AI-NATIVE
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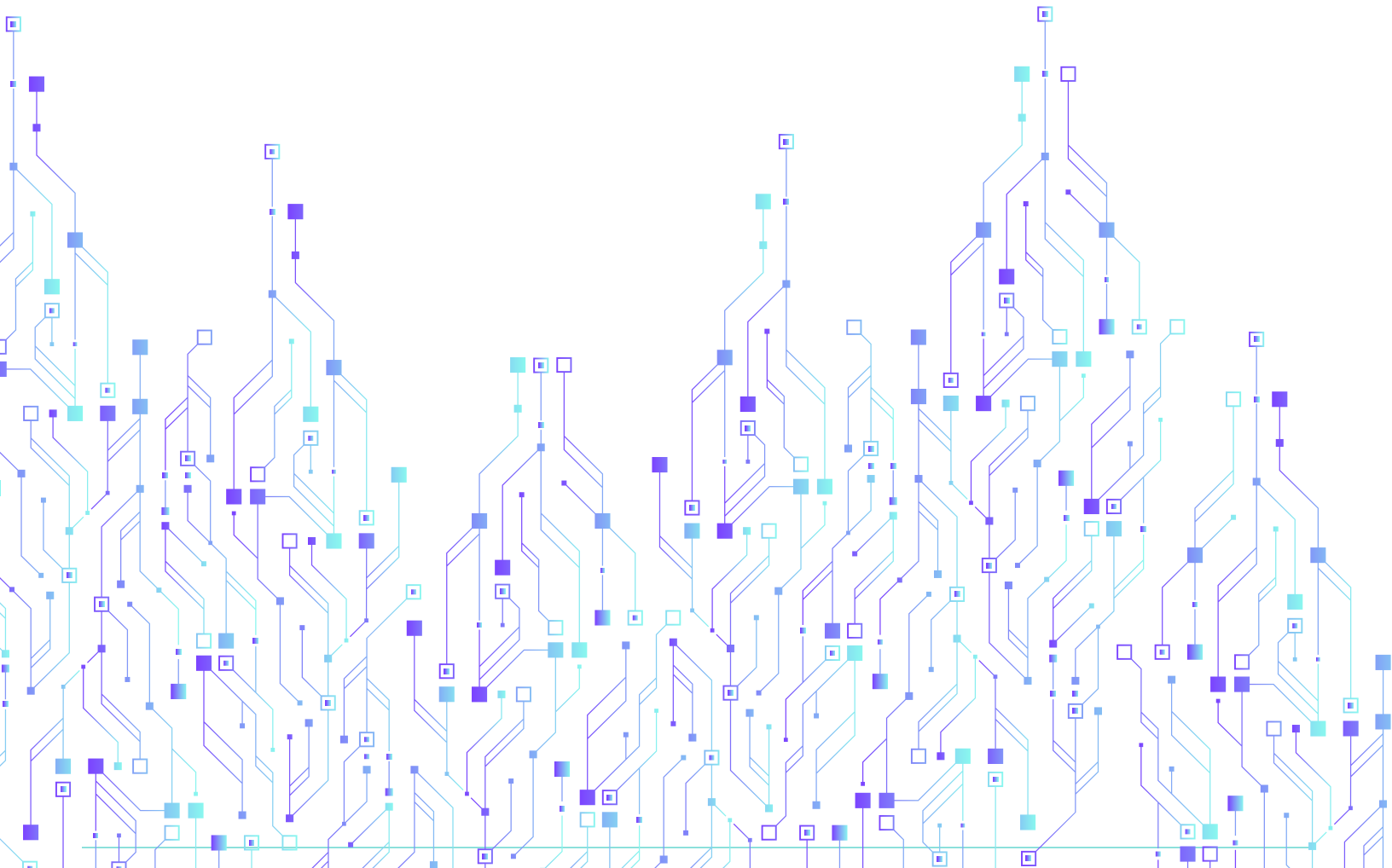
Becoming AI-Native

A practical guide to thriving on the EDGE

AUGUST 2025



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Executive Summary

> "More than **80%** of AI projects Fail."[1]
>
> **—RAND Corporation**

More than eighty percent of AI projects fail. This harsh reality creates a staggering paradox when compared to the widely accepted assertion from many, including AI pioneer and Stanford professor Andrew Ng, that "***AI is the new electricity.***"[2] How can a technology with such transformative potential have such a high rate of failure in practice, and how can we respond?

This disconnect between the promise of AI and the value we derive from it is the central challenge of this era.

We have entered a historic technological revolution, a moment of profound transformation that is reshaping the global economy – The Age of AI.[3] Just as electricity transformed nearly every industry over a century ago, AI is poised to redefine every major sector of modern life. But how is this era truly different, and why are the strategic models of the past no longer sufficient?

The difference lies in ***four powerful forces now defining our world:*** **Exponential** growth, **Disruptive** transformation, **Generative** creativity, and **Emergent** behaviors. It is a new reality that renders traditional business playbooks obsolete. In a world defined by **EDGE**, how can organizations compete when the game itself has changed?

The answer to this challenge lies in a fundamental transformation of the organization itself. Competing in an **EDGE** world requires a new state of readiness—a profound shift in how professionals think, teams collaborate, and value is created. It is the journey to becoming **AI-Native:** the state of relentlessly embedding AI in new ways of thinking and working to navigate and lead in the Age of AI.

AI-Native

> The state of relentlessly embedding AI in new ways of thinking and working to navigate and lead in the Age of AI.

