



By



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Catherine is the Managing Director of WIRED's Consulting Business. Her team is dedicated to taking the WIRED network, knowledge and brand to commercial organizations – helping them to build knowledge, inspire audiences and raise their voice on the trends shaping our world.

Her career has spanned roles in large corporations (PwC, Mars, Conde Nast) and small scale-ups – something that gives her an appreciation of life and leadership at both ends of the spectrum!

Her role at WIRED sees her engage with the world's leading thinkers, academics, business leaders and entrepreneurs, on topics ranging from AI to climate tech to quantum cryptography.

With over 25 years' experience in insight, strategic consultancy, and business management, Catherine brings a wealth of knowledge around the trends, technologies and external pressures impacting business today.

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Leading in the Age of AI – Avoid the Emperor's new clothes syndrome

Bubbly, hype-fuelled and an existential business necessity. This is AI in 2026.

On several occasions in 2025, I found myself comparing leadership approaches to AI with the classic fairytale, 'The Emperor's New Clothes'. When it came to 'AI' – an unhelpfully broad term with multiple permutations and countless fast-moving parts – many leaders were living in fear of looking uninformed or admitting 'I don't know'. Management teams felt the pressure to have shiny examples of how their businesses were using AI, resulting in a focus on style over substance and wasted investments. Boards had unrealistic expectations of forward-looking AI plans that led to overpromised outcomes. In short, it seemed that leaders felt immense pressure to roll with the AI bandwagon, have the answers, and showcase success stories.

The reason for this immense pressure is clear. While AI is far from new, generative AI represents a generational leap in capabilities. No longer the preserve of 'techies' or IT leaders, AI is increasingly accessible, continually improving, and is already delivering value for a growing number of organizations – trends that are set to escalate.

But, in 2025, AI hype was rife. If leaders paid attention to even a fraction of the business-focused AI content being served to them, they'd believe

that most organizations are confidently deploying AI across business functions, many are using AI agents to autonomously take on tasks, and most are well on the path to realizing significant ROI. Of course, for all but the most advanced few at the tip of the iceberg, that was not the case.

In my role as Managing Director of WIRED's Consulting's division — a team focused on helping businesses understand new technologies and explore their implications — I spent much of 2025 in roundtable conversations with executives, running workshops across the globe with the AI-curious, chairing conferences with business leaders, and fronting live broadcast events with AI experts. My team surveyed thousands of leaders and interviewed hundreds of pioneers who were leading the charge. This has provided a unique insight into the minds and workplaces of leaders in 2025 — where they're confident, where they're stumbling, where they want help — and how they're thinking about AI in 2026. So, here are a few of my takeaways from the year that was, along with a look at big topics for the year ahead...

Few organizations fully embraced AI in 2025 but almost all were thinking about it

2025 was that year in which almost all businesses, and a much wider cross-section of leadership roles, began to view AI as a business necessity. It was the year in which people sought to look through the hype and seriously get involved — something WIRED's partnership with Kyndryl¹ set out to support. But despite the stories emerging from pioneering tech firms and their fast-followers, AI was not yet transforming most of the world's businesses.

Our June 2025 survey of over 1,000 people who registered for our Kyndryl digital event revealed that 95% of organizations are engaging with AI in some way — albeit the spectrum of engagement is vast, and a third are still at the early exploration stage. Almost half (49%) had moved beyond early

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exploration of ideas and were either piloting or embedding some AI in their organizations. Just 13% were 'fully embracing' AI.²

Sharing these stats in the global face-to-face workshops that followed our digital event elicited palpable relief from rooms full of ambitious senior executives, as they realized that they were, in fact, not behind the curve. Faced with the concrete evidence that not everybody else was as far ahead as they thought, people opened up. They shared challenges around wider business engagement, they lamented board expectations of success rates, and they discussed the need for trusted guidance and real-world examples.

Bubble or no bubble, embracing AI in 2026 is a must

If 2025 was a year when the vast majority of businesses started to think differently and explore AI, 2026 will be the year when organizations demonstrably make their way up the adoption curve — piloting and scaling AI in a meaningful way. It will be a year where we see AI, generative or otherwise, embedded across more companies and more functions, from engineering to customer service to marketing to supply chain, making people, processes and organizations more efficient and more effective.

For those operating on razor thin margins, dependent on slick operations at scale, and/or needing to do more with less, strategically deploying AI will help them remain competitive.

Recently, conversation has moved to the much discussed 'AI bubble', something that has seen leaders wonder if they need to exercise caution. Yes, it's widely acknowledged that investment has been off the scale, some valuations are wild, and claims of replacing humans with fully autonomous systems have been grossly overestimated. In places, AI has all the traits of being a very big bubble indeed.³ However, this is not a yes or no question. 2025 has already shown us that much of AI is not hype, and AI will not disappear even if the heat comes out of the market. Almost all transformative innovations produce a bubble – the internet, biotech – and when the shakeout ends, the good ideas remain, the industry is stronger, and it's clearer what that technology 'means'. So don't be too distracted by bubble talk; instead focus on durable, value-driven AI projects.

