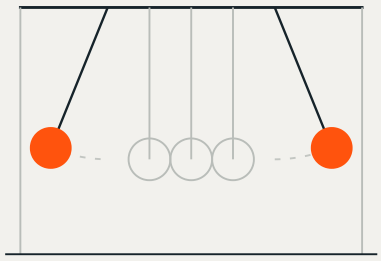
Decision Architecture in a Time of *Compression*



Do the decision systems we rely on to run our organisations still match today's business context?

A reflection.

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Five perspectives from our own work, and a sixth on what redesign takes.

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Introduction

Throughout our careers we have kept asking ourselves two questions: why organisations function the way they do, and why people do what they do inside them. An organisation puts people into a system so that it can steer them, and those same people then do things, or leave them undone, thanks to that system and in spite of it. Somewhere between the two is the point where both work, and it is rarely where anyone drew it. What we keep coming back to is how deciding actually works there: the daily and the strategic, the planned and the forced, the dossiers and the emotions, and how the people in those roles make their way through it.

We look at it through the CFO's eyes. The role is explicit about some things, finance first among them, and implicit about far more, because nearly everything in an organisation ends up in its financial wellbeing. The CFO is also the one asked to organise, test, guard and evolve the care with which the organisation decides. Reason, facts and content set the tone in that role, in work where so much happens between people and in the process: in what was agreed before the meeting, and in how a question was framed before anyone answered it. The articles are written for the CFO, though many of the challenges reach further, and leaders in other domains may recognise their own.

For years, people have told us to put our thoughts on paper, because it could inspire others. A year ago we did, starting with the research: what was high on the CFO's agenda, how AI was changing it, which challenges it brought and which it made sharper, and where that agenda runs into the CIO's and the transformation leader's. Then we checked it against our own work with the people who are trying to get something done within their mandate. What follows is what we have noticed from there, and the picture we have formed of what it means at the top.

Again and again, what we found came down to the system itself. By decision architecture we mean the system people have organised for taking decisions: the forums, the roles, the mandates and the business cycles, and the conviction behind them that this arrangement protects the organisation's interest and helps the people in it decide well. It is what keeps an organisation in motion, or fails to, and it evolves more slowly than the organisation it serves. In the meantime, the boundary between the line organisation and the project organisation has blurred, and with it the clarity about who decides. More and more of the reasoning behind an organisation's own decisions has come to rest on outside expertise, and now on AI.

The strain shows first in five places, one for each of the first five articles. Some of them we have been part of, on one side of the table or the other; others we recognise as new. The sixth article looks at what it takes to redesign decision architecture while the business keeps performing. That is new ground for most organisations, so there we looked to research on what the front-runners do. A year on, the first answers are coming in, and where we have learnt something along the way, we write it as learning, not as something we knew.

We are neither management scholars nor boardroom whisperers, and we claim no answers. We believe a challenge defined well is at least half of a solution, so each article spends most of its length on the challenge. Where we have watched people find a way through it, we say what they did. That is direction of thinking, no more. What works in one organisation can stall in the next, because it depends on the people there and what they have been through together, and on whether those who have to make it work have the experience it takes and a feel for that place.

All we hope is that the people who sit in leadership teams with an uneasy feeling recognise it here, and that something in it, even a single sentence, helps them make sense of a few things.

01

When Governance Becomes the Constraint

How decision systems built for control hinder decision agility

A programme deliverable passed through five stages before it could be tabled at the approval forum, and none of them made that passage in under two weeks. The plan allowed three days. By the time the forum met, most of what it would consider had already been agreed elsewhere, in the days between meetings.

When strength becomes strain

Nothing about it looked like a crisis: the results were coming in, the people around the table were capable, and the programme was funded. The approval forum had stopped deciding. It had become the place where finance, technology, risk and operations found out what the others had already committed to, and the fortnight between meetings was where the organisation was actually run.

In our observation, most governance structures in place today were built between the late 1990s and the mid-2010s, as a result of globalisation, ERP consolidation, shared services and relatively stable business cycles. Change happened in programmes, and decisions followed one another. A function could settle most of its own questions, and there was time between deciding something and having to live with it. Those were reasonable assumptions, and until recently, when AI-driven transformation began, the structures built on them served organisations well.

The environment has since changed faster than the structures have. Over roughly the last ten years, and sharply in the last five, digital platforms have replaced linear system landscapes, data has become integrated rather than reconciled, and disclosure rules, data governance mandates and ESG frameworks have added layers of decision complexity across jurisdictions. Strategy, execution and technology now share the same time horizon. Decisions that used to wait for the next cycle are expected within the week, and the same decision now runs across several domains at once. A choice about a platform is also a choice about the chart of accounts, the control framework and next year's capital plan, and all three are on the table together.

The invisible pressure this creates

As systems integrate and data flows end to end, what was once settled inside a function becomes an enterprise matter. Speed against control, local optimisation against global coherence, innovation against risk: none of these can be separated any more, and the executive committee, or whichever body sits above the functions, is the only place where all the parties meet. So that body is asked to bring it all together, escalation becomes the way the work is coordinated, and senior leaders carry ambiguity that used to be settled further down. The tensions end up in that one committee because there is nowhere else for them to go.

