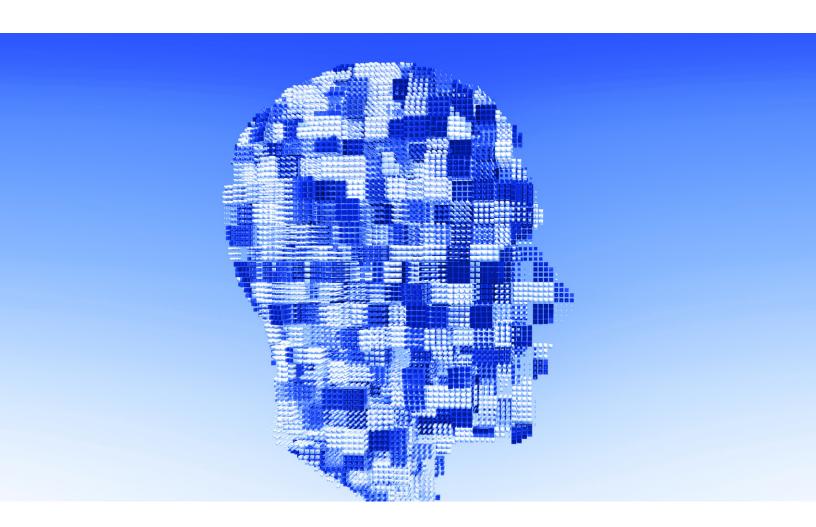


The Big Rethink: An agenda for thriving in the agentic age

CEOs need a new agenda to help them and their organizations navigate the key questions around AI, particularly agentic AI.



Has there been a technology innovation in recent memory that has engendered more wildly divergent thinking than agentic AI? We're hard-pressed to think of one.

Depending on who you talk to or what you read, Al agents—systems based on gen Al foundation models that can act in the world and execute multistep processes—will lead to a utopia of productivity. Or displace huge swaths of the labor force. Or lead to robots running the world. Or provide everyone with a superpower. Or all of the above.

To prepare for this uncertain future, executives will need to strip away the emotion from the conversation. Promises are everywhere; critical thinking, however, is in short supply.

The potential of agentic Al certainly appears significant, especially as the technology continues its torrid pace of improvement. It is poised to transform knowledge work and reshape the nature of competition.

But—and pardon us for turning to *Spider-Man* here for inspiration—with great power comes great responsibility. The <u>choices leaders make now</u> will shape not only their businesses but the future of work for generations to come.

Sifting through the hype/doom claims to uncover hard facts is challenging, given how much is still unknown. And we can be sure that there is still a lot of change ahead of us. That is not an excuse, however, for doing some hard thinking about scenarios, options, opportunities, risks, and investments.

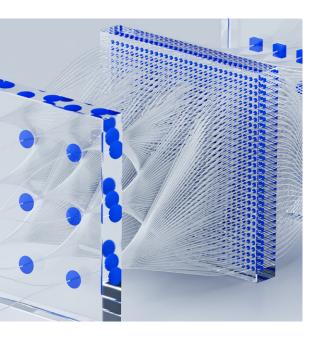
That's why we are launching a special initiative, the "Enterprise Al dialogue." This will be a series of publications, interviews, and webinars designed to bring together global business, technology, and academic leaders across strategy, technology, organization, and operations to shape how leaders lead in the agentic age. We hope that this effort will help executives make informed choices based on practical lessons learned in the field and an evolving playbook for what it takes to succeed.

Six parts of the CEO agenda

One of the fundamental issues bedeviling leaders is a lack of clarity on where to focus their energies for Al and agentic. That is understandable considering how much is still unknown and how quickly the landscape is changing. But it also opens companies up to chasing after false promises and diffusing resources.

The following agenda items can help bring some structure and discipline to the strategic process. In the spirit of providing a forum to animate discussions and solutions, consider them as provocations and assertions to be challenged and adapted as we learn and grow.





The new knowledge worker: Al as a disruptive colleague

Al is poised to recalibrate knowledge work in much the same way robots revolutionized manufacturing—only much faster. With once "human" tasks within Al's grasp—judgment, multistep reasoning, orchestration, problemsolving, and even creativity—executives will need to rethink roles for people and structures that ensure ethical, effective human—Al collaboration. The true limiting factor will no longer be technology's capabilities but humans' ability to oversee and manage agents.

Key questions:

- How do you reshape roles and responsibilities in a world where machines can think, orchestrate, decide, and create?
- How do you retain, manage, develop, and motivate human talent when Al becomes a central player in the workforce?
- How will you create and manage skills dynamically, providing continuous learning opportunities to counteract the shortening shelf life of skills?

Talent management will need to quickly evolve to focus on skills rather than roles and to be clear on what the most effective human—agent collaboration models look like.