Seven AI-Native Success Factors support organizations on this journey. These interconnected factors are the essential building blocks for creating a culture of continuous evolution, providing a clear path for any organization to *thrive on the EDGE*.

The gap between organizations that embrace this new state and those that do not is quickly widening from a matter of performance to one of survival. Becoming AI-Native is therefore not an option; it is a fundamental imperative for survival and future relevance.

To explore the full curriculum, learn more about our courses, and begin your AI-Native journey, visit ai-native.scaledagile.com

[1] James Ryseff, Brandon F. De Bruhl, and Sydne J. Newberry, The Root Causes of Failure for Artificial Intelligence Projects and How They Can Succeed: Avoiding the Anti-Patterns of AI, RR-A2680-1 (Santa Monica, CA: RAND Corporation, 2024), accessed July 25, 2025, https://www.rand.org/pubs/research_reports/RRA2680-1.html.

[2] Stanford Graduate School of Business. "Andrew Ng: Why AI Is the New Electricity." Stanford Business, March 15, 2018 https://www.gsb.stanford.edu/insights/andrew-ng-why-ai-new-electricity

[3] By AI we mean broadly – traditional AI/ML, Generative AI, Agentic AI, and Emerging AI Technologies

The Age of AI

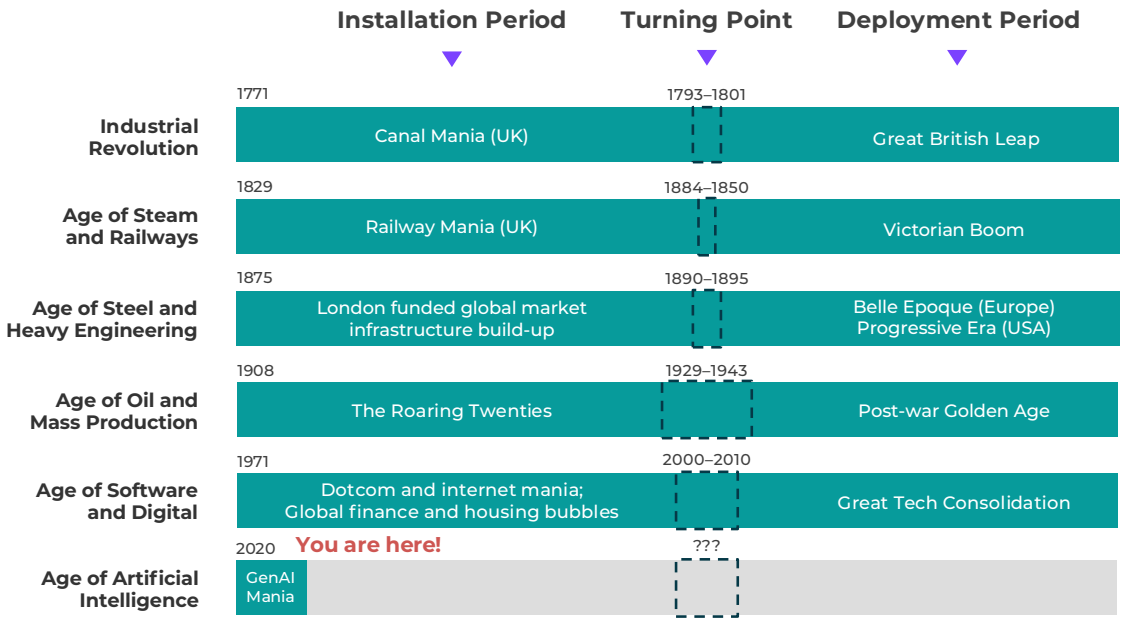
The Sixth Technological Revolution

We stand at a historic inflection point comparable to the birth of the steam engine, electricity, or the microprocessor—a moment that is fundamentally reshaping our economy, society, and work. To navigate these changes successfully, it is essential to understand their unique character and develop new frameworks tailored to their unprecedented challenges.

Carlota Perez's influential analysis of technological revolutions provides a powerful lens for understanding our current moment.[4] Perez demonstrated that each great technological revolution begins when a single, unmistakable breakthrough supplies a new, cheap, all-pervasive "input," unleashing a wave of interlocking innovations that reorganize the whole economy and society.

By Perez's own measures—an emblematic big-bang, a generic input, and multi-industry transformation—the evidence now points to a sixth technological revolution underway: **the Age of Artificial Intelligence** (Figure 1).

> The evidence now points to a sixth technological revolution underway: the Age of Artificial Intelligence.



Source: The five technological revolutions, adapted from *Technological Revolutions and Financial Capital* by Carlota Perez (2002).

Figure 1: The Age of Artificial Intelligence

The breakthrough came with the arrival of large-scale, general-purpose AI foundation models—technically heralded by OpenAI's GPT-3 (2020)[5] and made visible to the world through ChatGPT's viral launch on November 30, 2022.[6] These models **deliver on-demand machine intelligence** as readily and cheaply as the microchip delivered computation.

[4] Perez, C. (2009). Technological revolutions and techno-economic paradigms (Working Papers in Technology Governance and Economic Dynamics No. 20). Tallinn University of Technology / The Other Canon Foundation. http://technologygovernance.eu/files/main/2009070708552121.pdf

[5] OpenAI. "OpenAI API." Last modified June 11, 2020. https://openai.com/index/openai-api/

[6] OpenAI. "Introducing ChatGPT." Last modified December 2022. https://openai.com/index/chatgpt/

The EDGE Framework

Navigating the Age of AI

To make sense of this technological revolution, we introduce a Framework for making sense of the modern world: EDGE—Exponential, Disruptive, Generative, and Emergent (Figure 2). While other factors contribute, Artificial Intelligence is the principal accelerant of these four forces: it steepens exponential curves, makes disruption continuous, injects machine creativity into every process, and triggers emergent behaviors that defy prediction. In the following sections, we explore each of these four forces in detail below.

