



TIO

The Intelligent Organization

Leadership Domain Guide

Set direction, make accountable decisions, protect trust, and sustain transformation.

Table of Contents

01. Purpose and Use of This Master	07. Risk
02. TIO Leadership Domain	08. Transformation
03. Standard Capability Definition Template	09. Leadership Domain Summary
04. Strategy	10. Translation into the TIO Capability Model and Tool
05. Fluency	11. Working Version Control
06. Governance	

How to use this guide

Use the opening sections for the domain view. Use the capability sections to understand definitions, boundaries, outputs, evidence, measures, and maturity. Use the final sections to support assessment, planning, and implementation.

01

Purpose and Use of This Master

This document captures the working definition of the TIO Leadership Capability Domain and its five constituent capabilities. It is intended to become the reusable master pattern for the remaining TIO domains: Data, Technology, Factory, and People.

This is not a marketing document. It is a master definition document. It should support framework writing, capability assessment, statement of work design, workshop design, maturity scoring, roadmap development, and future translation into the TIO Capability Model and Tool.

02 TIO Leadership Domain

Leadership is where the organization decides where it is going, how it will use AI and technology, what risks it will carry, who is accountable, and how change will become real.

In TIO, Leadership is not only executive sponsorship. It is the organization's ability to set direction, build leadership judgment, make accountable decisions, manage risk, and sustain transformation.

Domain Role

- Set direction and enterprise choices.
- Build practical leadership judgment for the age of AI and AI and automation.
- Create the decision system for AI, automation, data, technology, and transformation work.
- Protect trust by understanding and controlling risk.
- Turn direction into sustained, measurable change.

Domain Operating Logic

Strategy chooses. Fluency informs. Governance decides. Risk protects. Transformation delivers.

Domain Principles

- Leadership starts with enterprise direction, not tools.
- AI and AI and automation are part of enterprise strategy, not side projects.
- Strategy must change what the organization funds, measures, rewards, protects, and stops.
- Leaders must have enough fluency to make sound judgments without pretending to be technical experts.
- Governance starts with visibility. You cannot control what you cannot see.
- AI may assist work, but named people remain accountable for decisions, outcomes, exceptions, and harm.
- Risk management should enable speed with trust, not become a default blocker.
- Transformation must change how work is done, not only launch projects or tools.
- Each capability must be evidenced, measured, improved, and buildable.

2026.08 ALIGNMENT | Leadership in the refreshed TIO system

Primary outcome contribution: Intelligence, Automation, and Enterprise Autonomy

- Leadership makes explicit enterprise choices about intelligence expansion, automation ambition, Enterprise Autonomy, acceptable dependencies, human authority, and the conditions for Delegated Autonomy.
- Leader-first AI use creates informed judgment; it does not replace governance, business ownership, or evidence.
- Leadership designs decision rights, risk posture, stakeholder protections, assurance expectations, and the operating rhythm for change.

Evidence at managed maturity: Strategy, decision rights, risk posture, leadership AI use, transition choices, and assurance decisions are owned and reviewed.

03 Standard Capability Definition Template

Each TIO capability should use the same structure so the full framework stays consistent and easy to translate into tools, assessments, workshops, and statements of work.

Required Capability Structure

- Capability title: one-word name wherever possible.
- Short definition: what the organization must be able to do repeatedly.
- Description: plain-English explanation of why it matters and how it works.
- Why it matters: the client problem this capability solves.
- Five behaviors: the repeatable actions that make the capability real.
- What this capability owns and does not own: boundary protection.
- What people actually do: the day-to-day activities and roles that make the capability real.
- Real-world example: a simple, practical example a non-technology executive can understand.
- Practical outputs: no more than three concrete deliverables, routines, or artifacts.
- Evidence of maturity, useful measures, maturity model, owners, service connection, and boundary notes.

Practicality Standard and SOW Test

- Every TIO capability must be simple to name, clear to define, practical to build, observable in operation, measurable in maturity, and useful enough to scope into real work.
- Every capability must pass the SOW Test: Could a client hire someone to help build this capability, and would both parties understand the expected outputs?
- Every capability must produce no more than three practical outputs. This keeps the framework useful, memorable, and deliverable.
- Every capability must include What People Actually Do and a Real-World Example so non-technology executives can see how the capability works in practice.
- The title should be memorable. The definition should be precise. The outputs should make it real.

