

Why AI readiness starts with people, not tech

4 strategies to turn AI investment
into business impact



Who this guide is for

This guide is for leaders responsible for AI transformation in their organizations.

Most companies buy AI tools and then leave leaders to figure out the people side on their own. Teams resist. Adoption stalls. The technology works fine but the transformation goes nowhere.

This guide shows you how to build the leadership systems that make AI transformation work.

What you'll take away

01

Why 95% of AI investments fail to deliver business impact (and what the 5% do differently).

02

The visibility gap between what executives think is happening and what's actually unfolding across the organization.

03

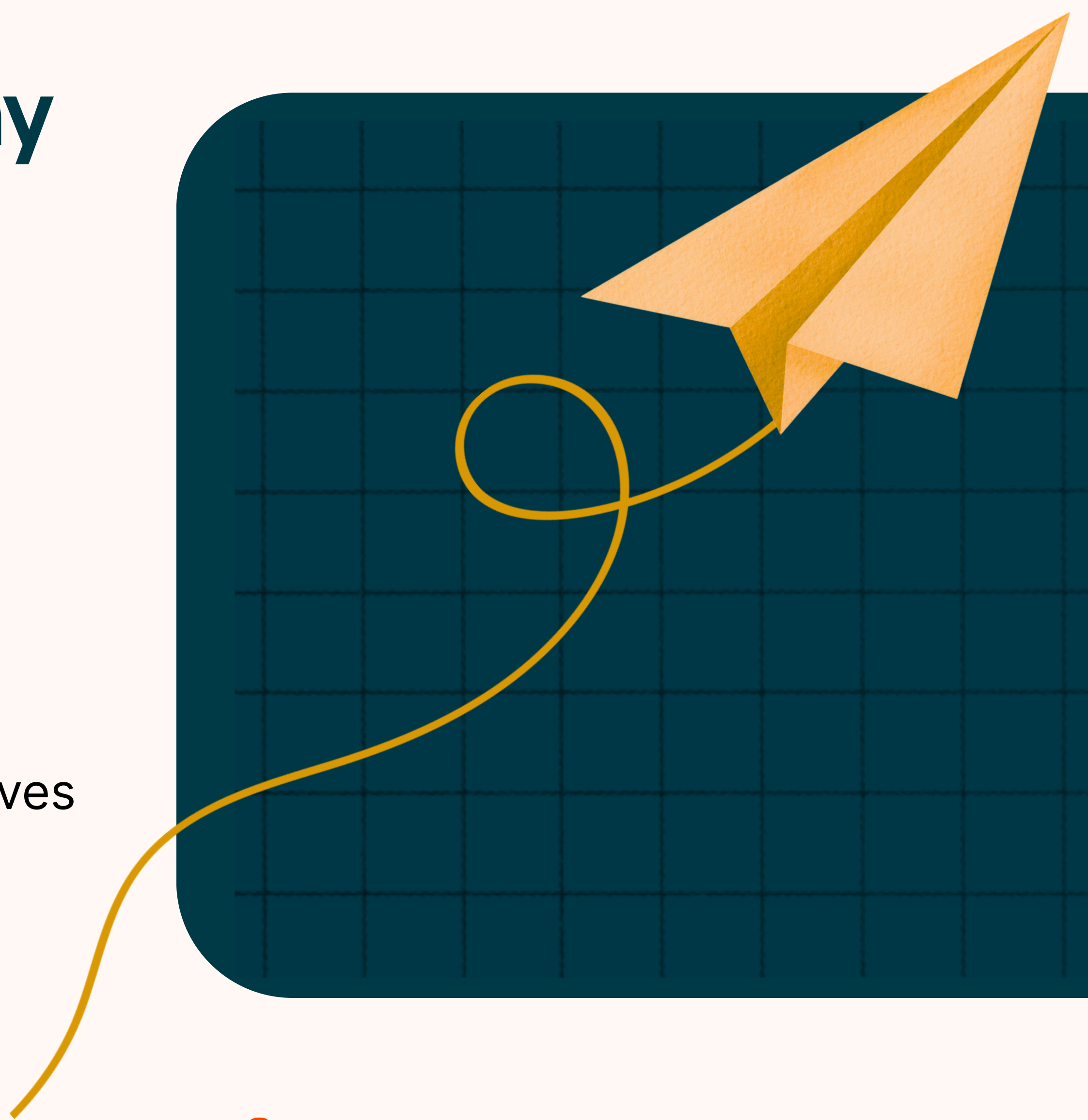
How to see what's blocking adoption and what's driving it forward while you can still act on it.

04

Four strategies that build leadership capacities that work across every transformation, not just this one.

05

How to build leadership infrastructure that gets stronger with each wave of change instead of more fragile.



Leaders are struggling and won't speak up

Companies spent \$30-40 billion on AI technology in the past year. A recent report revealed that **95%** see no business impact from that investment.

The problem isn't just the technology. People are already using AI tools every day. The problem is leaders don't know how to guide this change, and they're too scared to say so out loud.



“There's this hidden reality that doesn't get said very often. “I don't actually know what I'm doing. I'm afraid I'll look stupid if I ask basic questions.” These companies are saying you have to be AI-first, otherwise you don't have a job. That doesn't leave space to say you're struggling.”

—Heather Conklin, CEO, Torch

Executives may set bold AI strategies, but leaders on the ground tell a different story. In our Leadership Evolution Survey, **77%** said AI is creating challenges they've never faced before. Only 37% feel prepared to handle them.

That gap is where transformation stalls.

Leaders can't admit they're uncertain, so they manage in silence, hoping their lack of confidence stays hidden while they figure it out on their own. The problem isn't isolated. It's everywhere change is happening faster than organizations can adapt.

