



BUSINESS TRANSFORMATION

Soft Power, Hard Results: What CEOs Should Look For in an AI-First Chief Transformation Officer

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With only a 30% chance of success, business transformations are a high-stakes undertaking for any CEO. AI ups the ante even more, with just 5% of companies reporting significant bottom-line value from their AI investments. But CEOs who aspire to leapfrog competitors or carve a more commanding lead have no choice but to press forward. For these leaders, the question isn't whether to transform with AI, but how to move the transformation odds in their favor.

Enter the chief transformation officer (CTrO).

In our experience, the CTrO is often viewed as an optional role on the senior leadership team. But with corporate spending on AI set to double this year, according to our research—and half of CEOs telling us their job security hinges on the success of their AI strategies—having the right CTrO on your team could spell the difference between success and failure for your AI transformation.

Here are the capabilities and mindsets that matter most in an AI-first CTrO, and four questions every CEO should ask to ensure their CTrO has the right stuff.

What Makes a CTrO AI-First?

Transformations are far more likely to succeed when a single leader is focused on execution and impact. Our research shows that when companies appoint a CTrO at the start of a growth transformation, the odds of success increase by 22 percentage points.

Traditionally, CTrOs deliver those results by driving execution discipline across the enterprise, maintaining momentum through the long arc of reinvention, and ensuring progress is measured by results rather than actions. They are low-ego leaders whose effectiveness stems not from owning outputs but from using influence to bring all the functions of a company together to make change happen collectively.

An AI transformation demands those same qualities and capabilities, but it broadens the scope of the CTrO's remit and introduces far more complexity into the mix. The AI-first CTrO must guide the organization beyond broad deployment of GenAI and agentic AI tools toward reshaping how work gets done. They do this by:

- **Ensuring AI is used where it creates the most value.** Companies realize their vision of becoming AI-first when the technology is harnessed where it creates the most value. The AI-first CTrO makes sure this happens by working with the executive team to ensure AI efforts are focused on a few areas where outcomes can be clearly tracked and scaled. This gives them a unique vantage point to distinguish where AI can materially achieve the transformation's objectives and then sequence change accordingly.
- **Distinguishing “AI activity” from real results.** The AI-first CTrO moves beyond activity metrics and AI tool adoption rates to focus on real impact, from productivity gains and greater cost efficiencies to driving growth and improving financial results. They partner closely with finance and other leaders to set value expectations from the beginning, monitor progress, and escalate when results fall short.

- **Having enough tech savvy to be an effective interlocutor.** An AI-first CTrO needs to be more technically oriented than previous versions of the role, but they don't need deep, granular AI expertise. What's required is a solid understanding of how GenAI and agentic AI work. This baseline knowledge allows them to assess whether the right enablers are in place for a successful AI deployment—and to act as an effective bridge between technology leaders, who own the platforms and data, and business leaders, who own the processes and teams being reshaped. The CTrO must be able to influence both sides to overcome points of tension that may surface and keep the transformation on track.
- **Owning nothing but being accountable for everything.** The CTrO can be a lonely role that demands high emotional intelligence and the ability to work through resistance without creating parallel structures or diluting accountability. This is even more true in the context of complex AI transformation. When the CTrO is positioned as a partner to the business, not an overlay, the transformation gains momentum. But when the role becomes a proxy for control, progress stalls.

Is Your CTrO AI-First? Four Questions CEOs Should Ask.

BCG's research—and our own conversations with leaders across industries—point to four questions that can help CEOs reliably distinguish effective AI-first CTrOs from those who will struggle to deliver impact.

Can my CTrO wield influence effectively over the long arc of AI transformation? The CTrO is accountable for results but does not control the teams or budgets needed to deliver them. Their success—and the success of the transformation—depends on how effectively they use influence to align leaders, engage the wider organization, and sustain momentum over years. A good indication of whether a CTrO is up to the challenge is whether they can describe a time when they drove progress without formal authority and maintained pressure without eroding trust. In the long journey to becoming AI-first, that distinction may determine whether the company reaches its destination at all.

Can my CTrO relentlessly focus on outcomes while staying out of the spotlight? AI-first CTrOs are oriented toward outcomes that show up in how the business performs, not toward visibility or personal ownership. They work through functional leaders and allow success to be attributed to the

business. This combination of low ego and high accountability is often a reliable signal of whether AI initiatives will translate into real impact.

Can my CTrO go two levels down into operations and still make sense of what's happening?

Effective CTrOs move fluidly between the enterprise view and operational reality of an AI transformation. They engage credibly with frontline leaders, understand where work is breaking down, and surface issues early before they blow up into major problems. While a CTrO who remains at altitude may sound compelling in leadership forums, they are far less likely to identify the frictions that can derail a transformation.

Is my CTrO prepared to become obsolete? The defining characteristic of any CTrO—including an AI-first one—is a willingness to work toward their own obsolescence. Rather than accumulating scope or authority, they focus on embedding AI capabilities into the business, strengthening collaboration between technology and line leaders, and leaving behind an operating model that can sustain progress without constant intervention. In AI transformations, this long-term orientation is often the clearest signal that change will endure and real value will be delivered.

Transformations are difficult under any circumstances, and AI makes them even harder. For CEOs, having a CTrO with the right judgment, temperament, and ability to drive execution may be what ultimately determines whether AI reshapes how work gets done across the organization or remains a set of tools without lasting impact.

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Eric DeJong

Managing Director & Partner
New York



Tomas Nordahl

Managing Director & Senior
Partner
Stockholm



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