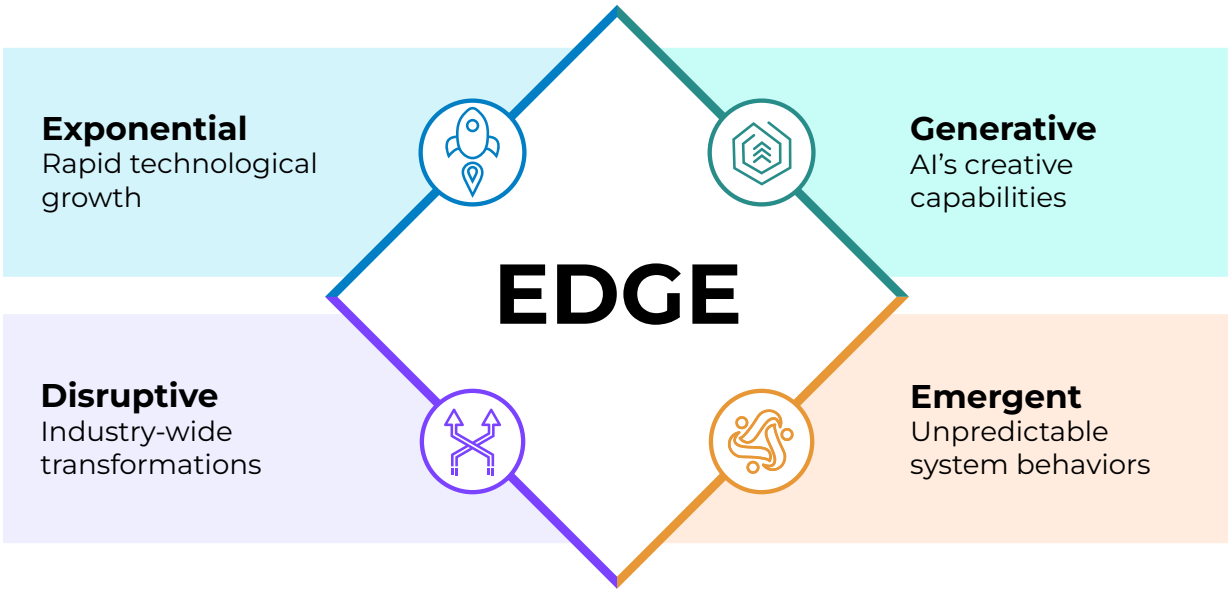


Figure 2: Navigating the Age of AI with EDGE

Exponential Growth

The breakneck speed and compounding nature of developments in today's environment are unprecedented and require new ways of thinking and working. This is most visible in the AI models themselves. Where just a few years ago models had billions of parameters, today's frontier models have well over a trillion, a rate of growth with no historical precedent.

This exponential growth is also seen in adoption rates, where new AI tools can acquire 100 million users in a matter of weeks—a milestone that took the Internet years to achieve.[7] The Age of AI is marked by each innovation becoming a launchpad for the next, with model sizes, data volumes, and performance metrics ballooning far beyond traditional linear projections.

[7] Hu, Krystal. "ChatGPT Sets Record for Fastest-Growing User Base—Analyst Note." Reuters, February 2, 2023. https://www.reuters.com/technology/chatgpt-sets-record-fastest-growing-user-base-analyst-note-2023-02-01/

Organizations must replace rigid planning with adaptive strategy and rapid experimentation. Real-time data-empowered cross-functional teams and shorter review cycles help organizations pivot quickly, capturing compounding gains while containing risk. The mandate is to think and act at the speed of change, transforming exponential forces from a threat into a growth engine.

> "AI advances at five times the speed of the internet and produces three times the impact."[8]
>
> —**John Chambers**, former CEO of Cisco

Disruptive Transformation

AI and other technological forces are continuously upending industries and established business models. In the current landscape, entire markets can be redefined overnight as new entrants or technologies rewrite the rules of competition.

The pace at which disruption occurs is itself accelerating – innovations brought about by AI are not confined to tech companies alone but are rippling through finance[9], healthcare[10], education[11], and beyond. We are on the cusp of major upheavals in how we live and work, from the way we communicate to how we manage health, as intelligent systems automate tasks and enable new services.

Over the next three years

85% of executives say AI will enable business model innovation, and **89%** say it will drive product and service innovation. **IBM** [12]

AI application startups are achieving significant revenue milestones at unprecedented speeds: companies like Perplexity and Synthesia have reached up to **$200 million in annual recurring revenue** within a few years, a pace much faster than previous tech generations.[13] This rapid growth is indicative of entirely new business categories emerging around AI applications.

To succeed in this changing market, every major shift should be seen as an opportunity. Organizations need to be open to replacing outdated products with new ones, quickly shifting resources to the most promising ideas, and consistently looking ahead to explore future trends and plan for different scenarios. This proactive approach enables an organization to lead the transformation in its industry, rather than just respond to it.