Governance still has the same formal mandate. It now puts a far heavier load on the people and the bodies that carry it. Three pressures show up wherever we have looked.

Decision congestion. More issues reach the same committees. The teams are as capable as they were, but the decisions have become coupled across finance, technology, risk and operations, so what could once be decided in isolation now has enterprise impact and queues in the same place. The number of decisions has outgrown what the forums can route and resolve.

The tensions end up in that one committee because there is nowhere else for them to go.

Sense-making overload. Unresolved trade-offs accumulate at the centre, and governance bodies spend more of their time interpreting context than making choices. Part of that is the complexity of the context. A larger part, in what we have seen, is the nature of what reaches them: a challenge that is difficult to scope and difficult to give a single owner, because it cuts across several roles and domains. The people around the table have never agreed on how to frame it, so every meeting starts by framing it again, and the hour ends before it gets to an answer.

Leadership capacity strain. What the first two pressures leave unresolved is pushed up to senior leaders. They spend their hours trying to understand all the information and all the points of view, when what is needed from them is the overarching decisions and the strategic pointers that let everyone else decide. A matter two functions should have settled between themselves ends up on the CFO's desk instead, one level up and three weeks late, and the CFO now has to acquire the context both functions already had. The time available for closing decisions shrinks as coordination, interpretation and re-alignment take the hours. Decisions still get taken, more slowly and at a higher cost for each one.

When two forums own the same decision

A programme is given its own governance because the work needs it, and the standing governance stays where it is. Both are reasonable. We have sat in both of those forums, on different sides of the same decision. Between them, the same decision can be taken twice, or left alone twice. A choice settled in the programme's own steering group is caught again where all the

programmes meet, or it is needed in both places, or it falls between them and nobody carries it. And three levels down, in another discipline, the same choice can be reopened and called back, although the people whose approval should have settled it were in the room when it was made. Nobody set this up on purpose. It is what happens when a governance built for one programme runs beside a governance built for the whole organisation, and neither can see all of what the other decides.

Seen from the top it looks like strength. An agenda complex enough that it sits with the executive team, because that is the only place the dependencies can be overseen, is a sign that the dependencies are taken seriously. It is also the place where the parts stop getting attention of their own. Nobody there can touch the detail that decides whether a part works, so the meeting settles for status, and the detail waits for a forum that no longer exists.

Finance as early warning system

Finance is where this mismatch is felt first. Finance owns few of the decisions and touches nearly all of them, so finance is where the friction shows. Capital allocation, performance measurement, risk, controls and the timing of value and commitment all converge here, and when the governance assumptions no longer apply, finance carries the strain. Decisions are put to finance before the functions have aligned on them, and the trade-offs become apparent late. The CFO ends up forcing the organisation's complexity into explicit choices between cost and value, risk and return, timing and certainty, buy and build.

The pressure has a cognitive side, and it is easy to overlook as timelines compress. Daniel Kahneman, taking the terms from Keith Stanovich and Richard West, describes two ways of thinking. System 1 is fast and intuitive: it matches what is in front of it to a pattern it already knows, and it does so before we notice. System 2 is slow, deliberate and analytical, and it is the one a complex, multi-dimensional decision needs. Time pressure and the number of decisions arriving together push a committee toward System 1. That is how people work under pressure. The trouble is that the decisions continue to be framed as if System 2 analysis had taken place. The papers keep the form of analytical decision-making while the substance rests on judgement made under pressure, and trade-offs that should have been reasoned out loud are assumed without anyone saying so.

Decisions are put to finance before the functions have aligned on them, and the trade-offs become apparent late.

The pressure on finance is a signal that unresolved complexity elsewhere has reached the point where it can no longer stay implicit.

The challenge, and what we have seen done with it

The challenge, as far as we can define it, is this. Governance forums were designed to ratify decisions one at a time, in sequence. That sequence has gone. Decisions that belong together now have nowhere to meet except in those same forums, which were built to ratify and not to integrate. It is what happens to a ratifying body once its decisions stop being sequential. Two measures tell a leadership team how far this has gone in its own organisation: the quality of what the committee decides, and how long a decision takes to close. Where both are slipping at once, governance has become the constraint.

What leadership teams do with this varies more than the challenge does. The ones that made most progress started in the same place: they wrote down, in plain language, how they trade speed against risk, cost and value, so that a team can decide without escalating. Everything else depends on that, which is why it comes first.

What it took, each time, was someone who looked at how decisions actually flow in this organisation, with these people, and redesigned for that, not for the organisation on the chart. The first question is usually who, in this organisation, is allowed to say that a forum has stopped deciding.

02

When Leadership Capability Lags Organisational Complexity

How the leadership role outgrew the capability model built for it

A programme manager had run larger programmes before. The platform choice in front of him needed sourcing depth, implementation experience and financial modelling, and his role carried none of the three. The back office had been built as lean as the business could make it, and the depth it lacked was bought in, for this decision and for the routine upkeep of the operating processes.

