# Jonathan Brill & Stephen Wunker

# AI

## and the
## OCTOPUS
## ORGANIZATION

## Building the
## Superintelligent Firm

Foreword by Pär Edin, Former Board Chair, KPMG LLP

# INTRODUCTION:
# WHY TRANSFORM?

*Bang. Everything Changed.*

**S**ixty-six million years ago, an asteroid the size of Manhattan struck the Yucatán Peninsula with the energy of ten billion Hiroshima bombs. Massive clouds of toxic dust blotted out the sun, cooled the planet, and generated torrents of acid rain. Within weeks, 75 percent of Earth's species were on the road to extinction.

Before the asteroid, the prehistoric oceans had been diverse, life-rich biomes, teeming with thousands of species of a creature seldom considered today: the ammonite. Today we have only their fossilized shells, intricately coiled and ranging in size from a few inches to several feet in diameter. The ammonite's evolution had been so gradual and consistent that geologists use their fossils to date rock strata.

The ammonite's success was built on an unyielding design. Its protective shell, formed by slow changes over millions of years, was perfectly adapted for a predictable, stable environment. But in a brutal twist of fate, the very rigidity that had once ensured the ammonite's dominance would lead to its extinction. The acid rain that washed over the oceans following the meteor strike dissolved the delicate shells of its young and devastated its primary food source, plankton.

But amid the ruin, a story of survival emerged—one that would come to define resilience in the face of radical disruption: the octopus. Unlike the ammonite, the octopus's physiology enables it to transform far faster than it can evolve. Its soft, malleable body is capable of extraordinary feats. It changes color in an instant, squeezes through

seemingly impassable gaps, and even regenerates lost limbs. A secret advantage lies in its ability to reconfigure its RNA, a mechanism that allows it to adjust its genetic code in hours. While the ammonite's evolution was measured by a gradual march, the octopus is a master of rapid, continuous transformation. When its environment was thrown into chaos, it changed its biological processes to thrive.

This ancient drama of extinction and survival offers a powerful metaphor for today's business landscape. Like ammonites, many companies have evolved rigid and hierarchical structures optimized for incremental, predictable change. These organizations thrived in eras when steady growth and minor adjustments were sufficient. But in a world subject to disruptions that arrive with the force of an asteroid, those rigid, time-tested models are fatal.

Today, artificial intelligence is emerging as the catalyst for a fundamental shift that will redefine whole industries and economies. ChatGPT, Grok, Gemini, and DeepSeek are merely the opening acts.

AI's evolution is not linear but exponential, a seismic event measured on a Richter scale. Small percentage improvements in AI performance are rapidly compounding into transformative shifts. Over the coming five years, the current best AI models could cost one hundred-thousandth of what they do today, based on linear projections. By 2030, we could see a thirtyfold increase in output quality. In practical terms, these enhancements mean that tasks once deemed too intractable or too expensive to automate can now be accomplished with unprecedented speed and efficiency. The impossible and the unaffordable are becoming feasible and cheap at eye-popping rates. In just a few short months, AI's competitive coding performance has risen from the sixtieth percentile compared with elite human programmers to near perfection.[1]

Much more is coming. Even now, AI has agentic capabilities, meaning it can take action without human intervention. In a number of cities, self-driving cars roam the streets. That is one of the first major examples of a service becoming software. Soon, you will be able to buy most every knowledge service as software. Tell your AI what you want accomplished and when, and it can work with other

agents (and people) to manage the rest. The step from executing relatively simple personal tasks to performing more complex business operations is—in technological terms—not all that vast. When AI bridges from remarkable thinking to remarkable semiautonomous action, the possibilities explode.

The AI debate often fixates on *artificial superintelligence*—the day machines outthink every human. That milestone, impressive as it sounds, isn't the real turning point. We humans dominate the planet not because we hold the most collective neurons (an ant colony wins that contest) but because we coordinate our actions across distance and centuries. Language, culture, and organization weave individual talents into shared achievement, empowering us to build cities, redirect rivers, and raise living standards generation after generation.

AI's breakthrough lies in *amplifying* that human coordination, not replacing it. Algorithms already excel at many isolated tasks. AI's decisive edge is the ability to knit our scattered insights, plans, and decisions into fluid, real-time collaboration. Picture a voluntary, always-on network that extends each person's expertise, letting diverse teams spark ideas and act faster than any hierarchy alone can.

Crucially, we don't need sci-fi breakthroughs to unlock this potential. The tools exist today. What lags is organizational imagination: redesigning roles, incentives, and safeguards so people and machines can think together at scale while preserving autonomy and creativity. When we do, AI becomes less a central brain issuing orders and more a catalyst that lets individuals achieve together what no one could even attempt alone.

That opportunity, and how to seize it, is the focus of this book.

The change that AI is driving will not follow a linear progression; it is scaling in multiple directions and all at once. The lesson is clear: rigid, unyielding business structures are destined for extinction. Just like the ammonite, organizations that cling to outdated structures will perish. If organizations want to survive, they must become fluid like the octopus.

Here's the happy irony that underlies this book: While AI is forcing this transformation, it also makes it possible.