[8] Chambers, John. "Lead or lag: CEOs must embrace AI at full speed." Interview by Lareina Yee. McKinsey & Company, May 7, 2025. https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/lead-or-lag-ceos-must-embrace-ai-at-full-speed

[9] McKinsey & Company, "Extracting value from AI in banking: Rewiring the enterprise", December 2024 https://www.mckinsey.com/industries/financial-services/our-insights/extracting-value-from-ai-in-banking-rewiring-the-enterprise/

[10] Deloitte, "2025 global health care outlook", January 2025 https://www2.deloitte.com/us/en/insights/industry/health-care/life-sciences-and-health-care-industry-outlooks/2025-global-health-care-executive-outlook.html

[11] UNESCO, "What You Need to Know about UNESCO's New AI Competency Frameworks for Students and Teachers," December 6, 2024 https://www.unesco.org/en/articles/what-you-need-know-about-unescos-new-ai-competency-frameworks-students-and-teachers

[12] IBM Institute for Business Value. "5 Trends for 2025." Last modified December 4, 2024 https://www.ibm.com/thought-leadership/institute-business-value/en-us/report/business-trends-2025

[13] PYMNTS. "AI App Startups Making Rapid Gains in Sales and Funding." PYMNTS, April 14, 2025 https://www.pymnts.com/startups/2025/ai-app-startups-making-rapid-gains-in-sales-and-funding/

Generative Creativity

The unique and unprecedented creative capability of modern AI systems to produce novel ideas, content, and solutions unlocks new business opportunities. Unlike previous technological advances that mainly automated or accelerated human tasks, today's AI can generate – it composes music, writes code, designs products, and can even discover new drug molecules or materials. This is a fundamental shift: we have moved from an era of automation to an era of innovation at machine speed.

Generative AI models (like large language models and image generators) can create text, art, software, video, or simulations that previously required human imagination. This opens up extraordinary opportunities for businesses, from hyper-personalized marketing content crafted by AI to AI-designed prototypes and blueprints that drastically cut time-to-market.

The rapid evolution of Generative AI has now led to Agentic AI, representing an even more sophisticated advancement where AI systems can operate with increased autonomy and purpose. Agentic AI systems not only generate content but can plan, execute, and iterate on complex tasks with minimal human supervision and act in the real world.

> **25%** of enterprises using GenAI are forecast to deploy AI agents in 2025, growing to **50%** by 2027.[14] **Deloitte**

This progression from simple generation to goal-oriented agency transforms how businesses can potentially leverage AI. Despite this early promise and the growing excitement around agentic AI, most organizations have yet to see meaningful results. The foundational elements—such as organized data, consistent workflows, enabling infrastructure, and clear governance around agentic systems—are still immature or missing, making it difficult for businesses to scale or realize the full value of autonomous AI systems.[15]

However, this boon comes with new strategic questions: How do we judge originality and quality in AI-created output? Who owns the intellectual property of an AI-generated design? And how do we manage the ethical implications of machines producing content and decisions? With Agentic AI, these questions become even more complex: What degree of autonomy should we grant AI agents? How do we ensure accountability for decisions made by increasingly independent systems? These are just some of the questions that underscore how generative and agentic technologies are double-edged swords – they can drive breakthrough innovation, but they also disrupt traditional notions of expertise, authorship, oversight, and control.

Generative and Agentic AI demand embedding machine creativity and autonomy into core workflows while enforcing clear guardrails on bias, transparency, and IP. Furthermore, upskilling talent and establishing AI centers of excellence will let humans and AI co-design products, accelerate R&D, and personalize experiences at scale. When governed responsibly, these advanced tools unlock rapid and transformative innovation by not just generating content but by actively pursuing business objectives with increasing independence and sophistication.

[14] Deloitte. "Deloitte Global's 2025 Predictions Report: Generative AI." Deloitte, November 19, 2024 https://www.deloitte.com/global/en/about/press-room/deloitte-globals-2025-predictions-report.html

[15] Vellante, Dave. "The Long Road to Agentic AI: Hype vs. Enterprise Reality." *SiliconANGLE*, April 21, 2025 https://siliconangle.com/2025/04/21/long-road-agentic-ai-hype-vs-enterprise-reality/

Emergent Behaviors

The capabilities and behaviors that materialize suddenly when models reach new levels of scale or are placed in novel contexts are the essence of emergence. Research shows that dozens of tasks remain unsolved in smaller language models, yet "switch on" abruptly once parameter counts cross critical thresholds, meaning performance can no longer be forecast by straight-line extrapolation.[16] Microsoft's independent audit of GPT-4 reported similar "sparks" of unexpected reasoning, coding, and vision skills that did not appear in earlier systems and could not be anticipated from their training objectives.[17] Because these step-changes emerge from complex interactions among data volume, architecture, and real-time user prompts, leaders are operating in a strategic landscape fundamentally different from what they are used to.

> "AI with reasoning power will be less predictable."[18]
>
> **—Ilya Sutskever**, Co-Founder OpenAI

For professionals and organizations, the practical takeaway is opportunity, not alarm. Emergent behaviors explain why the same foundation model that drafts marketing copy today can, with a prompt engineering breakthrough, design a prototype tomorrow, compressing innovation cycles and rewarding firms that iterate quickly.

Emergent AI reframes organizational priorities from forecasting linear change to orchestrating exponential possibilities. The organizations that thrive will be those that recognize emergence as a source of competitive advantage—capturing surprise upside while installing lightweight guardrails to keep surprises positive. By embracing adaptive governance and cultivating teams who can translate unexpected model behaviors into fresh value propositions, AI-Native professionals turn the new reality of emergence from a risk to be feared into a catalyst for growth.

