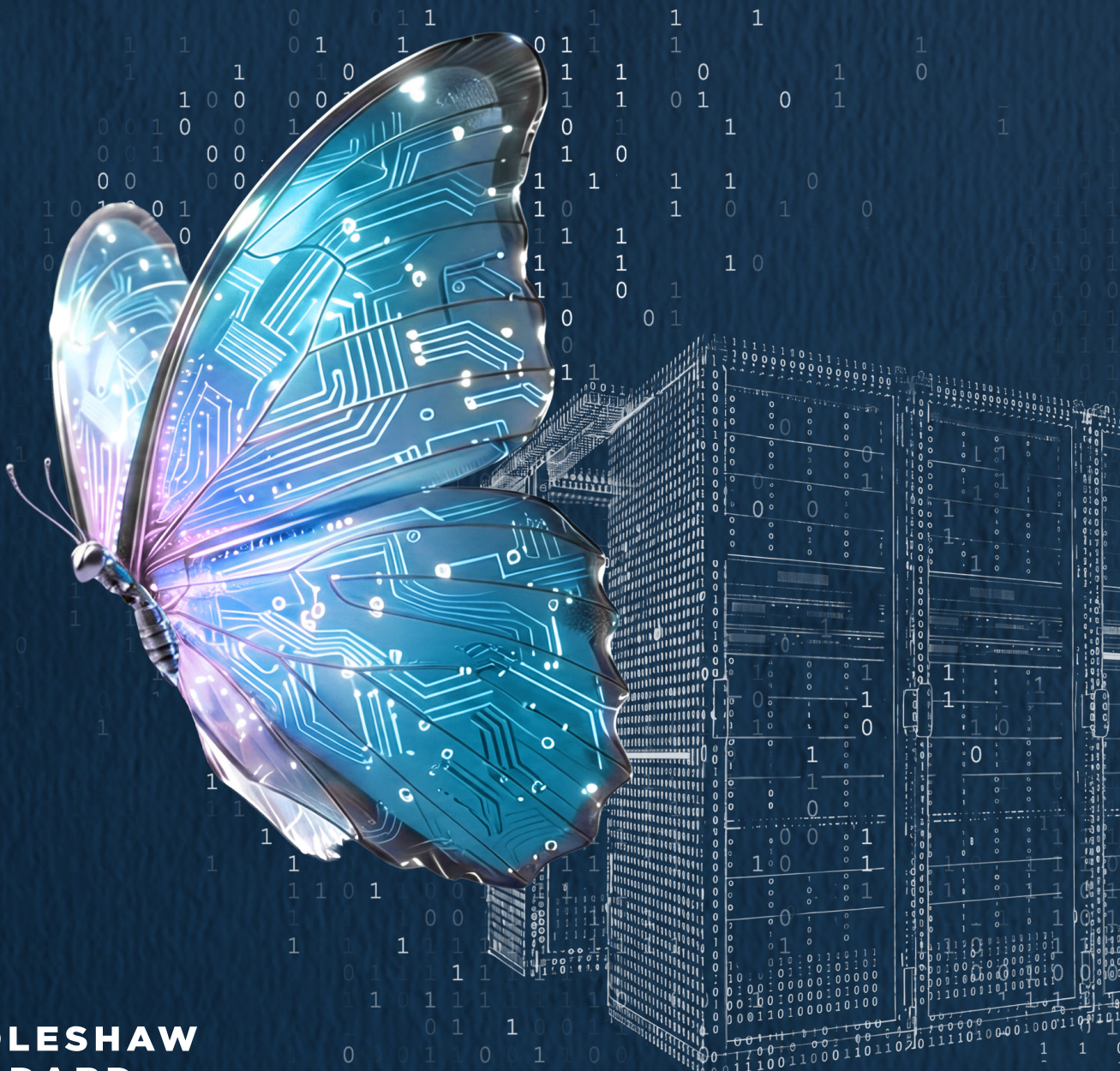
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# SUCCESSFUL TECHNOLOGY TRANSFORMATION IN **THE AGE OF AI**

How to bridge the ambition-delivery gap in major technology transformations



ADDLESHAW GODDARD

THE TECHNOLOGY LAWYERS

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# EXECUTIVE SUMMARY

Technology transformation increasingly determines how organisations operate, compete and create value. AI is accelerating the pace of change, turning transformation from a technology programme with a clear start and end point into a continuous business imperative. As a result, the ability to adapt is becoming a test not simply of an organisation's technology capabilities but also of its leadership, operating model, people and governance.