AI exposes weak leadership habits

Past technology shifts were about learning new tools. AI is different. Leaders who cling to command-and-control create bottlenecks.

Without psychological safety, teams avoid experimentation. And when organizations wait for certainty before acting, AI initiatives stall before they scale.

The hidden leadership crisis



Sources: [Torch Leadership Evolution Survey 2025](#); [DDI Global Leadership Forecast 2025](#)

Frontline managers get hit the hardest

They translate strategy into daily operations while senior leaders stay focused on vision. Our [research shows](#) frontline managers are twice as likely as senior leaders to view AI as a daily operational challenge rather than a strategic opportunity.

Most companies solve the wrong problem

Organizations pour millions into technology and leave leaders to figure out people problems alone. Then they wonder why pilots never scale, why teams resist change, why investments don't deliver results.

AI transformation isn't only a technology challenge. It's also a leadership one.

The 5% of companies seeing real AI impact use different leadership, not different tools. They build the capacities that actually drive adoption.

What the 5% do differently

2.8x

less resistance among teams with trusted leaders

12x

better employee experience for organizations that develop leadership capacities report.

79%

success rates when frontline leaders feel ownership of change.

Sources: [DDI Global Leadership Forecast 2025](#); [McKinsey, 2021](#); [Project NANDA State of AI in Business 2025](#)

But most organizations aren't preparing. The DDI Forecast shows **83%** of HR teams predict massive leadership capacity needs, but only **22%** are building them. The companies that get leadership right will pull ahead.

Four strategies that turn AI investment into lasting business impact by building the leadership capacities your transformation needs.

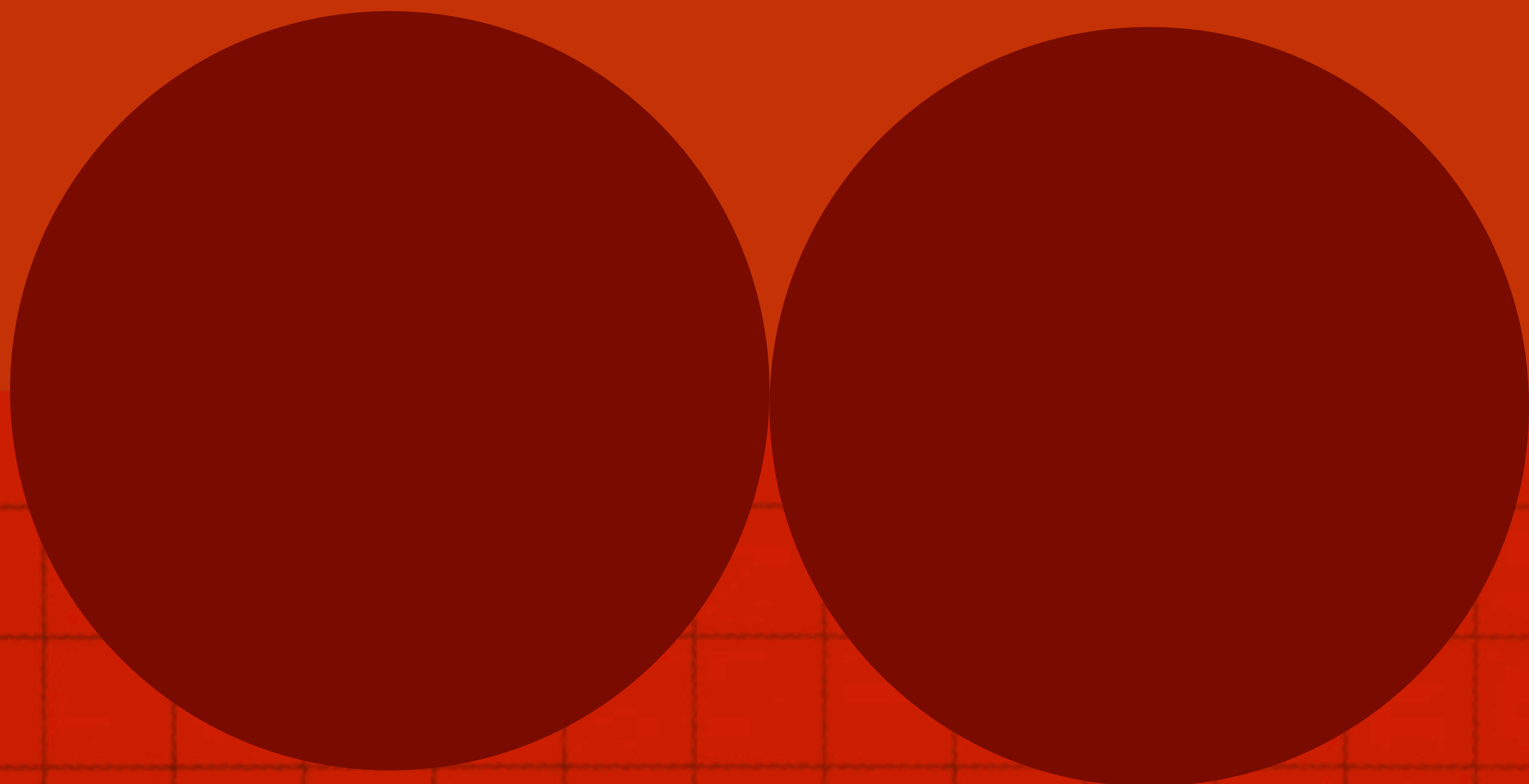




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 STRATEGY 1:

**Develop leadership
capacities that evolve
as fast as technology**



The readiness crisis

The DDI Forecast shows 83% of HR leaders expect a surge in leadership capacity needs within five years, but only 22% say their organizations are building them.

