EMERGENT PATH CONSULTING

BEYOND THE BLUEPRINT

Why AI implementations stall, and how to lead them as the emergent change they really are.

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White Paper

Executive Summary

AI implementation is unsuccessful because the model is wrong, but because the organization treated an emergent change as an engineered one.

The Paradox: Near-Universal Adoption, Rare Transformation

Enterprises are investing heavily in artificial intelligence and recovering surprisingly little. The evidence is stark: MIT's 2025 study The GenAI Divide, found that roughly 95 percent of generative-AI pilots produce no measurable impact on the bottom line, while only about 5 percent generate real financial value. McKinsey's 2025 Global Survey describes the same gap from another angle: Nearly 9 in 10 organizations now use AI in at least one function, but only about 7 percent have integrated it across the enterprise. Adoption is nearly universal; transformation is rare. Deloitte's 2026 State of AI in the Enterprise survey sharpens the picture: While twice as many leaders as the year before report transformative impact, only about a third are using AI to genuinely reimagine their business, and the rest are optimizing, or barely changing, what already exists.

Not the Technology, the Organization

It is tempting to read these numbers as a verdict on the technology, yet they are not. The evidence points consistently to the organization, not the model: Brittle integration, AI tools that do not learn, workflows that are not redesigned, thin capability, and weak ownership. In short, the failures are change management failures.

AI Is Emergent, Not Engineered Change

This paper makes a more precise claim. AI initiatives stall because organizations run them as a linear, predictable, install-and-switch-on project engineered change, when AI is among the most emergent changes a business can undertake. Its outcomes cannot be fully specified in advance, its value appears as people learn the tool and the tool learns the work, and its adoption spreads through countless local, improvised adaptations that no plan anticipates.

Two Frameworks Run at Once

The remedy is not to abandon structure. It is to pair structure with adaptability, and to do so with two complementary frameworks. The 5D Engineered Change Framework™ (Discovery, Diagnosis, Design, Deployment, and Determination) supplies the engineered spine: a phased, disciplined sequence that gives direction and governance. The Emergent Transformation Framework™ supplies the emergent engine: A continuous, non-phased set of domains and drivers (feedback, learning, adaptation, sustainment, emergence, and sensemaking), through which the organization senses, learns, and amplifies what is working on the ground. This paper shows how to run an AI initiative on both frameworks at once.

1. The AI Implementation Paradox

Recent published research underscores a stark gap between AI adoption and AI impact. MIT's 2025 study The GenAI Divide: State of AI in Business found that roughly 95 percent of enterprise generative-AI pilots deliver no measurable bottom-line impact, with only about 5 percent producing real financial value. McKinsey's 2025 report The State of AI in 2025: Agents, Innovation, and Transformation reinforces this picture from a different vantage point: While nearly 90 percent of organizations now use AI in at least one function and 64 percent report that AI enables their innovation, only about 7 percent have scaled it across the enterprise.

Together, these findings point to a conclusion that adoption is nearly universal while transformation is rare, and the challenge is no longer experimentation but execution. Most organizations have moved past the question of whether to adopt AI, yet very few have translated isolated pilots into integrated, value-generating operations. Closing this divide by shifting from scattered experiments to enterprise-wide deployment is the defining hurdle for capturing AI's financial return.

The defining feature of this moment is not a scarcity of AI but a scarcity of return. Investment is enormous and adoption is broad, yet measurable business impact remains concentrated in a small minority of firms. Three findings frame the problem.

Value gap	MIT's research, which examined hundreds of public deployments alongside interviews and surveys, concluded that the majority of enterprise pilots never move the P&L, while a small fraction capture almost all the gains
Integration gap	High rates of experimentation coexist with very low rates of enterprise-wide deployment when most organizations use AI somewhere, almost none everywhere.
Redesign gap	Of all the organizational changes associated with AI value, fundamental workflow redesign correlates most strongly with bottom-line impact — and yet only about a fifth of organizations have redesigned even some of their workflows. The overwhelming majority are layering AI on top of processes built for a pre-AI world.

Where firms spend reveals the same misalignment. The largest share of AI budgets flows to visible, front-office uses such as sales and marketing, while the most reliable returns have shown up in less glamorous back-office automation. **Money follows attention, value follows integration, and the two are pointed in different directions.**

Deloitte's 2026 The State of AI in the Enterprise puts numbers to the redesign gap. It finds organizations splitting into three roughly equal groups: One third are using AI to deeply transform and create new products or reinvent core processes, while another third are redesigning key processes around it, and the final third are applying AI only at the surface, with little or no change to how they work.