Many organisations have ambitious technology transformation goals, heavily driven by AI. In 2026, Addleshaw Goddard, in collaboration with FT Longitude, surveyed 200 CEOs, technology leaders[1] and legal leaders[2] across six countries and 18 sectors.[3]

For 52%, fundamentally reinventing how their organisation creates and delivers value is one of their top three objectives of technology transformation, while 47% cite creating new sources of growth. It evidences that there is much ambition. Yet 54% are unsure if their technology initiatives achieved their intended business outcomes, and less than half (44%) report that technology initiatives are routinely scaled across the organisation. This suggests that many businesses are not fulfilling their ambitions.

The challenge is made more complex by the increasingly global nature of technology transformation. Technology solutions can cross borders, but the data, AI and broader regulatory regimes governing them do not necessarily align.

This report explores how organisations can turn transformation ambitions into successful realities by focusing on business value first, strengthening leadership and accountability, and managing risk to enable innovation.

Concluding with four key considerations to help boards maximise the likelihood of successful technology transformation: setting clear business outcomes, establishing cross-functional accountability, assessing the wider impact of transformation and embedding risk management as an enabler of delivery and scale, providing a practical framework for organisations to turn their ambitions into measurable business outcomes.



[1] Chief Information Officers, Chief Technology Officers, Chief Data Officers and Chief Innovation Officers

[2] General Counsel and Heads of Legal

[3] 70% of respondents came from the following sectors: energy and infrastructure (including utilities), financial services (including banking, investment, pensions, insurance), retail and consumer, and technology / technology, media and telecommunications.