[16] Gemini Team, Google. Gemini: A Family of Highly Capable Multimodal Models. Technical report. Mountain View, CA: Google DeepMind, December 2023 https://storage.googleapis.com/deepmind-media/gemini/gemini_1_report.pdf

[17] Bubeck, Sébastien, Varun Chandrasekaran, Ronen Eldan, Johannes Gehrke, Eric Horvitz, Ece Kamar, Peter Lee, et al. "Sparks of Artificial General Intelligence: Early Experiments with GPT-4." arXiv preprint arXiv:2303.12712 (2023) https://arxiv.org/abs/2303.12712

[18] Computing. "Genuinely Intelligent AI Will Be Unpredictable, Warns Former OpenAI Chief Scientist." December 16, 2024 https://www.computing.co.uk/news/2024/ai/sutskever-warns-ai-will-become-less-predictable

Becoming AI-Native

The four forces of the EDGE Framework—Exponential, Disruptive, Generative, and Emergent—are the persistent pressures now defining the modern business environment, as illustrated in Figure 3. Thriving amidst this constant change requires a fundamental shift in an organization's core capabilities and culture. The enterprise must evolve to a point where it can harness these powerful forces for growth and innovation. This evolution is the work of becoming AI-Native.

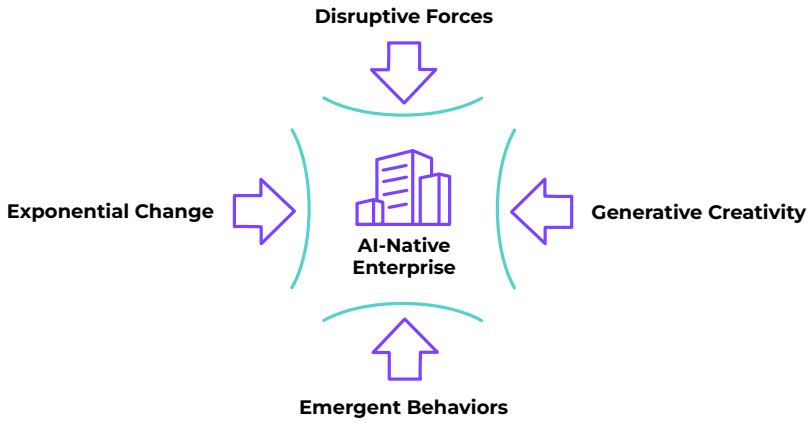


Figure 3: EDGE demands enterprises become AI-Native

To fully grasp what it means to be AI-Native, it is helpful to first understand what it is not. A traditional organization treats AI as a siloed, specialist tool—a capability housed in the IT department or a "center of excellence," to be deployed on discrete projects. In this model, strategy is set by humans, and only then is AI engaged to optimize the execution. It is, fundamentally, an "AI-as-a-bolt-on" or "AI-as-an-afterthought" approach.

An AI-Native organization, by contrast, treats artificial intelligence as a pervasive, foundational component of the entire enterprise, much like electricity or the internet. It is not a separate department but a part of its DNA. This represents a profound cultural shift: AI is no longer a tool to be commanded but a thought partner to be integrated into every stage of work, from brainstorming and strategy formation to product development and customer service. The goal is not merely to do old things faster, but to discover entirely new things to do—unlocking the generative and emergent potential needed to thrive on the EDGE.

AI-Native describes the state of recognition that relentless evolution in thought and action is essential to maintaining relevance and prospering in an exponential, disruptive, generative, and emergent world (EDGE). Simply put:

> **AI-Native is**
>
> the state of **relentlessly embedding AI** in new ways of thinking and working to navigate and lead in the Age of AI.

AI-Native Success Factors

These are the essential building blocks for success for any organization committed to becoming AI-native and leading with AI.

1. Anchor AI to Business Value

AI is a business lever. Connect each initiative to performance outcomes so value is measurable, repeatable, and aligned with the bottom line.

2. Upskill Relentlessly

AI's rapid evolution shows no sign of slowing. By continuously learning and doing, you keep aligned with each breakthrough and turn every new advance into a fresh advantage.

3. Start Smart, Include AI Early

Treat AI as a founding partner, not just an execution tool. Begin every initiative by asking "How can AI help?" to unlock more ambitious and imaginative outcomes from the very beginning

4. Move Fast, Learn Fast

Leverage AI to shorten the distance between idea and outcome, creating a rapid loop of innovative action, learning, and adaptation.

5. Provide Context for AI

AI works best when it understands the full context. By giving it clear, complete information, you turn it from a black-box tool into a trusted collaborator that fosters faster alignment and enables smarter collective decisions.

6. Embed AI into the Everyday

Make AI a natural, effortless part of work. Use it to support decision-making, streamline everyday tasks, and accelerate creative problem-solving.

7. Innovate Boldly, Govern Wisely

Innovation without accountability is a risk. Steering AI with strong guardrails ensures speed doesn't outpace responsibility, and trust becomes your long-term advantage.

These seven factors form an integrated system. To put them into practice, let's examine each one in detail, starting with the foundational success factor: Anchor AI to Business Value.

1. Anchor AI to Business Value

> AI is a business lever. Connect each initiative to performance outcomes so value is measurable, repeatable, and aligned with the bottom line.

Many organizations experiment with AI, but this often leads to what we call the "Proof of Concept (POC) Graveyard," where interesting ideas never translate to bottom-line impact.[19] Despite widespread AI adoption, many organizations continue to face challenges in capturing material business impact.[20] Anchoring every initiative to a specific business outcome is the most effective way to reverse this trend.

For Individuals: AI-Native professionals use the time and energy AI saves to drive meaningful results—strengthening client relationships, pursuing innovative ideas, and elevating the quality of their work.