The role has grown

Senior leaders who have led transformations, managed crises and delivered results find the role asking more of them than its description says. We have worked alongside leaders this was happening to. The programme manager at the start of this article is one instance. The back office he depends on was built lean on purpose, and the choice was defensible; its consequence, full dependence on outside expertise for large programmes and for the routine upkeep of the operating processes alike, was never priced.

We have seen it done the other way, and it is worth saying that we have, because it is rarer now. In the late 2000s, an organisation under real financial pressure, having to make choices it had avoided for years, kept a programme organisation of its own. It brought expertise in where expertise was genuinely needed and not simply to get the work done, and it kept the reasoning behind its own decisions in its own hands.

The capability model behind the role, and behind most senior roles, was built for a slower system. For many years, leadership effectiveness rested on a stable set of expectations: set direction, make sound decisions within your remit, manage performance through defined structures, escalate when an issue crosses a boundary. The model worked because the system absorbed much of the complexity. Time was a buffer, functions were filters, governance was a sequencer, and most of the coordination happened elsewhere. A leader did not have to integrate everything personally.

What changed

Decisions are no longer contained within functions. Strategy, technology, risk, finance and operations meet in the same decision at the same time, and an issue reaches a leader already entangled with three others. Where a leader once decided within a system, with roles, boundaries and sequencing doing much of the integration, the same leader now decides across systems: across functions, technologies, risk domains, time horizons and stakeholder expectations.

Two settings show it most clearly.

Teams. Governance was built around functional boundaries, and those boundaries still do their job: they give clarity of role, expertise and line accountability. What has changed is the work. The set of people needed to assess, shape and approve a decision now varies by topic, while each of

them stays anchored in a function. Standard governance assumes a decision can be formed and resolved within one team; the work spans several.

Distance. Governance also assumed people in the same building. Shared context, corridor conversations and repeated exposure took the noise out of communication and let a leader make up for ambiguity with accumulated understanding. In distributed and remote settings that background signal is weaker. Nuance is lost, assumptions diverge, and the work of interpretation shifts into formal meetings, where ambiguity surfaces later and is harder to resolve. Few governance systems have been redesigned for this.

Standard governance assumes a decision can be formed and resolved within one team; the work spans several.

Leaders describe it as being in the middle of everything. They bring things together more than they set direction, they judge more often without the certainty they would like, and decisions no longer arrive one at a time with a clean hand-off between them.

When experience reaches its limits

People are appointed for a way of working, a tempo and a degree of stability. They earn the appointment inside it, and it is what their judgement was trained on. Then the tempo changes. Work that used to run one thing after another now runs at the same time, and the person is still in the role, still called a leader, and is now asked for something nobody promoted them for. What follows is not usually a bad decision. It is no decision, or a decision taken without what it needed, and the people below feel it long before anyone names it.

Research says the same as the leaders do. Experience improves pattern recognition, but it does not remove overload when the volume, complexity and interdependence of decisions exceed what a person can carry, and sustained cognitive load reduces decision efficiency and quality even among experienced decision-makers. In DDI's Global Leadership Forecast 2025, 71 per cent of leaders report increased stress, and four in ten of those have considered leaving a leadership role.

What a mandate assumes

A mandate is given to someone, and it assumes that whoever holds it can weigh what it covers. That assumption is rarely tested. Layers of management can sit above a decision with each layer trusting that the one below has the knowledge, while the layer that has it can see only its own part. Nobody is withholding anything, and the decision still goes up without the judgement it needs.

The same assumption sits under an office set up to carry a transformation. The mandate goes to the office; the knowledge stays in the function; and the function, relieved of the work, treats the office as the place to send it and stops supplying the content. An arrangement made to carry the load becomes grit in the machine, and the question it was created to answer is now further from the people who could answer it.

Where unresolved complexity ends up

As more decisions arrive, closer together, leaders become the place where whatever nobody else could settle piles up. They translate between functions, arbitrate trade-offs and absorb risk that cannot be resolved elsewhere. The cost is time, and it is also cognitive and emotional: more energy goes into keeping the pieces together than into deciding. The decisions still get taken, and each one costs the person taking it more.

From outside this reads as hesitation. From inside it is unresolved complexity accumulating in one person.

The decisions still get taken, and each one costs the person taking it more.

What we have seen leaders do

Where leaders are adapting well, what they do is changing, often informally and sometimes without anyone naming it. The move that matters most, and the one the rest depends on, is bringing perspectives together early, before positions harden. It costs involvement early and saves escalation later, and it is what lets a leader decide on principles the team shares, without first aligning everyone on everything.

Leadership strain is usually framed as a personal matter. Where capable leaders feel stretched despite experience and effort, and the organisation is performing well, it is worth asking whether the work has changed faster than the leadership model behind it. Where it has, the roles, the forums and the expectations have not yet caught up with the level of integration and ambiguity the leader is asked to carry.