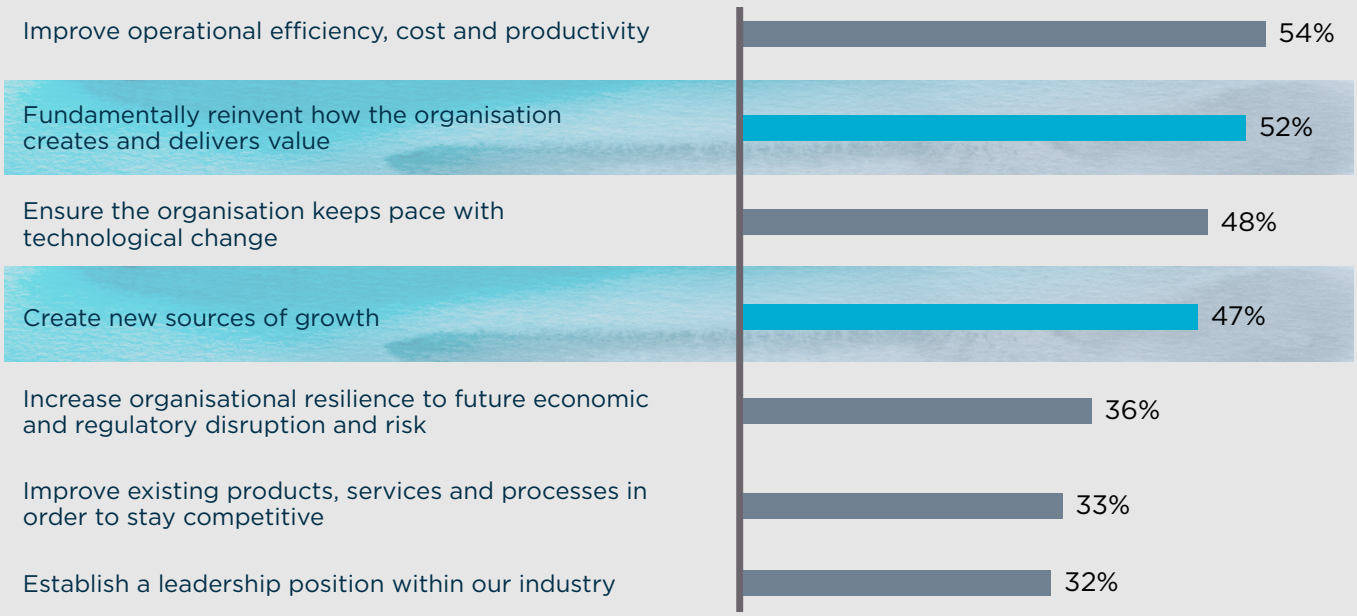
# BIG AMBITIONS NEED BOLD EXECUTION

## ORGANISATIONS HAVE HIGH EXPECTATIONS

Business leaders recognise the potential of innovation. More than half (52%) say their aim with technology transformation is to reinvent how their organisation creates and delivers value, and almost as many (47%) aim to create new sources of growth.

**Fig. 1**

**More than half of organisations want technology transformation to reinvent their business**




Survey question: looking ahead two years, what should be the top three objectives for technology transformation within your organisation?

Separately, executives report that the likelihood that a new technology will transform their business model in a way that creates long-term value is the most important factor leaders consider before they invest in it: 47% say it is a critical factor.

"Ultimately, this is about creating new value and growth," says David Anderson, Co-Head of Digital Assets, Payments and FinTech at Addleshaw Goddard. "They're looking for something truly innovative and disruptive."

# BUT CAUTION, INERTIA OR SHORT-TERMISM IS HOLDING THEM BACK

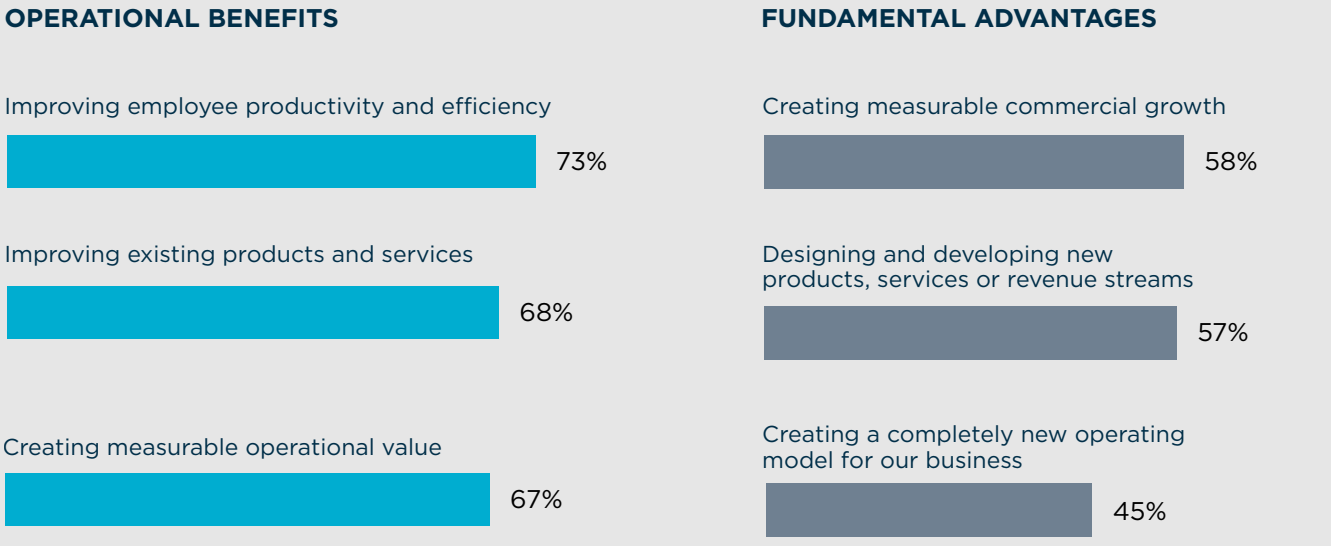
Our research shows that organisations that have invested in technology transformation are most likely to have seen operational benefits. Far fewer have unlocked more fundamental advantages, such as stronger growth or a new business model. Some 73% report improved employee productivity and efficiency, compared with 58% who report measurable commercial growth, such as increased revenue or market share. Even in Germany, where 68% report commercial growth, the strongest benefit is operational value, such as efficiency gains and cost reduction (83%).