For Organizations: In an AI-Native organization, every AI initiative directly relates to concrete business outcomes: higher customer satisfaction, increased revenue, and enhanced employee well-being. Efficiencies gained free up resources for more valuable work.

Business Outcome: Anchoring to business value transforms AI from an expensive science project into a predictable engine for growth, ensuring every dollar invested in technology delivers a measurable return in customer satisfaction, revenue, and market share.

2. Upskill Relentlessly

> AI's rapid evolution shows no sign of slowing. By continuously learning and doing, you keep aligned with each breakthrough and turn every new advance into a fresh advantage.

The exponential pace of AI development creates a constant and widening skills gap within organizations. This is a direct threat to organizational success and competitiveness, as organizations worry about finding the right talent to compete. With some leaders estimating that over 40% of their workforce will require reskilling in the next three years alone[21], and that by 2030, nearly 12 million US workers (about 7.5% of employment) may need to change occupations[22], the need to focus on skill building has taken on a greater urgency than ever before. Upgrading skills is no longer just an HR initiative; it is a strategic imperative for long-term relevance and success.

For Individuals: Commit to growing alongside AI. The most effective professionals see AI not as a threat but as an opportunity to expand their own capabilities. They eagerly learn the latest tools, refine their prompting techniques, and experiment with new collaboration methods. With each interaction, they become more fluent in this human-AI partnership.

For Organizations: In an AI-Native company, everyone from interns to executives continuously expands their AI knowledge and skills. The organization becomes a self-powered learning community, where teams eagerly teach and learn from each other, viewing every new AI capability as an opportunity to elevate the entire team.

Business Outcome: Continuous upskilling ensures your workforce doesn't just keep pace with change—they learn to outpace competitors, driving the innovation and operational excellence that retains top customers.

[19] McKinsey calls this "pilot purgatory". McKinsey & Company. Seizing the Agentic AI Advantage. QuantumBlack, AI by McKinsey. June 13, 2025 Accessed July 28, 2025. https://www.mckinsey.com/capabilities/quantumblack/our-insights/seizing-the-agentic-ai-advantage

[20] McKinsey Global Institute. "The State of AI in Early 2024." McKinsey & Company, May 30, 2024 https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai-2024

[21] IBM Institute for Business Value. "Augmented work for an automated, AI-driven world." IBM. Accessed July 27, 2025 https://www.ibm.com/thought-leadership/institute-business-value/en-us/report/augmented-workforce

[22] McKinsey Global Institute. "Generative AI and the future of work in America." McKinsey & Company, July 26, 2023 https://www.mckinsey.com/mgi/our-research/generative-ai-and-the-future-of-work-in-america

3. Start Smart, Include AI Early

> Treat AI as a founding partner, not just an execution tool. Begin every initiative by asking "How can AI help?" to unlock more ambitious and imaginative outcomes from the very beginning.

Traditionally, technology is treated as a downstream tool for executing a plan that has already been set. The AI-Native approach, by contrast, embodies the "AI-First" principle, which applies to every business activity, not just major projects. This means asking "How can AI enhance this?" at the very inception of a task, from drafting a routine internal memo to formulating corporate strategy.

This mindset shift—from viewing AI as an execution tool to an imaginative collaborator—is what enables breakthrough innovation. With 85% of business leaders expecting AI to deliver a positive ROI, this signals a clear organizational priority.[25] When an organization commits to "Start Smart," it empowers its people at all levels to uncover unseen opportunities and pursue more ambitious goals, creating a distinct competitive advantage.

For Individuals: Begin each task with an openness to what AI can contribute, you empower yourself to explore solutions beyond the obvious and attempt the extraordinary. Shift your mindset from asking "What do I have to do?" to "What can we achieve together with AI?"

For Organizations: Imagine a company where every initiative begins with the question, "How can AI help us achieve business value?". In an AI-Native organization, this is the norm—teams launch initiatives by tapping into AI's insights immediately, sparking bold ideas and uncovering opportunities no one initially saw.

Business Outcome: By treating AI as a creative partner from day one, you de-risk innovation and unlock entirely new value streams, pursuing ambitious goals that are more resilient, more imaginative, and ultimately, more profitable.

4. Move Fast, Learn Fast

> Leverage AI to shorten the distance between idea and outcome, creating a rapid loop of innovative action, learning, and adaptation.

In an exponential environment, the ability to move and learn faster than the competition is a primary driver of success. Generative AI provides a significant advantage here, with documented cases of improving product manager productivity by 40% and boosting developer productivity by 30 to 40%.[23] This operational speed translates directly to market leadership. Research shows that companies with leading digital and AI capabilities significantly outperform their lagging competitors across key performance metrics.[24]

For Individuals: Embrace a mindset of constant refinement and discovery. With AI as a brainstorming partner, professionals can produce rough drafts or simulations rapidly and immediately begin learning from them.

For Organizations: In an AI-Native culture, teams swiftly launch pilots and simulations with AI, treating every initiative as a flexible, adaptive experiment. This iterative spirit energizes the entire company; people feel confident exploring bold ideas, knowing they can quickly adjust their course, turning small tweaks into big wins.

Business Outcome: This cycle of rapid, purposeful experimentation is a direct driver of market leadership, enabling teams to consistently outperform competitors by delivering superior value to customers faster.