03

When Roles Converge

Why finance, technology and strategy now decide in the same space

In complex organisations, a decision that reaches across finance, technology and operations is owned by no single role. The work goes to whoever can read all three together, and the scope of that work is argued over afterwards. What no role owns sits with the CFO.

Roles that used to take turns

A CFO is drawn into a platform decision before the business case exists. A CIO is asked to argue value, risk and capital. A strategy director is answering execution questions before the plan is signed. Between us we have been on both sides of this, the function that owns the decision and the one asked to carry it. Over the last decade, and with more intensity in the last five to seven years, the way decisions are formed inside organisations has changed. Roles that were separate overlap. No single event caused it; the structure did.

As linear systems gave way to integrated digital platforms, decisions that were buffered in time and sequence became coupled. Data flows end to end instead of being reconciled after the fact. Regulatory, risk and capital constraints sit closer to day-to-day operational choices. Strategic intent has to be expressed in executable terms from the outset. Time, distance and functional separation used to let the roles work one after another. That room has gone.

Of the senior decisions we see, most involve three or more functions at the point of choice, where a decade ago they were handed from one function to the next. The centre of gravity has shifted from hand-offs to shared judgement. This is often called role creep, collaboration overload or blurred accountability, and that diagnosis names the symptoms. What is changing is the decision architecture underneath the roles.

From sequence to shared decision space

For a long time, decisions followed an orderly flow. Strategy set direction. Finance validated affordability and value. Technology executed within defined constraints. Decisions passed from one function to the next, and time, governance and organisational distance absorbed much of the integration work. The model depended on one assumption: that decisions could be decoupled.

That assumption no longer applies. A choice about technology architecture now carries immediate implications for cost, risk, compliance and strategic options, and a decision that once sat within a single function needs input from several at once. The decision itself has become the point of convergence.

As interdependence increases, there are fewer decisions that one function can own cleanly, and many more that need value, feasibility, risk and timing

considered together. The numbers behind them converge too. A figure that used to be produced and read inside one function now reaches finance, technology, operations and strategy at the same moment, without an agreed meaning in each of them, and when that meaning has to be settled in the meeting where the decision is taken, it is usually finance that is asked to settle it.

The decision itself has become the point of convergence.

Why roles converge

Role convergence is a structural response to interdependence, and it has little to do with ambition or influence. When a technology decision reshapes operating cost, risk exposure and strategic flexibility at once, technology cannot resolve it alone. When a strategic move depends on data availability, platform readiness and regulatory constraints, strategy cannot own it in isolation. When capital allocation hinges on execution feasibility and system integration, finance cannot stay downstream.

Three shifts in the architecture follow.

Decisions are simultaneous, not sequential. Trade-offs across value, risk, timing and feasibility surface at the same moment. Resolving them one dimension at a time no longer works.

Integration happens before approval. By integration we mean people, not systems: lining up the assumptions about value, feasibility, risk and timing before a decision is taken, and not after it has been escalated.

Accountability is shared at the point of choice. Execution ownership stays clear, and the assumptions behind a decision are increasingly co-owned. That relocates accountability; it does not dilute it.

Who owns a shared decision

Nothing changes any more unless finance, technology and strategy come together, and a shared decision still needs one owner. We say it ourselves: when a transformation is a business transformation, its owner should not come from technology, and technology should be strong enough to decline the ownership when it is handed over. The ownership then goes to finance, or to another business function, which can be held to account for the result but

cannot weigh the technology or its strategic consequence. The owner is still expected to decide, and to decide in a space that is usually a programme organisation, set up for the change and in tension with the governance that runs the business day to day.

We have seen what that asks of the person who carries it. The accountability goes to someone who came up through one part of one function and is good at it, and who says plainly that the technology is not their field and simply has to work. When it is delivered and does not do what was pictured, the only measure to hand is whether it does what they wanted, and by that measure it fails: *the tool does not do what I want, so it is a useless tool.* Nobody in that chain acts in bad faith. The ownership went to the person who could be held to account for the result, and the knowledge needed to weigh the choice was somewhere else, with nothing in the arrangement to bring the two together.

The owner is still expected to decide.

Why this creates friction if left unacknowledged

Leaders often feel convergence as tension. Meetings feel crowded, decision forums slow down, and people worry about losing clarity or control. The instinctive response is to reassert boundaries, which in practice adds to the strain. Where the decision architecture has not been adjusted, convergence shows up as the same alignment round again and again, objections raised late, issues sent upward that could have been settled lower down, and frustration between finance, technology and strategy leaders. The friction comes from decision structures built for hand-offs, and working together is what exposes it.

What we have seen done

The leadership teams that adapt accept the convergence. What they do first is say which decisions need joint ownership and which do not, and for each one that does, who carries the result and who has to be part of the decision for it to be weighed properly. It is the shift that follows from this article's diagnosis: the friction starts where a shared decision has been given one owner who cannot weigh it, or several owners and nobody who carries it.