"The transformation landscape has been heavily focused on automation for a number of years now. The advancements in AI technology have only fuelled that fire," says James Mort, Commercial Partner at Addleshaw Goddard. "The temptation is to focus automation programmes on heavily human-led activities in order to reduce costs and improve output. I'm not seeing enough people looking at how we can use automation to do things in a different way."

Only **35%** agree that tech transformation is changing how their organisation creates value

**Fig. 2**

**Technology transformation benefits are more likely to be operational than fundamental**




Survey question: over the past 12 months, to what extent has technology transformation benefited your organisation in the following areas?

Only 35% of business leaders believe that technology transformation is changing how their organisation creates value, instead of just how it operates. One reason may be in how organisations evaluate new technologies in the first place. When deciding whether to adopt a new technology, organisations are more likely to focus on concerns such as the cost of change, technology-related risk and integration practicalities than on opportunities such as competitive advantage.

"Using technology to improve internal efficiency produces faster returns," explains Philippe Rambach, Chief AI Officer at energy company Schneider Electric. More strategic opportunities, however, may take longer to deliver results.

Technology transformation projects can be costly and time-consuming for businesses to pursue fully, with many struggling to progress beyond the pilot stage. This is why organisations often look to fast-track technology transformation through acquisitions of companies and talent teams with proven track records, giving them faster access to the technology, skills and capabilities they need to create value.

Even so, organisations continue to recognise age-old problems that continue to block, interrupt, delay or kill transformation projects: integration with existing systems, conflicting priorities, integration and quality of data, and team skills were all high on executive responses. In the UK, for example, competing business priorities are the most likely factor to delay implementation of a new technology.

**Fig. 3**

**Few organisations are willing to make disruptive changes**




"We are willing to make significant changes to our organisational structure to take advantage of emerging technologies"




"We are willing to disrupt successful parts of our business before competitors do"

Survey question: to what extent do you agree or disagree with the following statements about your approach to technology transformation?

- Agree summary

Among these enduring frictions, there is also a clear danger of inertia or potentially fear of failure. “AI is moving at such a pace that we need to totally reinvent ourselves,” says Caroline Basyn, Group Chief Digital and Information Technology Officer at recruitment business The Adecco Group. Yet only 32% of organisations are willing to disrupt successful parts of their business before competitors do, and just 40% are willing to make significant structural changes to take advantage of emerging technologies. “Businesses need to move away from five-plus yearly cycles of technology transformation programmes and recognise the need to adopt a constant transformation mindset,” says David Berry, Commercial Partner at Addleshaw Goddard.

Inertia can quickly erode even longstanding competitive advantage. Intel’s delays in adopting more advanced chip-manufacturing techniques arguably contributed to the loss of its technological lead, and the company has since struggled to gain ground in the rapidly growing market for AI chips.

In November 2024, Nvidia replaced Intel in the Dow Jones Industrial Average. Major European automakers offer another cautionary tale. After decades of industry leadership, European manufacturers that once helped build China’s car industry are now partnering with Chinese companies to access expertise in EVs, batteries, software and advanced driver-assistance systems after losing ground in the market.