The leadership development gap



Sources: Torch Leadership Evolution Survey 2025; DDI Global Leadership Forecast 2025

The skills-first approach isn't closing the gap. Most training teaches surface skills like managing projects or running meetings. They're useful, but they age out as technology moves on.

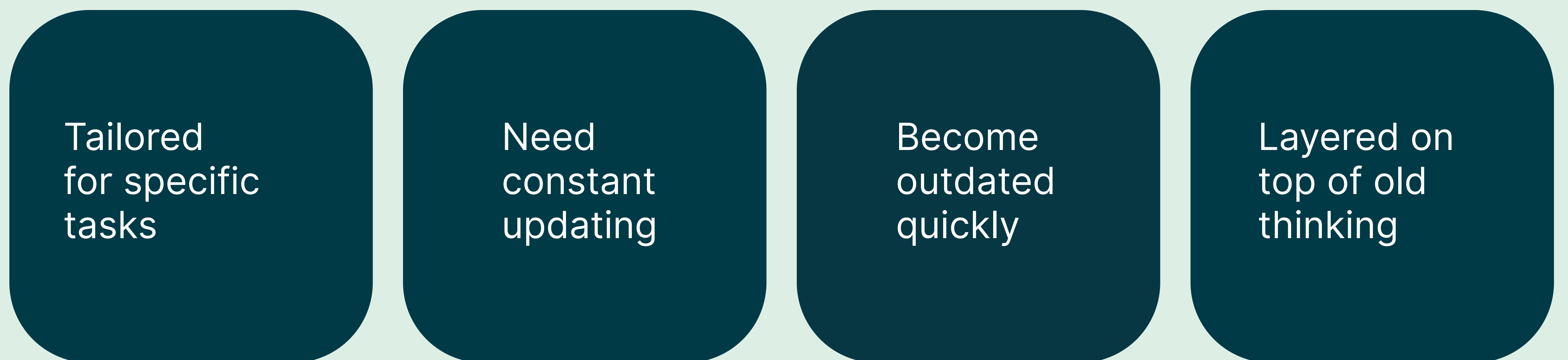
What leaders need are capacities that change how they think, decide, and lead when everything around them is shifting.

skills expire. Capacities evolve.

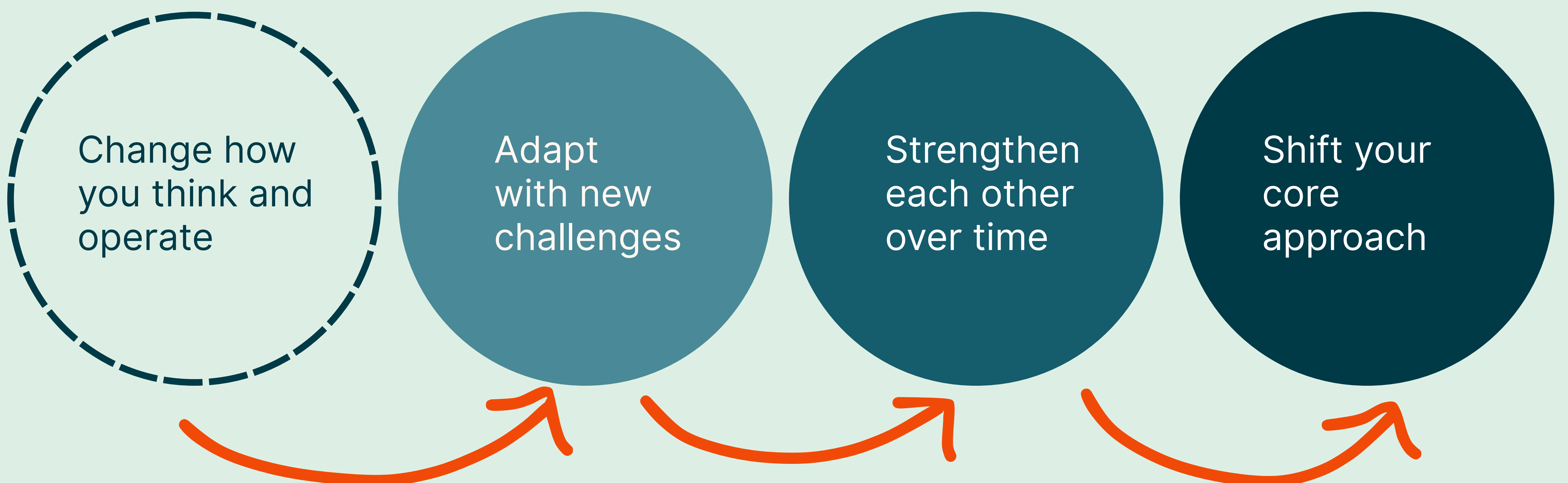
Skills vs capacities: The operating system difference

Traditional leadership development is like downloading new apps onto an old phone. You can teach someone to run better meetings or give sharper feedback, but if the operating system can't handle uncertainty, complexity, or rapid change, those skills won't matter once AI reshapes the industry.

Skills are like apps



Capacities are like system updates



AI-ready leadership is built through practice

The leadership capacities needed for AI transformation aren't abstract concepts.

They're practical, lived, and strengthened through contextual coaching and AI-powered practice. Here are four that show up consistently in successful transformations.

- * **Adaptive mindset:** When teams resist new AI tools, leaders shift from telling to asking. Better questions uncover real barriers like data privacy fears that weren't visible before.
- * **Complexity navigation:** Leaders break complex AI challenges into steps, make decisions with incomplete information, and explain trade-offs clearly across functions.
- * **Learning agility:** Leaders model continuous learning instead of pretending to have expertise. They experiment publicly, share failures, and learn from their teams.
- * **Trust building:** Leaders practice honest conversations about AI uncertainty before high-stakes moments. Simulations let them rehearse difficult topics until they feel natural.