04

Strategy

Short Definition: Strategy is the organization's ability to make clear enterprise choices and translate them into priorities, measures, ownership, resources, leader action, team alignment, and adaptation.

Plain-English Test: Can leaders and teams explain where the organization is going, what matters most, what they own, what is being funded or stopped, how success is measured, and how AI and technology change the path?

Description

Strategy helps leaders decide where the organization is going, how it will create value, what capabilities it must build, and how AI, automation, data, and technology change the path.

A mature Strategy capability does not stop at a strategy deck. It turns enterprise choices into focused priorities, scorecards, accountable owners, leader action plans, team priorities, communication, change implications, resource decisions, and regular review.

TIO treats strategy as an enterprise capability, not as an annual planning exercise.

Why It Matters

- Without Strategy, AI and technology activity fragments into tools, pilots, and local experiments.
- Strategy creates focus, trade-offs, investment discipline, and a shared direction.
- It helps leaders decide what to fund, what to stop, what to protect, and what to build next.

Five Behaviors

Behavior	Meaning
Choose	Make clear enterprise choices about direction, value, customers, services, capabilities, and boundaries.
Focus	Reduce noise into the few priorities that matter most.
Translate	Turn strategy into measures, owners, leader actions, team priorities, communication, and change.
Resource	Move money, time, people, attention, and incentives toward the strategy.
Adapt	Revisit choices as evidence, technology, risk, workforce, and market conditions change.

What This Capability Owns

- Enterprise direction and choices.
- Priority setting and trade-offs.
- Resource and funding choices.
- Translation of strategy into measures, ownership, leader action, and team alignment.
- Strategy review and adaptation rhythm.

What This Capability Does Not Own

- Daily execution management.
- Detailed change management activities.
- Every communication activity.

- Every project plan or technology roadmap.
- An AI strategy that sits beside the enterprise strategy.

What People Actually Do

People make strategy real by turning broad ambition into specific choices, measures, owners, and near-term actions.

Role	What they actually do
CEO or Executive Sponsor	Sets ambition, makes trade-offs, confirms what will be funded, stopped, or protected.
Leadership Team	Debates and commits to the choices, priorities, measures, and accountabilities.
Strategy or Transformation Lead	Documents the choices, builds the scorecard, tracks decisions, and prepares review materials.
Functional Leaders	Translate the enterprise choices into leader priorities, team priorities, and resource needs.

Simple activity flow:

1. Clarify the ambition and strategic problem.
2. Make choices about where to play, how to win, what capabilities to build, and what systems are needed.
3. Turn the choices into priorities, measures, owners, and resource decisions.
4. Translate the strategy into leader and team action.
5. Review progress and adapt based on evidence.

Real-World Example

A midmarket company wants to double revenue without losing service quality or owner-led culture. The leadership team uses a Strategic Choices Cascade to decide where it will grow, how it will win, and what capabilities it must build.

The work does not stop with the strategy session. The team creates a scorecard, names owners for each strategic thrust, links leadership performance to the strategy, and uses ALA and SATA to translate the strategy into individual leader priorities and team priorities.

In real life, Strategy shows up as fewer priorities, clearer funding decisions, named owners, a scorecard leaders actually review, and teams that can explain what the strategy means for their work.

Practical Outputs

Output	What it contains
Enterprise Choice Set	A Strategic Choices Cascade or equivalent document that states where the organization is going, how it will create value, what it will pursue, and what it will not pursue.
Strategy Scorecard	A small set of measures that show whether the strategy is working across financial, customer, operational, people, risk, and value dimensions.
Strategy Activation Map	A practical map of strategic priorities, owners, funding choices, leader actions, team priorities, and the review rhythm.

Evidence of Maturity

- Approved enterprise choices.

- Strategic priorities or thrusts.
- Strategy Scorecard.
- Named accountable owners.
- Resource allocation and funding decisions.
- Leader action plans and team priority maps.
- Quarterly strategy review pack and decision log.

Useful Measures

Measure	What it tells us
Strategic clarity	Percentage of leaders who can explain the strategy and their role in it.
Resource alignment	Percentage of major investments and leadership priorities tied to the strategy.
Strategy review discipline	Frequency and quality of strategy reviews, decisions, and course corrections.