**“Businesses need to move away from five-plus yearly cycles of technology transformation programmes and recognise the need to adopt a constant transformation mindset.”**

**David Berry**
Commercial Partner,
Addleshaw Goddard

# START WITH THE PURPOSE, NOT THE TECHNOLOGY

According to Damon Rosamond-Lanzetta, Partner and Head of Tech Sector at Addleshaw Goddard, organisations must first work out what they want to achieve. "Technology transformations are not about the technology," he says. "People are buying what that technology will enable them to do. The first step is to be clear on what it will specifically deliver for the business and for the people within it. What specific value must be gained or achieved?"

"Every technology initiative requires a business case," agrees Stéphanie Hamon, Global Head of Legal External Engagement at banking group HSBC. "In the case of AI, for example, it can be, for instance, a matter of productivity gains, which you measure in terms of time saved, and efficiency, such as turnaround time."

Yet less than half of organisations (46%) in our research say they measure technology investments against clear business outcomes. Schneider Electric's Rambach says this is a mistake. "When I hear people say they're going to start a thousand initiatives and see which one will succeed, I can already say that none will," he says. "Organisations that start their technology transformation by understanding what their customers need and work from there have a better chance of being successful."

Once an organisation knows what outcome it wants, it can monitor progress and change course more effectively. "For each use case we build or deploy, we always have a business case and a business value," says Rambach. "The business value is based on a formula or estimation that includes two KPIs we can measure that are directly linked to performance. The first KPI is adoption: is this feature being used by the end user? The second KPI is performance: is the solution performing as planned?"



# TRANSFORMATION NEEDS OWNERS

Successful technology transformation requires strong leadership, with a well-defined, universally understood view of who owns the change process and who is accountable for its success. That cannot be the responsibility of just the technology function; our research reveals that CEOs should lead on change, working closely with Chief Technology Officers (CTOs) and other leaders on strategy and execution.

"Organisations often underestimate the change management that's required to ensure you get a return on investment from any technology transformation," warns HSBC's Hamon. "Change management should start at the design stage to ensure that when the tool eventually goes live, it's more likely to be embedded and adopted."

This requires a challenger mindset from the top. The C-suite must be willing to embrace technology-driven changes to long-established business models while bringing the people who will ultimately adopt those changes along with them. The larger the organisation, the harder it can be to achieve both.

# MANY ORGANISATIONS UNDERSTAND THE POWER OF COLLABORATION

There is good news inside the executive suite. More than half (58%) agree that C-suite leaders are aligned about what successful technology transformation looks like, and just 25% worry that leaders often work in silos rather than as an integrated team during transformation projects.

"When I look back at the projects that have gone well, they're the ones that got buy-in throughout the business," says Addleshaw Goddard's Rosamond-Lanzetta.

"It can't just be on the CTO because for transformation to be successful other functions have to embrace the technology - people need to actually use it."

The Adecco Group's Basyn recognises that there can be tension between different functions but believes that this can be channelled into constructive dialogue. "There's tension, but it's healthy tension – it helps you grow," she says. "The CEO fully sponsors the project and highlights the problems to solve. The technology leader explains what's possible. And legal, governance and public affairs ensure that it's all done responsibly."

Internal collaboration is crucial, but external input can be just as valuable. "Bring in external advisors early," says Carly Gulliver, Partner, Corporate Finance, UK at Addleshaw Goddard. "Broader market knowledge and examples from other industries can help inform strategy and build stakeholder buy-in."

# BUT ORGANISATIONS NEED TO BE CLEARER ABOUT ACCOUNTABILITY

**In organisations, who decides whether to adopt a new technology that could create a significant competitive advantage but needs substantial investment and involves operational and regulatory risk?**

When we asked business leaders whether the CEO, CTO or General Counsel (GC) would have the most influence in their organisation, they said:

**The CEO sets the organisational mandate for change and provides oversight.** More than half (54%) say their CEO plays the dominant role in leading the organisation's efforts to ensure success; 48% say that the CEO has influence in securing support from across the organisation.

"Our CEO sets the ambition by defining common goals and following up on whether we are meeting those objectives together," says The Adecco Group's Basyn. "We get together as a leadership team every two weeks and work around a certain number of problems to solve."