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“Great leadership is about trust and empowerment. I learned this from a manager who valued collaboration over control, shaping how I lead today.”

—Torch Leadership Survey respondent, Technology & Engineering leader

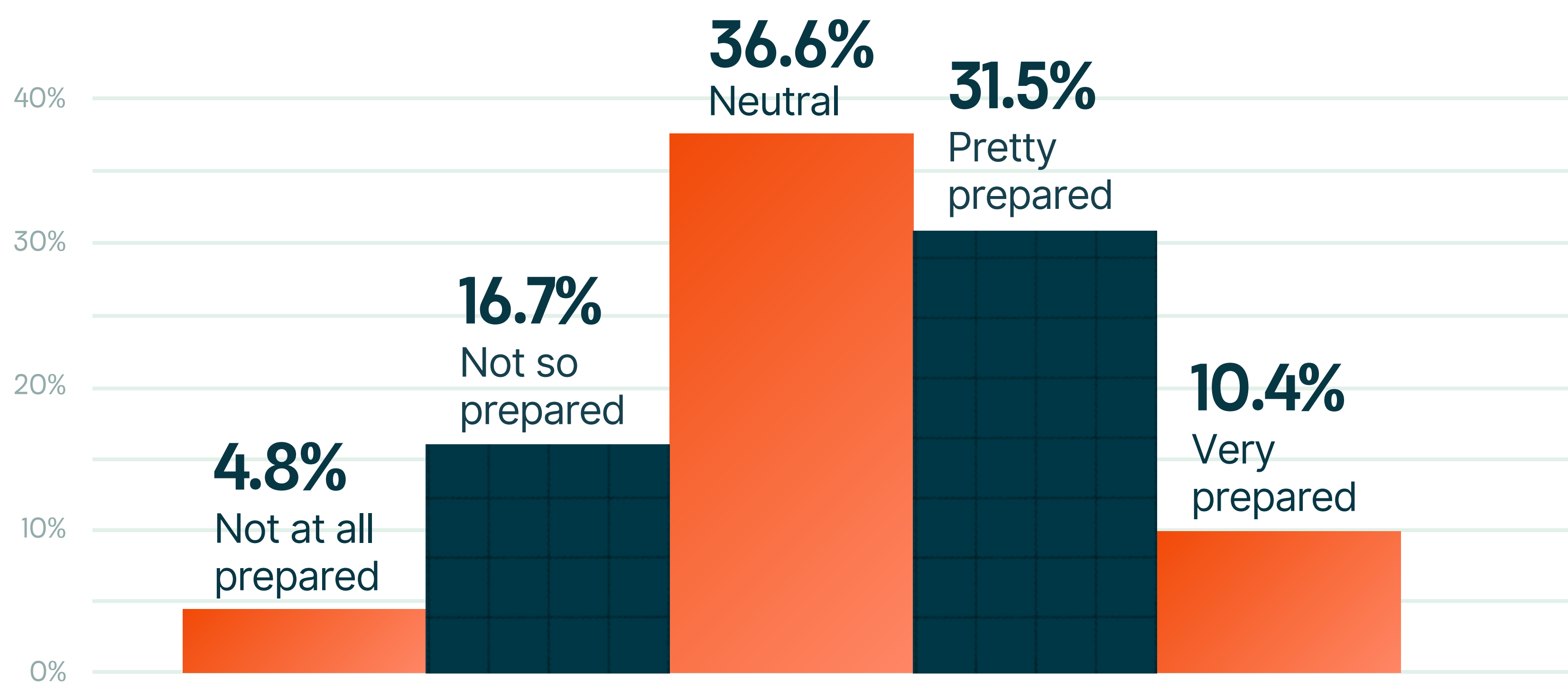
Leaders learn by doing

How practice turns capacities into strengths

Other solutions stop at frameworks and workshops, teaching skills that quickly become outdated. But the data shows the real problem. Most leaders don't feel prepared for what they're facing, and traditional training isn't closing that gap.

Torch combines human coaching with AI-powered practice so capacities grow stronger with every challenge.

How prepared do you feel for today's big leadership challenges?



What makes Torch different

A Torch coach helps leaders turn insight into action. Difficult conversations like rebuilding trust or addressing resistance happen in AI-powered simulations that mirror real pressure moments.

Each session strengthens the capacity until it feels natural. This isn't one-off training. It's continuous capacity-building that evolves as your challenges do.

The contextual coaching difference

Generic leadership development assumes all leaders face the same challenges. AI transformation proves otherwise. A healthcare leader implementing AI diagnostics faces different trust issues than a financial services leader deploying fraud detection.

Torch coaches are former leaders who've guided teams through major transformations. They understand the pressure and help build the specific capacities each context requires

Our contextual coaching doesn't happen in isolation from business priorities. Every session connects individual capacity development to organizational transformation needs.

Leaders leave each session more equipped to drive the AI initiatives your business depends on.



Companies building leadership capacities now will move faster as AI transformation accelerates. While others chase tools, your leaders will adapt to whatever technology brings next.

Context shapes
everything



2

 STRATEGY 2:

**Surface what's actually
happening during
transformation**

Leaders don't know what's really happening

Most executives believe they know how AI adoption is unfolding in their organizations. The reality looks very different.

According to [Project NANDA's State of AI in Business 2025](#), only 40% of companies have purchased official AI subscriptions. Yet employees in over 90% of companies are already using personal AI tools for work.

In many cases, workers turn to AI multiple times a day through personal accounts while official initiatives remain stalled in pilot phase.



