

The AI-First Operating Model: Is Your Organization Using AI to Reduce Cost— Or Redesign How Value Is Created?

Executive Worksheet Inspired by *The Five-Year Century*

Most organizations are applying AI to yesterday's operating model: automating tasks, trimming budgets, and layering new tools onto legacy ways of working.

The greater opportunity is more ambitious. In an era defined by demographic constraint, productivity pressure, and accelerating intelligence, leaders must redesign how work gets done, how decisions get made, and how humans and AI create outcomes together.

That is the shift to an **AI-First operating model**.

Use this worksheet to assess whether your organization is modernizing at the margins - or transforming at the core.

How to Use This Assessment

Rate each statement:

1 = Rarely true **2 = Sometimes true** **3 = Often true** **4 = Consistently true** **5 = Best-in-class**

1 Work Is Designed Around Outcomes, Not Tasks

Traditional organizations organize work by functions, handoffs, and repetitive activity. AI-first organizations redesign work around measurable outcomes.

Assess Your Organization

- We define work primarily by outcomes, not job descriptions
- Cross-functional teams are structured around business results
- Repetitive workflows are automated where possible
- Human effort is concentrated on judgment, creativity, and relationships

Score: /20

2 Decision-Making Happens at Speed

In the Five-Year Century, planning cycles compress and advantage shifts to organizations that move faster with confidence.

Assess Your Organization

- Frontline teams can act within clear guardrails
- Routine decisions do not require excessive escalation
- Data and AI improve decision quality in real time
- We can reallocate resources quickly when priorities shift

Score: /20

3 Technology Serves People, Not the Reverse

Legacy systems often require humans to adapt to tools. AI-first organizations reverse that equation.

Assess Your Organization

- Core tools simplify work rather than add friction
- Employees spend less time navigating systems and more time creating value
- AI assistants reduce administrative burden
- User experience is measured as seriously as system uptime

Score: /20

4 Productivity Scales Without Linear Headcount Growth

The next era will reward organizations that grow output without assuming endless labor supply.

Assess Your Organization

- Revenue growth is not dependent on proportional hiring
- Teams regularly remove low-value work
- AI and automation expand capacity during peak demand
- Productivity improvement is a board-level priority

Score: /20

5 Talent Is Being Elevated, Not Displaced

The highest-performing companies use AI to unlock human potential—not merely suppress labor cost.

Assess Your Organization

- Employees understand how AI improves their work
- Reskilling is tied to business transformation priorities
- Managers can articulate future roles clearly
- AI adoption is increasing trust, employee energy, and collective ambition

Score: /20

Total Score /100

85–100: AI-First Leader

You are redesigning the enterprise for the AI age.

65–84: Emerging Advantage

Strong momentum, with legacy friction still present.

40–64: Incremental Modernizer

AI is improving the old model more than replacing it.

Below 40: Industrial Drag

You may be running a 20th century operating model in a Five-Year Century market.

Recommended Next Step: Start Where Value Is Visible

Begin where urgency is highest, friction is most obvious, and measurable value can be created quickly.

Select one critical function – such as IT, finance, customer support or supply chain - and redesign it using AI-first principles. Think through a transformation of the function with:

- Outcomes over tasks – define success by results delivered, not activity completed
- Human judgment over manual effort – shift people toward decisions, creativity, and relationships
- AI speed with human accountability – automate execution while preserving ownership
- Continuous adaptation over annual planning – improve in rapid cycles, not once per year
- Capacity before cost – use AI to create growth, resilience, and better service— not only savings

Then measure what matters by prioritizing one visible win that can build confidence, trust, and momentum across the enterprise, such as:

- Faster cycle times
- Higher quality and fewer errors
- Greater employee capacity
- Better customer experience
- Revenue acceleration or cost efficiency

Final Reflection

The organizations that lead this era will not be those that simply add more AI and tools to the tech stack. They will be the ones that rethink how value is created, how decisions are made, and how human potential is multiplied through AI.

The question is no longer whether AI will change your operating model.

The question is whether you will shape that change - or be shaped by it.