Maturity Model

Level	Maturity	Description
0	Absent	No clear enterprise direction exists. AI and technology decisions are disconnected from strategy.
1	Initial / Ad-Hoc	Some leaders discuss strategy, but priorities shift based on urgency, vendors, or personal preference.
2	Repeatable	A basic way exists to discuss direction and priorities, but translation into resources, owners, and measures is uneven.
3	Defined	Strategy is documented, communicated, owned, and translated into priorities, measures, and action.
4	Managed	Strategy is tied to funding, scorecards, portfolio decisions, performance reviews, and quarterly evidence-based reviews.
5	Optimized	Strategy is continuously refreshed as markets, technology, workforce, risk, and customer needs change.

Typical Owners and Participants

Role	Typical participants
Executive sponsor	CEO, owner, board, city manager, deputy city manager, or business unit executive.
Accountable owners	SLT members, functional leaders, strategy lead, transformation lead.
Participants	Finance, people, technology, data, operations, communications, risk, and delivery leaders.

Domain Boundary Notes

- Strategy owns direction, choices, priorities, resources, and adaptation.

- Transformation owns coordinated execution and sustainment.
- People owns detailed workforce, culture, adoption, and change experience work.

05 Fluency

Short Definition: Fluency is the organization's ability to help leaders understand, use, question, explain, and sponsor AI and AI and automation with sound judgment.

Plain-English Test: Can leaders use their AI systems to improve their creativity, productivity, effectiveness, ask good questions, recognize weak proposals, explain trade-offs, use tools responsibly, and guide others without pretending to be technical experts?

Description

Fluency builds leaders who can use AI personally, explain it plainly, know what to trust and what to check, respect risk and data boundaries, challenge weak advice, and sponsor credible AI Use Cases.

It is not technical training. It is practical leadership judgment for the age of AI and AI and automation.

Why It Matters

- Without Fluency, leaders delegate too much judgment to vendors, technologists, or enthusiasts.
- Fluency helps leaders make better decisions, ask better questions, and avoid both hype and fear.
- It gives executives enough practical understanding to sponsor AI and automation safely and productively.

Five Behaviors

Behavior	Meaning
Use	Leaders personally use AI on real work and build practical habits.
Understand	Leaders can explain AI, automation, data, and technology in plain language.
Question	Leaders know what to trust, what to check, what to challenge, and what not to delegate.
Protect	Leaders recognize risk, data sensitivity, privacy, security, accountability, and trust issues.
Sponsor	Leaders can shape and sponsor practical AI Use Cases with value, evidence, and human accountability.

What This Capability Owns

- Leadership understanding and judgment.
- Practical personal use of AI by leaders.
- Common language for AI, automation, data, and technology.
- Leadership ability to challenge vendor claims and weak proposals.
- Responsible AI Use Case sponsorship.

What This Capability Does Not Own

- Deep technical training.
- Enterprise-wide workforce training.
- Detailed AI engineering.

- Tool administration.
- Replacing legal, privacy, security, or risk review.

What People Actually Do

People build Fluency by using AI on real work, learning the boundaries, discussing examples, and applying better judgment to decisions and sponsorship.

Role	What they actually do
Executive Learner	Uses AI on real leadership work, tests use cases, and learns what to trust and check.
Coach or Advisor	Guides practical exercises, explains concepts in plain language, and helps connect fluency to real business priorities.
Risk, Privacy, or Security Advisor	Explains boundaries for data, confidentiality, approval, and safe use.
AI Use Case Sponsor	Turns learning into a credible use case with value, risk, evidence, and accountability.

Simple activity flow:

1. Set up safe personal use and basic rules. If not possible or practical, start with a personal device and personal account, and configure leading AI models safely and properly.
2. Use AI on real leadership work, such as briefing notes, meeting prep, analysis, and communication. If using on a Personal device, also start using on personal projects as appropriate: health, wealth, happiness, relationships, hobbies, etc.
3. Discuss what worked, what failed, and what needed checking.
4. Identify a practical AI Use Case worth sponsoring.
5. Document next actions, risks, evidence needs, and sponsor responsibilities.