AI presents itself as an excellent opportunity to innovate our tech stack and processes, but aligning with other leaders and broader teams on how we bring that to bear seems downright impossible.”

— Torch Leadership Survey respondent, Frontline Leader, Technology & Engineering

This 'shadow AI economy' exposes a massive visibility gap between what leaders think is happening and what's actually unfolding on the ground.

Real-time transformation insights

Traditional surveys show you the problem after the damage is done. By then, resistance has taken hold and trust is already broken.

When LinkedIn partnered with Torch to scale coaching to thousands of employees across the company, they discovered something powerful. The strategic advantage wasn't just developing people, it was gaining real-time visibility into what was actually blocking AI adoption and what was helping it succeed.



* Data shows patterns
* Coaching shows people

That visibility is what makes contextual coaching different. Each session gives leaders a clearer picture of how change unfolds. Where momentum builds, where it stalls, and what's going unspoken.

“

“We’ve worked with thousands of people over the last year, bringing a more precise way of coaching into LinkedIn. We’re developing them toward a goal and toward an outcome that the company really needs from them.”

—Heather Conklin, CEO, Torch ([AI Readiness Gap Webinar](#))

From individual growth to organizational insight.

Through Torch coaching, a product manager working on team resistance realizes the barrier isn't just the technology.

It's confusion about decision rights when AI suggestions conflict with human judgment.

When patterns like that appear across multiple coaching sessions, they reveal what's actually blocking adoption and what's driving it forward.

Trust gaps, capacity shortfalls, cultural blockers, and resistance signals that surveys would miss for months.



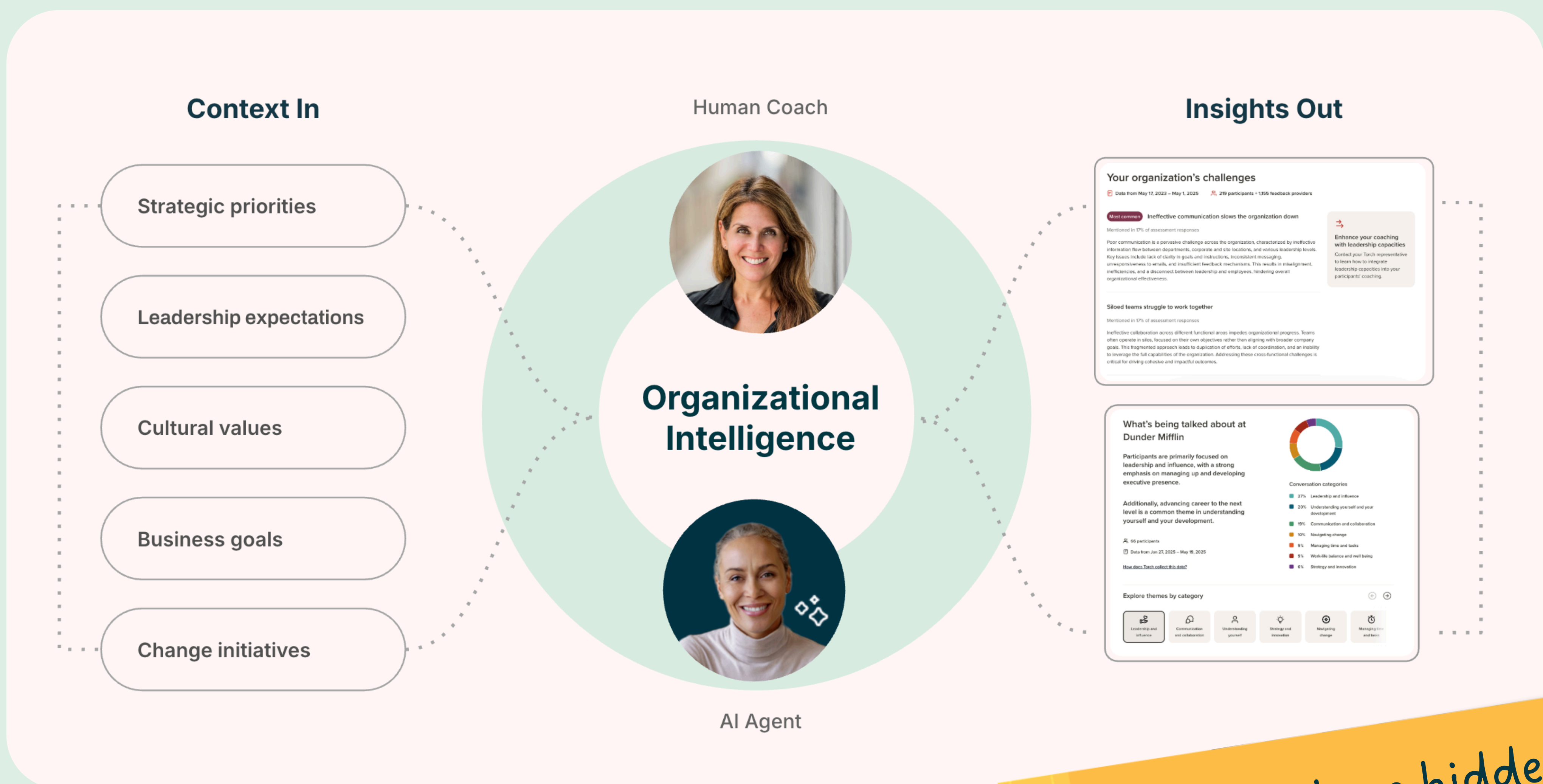
Continuous feedback loop

Coaching insights don't stop with the individual. Aggregated across multiple sessions, a continuous feedback loop reveals systemic patterns leaders can actually fix without breaking confidentiality.