But there are questions about the CEO's accountability. Just 36% of organisations say their CEO takes primary responsibility for initiatives that do not create the expected value, and 63% say the CTO takes responsibility. In addition, 31% of technology leaders think their CEO is ultimately responsible for the success or failure of major technology transformations, but only 12% of CEOs agree.

**CTOs are now strategic peers of the CEO.** Most (78%) say that technology transformation has elevated the CTO to this position. CTOs are also crucial to delivery.

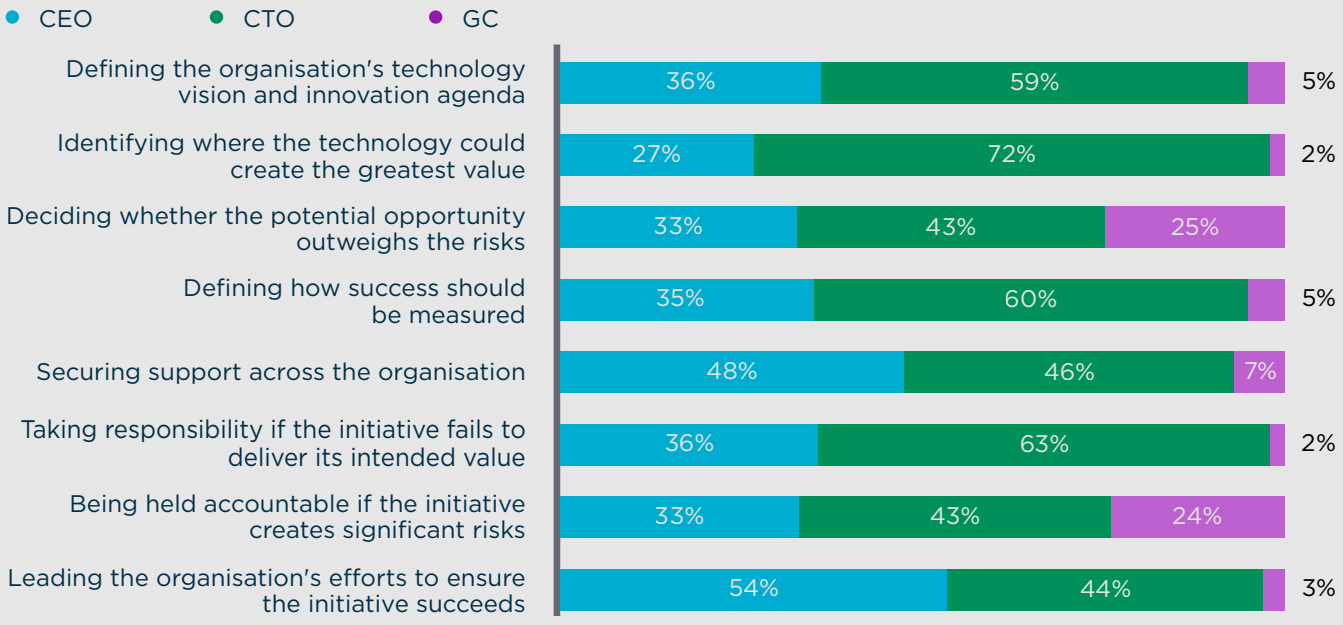
About six in 10 (59%) say that the CTO has the most influence in defining the technology vision and agenda, identifying where technology can create the greatest value (72%) and defining how success should be measured (60%).

**GCs have an increasingly important role in technology transformation.** Six in 10 organisations say their GC is involved from the earliest stages of transformation, which is an encouraging trend.

Understandably, the two areas where GCs have notable levels of influence are in deciding whether the potential opportunity outweighs the risks (25%) and being held accountable if an initiative creates significant risk (24%).

**Fig. 4**

**Who has the most influence over technology transformation?**




Survey question: a new technology could provide a significant competitive advantage but would require substantial investment and involve operational and regulatory risks. Only considering the CEO, CTO and GC, which of these three roles would have the greatest influence over each of the following decisions?