Only the first group is truly reimagining the business rather than optimizing what already exists. Tellingly, majority of the companies surveyed by Deloitte reported broad education to raise AI fluency, not re-architecting roles and workflows, as their workforce strategies. Deloitte's own conclusion is blunt: organizations must redesign work holistically rather than layer AI onto legacy processes.

Faced with disappointing pilots, leaders tend to blame the usual suspects: Model quality, regulation, or data. Each holds a grain of truth, and data readiness in particular is a real constraint. But the weight of the evidence falls elsewhere. What separates the 5 percent from the 95 is not a better algorithm. It is how the change was led.

2. The Trap of Engineered Change

For most of the modern era, organizations have been understood as rational, structured systems, like machines to be tuned. Within that worldview, change is something you engineer: diagnose the current state, design an intervention, move the organization to a defined future state, and stabilize it there. Kurt Lewin's familiar sequence—unfreeze, move, refreeze—became the template, and most later methods can be mapped onto it, including John Kotter's steps of change and change accelerators and Prosci's ADKAR.

This is precisely how most AI programs are run. A tool is selected, a pilot is stood up, training is delivered, and the initiative is declared complete once the system is live. The implicit model is an organization that holds still long enough to be reprogrammed, like an ice block to be thawed, reshaped, and refrozen.

But organizations are not ice blocks, and Lewin never claimed they were. He compared an organization in equilibrium to a river, which continuously changes its elements even as its velocity and direction hold steady. A river is not waiting to be unfrozen; it is already in motion, a balance of competing forces that any intervention merely shifts. The popular reading of Lewin as a freeze-and-thaw routine is a misreading, and it is this misreading on which most failed change efforts are built (see an excerpt of my upcoming book on emergent change for more detailed discussion).

The engineered change paradigm rests on three assumptions: 1) Problems can be clearly defined; 2) Cause and effect are known and predictable; 3) The path from present to a desired future can be mapped in advance. Each is fragile in ordinary change.

In AI implementation, all three assumptions break at once. The well-documented shortcomings of engineered change read like a catalogue of AI-pilot post-mortems: A high probability of relapse to old habits; uneven diffusion

across units; leadership cut off from front-line reality; implementation lags long enough that the solution is dated by the time it lands. **When the world will not sit still, a rigid plan stops being a map and becomes an anchor.**

3. Why AI Is Unusually Emergent

If engineered change assumes a predictable world, emergent change begins from the opposite premise that coherent, higher-order patterns arise out of the local actions and interactions of many interdependent people and systems, and that much of what we call "the change" is shaped in real time through everyday decisions and adjustments rather than central design. **Every planned change already contains an emergent component, because participants always adapt the official plan in practice**. AI does not merely contain an emergent component; it is emergent almost to its core. Four features make it so.

The Learning Gap is a Sensemaking Problem

MIT located the central cause of AI implementation failure not in model quality but in a learning gap: Tools that do not adapt to the workflow and organizations that do not adapt to the tools. That is the emergent change argument: Value is produced as people and systems negotiate meaning in daily practice, not at the moment of deployment. A flawless pilot stalls not because it failed technically, but rather because it was not made sense of and woven into work roles and processes.

AI is Opaque by Construction

Emergent change is marked by opacity — non-linearity, ambiguity, and uncertainty. This means that small actions can produce disproportionate effects, signals have multiple interpretations, and outcomes cannot be forecast with confidence even when the situation is understood. These are the default conditions of AI projects, since no one can fully predict what a generative model will produce, how a given team will use it, or which use cases will compound. This opacity means prediction and control alone cannot carry an AI initiative, and sensing, experimentation, and adaptive response are critical.

Shadow AI is Emergent Change in Plain Sight

One of the more striking findings in recent AI implementation research is the rise of a "shadow" AI economy where employees are quietly using consumer AI tools, without sanction, to get their work done. Through an engineered lens, this is a compliance problem to be stamped out. Through an emergent lens, it is something far more valuable: Frontline workers reshaping how work gets done through small, local adaptations — the mechanism by which technologies actually reshape organizations. The failing organization suppresses the signal. **The adept one notices the pattern, learns from it, and amplifies what is working.**

An AI Rollout is a Complex Adaptive System

What looks from a distance like a single transformation is, up close, the accumulation of many small currents such as workarounds, side effects, conversations, and adjustments that interact and amplify one another. An AI initiative touches data, tools, roles, routines, incentives, and identities simultaneously, each influencing the others. Cause and effect rarely line up neatly, and the logic of an outcome is often clear only in hindsight. Detailed roadmaps still matter, but in a densely connected system they are never sufficient on their own.