What this means for the CFO

The CFO feels convergence most clearly, because finance sits where value, risk and performance meet. Finance is drawn into decisions earlier, and the question is in what capacity. Consider what happens when it is drawn in as a validator only. Procurement asks for the cost of the work in as much detail as can be given. Producing that detail takes months and costs both the supplier and the organisation asking, and it rests on assumptions that shift while it is written. When the work starts, the project organisation holds a mandate to re-engage and reallocate at its own discretion. Finance has priced a decision it had no authority over, and the precision that took months binds very little of what happens next.

That is finance as a downstream validator. The alternative is finance as a co-designer of the decision, in the room where the assumptions are set and with the authority to hold them to account afterwards. The CIO the CFO once met across that table is now several people: in Deloitte's 2026 Global Technology Leadership Study, 71 per cent of organisations have five or more C-suite technology leaders, up on the year before.

CFOs who do well here help shape the decision architecture so that shared ownership works without overloading anyone, themselves included, and they keep enough of their own time and their team's to rebalance the team's roles, ways of working and capabilities.

Where this leaves a leadership team

Roles have already converged. The practical question is whether the decision architecture has kept pace: whether the decisions that now need joint ownership have been named as such, and whether each of them has an owner who can weigh it.

04

When AI Removes the Last Uncertainty Tolerance

Why AI adds pressure to a decision system instead of relieving it

An analysis that once took a team weeks is finished in a day. What it uncovers is known months earlier, and the decisions it points to wait for a cycle built when analysis took weeks.

The deferral the system used to give for free

This one is newer than our experience of it. We recognise it and we are still watching.

Artificial intelligence is usually presented as relief: from manual work, from analysis bottlenecks, from slow decisions. It is that, and it is something else as well. It removes the last of the tolerance for uncertainty that used to absorb ambiguity, delay and integration effort, and with it the time in which a decision could be revisited before its consequences were felt.

For decades, the people deciding relied on deferral without naming it. Annual planning cycles put distance between strategic intent and execution. Manual reporting and reconciliation put a delay between a performance signal and the decision on it. Layered approvals and stage gates slowed commitment, so that assumptions could be revisited before the consequences were real. Even when a decision was imperfect, the system absorbed some of what followed.

What AI compresses

The people deciding are as capable as ever. Their decisions now come faster and more tightly coupled, and AI compresses three things at once.

Time. Analysis that took weeks is done in minutes. Scenarios are generated continuously rather than once a cycle, and the decision is expected at the speed of the analysis, whatever the organisation's readiness.

Options. Leaders are presented with several times the options they used to review at once, with more trade-offs and more second-order effects. Instead of narrowing choices early, the tools widen them.

Consequence. Real-time data, automated controls and processes that run end to end without anyone touching them mean that a decision reaches its financial, operational or risk outcome far faster than the governance around it was built to absorb.

Together these remove the slack that let leaders work around decision systems built for a slower pace.

The integration paradox

For many leaders the pressure around AI feels new. It is the delayed consequence of how integration has been understood for thirty years.

In the 1990s and early 2000s, ERP systems promised integration and, implemented well, largely delivered it. Processes that were already logically connected became connected in execution: a sales order carried its financial coding from master data, a procurement commitment appeared at once in the ledger. Integration worked because context, ownership and consequence travelled together. What was sold as integration was the systematic connection of decisions that were already governed.

From the 2010s the promise changed. Data lakes, EPM platforms, cloud solutions, SaaS ecosystems and now AI offer something else: all internal and external data, aggregated, available instantly and everywhere. In many organisations the data is technically there. The context is not. A leader types *daily sales* and receives a number. Gross or net? Booked, billed or delivered? Adjusted for returns, timing, currency? The same questions apply to FTE, market share, spend, margin and risk exposure.

As data becomes technically integrated, responsibility for its meaning fragments. Nobody owns the sum. Functions stay accountable for their parts, at best, and not for how the parts are combined, interpreted or used in a decision. When that gap becomes visible, accountability ends up with finance, the number function, which is expected to reconcile meaning across the enterprise because a shared decision needs one coherent view. The more universally available the data, the less integration is actually achieved, and the greater the risk of deciding quickly, confidently and on the wrong view of reality.

A leader types daily sales and receives a number. Gross or net? Booked, billed or delivered?

Why AI increases the pressure on judgement

When information is abundant and fast, what limits a decision is how clear its principles are, how well its trade-offs are reasoned, and whether anyone can see across the domains it touches. AI can surface patterns; it cannot decide what matters. Without a clear decision architecture, open questions go up

the line faster, disagreement grows despite better data, and the strain on leaders increases as the gaps in judgement show.

There is a quieter change inside the same pressure. More of the work behind a decision is handed out than used to be, first to outside expertise and now to AI, and we notice it in our own work as much as in anyone's. It shows in how a view is put forward. More and more often it comes already attributed: *my AI says this*. The older form, *I think this, I have thought it through, and this is what I did to get there*, is heard less often. It is the form that carries the judgement, because it says who weighed the choice and how, and it is the form a forum needs if it is to test a view rather than simply receive it.