Real-World Example

A municipal executive joins an AI fluency program. In the first sessions, they learn how to use AI safely for meeting preparation, policy summarization, and draft communications without entering sensitive information.

As confidence grows, the leader learns how to question outputs, recognize weak claims, route risky use cases for review, and sponsor a practical divisional AI Use Case.

In real life, Fluency shows up when the leader no longer says, "IT will handle AI." They can use the tools responsibly, ask better questions, explain the trade-offs, and sponsor work with judgment.

Practical Outputs

Output	What it contains
Executive AI Playbook	A short, practical guide for how the leader uses AI, what rules they follow, what workflows they trust, and what they avoid.
Leadership AI Use Cases	A small set of real leadership or business uses, documented with purpose, value, data boundaries, review needs, and ownership.
90-Day AI Action Memo	A focused action plan showing what the leader will use, sponsor, stop, test, or escalate over the next 90 days.

Evidence of Maturity

- Executive AI Playbook.
- Safety rules and data boundaries.
- Examples of leaders using AI on real work.
- AI Use Case sponsor briefs.
- Leadership fluency assessments.
- Examples of leaders challenging AI proposals or vendor claims.

Useful Measures

Measure	What it tells us
Leader participation	Percentage of target leaders who complete practical fluency work.
Responsible use	Percentage of leaders who can explain safe use rules and data boundaries.
Sponsor readiness	Number of AI Use Cases with clear value, owner, risk route, and evidence plan.

Maturity Model

Level	Maturity	Description
0	Absent	Leaders have no shared understanding of AI and delegate the topic to others.
1	Initial / Ad-Hoc	Some leaders experiment, but fluency is uneven and safety rules are unclear.
2	Repeatable	Leaders have a basic way to build fluency and identify low-risk versus review-required uses.
3	Defined	Fluency expectations are documented and leaders can explain, question, route, and sponsor AI work responsibly.
4	Managed	Fluency is measured and reinforced through strategy, governance, risk, and transformation routines.
5	Optimized	Leaders use AI in a fully integrated and immersed way.

Typical Owners and Participants

Role	Typical participants
Executive sponsor	CEO, CIO, chief administrative officer, city leader, or business unit executive.
Accountable owner	Leadership development lead, transformation lead, or AI program lead.
Participants	Executives, senior managers, advisors, legal, privacy, security, data, and technology representatives.

Domain Boundary Notes

- Fluency builds leadership judgment.
- People owns broader workforce skills and adoption.
- Technology owns tool enablement and platform support.
- Governance and Risk own approval paths and control expectations.

06

Governance

Short Definition: Governance is the organization's ability to see, guide, decide, control, and improve how AI, automation, data, technology, and transformation work are used.

Plain-English Test: Can the organization see how AI and technology are being used, guide people clearly, make timely decisions, apply the right controls, and improve the rules as it learns?

Description

Governance makes AI and technology use visible, understandable, accountable, and controllable.

It defines what is allowed, what needs review, who decides, who owns the outcome, how exceptions are handled, and where decisions are recorded.

Good governance helps the organization move faster with trust because people know the boundaries.

Why It Matters

- Without Governance, AI use becomes hidden, inconsistent, risky, duplicated, or vendor-driven.
- Governance gives people a clear path to try useful things without going rogue.
- It helps leaders make decisions, control exceptions, and prove what happened when questions arise.

Five Behaviors

Behavior	Meaning
See	Make real AI and technology use visible, including tools, users, data, workflows, risks, experiments, and value.
Guide	Set simple rules, boundaries, approved tools, review expectations, and escalation paths.
Decide	Make clear who approves, funds, stops, scales, accepts risk, and owns outcomes.
Control	Apply the right level of oversight based on risk, data sensitivity, external exposure, and impact.
Improve	Learn from surveys, show-and-tells, incidents, Evidence Gates, audits, and new external requirements.

What This Capability Owns

- Visibility into current AI and technology use.
- Acceptable-use rules and approved tool boundaries.
- Decision rights, approval paths, and review thresholds.
- AI Use Case intake and Evidence Gate authority.
- Exception handling, decision logs, and governance review cadence.

What This Capability Does Not Own

- All risk management.
- All cybersecurity operations.
- All data quality work.
- All change management.
- Every AI Use Case delivery activity.