The implication is not that planning is pointless. It is that an AI initiative must be designed to learn and to create the conditions under which useful patterns can emerge, be noticed, and be amplified, rather than merely to execute. That is the work the next section operationalizes.

4. Conceptual Frameworks

My 5D Engineered Change Framework™ treats planned change as sequential but not strictly linear, or a guide rather than a script. Its five phases each carry guiding principles, concrete actions, and a recognition that multiple change agents are always involved and that the real work rarely unfolds in neat steps. That last quality is what makes 5D well suited to AI implementation is that it supplies the discipline of engineered change while leaving room for the emergent reality of it.

The 5D Engineered Change Framework™ in Brief

For readers new to the model, the five phases organize a change effort by purpose, guiding principles, and the change agents each draws on. The sequence is logical but not rigidly linear; in practice the phases overlap and loop back.

5D Engineered Change Framework™

Definition	Guiding Principles	Actions	Change Agents Involved
1. Discovery			
Identify the need for change and formulate vision	• Data-driven decision-making • Compelling case for change • Stakeholder involvement	• Form a discovery team (e.g., steering committee) • Review internal and external data • Define viable opportunities • Formulate vision and execution strategies	• Change leaders • Consultants • Managers • Individuals (analysts)
2. Diagnosis			
Understand current state, gaps to desired future, and options to bridge them	• Systems thinking • Strategic problem-solving • Readiness assessment	• Gather/analyze data with models/frameworks • Assess readiness, impacts, barriers, risks, enablers • Identify solutions (feasibility, alignment, impact) • Develop implementation recommendations	• Consultants • Managers • Individuals (analysts)
3. Design			
Design change intervention	• Strategic alignment • Flexible planning • Level(s), magnitude, and complexity of change • Resource allocation	• Establish governance • Translate into plans (project, communication, stakeholder, impact, risk) • Define KPIs/success metrics • Plan resources (budget, tech, personnel)	• Change leaders • Consultants • Managers • Teams
4. Deployment			
Execute change strategy and plan	• Mobilize energy • Enable empowerment • Monitor flexibility	• Communicate vision clearly • Provide training/resources/support • Conduct readiness checks/pulse surveys • Monitor execution/impacts	• Change leaders • Consultants • Managers • Teams • Networks • Individuals
5. Determination			
Measure change outcomes and identify improvements	• Continuous improvement • Change reinforcement • Learning	• Assess effectiveness via KPIs/metrics • Document lessons/best practices • Reinforce/sustain gains • Support ongoing enhancements	• Change leaders • Consultants • Managers • Teams • Individuals

Discovery	Identify the need for change and formulate the vision. A discovery team reviews internal and external data, defines viable opportunities, and builds the case for change.
Diagnosis	Understand the current state, the gaps to the desired future, and the options to bridge them. Through systems thinking and readiness assessment, it surfaces barriers, risks, and enablers and develops recommendations.
Design	Design the change intervention. It establishes governance, translates the vision into concrete plans (project, communication, stakeholder, impact, and risk), defines success metrics, and allocates resources.
Deployment	Execute the strategy and plan. It communicates the vision, provides training and support, runs readiness and pulse checks, and monitors execution and impact.
Determination	Measure outcomes and identify improvements. It assesses effectiveness against metrics, captures lessons and best practices, and reinforces and sustains the gains.

Across all five phases, the framework assumes that the work is shared among multiple change agents: Leaders, consultants, managers, teams, networks, and individuals. The sections that follow take each phase in turn and apply it to AI.

The Emergent Transformation Framework™ in Brief

Where 5D gives the engineered spine, the **Emergent Transformation Framework™** supplies the emergent engine that runs through it. Unlike 5D, it is not a sequence; its elements operate continuously and in parallel, which is precisely what makes it the emergent counterpart. It has two layers. The first is four domains — the territory every transformation must keep in view at once.