AI also changes something in how leaders read each other. An outcome now reflects a combination of human judgement and AI-supported execution, and it is harder to tell underlying capability from system-supported performance. Whether a leader can still trust a person on the strength of observed results when AI sits between the person and the result is a question we see being asked and cannot yet judge. We have not seen it answered.

Those who adopted early do not agree either. Some keep to the plan of needing fewer juniors. Others are retracing their steps, saying openly that they do not yet know how this will settle, and asking the juniors they kept to check what the machine produces.

I think this, I have thought it through, and this is what I did to get there.

What AI changes and what stays as it was

In many large organisations, especially those with significant data assets, regulated exposure or scale, the investment in AI is heavy and the core decision structures are as they were. In McKinsey's 2026 State of AI survey, among respondents outside the high-performing group, about one in four report having fundamentally redesigned their workflows because of AI. The analysis is automated, the reporting accelerated and intelligence embedded in the process. How decisions are framed, who owns the trade-offs, and which principles guide a choice under pressure stay as they were.

The way AI initiatives are governed shows it. They sit in technology, data or transformation portfolios rather than in a review of how the organisation decides, and the approvals concern capability, tooling and use cases.

Decision ownership, escalation logic and trade-off principles stay as they were before AI. The result is what the first three articles describe, only faster. The decision architecture in most organisations was never designed for this many decisions arriving this close together.

What we have seen done

The leadership teams adapting well redesign before they accelerate, and the first thing they settle is what an answer from a machine has to carry before anyone acts on it: which decisions it may inform and which it may not take, who has weighed it, and on what grounds. It is the shift that follows from this article's diagnosis. When consequence comes sooner, the check has to be agreed before the answer appears, because there is no longer time to agree it afterwards.

AI exposes complexity that was already there. By compressing time, consequence and visibility, it removes the tolerance that once gave provisional decisions time to settle. What used to unfold gradually now happens before anyone can reconcile it, and a decision that could once be corrected later carries its operational, financial or risk consequence at once. For the people leading an organisation that is performing well, the question is whether the decision architecture they work in can carry consequence that comes sooner than it was built for.

05

When Investment Buckets Replace Strategic Judgement

How technology funding categories decide before leaders do

The same kind of AI tool is asked for twice. From the commercial side, with revenue in view, the request goes to the people who set strategy and is discussed as an opportunity. From a supporting function, whose work is what lets the commercial side be served well, it goes to whoever holds that budget and is reviewed as a cost.

How the buckets came to decide

For many years there was a settled way of treating technology investment. The choices were hard and the governing logic was clear: technology spend was judged on stability, efficiency and cost, its purpose was assumed to be supportive, and the mechanisms for reviewing it were well rehearsed. Nobody challenged this at enterprise level, because cost, uptime and delivery stayed within bounds.

In most large organisations technology spend was sorted into three categories: run the business, grow the business, innovate or disrupt the business. The categories brought order to planning, approval and reporting. They also did something with more consequence. They decided in advance how a technology decision would be treated: who would see it, how it would be judged, and whether it would ever reach strategic attention. The bucket determines the forum, the metrics and the tolerance for risk. We have sat on the side of the table where the categories are set.

Run the business. Technology is operational hygiene, expected to be stable, efficient and cheaper per unit over time. Authority sits with a budget owner whose job is to stabilise services and reduce unit cost. Escalation reads as underperformance.

Grow the business. Technology is incremental enablement, justified by a business case and a forecast. Decisions follow ROI logic, governance watches delivery against plan, and escalation is an exception.

Innovate or disrupt the business. Technology is strategic uncertainty, and it raises questions of competitive position, risk appetite, capability and timing. These decisions draw senior and board attention, and escalation is expected.

The bucket determines the forum, the metrics and the tolerance for risk.

The questions that never surface

Once a technology investment is placed in run or grow, it leaves strategic judgement. It is treated as a cost to control or an initiative to optimise, and three questions go unasked: how this technology reshapes decision speed or risk exposure; what dependencies it creates across functions; which assumptions it quietly locks in. The category screens the questions out

before any leader sees them, because the category decides which questions count as relevant.

Why AI escapes the discipline

AI has unsettled this logic, and it shows the logic more plainly than any technology before it, because the same technology can end up in different buckets depending on who asks for it and why. Asked for with growth in view, it resists being framed as cost or as incremental enablement, and it cannot be left to a single budget owner with a mandate to reduce cost.

So where AI is asked for with revenue in view, it is pulled into the innovate bucket and, with it, into the boardroom. In Foundry's State of the CIO 2026, 83 per cent of IT leaders have a cross-functional AI steering committee in place or planned within the year. AI got its own forum, outside the run and grow discipline. Asked for by the back office and the supporting functions, the same kind of tool can stay where the systems around it already are, in the run bucket, measured on cost, although those functions are the ones that let the commercial side be served well. We have seen an AI assistant for everyday work refused, or argued over at length, as a licence cost: a question of who would pay for it rather than of what it would change.