What People Actually Do

People make Governance real by finding out what is already happening, setting simple rules, routing requests, recording decisions, and updating the rules as the organization learns.

Role	What they actually do
Executive Sponsor	Sets governance intent, approves decision rights, and confirms risk posture.
Governance Lead	Runs intake, routes decisions, maintains logs, and prepares review materials.
Legal, Privacy, Security, Risk	Review uses that involve sensitive data, external exposure, legal obligations, or trust concerns.
Business or Use Case Owner	Explains the purpose, value, data, users, and impact of the proposed AI or automation use.

Simple activity flow:

1. Survey current AI and technology use to make hidden activity visible.
2. Set simple use rules and approved or restricted tool guidance.
3. Create an intake path for new AI Use Cases or technology-enabled work redesign.
4. Route each request based on risk, data sensitivity, and impact.
5. Record approvals, exceptions, incidents, Evidence Gate decisions, and lessons learned.

Real-World Example

A midmarket company discovers employees are using several AI tools through personal subscriptions. Leaders are worried about client data, security, and uncontrolled experimentation.

The company starts with an AI usage survey, then creates a simple AI use policy, an approved tools list, an intake form for AI Use Cases, and a monthly show-and-tell where teams share what they are learning.

In real life, Governance shows up when employees know what they can do, what needs approval, who decides, and where decisions are recorded. The organization learns faster without losing control.

Practical Outputs

Output	What it contains
Governance Charter	A short document defining decision rights, roles, review thresholds, approval paths, and governance cadence.
AI Use Rules and Approval Path	Plain rules for acceptable use, approved tools, restricted data, intake, routing, and escalation.
Decision and Exception Log	A living record of approvals, rejections, exceptions, incidents, Evidence Gate outcomes, and lessons learned.

Evidence of Maturity

- Governance Charter.
- AI use rules and approved tools list.
- AI Use Case intake form.
- Decision rights matrix.
- Risk-tier routing guide.
- Decision, exception, and incident log.
- Governance review pack.

Useful Measures

Measure	What it tells us
AI use visibility	Percentage of known AI uses captured in a survey, inventory, or catalog.
Decision clarity	Percentage of use cases with named sponsor, owner, approver, and review path.
Decision speed	Time from intake to decision by risk tier.

Maturity Model

Level	Maturity	Description
0	Absent	AI and technology use is not visible. There are no clear rules, owners, decision paths, or records.
1	Initial / Ad-Hoc	Some approvals or rules exist, but they depend on individuals and hidden use remains likely.
2	Repeatable	Basic visibility, simple rules, approved tools, risk routing, named approvers, and a decision log exist.
3	Defined	Governance is documented, owned, communicated, and used consistently across priority work.
4	Managed	Governance is measured and actively managed through dashboards, logs, incidents, exceptions, and decision reviews.
5	Optimized	Governance continuously improves and becomes a source of speed, trust, and accountable innovation.

Typical Owners and Participants

Role	Typical participants
Executive sponsor	CEO, CIO, risk executive, general counsel, city manager, or business unit executive.
Accountable owner	Governance lead, AI program lead, transformation lead, or technology leader.
Participants	Business owners, legal, privacy, security, risk, data, technology, people, procurement, and finance.

Domain Boundary Notes

- Governance owns the decision system and control logic.
- Risk supplies the risk assessment and control expectations.
- Data, Technology, Factory, and People apply governance rules in their own work.

07 Risk

Short Definition: Risk is the organization's ability to identify, assess, control, monitor, and respond to the risks created or changed by AI, automation, data, technology, and enterprise transformation.

Plain-English Test: Can leaders explain what could go wrong, how serious it is, what controls are in place, who owns the risk, and what happens if the risk becomes unacceptable?

Description

Risk helps leaders understand what could go wrong before harm occurs.

It covers trust, privacy, security, data, accuracy, bias, legal obligations, operations, people, vendors, cost, reputation, and public or client confidence.

Good risk management does not block progress. It helps the organization move faster with clearer boundaries and fewer surprises.

Why It Matters

- Without Risk, organizations discover problems after damage has already occurred.
- AI and automation can change the speed, scale, visibility, and accountability of harm.
- Risk helps leaders decide what they will accept, what needs controls, and what must stop.