Organizational change	Are people aligned and prepared? Stakeholder alignment, readiness, communication, leadership engagement, and adoption strategy.
Technology & process enablement	Do systems and processes enable the future state? Implementation, adoption, process redesign, and operational integration.
Learning & capability development	Can people operate effectively in the new environment? Role-based learning, workforce enablement, digital fluency, leadership capability, and sustainment.
Adaptive & complexity-informed leadership	Can the organization adapt as conditions evolve? Emergent change, systems thinking, ambiguity navigation, and continuous adaptation.

The second layer has six practices of emergent change that serve as the drivers and the continuous engine that keeps a transformation responsive as reality diverges from the plan.

Sense	Detect signals and emerging patterns to identify tensions, opportunities, risks in the environment.
Interpret	Create shared understanding to inform action.
Explore	Design safe-to-fail experiments to generate insight and minimize risk.
Learn	Turn experience into insight to reinforce or challenge existing assumptions.
Adapt	Adjust strategy and action based on what is emerging to refine strategies, processes, behaviors, and interventions.
Sustain	Transform temporary improvements into enduring capabilities.

As discussed below, each 5D phase carries both engineered and emergent tracks: The engineered track supplies direction, governance, and rigor; the emergent track supplies sensing, learning, and amplification. **A program that runs only the engineering track produces a clean plan and a stalled pilot. A program that runs both is a pathway to successful transformation.**

5. The 5D Engineered Change Framework™, Applied to AI

Discovery: Find the Real Problem, and Read the Currents Already Flowing

Engineered change track

Discovery begins by forming a cross-functional steering team, reviewing internal and external data, and defining where AI can create genuine value. A disciplined approach starts from a business problem rather than from the technology. **Much of the waste in the current wave comes from initiatives that begin with "we need an AI strategy" instead of "here is a costly, well-understood problem AI might address."** Vision is formulated and tied to critical outcomes.

Emergent change track

Lead drivers: Sense, Explore, Interpret. Before imposing a vision from the top, **read the currents already moving through the organization**. Where are people already using AI on their own initiative? Those unsanctioned uses are not noise to be policed, but are rather discovery data — a free, real-world signal of where AI is already creating the value. The best discovery work treats the front line's existing experiments as the rich part of the evidence base.

Diagnosis: Assess Readiness, and Map the Complexity You Actually Face

Engineered change track

Diagnosis uses systems thinking and structured assessment to understand the current state, the gaps to the desired future, and the readiness, barriers, risks, and enablers in play. For AI, this must extend to dimensions that other change models do not emphasize: **The state of the underlying data, the organization's AI literacy, and the fit between the tool and the actual workflow**. Many AI failures are, at root, data-readiness failures wearing an algorithmic disguise.

Emergent change track

Lead drivers: Sense and Learn. Diagnose the complexity you face, because most AI initiatives contain several at once. Some elements are simple and predictable, some are complicated and technical (such as integrations), some are genuinely complex and social (such as culture, trust, and informal networks), and some can tip into chaos. **Treating a complex, social problem as if it were a complicated, technical one is a classic error**, and it produces most "we trained everyone, but no one uses it" outcomes. Diagnosis should also gauge the initiative's opacity and, accordingly, build in the sensing capacity to navigate it.

Design: Redesign the Work, and Design for Adaptation Rather Than a Fixed End State

Engineered change track

Design phase establishes governance and translates the vision into concrete plans (project, communication, stakeholder, impact, and risk) with defined success metrics and resourced budgets, technology, and people. **For AI, one design decision is critical: Redesign the workflow rather than bolting AI onto it**. This is the single move most strongly associated with bottom-line impact and the one most organizations skip. Design is also where AI governance belongs (accountability, data quality, ethical guardrails, and a deliberate choice about where humans stay in the loop).

Emergent change track

Lead drivers: Explore and Adapt. Design for flexibility, consistent with 5D's nature as a guide and not a script. Treat pilots as genuine experiments with feedback loops, not scaled-down versions of a rollout. Most importantly, **design the conditions for emergence such as psychological safety, permission to experiment and to report what is not working, and short feedback cycles rather than only the end-state architecture**. In an opaque environment, you cannot design the destination in full, but you can design the system that will find it.

Deployment: Execute the Plan and Lead the Emergence

Engineered change track

Deployment mobilizes the organization: communicate the vision clearly, provide training and support, run readiness checks and pulse surveys, and monitor execution and impact. **For AI, communication must be very honest about the effect on roles and jobs since ambiguity on that point is what drives capable people into invisible workarounds**. Capability-building cannot be a one-time event. Similarly, the ability to use AI and judge when not to trust it is a durable skill that must be built and reinforced.