# AND LEADERSHIP TEAMS NEED TO MAKE THE MOST OF LEGAL

GCs should be recognised as leaders who help deliver change, rather than as those who put obstacles in the way of transformation. An organisation that limits the role of its senior legal leaders to risk management could also be limiting its own progress. "The GC is an enterprise leader first and a legal leader second," says Helen Barraclough, Group General Counsel, Company Secretary and Chief Risk Officer at the global medtech organisation Smith+Nephew. "Our CFO is our executive sponsor of AI and digital transformation, with Legal, Compliance and Risk teams forming an integral part of the strategic cross-functional AI leadership due to the complexity of regulatory, legal, ethical and governance issues involved."

The broader role for legal reflects a wider shift in traditional leadership boundaries. "Technologists have shifted from working in their own silos, tooling particular verticals, to being more strategically business minded, and legal themselves are building and launching tools," says Andrew Cooke, Chief Legal Officer at the travel, spend and event management platform Perk. "So these roles are converging, and our shared data layer is now a commercial and competitive advantage."

Risk management adds to the argument for involving GCs in technology transformation at an early stage. "The most effective GC is engaged when the business case for transformation is being developed, rather than once a technology is ready to be deployed," says Lauren Hamilton, Co-Head of Tech Disputes at Addleshaw Goddard. "When legal gets involved a little too late in the process – perhaps because of a perception it will slow things down – it can be much harder to mitigate the risks."



**So these roles are converging, and our shared data layer is now a commercial and competitive advantage."**

**Andrew Cooke**
Chief Legal Officer,
Perk

# INNOVATION NEEDS GUARDRAILS

"Transformation is exciting, but it's also a leap into the unknown," says Addleshaw Goddard's Rosamond-Lanzetta. "Particularly with frontier technologies."

Organisations cite technology risks such as cybersecurity and regulatory compliance among the three most important factors when deciding whether to adopt a new technology. More than a third (36%) say their organisation is more focused on managing technology risks than capturing new opportunities. Even in France, where 50% disagree with this statement, business leaders say concerns around technology risks are the most likely factor to delay the implementation of a new technology. "Technology risks become more accentuated with AI," The Adecco Group's Basyn explains. "Organisations want to do everything in their power not to transgress data privacy rules or encounter cyber, legal or reputational issues. So that needs to be at the forefront of decision-making."

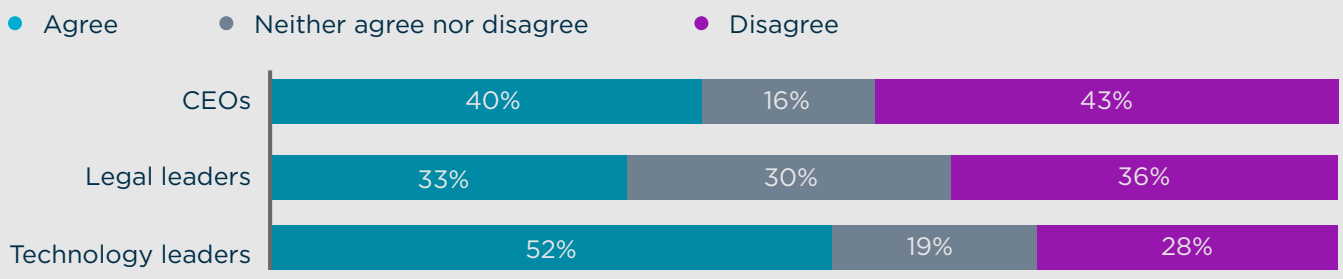
Successful digital transformation also depends on managing delivery risk. Implementation delays, organisational disruption, poor data quality and complex systems integration can all prevent a transformation from achieving its intended outcomes. Yet only 33% say delivery risk is one of the critical factors they consider when deciding whether to adopt a new technology, which may be short-sighted. "Poor governance is where a lot of issues and disputes start and get worse," says James Hyde, Partner, Co-Head of Tech Disputes and Cyber Group at Addleshaw Goddard. Effective governance, therefore, is crucial throughout implementation to ensure success.

