leadership, governance, and strategy—will shape how AI transforms their industries and the world. That's both an opportunity and an obligation for board members. And it's exciting. It's time for boards to step up and meet the moment.

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