Recalibrating distinctiveness: The collapse of competitive barriers

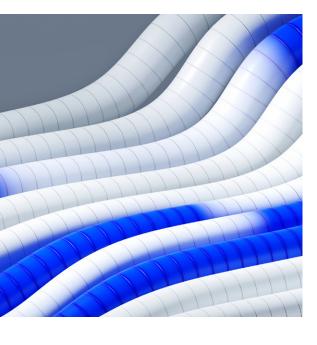
As costs go down and capabilities go up, Al will lower entry barriers and enable new players to disrupt incumbents with unprecedented speed. Intellectual property and institutional expertise could increasingly become commodities. Recalibrating the business to home in on true sources of competitive advantage—think data, technology, culture, and enterprise-wide capabilities—is critical.

Key questions:

- What are the potential business benefits or material risks when my customers become empowered by their own agents to optimize customer outcomes instantly, continuously, and at close to no cost to them?
- In this environment, how can you protect and expand your sources of competitive advantage?
- How can leaders be transparent and fair, while avoiding short-term optimization at the cost of long-term benefits?
- How can culture and fostering a sense of belonging—dynamics that AI cannot replicate—be enhanced as critical differentiators to the business?

The journey requires thoughtful investment and calibrated action to continually protect and enhance competitive advantage.





Reimagining value: From efficiency to exponential value

Agentic AI is not just about short-term productivity; it's about reimagining how work gets done to spark innovation, transform customer experience, and elevate employee engagement while delivering sustained value. Think inside the box and companies will find themselves boxed out of the big gains that will shape businesses for the next ten years. The opportunities lie in finding answers to important questions, such as:

- How will customer behaviors change when they are equipped with their own Al agents?
- Where can Al's capabilities solve challenges that once felt impossible, or open avenues to entirely new business models?
- What are the sources of competitive advantage that can be enhanced with—or undermined by—Al?

Successful leaders will approach the future with a bold mindset of opportunity, rethinking their value proposition and redefining how to create value.

Rewiring workflows: From horizontal to vertical deployments

Our research shows that while almost 80 percent of organizations use gen Al in some way, the same percentage see no impact from it on the bottom line. The reason is often a focus on deploying tools and disjointed pilots: Many organizations start broadly and aim to raise individual competencies through copilots and chatbots rather than shifting collective performance. While these efforts are not wasted—they build fluency and readiness—true impact comes from thinking "Al inside," where Al is embedded into a few high-value domains (verticals) and workflows are rewired end to end.

Key questions:

- Where could vertical reinvention create a step change in your business?
- What is the operating model for an Al-first workflow, and how should it be supported?
- How can you architect Al models, pipelines, and systems for reuse and scalability across verticals?

The leaders who act now will move beyond pilots and make Al central to how work is done and value is created.





The rise of agentic organizations: Flatter, faster, and more fluid

Current organization structures are functional, reflecting how to best manage knowledge workers. As humans and agents work side by side, organizations will need to pivot away from traditional functions and toward outcomeoriented models that are flatter, faster, and more fluid. Cross-functional squads will fuse product vision with software delivery, harnessing AI to accelerate the journey from idea to impact. Shared ownership and real-time experimentation will become the norm.

Key questions:

- What governance must be implemented to ensure accountability without slowing progress?
- How should you track progress and growth when productivity is no longer defined by time but by how many agents the business can effectively orchestrate?
- What does an optimally designed organization that harnesses the best of Al and human collaboration look like?

Leaders should consider designing systems where human accountability and agent speed reinforce—not clash with—each other.

Develop your learning superpower: Building for continuous adaptation

The rapid pace of AI innovation presents a double-edged sword. While the opportunities are vast, so is uncertainty. In a world with near-zero marginal knowledge costs, success will depend on how well—and how quickly—organizations can learn and adapt. Learning and adapting are primarily cultural questions, but they will require putting in place capabilities, such as scalable, flexible technology infrastructures (for example, as AI meshes) that encourage and can respond to continual change.

Key questions:

- How can organizations build a continuous improvement, "test-learn-adapt" mindset and culture?
- What is the right balance between open sourcing and building internally?
- How can you architect an organization that learns faster than your competitors?

Having the necessary level of flexibility on the technology front means rethinking the build-versus-buy equation to prioritize custom infrastructure, multicloud deployments, and scalability.



Your leadership mandate: Bold action, personal accountability

Al is not a tech challenge or a project the CEO can delegate. CEOs and boards must personally develop Al fluency, experiment with technology, and launch at least one bold end-to-end transformation. In parallel, they have to rewire governance to balance speed with accountability and autonomy with oversight.

Above all, leaders must navigate with a clear ethical compass—ensuring that Al progress creates long-term prosperity and trust, not just short-term gains.

Al is not a choice; it is an inevitability. It demands a new kind of leadership—one that is bold, adaptive, and unafraid to challenge the status quo. The questions we pose in this series are not just academic; they are existential—not just for individual organizations, but for society at large.

The Enterprise AI dialogue initiative is a collaboration representing the views of McKinsey's Knowledge Council.

This article was edited by Barr Seitz, an editorial director in McKinsey's New York office.

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