[23] Haski, Harel, Chris Musso, Ryan Rist, and Angelika Schubert. "The Gen AI Skills Revolution: Rethinking Your Talent Strategy." McKinsey & Company, November 14, 2023. https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/the-gen-ai-skills-revolution-rethinking-your-talent-strategy

[24] Weddle, Brooke, Bryan Hancock, Heather Stefanski, and Maisha Glover. "We're All Techies Now: Digital Skill Building for the Future." McKinsey & Company, July 14, 2025. https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/we-are-all-techies-now-digital-skill-building-for-the-future

[25] IBM. "CEO's guide to generative AI." IBM Institute for Business Value, September 2023 https://www.ibm.com/thought-leadership/institute-business-value/en-us/c-suite-study/ceo

5. Provide Context for AI

> AI works best when it understands the full context. By giving it clear, complete information, you turn it from a black-box tool into a trusted collaborator that fosters faster alignment and enables smarter collective decisions.

The quality of an AI system's output is entirely dependent on the quality of the input it receives. When teams provide incomplete information or use low-quality data, the results are unreliable and can introduce significant risk. Data accuracy and bias are top concerns for enterprises, with 45% of organizations citing them as a major issue, while another 42% report that their firm lacks sufficient high-quality data to customize AI models effectively.[26] By committing to "tell the full story"—providing rich, complete context for every task—organizations mitigate these risks and dramatically improve the relevance and safety of AI-generated insights, turning AI from an unpredictable tool into a reliable partner.

For Individuals: Always set the stage for your AI collaborator by sharing the full story. When you provide a clear sense of your goal, background, and constraints upfront, you receive insightful, precise responses. This act of articulating the full context for an AI has a powerful secondary benefit: it compels you to structure your thinking more logically and define your objectives with greater precision.

For Organizations: In an AI-Native company, there's a shared understanding—common definitions, data sources, and context—that illuminates every decision. This clarity ensures human creativity and AI intelligence reinforce each other, fostering complete trust and enabling bold, aligned action.

Business Outcome: This discipline of providing complete context turns AI into a high-trust collaborator, leading to smarter, faster decisions that reduce operational risk and accelerate alignment across the entire business.

6. Embed AI into the Everyday

> Make AI a natural, effortless part of work. Use it to support decision-making, streamline everyday tasks, and accelerate creative problem-solving.

The full potential of AI is only realized when it moves from being a specialist tool to a universal utility, embedded seamlessly into routine work. While high-level adoption is already widespread, with 78% of organizations using AI in at least one business function, a significant gap often remains between high-level goals and daily reality.[27]

AI-Native organizations close this gap by embedding AI capabilities directly into the everyday workflows of every employee, making its use as routine as sending an email. This pervasive access ensures that innovation and efficiency gains are not confined to specific teams but are a constant, organization-wide phenomenon.

For Individuals: Integrate AI naturally into your daily routines to surface hidden insights and inspire unexpected ideas. When AI becomes a regular part of your workflow, it helps you see connections, explore creative solutions, and discover opportunities you might otherwise overlook.

For Organizations: In an AI-Native enterprise, intelligence is embedded across the organization, empowering teams to quickly identify innovative strategies, insights, and opportunities that traditional processes might miss. This culture of continuous discovery transforms daily work into a dynamic exploration, continually elevating organizational creativity and competitive advantage.

Business Outcome: When AI becomes a natural part of daily work, it creates a compounding effect on innovation and efficiency, establishing a sustainable competitive advantage that is difficult for rivals to replicate.

[26] IBM. "AI Adoption Challenges." IBM Think Insights, February 14, 2025. https://www.ibm.com/think/insights/ai-adoption-challenges

[27] Stanford Institute for Human-Centered Artificial Intelligence. The 2025 AI Index Report. Stanford HAI, 2024 https://hai.stanford.edu/ai-index/2025-ai-index-report

7. Innovate Boldly, Govern Wisely

> Innovation without accountability is a risk. Steering AI with strong guardrails ensures speed doesn't outpace responsibility, and trust becomes your long-term advantage.

The ultimate challenge of the AI era lies in balancing two competing pressures: the mandate to innovate boldly to capture value, and the need to govern wisely to manage risk. As AI becomes more capable and autonomous, the biggest challenge is not technical, but human: "earning trust, driving adoption, and establishing the right governance to manage agent autonomy and prevent uncontrolled sprawl".[28]

Without clear, sensible guardrails, the very speed and creativity that make AI powerful can lead to brand damage, legal exposure, and loss of trust with customers, partners, and employees. AI-Native organizations master this paradox, creating frameworks that empower teams to experiment while ensuring accountability and ethical oversight.

For Individuals: Incorporating strong, sensible guardrails around AI initiatives ensures that creativity and agility never compromise trust. This thoughtful innovation empowers teams to push the boundaries of possibility responsibly, knowing their work is both pioneering and secure.

For Organizations: An AI-Native organization balances rapid innovation with diligent governance. This approach strengthens the company's reputation, building lasting trust with customers, partners, and employees and sustaining long-term competitive advantage.

Business Outcome: This balance of ambition and accountability is not a constraint; it is a strategic advantage that builds enduring brand trust, customer loyalty, and the market resilience needed to lead responsibly.

[28] Allas, Tera, Michael Chui, and Alex Singla. "Seizing the Agentic AI Advantage." McKinsey & Company, May 22, 2024 https://www.mckinsey.com/capabilities/quantumblack/our-insights/seizing-the-agentic-ai-advantage

Your Path to Becoming AI-Native

Ultimately, every organization faces a strategic decision: to continue operating with models designed for a previous, more linear era, or to adopt a new organizational identity fit for the Age of AI. Becoming AI-Native is not an IT upgrade or a limited change initiative; it is a fundamental imperative for continued relevance and success. The organizations that succeed in this new era will be those that relentlessly embed Artificial Intelligence into their ways of thinking and working, creating a culture where teams are empowered to find new sources of value and drive innovation.