Five Behaviors

Behavior	Meaning
Identify	Find the risks in AI, automation, data, technology, work, people, vendors, and strategy.
Assess	Judge severity, likelihood, affected stakeholders, data sensitivity, and business impact.
Control	Put the right safeguards, human review, boundaries, testing, monitoring, and fallback plans in place.
Monitor	Track incidents, exceptions, drift, control failures, regulatory change, and emerging risks.
Respond	Escalate, pause, fix, communicate, remediate, or stop work when risk becomes unacceptable.

What This Capability Owns

- Risk taxonomy and risk appetite linkage.
- AI Use Case risk screening.
- Risk tiering and control expectations.
- Risk ownership and residual-risk acceptance process.
- Incident, issue, and escalation discipline.
- Monitoring of incidents, exceptions, trends, and emerging risks.

What This Capability Does Not Own

- Final enterprise decision rights, which belong to Governance.
- Detailed cybersecurity operations.
- Detailed privacy program operations.
- All legal advice or legal sign-off.
- All data quality controls.

- Using risk as a reason to block all AI.

What People Actually Do

People make Risk real by screening real use cases, identifying specific harms, choosing controls, assigning owners, and monitoring whether the controls work.

Role	What they actually do
Risk Owner	Owns the exposure and confirms whether risk is acceptable, reduced, transferred, escalated, or rejected.
Use Case Sponsor	Explains the value, workflow, users, data, outputs, and decision impact.
Privacy, Security, Legal, Data	Assess specific risks and recommend controls.
Governance Forum	Approves, rejects, pauses, or escalates the use based on risk and evidence.

Simple activity flow:

1. Describe the proposed AI Use Case, automation, or technology-enabled change.
2. Identify the risks by category, including data, privacy, security, accuracy, bias, legal, operations, people, vendor, cost, and trust.
3. Assess likelihood, severity, affected stakeholders, and risk tier.
4. Define controls, human review, fallback, monitoring, and escalation rules.
5. Monitor outcomes, incidents, exceptions, and whether risk is increasing or decreasing.

Real-World Example

A professional services firm wants to use AI to draft client advice based on prior work papers and client documents. The opportunity is real, but the risk is high because confidentiality, accuracy, professional judgment, and client trust are involved.

The team screens the use case, identifies risks, defines controls, limits data access, requires human review by a qualified professional, records residual-risk acceptance, and sets an incident path.

In real life, Risk shows up when leaders can say, "Here is what could go wrong, here is how serious it is, here is how we control it, here is who owns it, and here is what we do if the risk becomes unacceptable."

Practical Outputs

Output	What it contains
Risk Screen and Taxonomy	A plain-language risk screen and category list for AI, automation, data, technology, and transformation work.
Risk Register and Control Plan	A record of material risks, owners, ratings, controls, status, and remediation actions.
Incident and Escalation Process	A clear path for reporting, escalating, pausing, fixing, communicating, and accepting or rejecting residual risk.

Evidence of Maturity

- Risk appetite statement.
- AI and technology risk taxonomy.
- AI Use Case risk screen.
- Risk register.
- Control plan.
- Human review rules.
- Incident and escalation process.
- Residual-risk approvals.
- Vendor and data location assessments.
- Risk dashboard and lessons learned.

Useful Measures

Measure	What it tells us
Risk screening coverage	Percentage of material AI Use Cases screened before use.
Control completion	Percentage of required controls implemented and tested.
Incident learning	Percentage of incidents or near misses reviewed, closed, and used to improve controls.

Maturity Model

Level	Maturity	Description
0	Absent	AI, automation, data, technology, and transformation risks are not meaningfully identified or owned.
1	Initial / Ad-Hoc	Risks are discussed when someone raises a concern, but reviews are inconsistent.
2	Repeatable	A basic risk process exists and priority AI Use Cases are screened using common categories.
3	Defined	Risk categories, appetite, ownership, controls, escalation, and residual-risk approval are documented and used.
4	Managed	Risk is measured and actively managed through incidents, exceptions, control testing, trends, and audits.
5	Optimized	Risk management is proactive and adaptive, protecting trust while enabling innovation.

Typical Owners and Participants

Role	Typical participants
Executive sponsor	CEO, risk executive, general counsel, CIO, privacy executive, or public-sector executive.
Accountable owner	Risk lead, privacy lead, security lead, AI governance lead, or business risk owner.
Participants	Use case sponsors, process owners, data, technology, legal, privacy, security, operations, finance, and people leaders.