Leaders gain real-time intelligence they can use to adapt faster, remove friction early, and guide transformation with clarity. Torch coaching turns conversation into intelligence. It's how hidden patterns surface and transformation becomes measurable.

The power of two-way feedback

Torch coaching turns conversation into intelligence. Every session reveals insights that connect leader growth to what's happening across the organization.



This is where hidden patterns surface

Unlike traditional programs that deliver insights and move on, Torch embeds them into everyday leadership practice.

As patterns emerge across coaching sessions, organizations gain visibility into what's actually happening.

Leaders can see where momentum builds, where it stalls, and where support is missing.

This feedback loop creates the intelligence to adapt faster and make smarter decisions before small issues turn into big risks.



STRATEGY 3:

Create infrastructure for constant change

3

Why change keeps failing

By the time you launch AI transformation, your organization may already be carrying the weight of failed change.

Without infrastructure to support adaptation, leaders react instead of plan.


Teams get exhausted by constant transformation that doesn't last. Leaders promise big results, then quietly move on when adoption slows.

Trust erodes and people start to assume every new rollout will stall like the last. "This too shall pass" becomes the default mindset.



"One thing that happens often is the news I feel should be flowing downward stays at the top until it becomes an issue and we have to react instead of planning for it. It seems to happen a lot as we are growing. Mostly when we realized that we didn't know enough or have the expertise to utilize the way we wanted to use AI."

—Torch Leadership Survey Respondent, Frontline Leader,
Technology & Engineering



By the time you launch an AI initiative, your organization may already be carrying the weight of failed change. Without clear communication and infrastructure to support adaptation, leaders end up reacting instead of planning.

Building infrastructure that lasts

The cost of failed change

88%

of change efforts waste significant resources

31%

of employees are engaged, the lowest level in a decade

40%

of leaders are considering leaving to protect wellbeing

\$9T

lost annually to disengagement worldwide

Sources: [Bain](#); [Gallup](#); [DDI Global Leadership Forecast 2025](#)

Organizations that succeed at AI transformation don't just launch projects, they build the infrastructure for ongoing adaptation.

That means leaders who can guide teams through uncertainty, sustain trust, and turn experimentation into momentum.

Change becomes normal and survivable, not crisis after crisis.

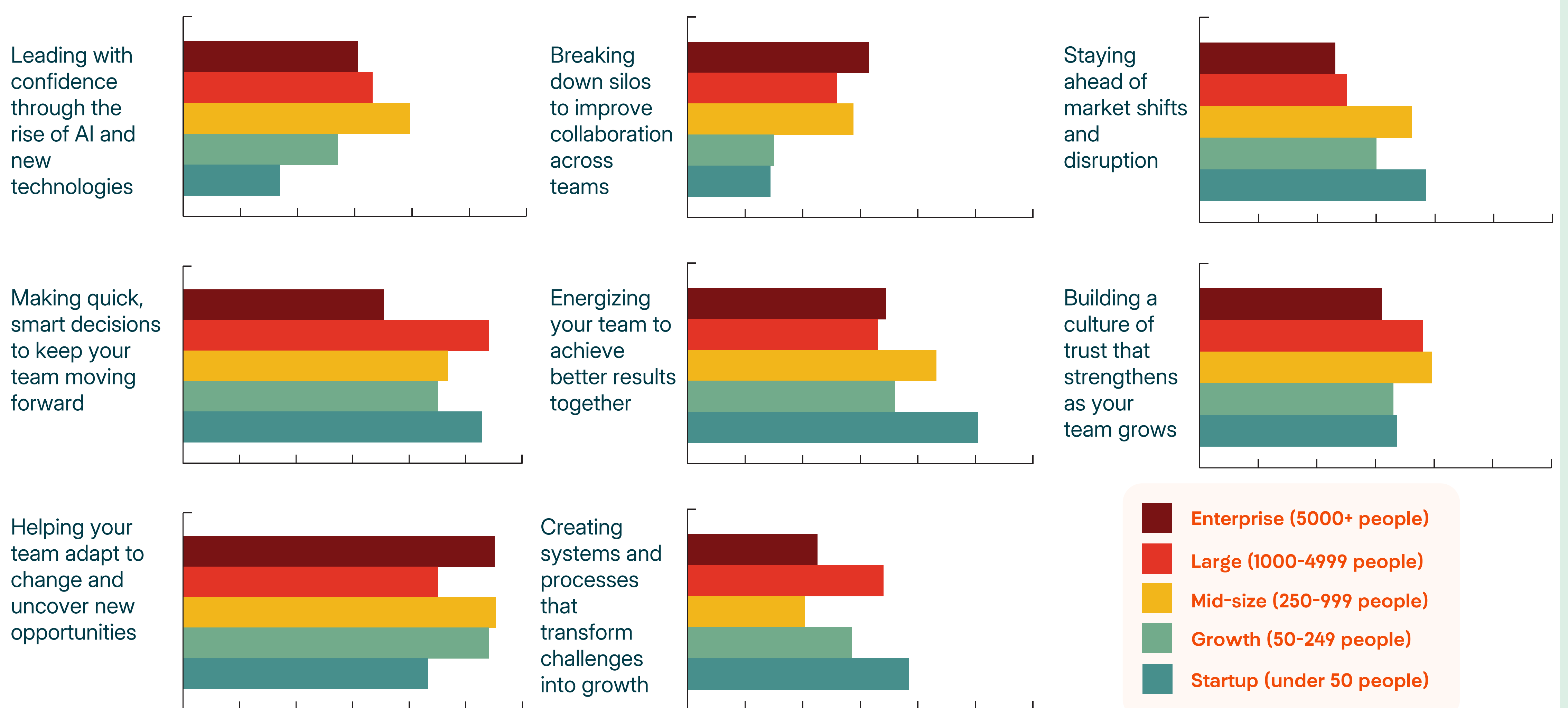
- * **Communication systems:** Clear channels that help information flow when everything is shifting, not just in steady state.
- * **Decision frameworks:** Processes that help teams make calls with incomplete information, not wait for perfect clarity.
- * **Learning loops:** Ways for teams to experiment, share what works, and apply lessons quickly across the organization.
- * **Support structures:** Systems that help people manage change without burning out, from workload planning to psychological safety.