Regardless of business size, thinking like an 'AI-native' will unlock possibilities

If you're not familiar with the concept of an AI-native company, you will be soon – they are emerging at pace. For the likes of Perplexity or ElevenLabs, AI is a core capability, foundational to their strategy, operations and, ultimately, their value creation. AI-native businesses per se are not new, but the recent wave, built around gen-AI tools and models, have the potential to radically disrupt markets and challenge incumbents.

Eye-opening, it's not just long-established institutions that face disruption. Enterprise tech startups are already emerging that have optimized their people, processes and organizational design for the new era of gen-AI assisted coding – and believe this will give them the edge over competitors burdened by legacy approaches to building commercial software.



Whether you're an established global enterprise or a local SME, thinking like an AI-native opens the possibility of radically different outcomes and step-changes in performance. Imagine you have a blank sheet and the opportunity to redesign your business, unencumbered by today's realities, inherited systems and ways of working. With all of today's AI technology at your fingertips, and a magic wand to switch from old to new, how would you design differently? Odds on, you would, and rebuilding as an AI-native business would likely lead to extraordinary improvements in organizational effectiveness.

Of course, there is no magic wand, and for most leaders, the challenges of redesigning around the complexity of a legacy business are significant. So where can you begin and how can you transition to AI-native workflows, products and decision-making? As with any AI implementation, the answer is to start small, focus on one business-critical area that will deliver the greatest ROI and pilot. In 2026, we'll see more organizations striving to think like an AI-native and reconcile the reality of legacy systems with their ambition and vision for AI.

The promise of agentic AI is vast, but it's still in its infancy

In early 2024 few of us had heard of 'AI agents', yet, in the space of 18 months, they owned the tech headlines. Hype around agentic AI has exploded and, for good reason, is not going away.

AI agents are potentially a game-changer because not only can they assimilate data but they can decide what to do next and take actions to make that happen. The pitch to consumers is that they could make life easier. For example, they could not only research your holiday and plan your itinerary but could also go ahead and book every facet of that trip from flights to meals and excursions, interacting with third party sites to book and pay for everything on your behalf.

Now, imagine what that might look like across a complex organization, in which millions of decisions and transactions are made daily. Perhaps in the future, a 'workforce' of agents might take care of everything from time-consuming admin tasks to cybersecurity and software engineering. In 2024, Nvidia's Jensen Huang predicted⁴ that this is the world we're racing towards. Huang envisioned a time when Nvidia would deploy 100 million AI assistants, working with 50,000 humans to elevate organizational performance.

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overcome before we get there. But if that future does start to emerge, I find myself wondering: who will understand the decisions that are being made and how the data is being used? And what will the implications be for CEOs whose necks are firmly on the block?

We're all in it together...

In 2025, it felt like we hit the tipping point where organizational AI went mainstream. Businesses that had traditionally lagged behind were getting serious about it. Businesses that had already dived in started to think even bigger. Trust rose and 'traditional' machine-learning AI got a boost. Generative AI continued to bed in, showcasing new ways of getting things done. Even the AI pessimists struggled to deny that AI was all just hot air.

Yet our recent Kyndryl poll showed that only 24% of leaders were 'very confident' in using AI as part of their role. What's more, I often hear busy leaders with full-on day jobs comment that keeping up is hard. Having access to impartial and trusted knowledge, practical examples and lessons-learned is invaluable, yet this is hard to come by. Much content is thinly disguised marketing collateral, case studies are there to aid sales

rather than share true insights and, thanks to cautious PR teams, few leaders are willing to talk about failures and learnings on the public stage.

In the context of this extraordinarily fast-moving, hype-ridden AI landscape, it's impossible to have all the answers and, pretending to do so only perpetuates the 'Emperor's New Clothes'-esque challenges of 2025. As countless workshops have shown me, when a respected executive openly says 'I don't know', barriers roll down and other executives open up. This unlocks discussion of shared challenges, personal experiences and lessons learned - all gold dust for fellow leaders, grappling with similar issues. I'm hoping for more of that in 2026.

Yes, you're a busy bunch but try to make time for moments that give you the space to explore knowledge gaps with your peers. Chances are, you'll be glad that you did. —

References

- 1 'Moving beyond the hype: Why enterprises need to think differently about AI adoption', *Wired*
- 2 'Rethink AI: How to Unlock Meaningful Value in the New Age of Business', *Wired*
- 3 'AI Is the Bubble to Burst Them All', *Wired*
- 4 'Jensen Huang says he wants Nvidia to be a company with 100 million AI assistants', *Business Insider*