Domain Boundary Notes

- Risk defines what could go wrong and what controls are needed.
- Governance decides who approves and under what rules.
- Technology, Data, Factory, and People implement many of the controls.

08 Transformation

Short Definition: Transformation is the organization's ability to organize, fund, lead, sequence, communicate, measure, and sustain enterprise change until better work and measurable value become normal operations.

Plain-English Test: Can the organization turn strategy into coordinated action, prove value, manage the change, and keep improving without relying on heroics?

Description

Transformation turns direction into action. It gives the organization a practical way to move from strategy, AI Use Cases, work redesign, technology changes, data improvements, governance rules, and workforce commitments into coordinated execution.

A mature Transformation capability does not depend on heroic effort. It creates a repeatable rhythm for sponsorship, priorities, funding, delivery, communication, adoption, value tracking, issue resolution, and course correction.

Good transformation does not mean doing everything at once. It means sequencing the right work, protecting capacity, proving value, scaling what works, stopping what does not, and helping people adapt.

Why It Matters

- Without Transformation, strategy remains a deck and AI remains a set of disconnected pilots.
- Transformation gives leaders a way to coordinate work across domains and sustain momentum.
- It protects the organization from activity without value, change saturation, and dependence on heroic individuals.

Five Behaviors

Behavior	Meaning
Mobilize	Put sponsorship, owners, capacity, funding, and working structure in place.
Sequence	Decide what happens first, what waits, what depends on what, and what the organization can absorb.
Deliver	Execute priority work, remove barriers, manage issues, and keep teams moving.
Adopt	Help leaders, managers, employees, and stakeholders understand, use, trust, and sustain the change.
Sustain	Track value, review evidence, scale what works, stop what does not, and embed better work into normal operations.

What This Capability Owns

- Transformation charter and sponsor model.
- Transformation roadmap and operating cadence.
- Workstream structure and capacity plan.
- Sequencing and dependency management.
- Initiative portfolio view.
- Value tracking and benefits realization.
- Issue and decision escalation.
- Cross-domain coordination.
- Adoption tracking and sustainment decisions.

What This Capability Does Not Own

- Every communication activity.
- Every people, technology, data, or risk activity.
- Detailed system design.
- All workforce adoption and culture work.
- All benefits ownership after sustainment.
- Reporting activity without changing how work gets done.

What People Actually Do

People make Transformation real by setting up the program, sequencing the work, assigning owners, protecting capacity, resolving blockers, tracking value, and embedding the new way of working.

Role	What they actually do
Executive Sponsor	Owns the mandate, makes priority and funding decisions, and removes major barriers.
Transformation Lead	Runs the roadmap, cadence, workstreams, issue log, decision log, and value tracking.
Workstream Owners	Deliver specific parts of the transformation across data, technology, factory, people, governance, or operations.
Managers and Change Leads	Help teams understand, adopt, use, and sustain the new ways of working.

Simple activity flow:

1. Create the transformation charter and confirm sponsor, scope, outcomes, and decision rules.
2. Build the roadmap with workstreams, sequencing, dependencies, and capacity needs.
3. Run a regular cadence to review progress, risks, decisions, issues, adoption, and value.
4. Resolve blockers and adjust the roadmap based on evidence.
5. Scale what works, stop what does not, and embed new routines into normal operations.

Real-World Example

A company completes a strategy process and identifies AI, automation, service redesign, leadership accountability, and workforce change as part of its growth path. Without Transformation, each item becomes a separate project.

The company creates a transformation charter, roadmap, workstreams, owner model, funding and capacity plan, communications plan, change plan, benefits tracker, and review rhythm. Leaders meet regularly to make decisions, remove barriers, track adoption, and prove value.

In real life, Transformation shows up when the organization stops relying on heroics and starts changing how work is actually done, with a visible rhythm, named owners, evidence of value, and sustainment into normal operations.

Practical Outputs

Output	What it contains
Transformation Charter and Roadmap	A clear mandate, sponsor, scope, outcomes, workstreams, sequencing, dependencies, milestones, and decision points.
Workstream and Capacity Plan	Named owners, working team, funding, protected capacity, roles, cadence, issue path, and escalation path.
Benefits and Adoption Tracker	A practical tracker for value, adoption, Evidence Gate outcomes, scale decisions, stop decisions, and sustainment actions.