Emergent change track

Lead drivers: Explore and Adapt. Deployment is where emergence lives most fully, and where leadership shifts character. **Leaders act less as architects executing a blueprint and more as facilitators of meaning, noticing the patterns forming on the ground, interpreting their significance, and giving the useful ones direction and legitimacy**. The workarounds and improvisations that appear are not deviations from the plan. In fact, they are the most current information the organization has about what works. The discipline is to watch for them, amplify what is succeeding, and redirect what is not: Adoption spreading like a murmuration, each part adjusting to those around it, rather than marching to a central command.

Determination: Measure and Sustain, and Treat the Work as Continuous

Engineered change track

Determination assesses effectiveness against the metrics defined in Design, documents lessons and best practices, and reinforces and sustains the gains so the organization does not slide back to old habits. It is important to measure adoption and value, not deployment. **"We launched it" is not a result; sustained use that moves a business metric is.**

Emergent change track

Lead drivers: Sustain and Learn. Reframe Determination as continuous rather than terminal. AI does not hold still: Models drift, vendors change, contexts shift, and new capabilities arrive constantly. Sustainment is an ongoing process of sensemaking and reinvention, not a closeout phase. **The organizations that endure build permanent learning loops and institutionalize the habit of noticing, interpreting, and adapting**. Thus, "determination" becomes the engine of continuous reinvention rather than the end of a project.

Both Frameworks Applied to AI at a Glance

Phase	Engineered track (direction, governance, rigor)	Emergent track (Emergent Transformation Framework™ drivers)
Discovery	Form a cross-functional steering team; review internal and external data; define where AI creates real value; tie vision to a concrete business problem, not the tool.	**Drivers: Sense, Explore, Interpret** Read the currents already flowing: Where is unsanctioned "shadow AI" use already emerging? Treat it as free, real-world discovery data, not a compliance problem.
Diagnosis	Assess current state, gaps, readiness, barriers, risks, enablers extended to AI-specific dimensions: data infrastructure, AI literacy, and tool-to-workflow fit.	**Drivers: Sense, Learn** Diagnose the complexity mix (simple/complicated/complex/chaotic) the initiative actually contains; assess opacity and build the sensing capacity to navigate it.
Design	Establish governance; build project, comms, stakeholder, impact and risk plans; set value metrics. Above all: redesign the workflow rather than bolting AI onto it.	**Drivers: Explore, Adapt** Design for flexibility: Pilots as experiments with feedback loops; design the conditions for emergence (psychological safety, permission to experiment), not just the end state.
Deployment	Communicate the vision honestly (including impact on roles); train and resource; run readiness and pulse checks; monitor execution and impact.	**Drivers: Explore, Adapt** Lead the emergence: Leaders as facilitators of meaning, not architects; treat workarounds as signal; amplify what works, redirect what doesn't.
Determination	Assess effectiveness against value metrics; document lessons; reinforce and sustain gains. Measure adoption and value, never deployment alone.	**Drivers: Sustain, Learn** Treat the work as continuous: Models drift and contexts shift, so sustainment is ongoing sensemaking and reinvention. Build permanent learning loops.

6. The Failure Modes Catalogue

Most flawed AI initiatives fail in recognizable ways, and each common failure can be traced to a specific 5D phase and to a neglected track within it. Naming them makes it easier to catch them early. Each is a change management failure, not a technology failure.

Failure mode	Originates in	What goes wrong
Pilot purgatory	Design + Emergent track	Endless pilots that never scale, because no path to scale was designed in and no mechanism exists to read and act on local signals.
The bolt-on	Design	AI is layered onto unchanged workflows — the single omission most strongly linked to absent returns.
Sponsor-by-title-only	Discovery + Deployment	Executive support funds pilots but never removes barriers or changes incentives.
Training-as-checkbox	Deployment	A single session is mistaken for capability; knowledge is delivered but ability is never built.
Metric blindness	Determination	Success is measured by deployment ("we launched it") rather than adoption or value.
Shadow-AI suppression	Discovery + Deployment	Unsanctioned use is stamped out as pure risk rather than learned from as signal.
Trust deficit	Design	Opaque systems are deployed without transparency or human oversight, so users quietly disengage.