Change at every scale

Different-sized organizations face different challenges, but they all share one problem. Constant change without the systems to sustain it.

The Torch Leadership Evolution Survey shows how leaders across company sizes are struggling to adapt quickly enough to disruption.

The organization size factor



Most organizations treat transformation like a construction project. They plan it, build it, move in, move on.

AI doesn't work that way. Technology keeps evolving, and business needs shift along with it.

Torch helps leaders build the internal infrastructure to adapt as fast as change demands.

When leaders learn to handle uncertainty with clarity and communicate through change, their teams stay engaged even when the plan keeps shifting.

From exhaustion to advantage

Organizations that succeed at AI transformation don't rely on endurance. They build the kind of leadership that makes adaptation part of how work gets done.

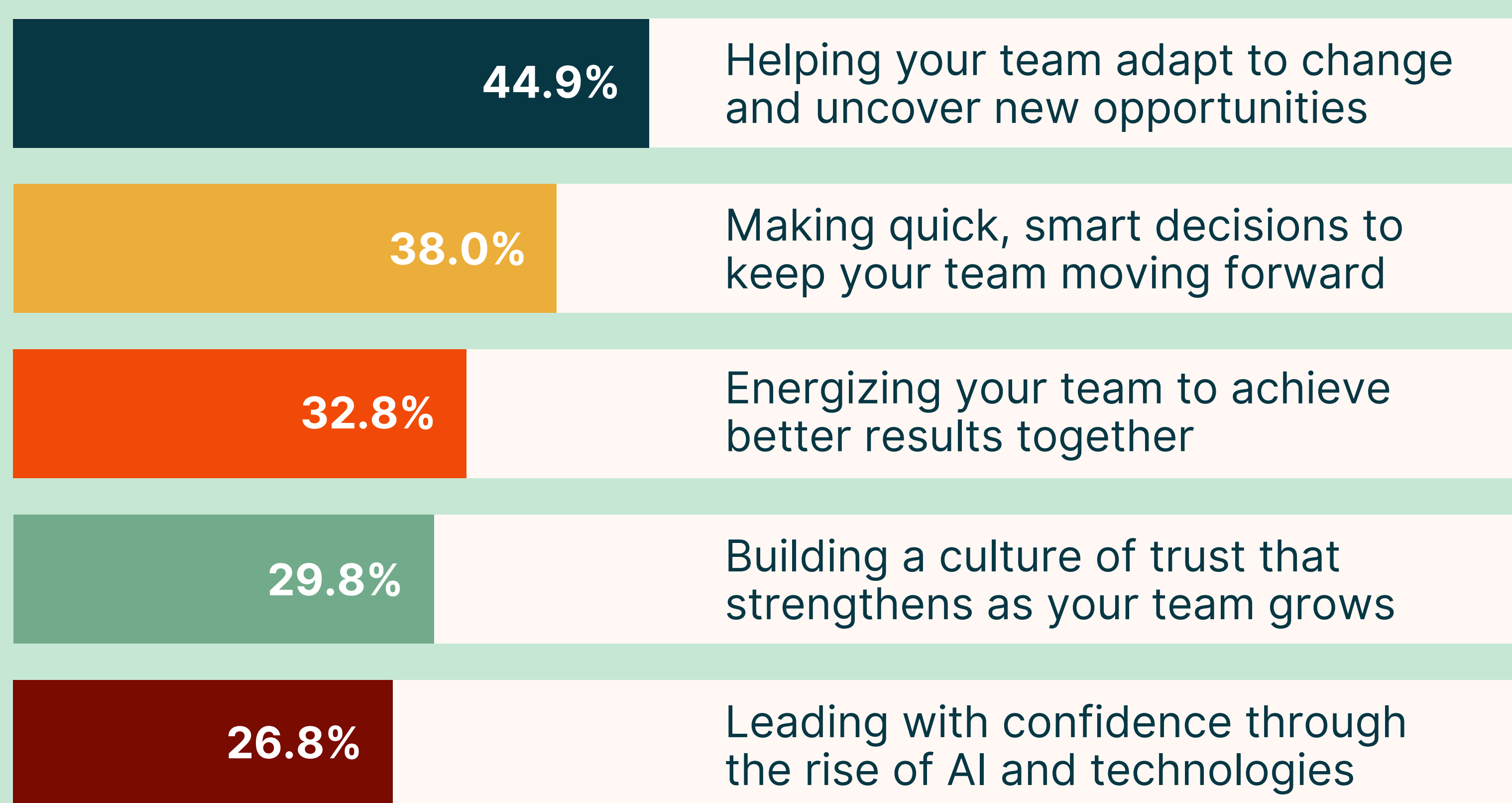
Through coaching, leaders learn to guide rather than control, help teams experiment rather than resist, and create the space for change to take hold without burning people out



Organizations that build change infrastructure don't burn out from constant change. They get faster at it. Each transformation builds capacity for the next one.

Our data shows nearly half of leaders cite constant change as their biggest hurdle, and it's pushing teams to their limits.