Evidence of Maturity

- Transformation charter.
- Executive sponsor and workstream owner list.
- Roadmap.
- Funding and capacity plan.
- Dependency map.
- Issue and decision log.
- Communications and change plans.
- Adoption dashboard.
- Benefits tracker.
- Quarterly review pack.
- Evidence Gate decisions.
- Scale, stop, or redesign records.

Useful Measures

Measure	What it tells us
Roadmap health	Whether priority initiatives are on track, stuck, or drifting.
Capacity protected	Whether owners and teams have time and resources to do the work.
Value and adoption	Whether measurable value is achieved and people are using the new way of working.

Maturity Model

Level	Maturity	Description
0	Absent	No transformation structure exists. Work happens as disconnected projects, pilots, workshops, or tool rollouts.
1	Initial / Ad-Hoc	A leader or small group pushes change forward, but progress depends on personal energy.
2	Repeatable	A basic transformation rhythm exists with sponsor, roadmap, workstreams, cadence, early value tracking, and issue escalation.
3	Defined	Transformation is documented, owned, funded, communicated, and managed consistently.
4	Managed	Transformation is actively measured and adjusted based on value, delivery, risk, adoption, capacity, and dependencies.
5	Optimized	Transformation becomes an enduring organizational muscle that continuously improves work and sustains value.

Typical Owners and Participants

Role	Typical participants
Executive sponsor	CEO, owner, city manager, deputy city manager, COO, CIO, or transformation executive.
Accountable owner	Transformation lead, program lead, chief of staff, or strategy execution lead.
Participants	Workstream owners, finance, data, technology, people, risk, governance, communications, operations, and front-line leaders.

Domain Boundary Notes

- Transformation integrates the work across domains but does not replace the domain owners.
- People owns deeper adoption, workforce, culture, and change experience.
- Factory owns AI Use Case delivery and value realization for specific use cases.

09

Leadership Domain Summary

The five Leadership capabilities form a practical leadership operating system for the age of AI and AI and automation.

Capability	Core Role	Behaviors	Maximum Three Practical Outputs
Strategy	Choose direction and translate it into action.	Choose. Focus. Translate. Resource. Adapt.	Enterprise Choice Set; Strategy Scorecard; Strategy Activation Map.
Fluency	Build leadership judgment.	Use. Understand. Question. Protect. Sponsor.	Executive AI Playbook; Leadership AI Use Cases; 90-Day AI Action Memo.
Governance	Make decisions clear, visible, and accountable.	See. Guide. Decide. Control. Improve.	Governance Charter; AI Use Rules and Approval Path; Decision and Exception Log.
Risk	Protect trust and control exposure.	Identify. Assess. Control. Monitor. Respond.	Risk Screen and Taxonomy; Risk Register and Control Plan; Incident and Escalation Process.
Transformation	Turn direction into sustained change.	Mobilize. Sequence. Deliver. Adopt. Sustain.	Transformation Charter and Roadmap; Workstream and Capacity Plan; Benefits and Adoption Tracker.

Leadership Domain Maturity Pattern

Level	Pattern
0 Absent	The capability does not meaningfully exist.
1 Initial / Ad-Hoc	Some activity exists, but it depends on individuals, effort, or improvisation.
2 Repeatable	The organization has a basic way to do this more than once.
3 Defined	The capability is documented, owned, communicated, and used consistently.
4 Managed	The capability is measured, governed, improved, and connected to decisions.
5 Optimized	The capability continuously improves and helps the organization adapt faster.

Lessons for the Remaining Domains

- Use one-word capability names wherever possible.
- Keep each capability as an organizational ability, not a project, workshop, document, or department.
- Limit practical outputs to a maximum of three per capability.
- Include What People Actually Do and a Real-World Example for each capability.
- Use plain language so non-technology executives can understand what the capability does and accomplishes.
- Give each capability five behaviors that are easy to remember and assess.
- Make boundaries explicit so capabilities complement each other instead of becoming duplicates.
- Every capability must pass the SOW Test before being accepted into the 25-capability model.