The pull upward is rarely the result of a settled view of AI's role. It reflects an assumption that AI may carry systemic impact on the scale of earlier turning points, while the concrete applications and outcomes are still uncertain, so senior leaders feel they have to stay personally engaged. Sometimes the pull is a chief executive's own: peers are doing it, *it is exciting, so it has to happen*, and the request goes to the top past the forums that would normally have looked at it. The normal run and grow discipline is suspended rather than adapted, and what follows is a way of governing AI that is meant to be temporary and often lasts a full board term.

What AI makes visible

What AI brings into view is where strategic judgement had no place to happen. The tell is the change of forum, language and decision criteria the moment AI appears on the commercial agenda, and the absence of any change when the same technology is asked for to support the back office.

For years, the investment categories simplified complexity to the point where the category stood in for judgement. Whole classes of technology decisions

were governed as cost questions when they were enterprise design questions: identity and access, data platforms, enterprise integration, resilience, technical debt. AI breaks that arrangement. It puts in front of leaders the trade-offs the funding structure used to absorb or leave aside.

What this means for the decision architecture

None of this argues against discipline or cost control. It asks that their effect on who gets to decide be seen for what it is. When a funding category decides who decides, how risk is weighed and which questions are legitimate, the decision architecture is no longer neutral. It shapes the outcome before the leadership debate begins.

Whole classes of technology decisions were governed as cost questions when they were enterprise design questions.

Where AI is proving hardest, the leaders are finding that the decision architecture they inherited was built for cost management, delivery assurance and control, and far less for strategic judgement under uncertainty.

AI forces the question because it compresses time, consequence and visibility in ways the categories were never built to contain, and it has pulled technology decisions back into leadership judgement by showing where the category had stood in for it. AI has reached the board table. The question it leaves behind is which other technology decisions never reached strategic discussion, and what kept them out.

06

Inside Decision Architecture Redesign

What leaders meet when they start reshaping how decisions are made

This is the one article we did not write from what we have seen work. The friction it starts from is the friction of the five articles before it, and that we have been part of. What comes after it, the redesign itself, we know mostly from research, and we would rather say so at the start than let the article sound otherwise.

Where it starts

Senior leaders notice that decisions which should be simple take a disproportionate amount of time and energy. Escalations recur although the people are capable. The forums are busy and progress is uneven. No single failure is visible, and momentum wears away over time. What follows is rarely a formal programme. It is a period of looking closely at how decisions actually get made, where they slow down, and why the friction keeps returning despite effort and intent.

The looking usually begins in the same few places, where the friction can no longer be overlooked, which are seldom the ones theory would choose. Three signals recur.

Decisions that keep coming back. The same decision returns as assumptions are revisited, context shifts and earlier approvals are reopened. What usually brings it back is a constraint, financial, technological, regulatory or strategic, that mattered at the time and was not part of the decision when it was first taken. The redesign starts by asking why the closure was provisional.

Forums that gather context and do not decide. Executive and cross-functional forums grow dense with information. The papers get longer, the updates multiply, alignment takes the hour, and the decisions slip. The forum was set up to review, endorse or oversee, and it is now expected to weigh complex trade-offs against each other as they arise. When Satya Nadella became Microsoft's chief executive in 2014, he found executive forums that had become arenas where the business units competed, in a governance built for an era before they had to work together on shared platforms (Nadella, *Hit Refresh*, 2017). What leaders notice first, long before they redesign a forum, is that it works harder and delivers less.

Escalation that will not stop. Escalation is usually read as behaviour. When it keeps happening, it more often shows that ownership is unclear at the point where the trade-off is made, even where it is clear at the point of execution. When authority over cost, risk, technology and timing sits in different places, no single role can settle the whole of it, and sending it upward becomes the practical way the pieces are brought together. At Haier, Zhang Ruimin read the signal when the company had more than 12,000 middle managers whose main work had become passing matters up the line, and removed that layer (McKinsey, 2021).

The redesign begins when leaders read escalation as a signal about the structure.

When authority over cost, risk, technology and timing sits in different places, no single role can resolve the whole trade-off.

What changes first

In practice the redesign starts small, well before anyone touches a governance framework or a role definition.

Decisions are examined before structures. Leaders take a handful of the decisions that matter most and ask which assumptions were implicit, which trade-offs were left open, and where the perspectives were actually brought together and where they were not. More often than not this shows that the structure was never the main issue. The issue was how the decision was put together before it reached a formal forum.

Trade-offs are named early, and agreed once. The redesign brings them into the open sooner and gives each one an owner. A leadership team may record that a decision puts speed ahead of optimisation, or that a regulatory or technical constraint will be accepted for a set period rather than designed out at the start. Named early, the choice does not come back later as a surprise objection. Between the finance, technology and strategy leaders the same work is done once, in advance: they agree how the choices that keep coming back between them will be made, so that they do not have to agree them again at every decision. It is uncomfortable, and it reduces the number of decisions that unravel under pressure.

Decisions go back to where they can be taken. Leaders leave the roles largely as they are and clarify who can decide what, and under which conditions. A technology leader decides on architecture within agreed cost and risk thresholds and escalates only when a threshold is crossed; a finance leader sets capital limits within which delivery teams act without asking again. The clarity belongs to the decision where the functions meet, not to a role as a standing permission.