Where leaders feel the most pressure



Pressure's inevitable but burnout isn't



STRATEGY 4:

Build systematic AI readiness that scales



4

Why only 1% reach AI maturity

Employees in over 90% of companies use AI tools in their personal lives while only 40% have access through official company channels. The struggle isn't adoption, it's integration. Turning fragmented usage into sustained business impact requires leadership systems that can keep pace.

Fewer than 1% of organizations describe their AI adoption as "mature." The rest get stuck in pilot mode. Testing tools, running experiments, generating reports about potential, but never bridging the gap to measurable results.



"AI streamlined our data analysis, boosting decision-making speed. However, it challenged leadership to balance technology with human insight. It taught us that AI enhances, but doesn't replace, thoughtful leadership."

—Torch Leadership Survey respondent, Director, Technology & Engineering

The problem isn't adoption, it's leadership.

Leaders don't know how to connect scattered experimentation into systematic advantage. They're facing a technology that moves faster than traditional leadership habits can keep up with and the middle steps that make adoption sustainable are missing.

Torch helps leaders build the capacities that bridge that gap, turning what they're learning about AI into leadership infrastructure their transformation needs.

How Torch builds AI readiness

Torch builds the leadership capacities organizations need to move from scattered experimentation to sustained AI transformation. Three levels guide leaders from early adoption through full strategic fluency.

The AI maturity gap

Only
1%

of companies have reached AI maturity.

95%

of organizations see no business impact from AI investment.

5%

of custom enterprise AI tools reach production.

Sources: [McKinsey Superagency Report 2025](#); [Project NANDA State of AI in Business 2025](#)

* **LEVEL 1: Foundational readiness**

Leaders build the mindsets that make adoption possible. Staying curious, learning quickly, and creating space for honest conversation when things feel uncertain.

* **LEVEL 2: Practical integration**

They apply those capacities in daily work. Guiding teams through change, helping people experiment, and turning learning into better ways of working.

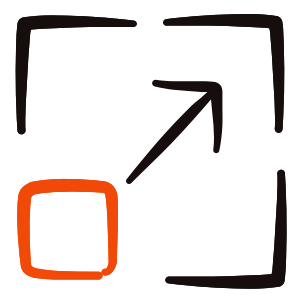
* **LEVEL 3: Strategic fluency**

They connect what they've learned to organizational impact. Spotting opportunities, shaping direction, and helping the company evolve with each wave of change.

AI readiness is built,
not bought

Three critical outcomes

Torch delivers three things most organizations can't build on their own:



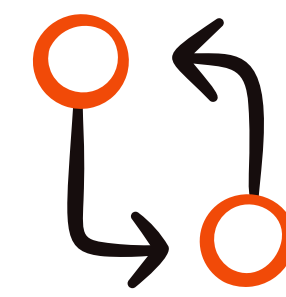
Tailored programs that meet people where they are.

Leaders build the specific capacities their context requires, supported by coaching and practice that flex with role, function, and industry.



Organizational insights that drive strategic decisions.


Aggregated themes reveal where adoption is taking hold, where it's stalling, and what barriers need leadership attention. This intelligence guides real decisions in real time.



Leadership infrastructure that evolves with your needs.

Every transformation gets easier because the capacities leaders build transfer to whatever change comes next. Torch creates infrastructure that evolves with your needs, not a one-time program that expires.

Most solutions deliver insights and move on. Torch builds infrastructure that stays with you, helping leaders turn scattered experiments into sustained organizational change.



Organizations that build AI readiness now will move faster as transformation accelerates. Each wave of change strengthens their capacity for the next one.

Why choose Torch?

Building AI readiness at scale requires more than training

Most solutions offer frameworks and one-time workshops. Torch combines human coaching, AI-powered practice, and real-time organizational insights into one system that grows with you.

Here's what sets us apart:

* **A system for transformation**

We connect coaching, immersive practice, and organizational insight into one continuous system. Leaders and organizations evolve together.

* **Coaches who've carried the weight**

Our coaches are experienced leaders who understand the pressure of transformation. They bring empathy, foresight, and practical tools that help leaders grow through challenge.

* **Practice for pressure moments**

AI-powered simulations let leaders rehearse difficult conversations, address fears, and make decisions with confidence when it matters most.

* **Insight that connects growth to business goals**

Our feedback loop ties leader growth directly to organizational priorities. It surfaces real themes such as resistance, engagement, and collaboration that surveys can't capture. Executives gain visibility into what's helping or hindering transformation so they can act faster and lead with clarity.

* **We evolve alongside you**

We use the same coaching and practice system internally that we bring to clients. That shared commitment keeps us grounded and honest about what actually works.

Transformation is
our operating system



Your path forward

AI readiness isn't built overnight. But organizations that execute these four strategies will move faster than competitors still chasing tools.


The four strategies in this guide work together:

01. Develop leadership capacities that evolve as fast as technology: Give leaders the adaptive mindset, learning agility, and trust-building they need to guide people through change.

02. Surface what's actually happening during transformation: See what's blocking adoption and what's driving it forward while you can still act on it.

03. Create infrastructure for constant change: Build systems that help leaders handle disruption without burning out teams.

04. Build systematic AI readiness that scales: Build the three-level system that moves your organization from experimentation to sustained transformation.



The organizations building these capabilities now will move faster as AI transformation accelerates. The rest will keep spending on tools while their competitors pull ahead.

Ready to close your AI readiness gap?

Torch helps organizations build the leadership infrastructure that turns AI investment into measurable business impact.

The gap between organizations building AI readiness and those still chasing tools is widening.

If you're ready to move from scattered pilots to systematic readiness, start with a 30-minute conversation. We'll assess where you are, identify your biggest gaps, and map your next steps



Let's talk