Understanding the concepts in this paper is the essential first step. However, turning these into embedded skills and enterprise-wide capabilities requires a dedicated and structured approach to learning. True transformation happens when teams and individuals are equipped with the new ways of thinking and working demanded by the Age of AI.

To guide this transformation, we have developed a comprehensive learning journey designed to make significant strides toward becoming AI-Native. This path includes:

AI-Native Foundations

The essential starting point for all professionals. This course builds universal AI literacy and an understanding of the EDGE Imperative. It culminates in a hands-on experience where each participant uses a structured method to redesign one of their own personal workflows, embedding AI to create immediate, tangible value.

AI-Native Change Agent

The deep-skilling course for individuals tasked with leading successful AI initiatives. This program equips change champions with the advanced skills to guide initiatives from concept through to delivery using a proven, repeatable process. Participants learn how to align stakeholders, translate complex AI concepts into business terms, and navigate the complexities of data, risk, and production operations to deliver measurable business value.

AI-Native Trainer

For organizations committed to scaling this new way of working, we also offer a path to certify AI-Native Trainers, creating an engine for enterprise-wide transformation. AI-Native Trainers are authorized and enabled to deliver both the AI-Native Foundations and AI-Native Change Agent courses.

The journey to becoming AI-Native is a strategic imperative for organizations seeking to thrive in the years ahead. To explore the full curriculum, learn more about our courses, and begin your AI-Native journey, visit us at ai-native.scaledagile.com

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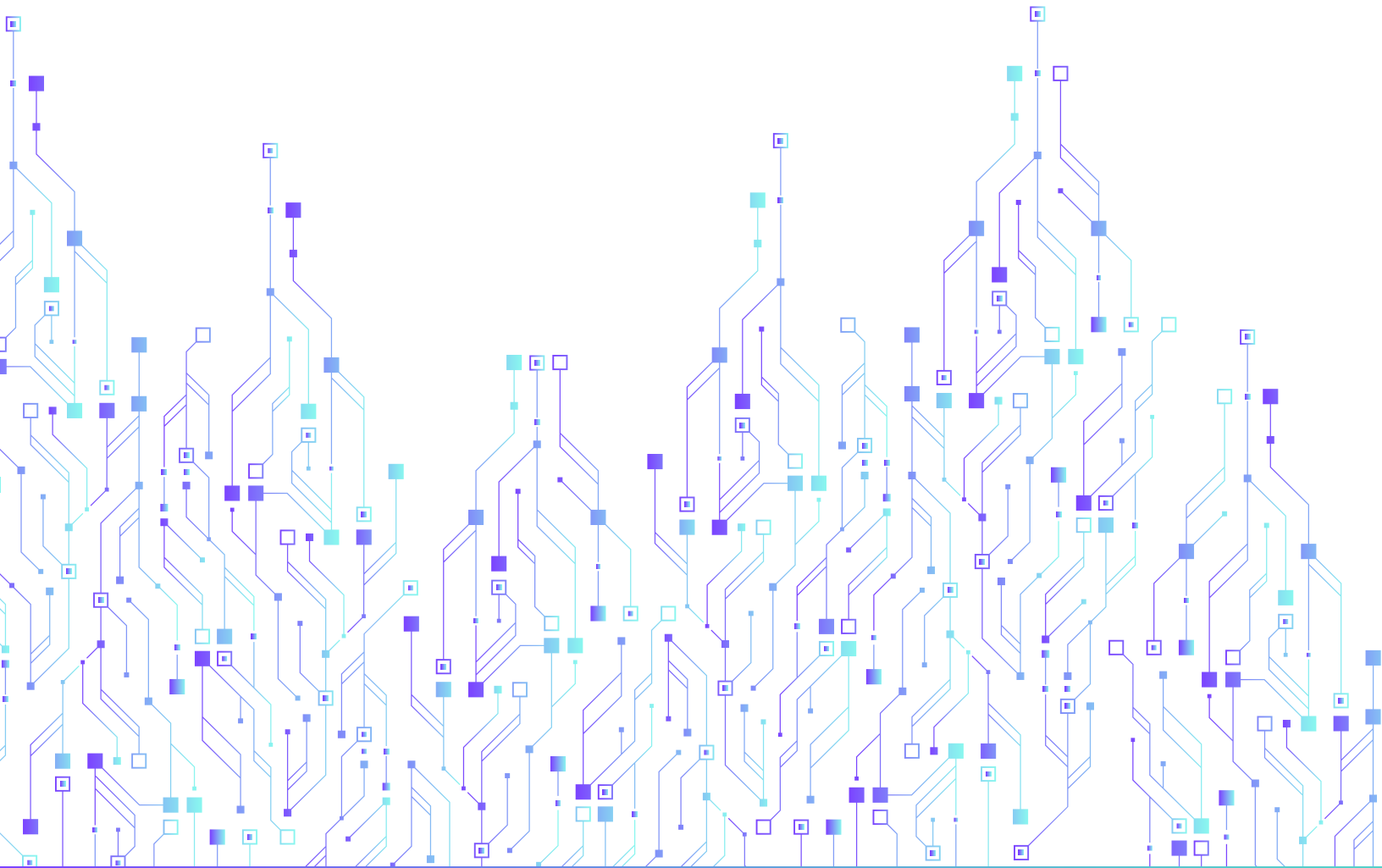

 August 22, 2025