Then the leadership team goes through what reaches it by habit rather than necessity, and sends most of it back to where the work is. AI makes this more pressing: it speeds decisions up, and it should not multiply the number

that reach the top. What stays at the top is the small number of decisions only senior leaders can take, and their time goes to closing those rather than to building the context around them. Only about 12 per cent of business transformations achieve their original ambition, and one of the things that sets those apart is that their top leaders are not overloaded (Bain, April 2024).

Accountability is rebalanced. Traditional governance assumes that a decision can be given to one function and one named person. As more decisions span finance, technology, risk, operations and strategy, forums for bringing them together multiply inside the standing governance, and accountability does not always follow: decisions are discussed together and it becomes unclear who carries the consequences. Once it is settled which decisions are shared, responsibility for those is anchored in written decision rights, in each role's accountabilities, and in an agreed split of who decides, who contributes and who carries the result. Execution, delivery and day-to-day ownership stay with the functions, which keeps a shared decision from becoming nobody's. Integration cannot mean everyone and no one. Where it is the main way of deciding, it has to be designed as such.

Forums are built around the choices they have to make. The meetings that bring perspectives together are kept apart from the ones that settle what is still open, so that a body asked to bring views together is not also asked to arbitrate between them. The questions that cross functions are written down, with who brings them together and where they are settled. They are expected to conclude, which they can do only when the assumptions across value, risk, technology and strategy have been aligned before the meeting. Some leadership teams also redraw the business cycle, so that the day after tomorrow has its own slot instead of being squeezed in after today.

Integration cannot mean everyone and no one. Where it is the main way of deciding, it has to be designed as such.

What does not change at once

Much of what is visible stays the same for a while. Titles do not change overnight, committees are not dismantled, governance does not disappear. From the outside little looks different. What changes first is the quality of the decisions passing through the structure.

At ING, the formal governance stayed largely intact through the first phase of its transformation. What changed was that decisions reached the executive forums already brought together across technology, operations and commercial considerations. Releases went from five or six big launches a year to one every two to three weeks, and customer-satisfaction and employee-engagement scores rose by several points, without a structural reorganisation of the governance (McKinsey, 2017).

Decisions reach the forums with the perspectives already brought together and fewer open assumptions. Escalations become fewer and matter more, because what reaches the top is a real trade-off, ready to be decided. Leaders recognise the progress in practical ways: decisions stop reopening weeks later, and the executive forum concludes more choices than it defers. At intervals the leadership team looks again at whether its forums, roles and business cycles still fit the way the work is done, and at the measures themselves, because the assumptions built into a metric decide how far people trust what the governance reports.

What the redesign is for

Redesigning the decision architecture makes leadership judgement more valuable. As the tolerance for uncertainty disappears and more decisions arrive closer together, judgement becomes the scarce resource, and the redesign is there to keep it for the trade-offs that need it. The focus moves from control to keeping the capacity to decide.

This work begins when the people leading an organisation that has performed well for years find that its governance, its way of working and its leadership cycles no longer keep pace with the conditions they now work in. It is done from within, while the business keeps delivering, where the trade-offs are real and judgement matters more than a clean design.

Closing word

Across organisations, leadership teams are asking similar questions, often privately and sometimes with discomfort. Why does progress take more alignment than before? Why do decisions reopen after approval? Why do capable leaders spend so much of their time integrating work that should already fit together?

Looking back across the five perspectives, we come to one conclusion. The way the work is done has changed faster than the decision architecture that governs it. Governance built for slower, more sequential conditions struggles as more decisions arrive closer together. Leadership roles stretch as the integration work builds up. Finance, technology and strategy now have to come together in the same decision. Artificial intelligence removes the tolerance for uncertainty that used to absorb delay and ambiguity, and it exposes all of this faster. Among what it exposes are familiar mechanisms, from escalation paths to the funding categories for technology, that had been deciding which decisions receive judgement before any leader looked at them.

None of this is a weakness. It is what maturity looks like under compression, and the work ahead is not more structure, more control or more capability. It is looking at how decisions are actually taken, and redesigning for that.

Six questions for your next leadership team meeting

1. Who, in this organisation, is allowed to say that a forum has stopped deciding?
2. Where do we bring perspectives together before positions harden, rather than after?
3. Which of our decisions need joint ownership, and does each have an owner who can weigh it?
4. What does an answer from a machine have to carry before anyone acts on it?
5. Which technology decisions never reached strategic discussion, and what kept them out?
6. What reaches us by habit rather than necessity, and where does it belong instead?

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Decision architecture is the system people have organised for taking decisions: the forums, the roles, the mandates and the business cycles, and the conviction behind them that this arrangement protects the organisation's interest and helps the people in it decide well. It evolves more slowly than the organisation it serves. Five perspectives on where that gap shows first, seen through the CFO's eyes, and a sixth on what redesigning it takes.

We hope that, in sharing how we see these challenges and what we have seen done with them, we contribute something to every leader who senses that the way their organisation decides no longer fits the work in front of it.

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