## GOOD GOVERNANCE ENABLES FASTER INNOVATION

CEOs are more likely than other leaders to say their organisation is more focused on managing technology-related risks than capturing new opportunities (43%, compared with 36% of legal leaders and 28% of technology leaders).

**Fig. 5**

**CEOs are more likely to say their organisation is more focused on managing technology-related risks than capturing new opportunities from technology**




Survey question: to what extent do you agree or disagree with this statement about your approach to technology transformation? "Our organisation is more focused on managing technology-related risks than capturing new opportunities from technology"

As organisations seek to scale technology transformation for maximum effect, these problems may become more acute and the stakes will grow. So leaders need to build governance structures that help them assess risks quickly and effectively without blocking innovation.

The Adecco Group's Basyn suggests a "learn, kill or scale" approach. "We learn as quickly as possible with technology transformation that takes place in a contained environment," she explains. "Then we decide whether to kill or to scale the initiative."

The "learn, kill or scale" strategy allows organisations to test innovative ideas quickly so they can discard the failures and expand the successes. This is where organisations need to be decisive. "Too many organisations are staying in pilot stage for too long," says Addleshaw Goddard's Anderson. "If it's not working, someone has to say that it's time to cut the rope and move on."

The emphasis should therefore be on clear leadership and accountability that support rapid decision-making. "If people, systems and process are fragmented, it's hard to get consistent, scalable global frameworks that manage risk effectively," says Smith+Nephew's Barraclough. "Organisations that have strong end-to-end processes and systems with good data hygiene will experience much smoother implementation."

According to Perk's Cooke, organisations need to weigh all risks appropriately: "Understand the need, be humble about what you don't know and listen to your people before you deploy the machines."



**We learn as quickly as possible with technology transformation that takes place in a contained environment. Then we decide whether to kill or to scale the initiative."**

**Caroline Basyn**
Group Chief Digital and Information Technology Officer,
The Adecco Group

# FOUR WAYS FOR BOARDS TO MAKE TRANSFORMATION WORK

Our research confirms that organisations are determined to transform and have ambitious goals. But success is not guaranteed.

The organisations most likely to succeed are those with a clear purpose: the problem to solve, the value to create and the outcomes to achieve. That purpose should remain the organisation's "North Star" throughout the programme.

## BOARDS CAN MAKE SUCCESS MORE LIKELY BY:



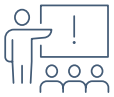
### 1. SETTING CLEAR BUSINESS OUTCOMES FROM THE OUTSET

Ensure that technology initiatives are regularly assessed against specific, measurable indicators of value rather than against technological ambition alone. Senior stakeholders need to be part of this ongoing process, not just in the initial approval.



### 2. ASSESSING HOW A TECHNOLOGY TRANSFORMATION INITIATIVE WILL IMPACT THE WIDER BUSINESS

This includes suppliers, customers and the workforce. Ensure that these considerations are built into the programme design and delivery from the outset.



### 3. EMBEDDING RISK MANAGEMENT AS AN ENABLER OF DELIVERY AND SCALE

Don't just focus governance on regulatory and technology risk but also on managing implementation challenges, data readiness and operational disruption while delivering long-term organisational resilience.



### 4. ESTABLISHING CLEAR CROSS-FUNCTIONAL ACCOUNTABILITY FOR TRANSFORMATION

Business, technology and legal leaders jointly shape initiatives, oversee delivery and decide when to continue, stop or scale them. GCs can add most value by helping AI-driven innovation proceed responsibly, with contractual, regulatory and governance frameworks built in from the outset and designed to work across different data, AI and regulatory regimes.

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We have been advising clients for 250 years, and today we support over 5,000 of the world's most respected organisations. We help them in over 50 areas of business law across more than 100 countries. And while the opportunities and challenges they bring us vary, we solve each in a uniquely AG way.

Our clients enjoy working with us, we deliver a high-quality experience across everything we do and we are known for award-winning innovation – all of which we harness to bring impact to clients.













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