7. Measuring What's Important: Adoption and Emergence over Deployment

Deployment is easy to celebrate and easy to mistake for success: A system goes live, a milestone is logged, and the initiative is declared a win while the value it was meant to create never materializes. An alternative is a scorecard that measures what actually produces value, and a useful one blends engineered and emergent indicators.

Engineered change indicators

Usage and adoption rates; depth of workflow integration (is AI in the process, or beside it?); capability uplift; and the bottom-line outcome the initiative was meant to move.

Emergent change indicators

The organization's ability to detect and act on emerging patterns of use; the speed at which local teams adapt; the quality of sensemaking around the tools; and the trust and sentiment of the people using them.

8. Trust, Governance, and the Human in the Loop

Governance is often treated as a brake on AI adoption. **Done well, governance is an accelerator**, as noted by Deloitte. Clear accountability, sound data practices, and explicit ethical guardrails reduce the ambiguity that breeds resistance, and they give people the confidence to use new tools in earnest rather than warily. The question of where humans remain in the loop is not only an ethical safeguard, but an adoption strategy.

Under opacity, when a system's outputs cannot be fully predicted or explained, people extend trust to a tool they can question, correct, and override, and withhold it from one they cannot. Designing for human judgment is therefore not a constraint on value, but a precondition for it in emergent environments. **The organizations that move fastest with AI are usually not those with the lightest controls, but those whose controls are legible enough that people stop hesitating**.

9. What Organizations Should Do Differently

The data on AI implementation initiatives, together with decades of change management practice point clearly to where organizations should concentrate their effort. Five moves matter most: **1) Start from one genuine, well-understood problem rather than an abstract AI agenda. 2) Redesign the work around the tool instead of bolting the tool onto unchanged work. 3) Build real capability over time rather than staging a single training event. 4) Secure sponsors who actually remove barriers and change incentives, not sponsors in name only. 5) Most importantly, treat the front line's own experiments as a signal, noticing and amplifying what is already working rather than suppressing it.**

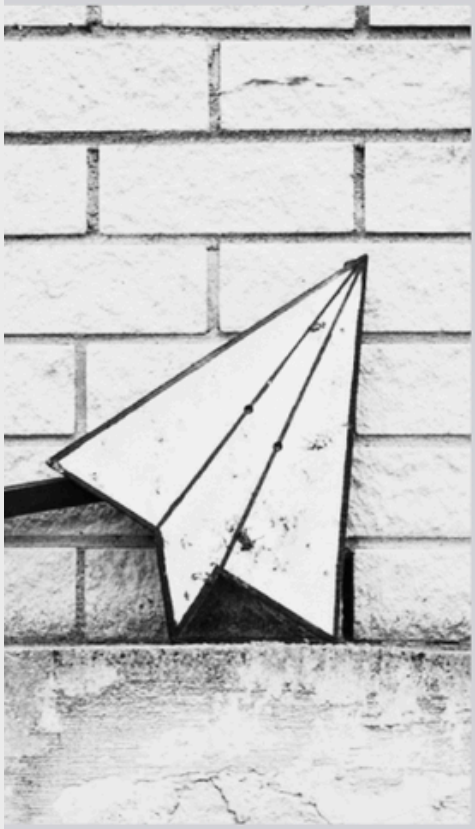
In the language of this paper, that means running 5D with the emergent track switched on: The 5D spine supplying discipline to direction and governance, and the Emergent Transformation Framework™ supplying adaptability through its drivers of feedback, learning, adaptation, sustainment, emergence, and sensemaking. **The method that this paper recommends and the most reliable way to move an AI initiative from a stalled pilot to durable value is to structure where structure helps, adapt where reality demands it**.

10. Conclusion: The Rules Still Apply

The AI technology is genuinely new, yet the discipline required to deploy it is not. Decades of research and practice in organizational change tell us how transformations succeed and why they fail, and that accumulated knowledge fully applies to AI implementation. Since AI is unusually emergent, the often neglected part of the change (the adaptive, sensing, learning part) is the part that determines whether an AI initiative joins the five percent or the ninety-five.

The path forward is not more technology, and it is not a rejection of planning. **It is the deliberate pairing of an engineered change foundation with an emergent change engine**: The 5D Engineered Change Framework™ running phase by phase through Discovery, Diagnosis, Design, Deployment, and Determination, and the Emergent Transformation Framework™ running continuously alongside it. The rules of change management apply, and **the organizations that remember this will be the ones that turn AI's promise into performance.**

Contact Information



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