# WHAT THIS BOOK IS ABOUT

Over the next five years, the gap between companies that integrate AI and those that merely experiment with it will spell the difference between survival and extinction. This book is your blueprint for changing the nature of your management and organization to best adapt to an AI-infused world.

To be clear, we are not talking about chatbots, although they're a small piece of the puzzle. When we write about AI, we mean technology that supports decisions, manages communication, simulates options, and enables vast amounts of data to be filtered to the right people at the most opportune moments. This technology is already a reality, even if its deployment is uneven among organizations today.

As a leader, you can't assume that your organization will somehow be immune to the coming disruptions of AI. Nor should you hope that AI will influence all companies in the same ways and you will have the luxury of picking from a smorgasbord of best practices. In fact, it's the divergence among firms that creates the opportunity.

AI is a juggernaut, and it is accelerating at an exponential pace. Now is the time to ask and answer the question, "What will our enterprise look like in five years?" Because the changes you will need to make require time, and if you wait five years to start, it will be too late.

It might be tempting to adopt a conservative, wait-and-see approach, using AI-powered automation to hone your decision-making and eliminate some overhead while learning from other companies' mistakes. This approach ignores the challenges AI poses to inflexible, top-down organizations, as well as the new and better ways of managing that it already enables. AI will allow some organizations to grow to massive size and others to shrink to more manageable proportions as they become profitable nodes in a broad ecosystem of partners. "AI-ifying" the status quo is a path to extinction. We have to be bolder to leverage what's possible.

For all the very real uncertainties about how AI will evolve and the risks it may pose, we believe that there is a right path to take. Use AI to:

- ▶ Distribute and speed routine decision-making
- ▶ De-silo your functions and management
- ▶ Develop a keener sense of both your competitive environment and your own enterprise

That's how you become an Octopus Organization™. Your organization will not just be more resilient and able to adapt to external changes—it will be smarter and more able to experiment, learn, and take calculated risks.

## WHY WE WROTE THIS BOOK

As innovation practitioners, we've spent our careers guiding our own and our clients' teams through periods of disruptive change, helping them become disruptors themselves, developing new products and frontline technologies, identifying major opportunities, and growing rapidly into new markets.

**Jonathan Brill** is the Futurist-in-Residence at Amazon, Executive Chairman of the Center for Radical Change, and former Global Futurist and Research Director at HP. *Forbes* calls him "the world's leading futurist." As an AI Lab Chief, technology executive, and creative director at Frog Design, his teams have developed over 350 products, generating tens of billions of dollars in new revenue for clients. As a consultant and board advisor, he has guided multinational corporations and national governments, as well as frontier tech firms working in AI, defense, food, and advanced manufacturing.

**Stephen Wunker** is the Managing Director of New Markets Advisors, a global consulting firm that develops growth strategies for ambitious innovators, including 29 of the Fortune 500. A pioneer in mobile marketing and payments, he led the development of one of the world's first smartphones. As a longtime collaborator with the late Clayton Christensen, Harvard Business School's legendary

scholar of business disruption, Stephen played a key role in refining and applying his theories of Disruptive Innovation and Jobs to be Done. He has worked across sectors to help large organizations identify major opportunities and move quickly, despite legacy systems or cultural resistance.

During the many times we've helped our clients navigate their AI transformation efforts, we've noticed two key problems. First, there is little consensus on how to structure and manage organizations in the AI Age. Some argue that AI will incentivize a core leadership team to consolidate decision-making, while others predict it will incentivize radical democratization. Some studies show that AI entrenches whatever leadership style is already in place, whether centralized or decentralized.[2] Second, even several years after ChatGPT made its debut in 2022, clients are struggling to turn localized AI pilots into broader organizational transformations. As a result, teams often run surface-level experiments that lead nowhere. Organizations need to embrace AI's disruptions, not retrofit them in a futile attempt to maintain what's familiar.

*AI and the Octopus Organization* presents an actionable vision of the kind of organization that is best prepared to succeed in the AI Age, and offers practical tools that can make that vision a reality. The book is based on our work as pioneers and doers as well as on in-depth discussions with more than fifty leaders in AI, academia, and industry. We studied dozens of organizations that are moving concertedly in the direction of AI, assessed over two million workforce surveys conducted with the Harrison Assessment team, and did the tough spadework to discover what worked and what did not, to distill fact from hype.

Most books on AI-led management feel like technical manuals. This one is different: We turn breakthrough research into plain language, animate it with real-world cases, and show you companies that are already rewiring themselves for an AI-enabled future, so your organization can move just as decisively. We do not presume you are the CEO—wherever you sit in an organization, you'll find content that's relevant.

# YOUR TRANSFORMATION GUIDE

## The AI Transformation Overview

| CHAPTER | CORE POINT | WHAT YOU WILL LEARN | SAMPLE STRATEGIC ACTION |
|---|---|---|---|
| **1. Reimagining Growth** | AI recombines labor, capital, and energy costs; growth curves bend upward for early movers. | The key macro issues that make AI-enabled organizational change a necessity, not a luxury. | Reconsider your strategy and what you must excel at doing. |
| **2. Eight Arms** | Push everyday decisions to AI-equipped frontline teams, freeing leadership to steer big bets. | How to delegate decision-making and judgment while maintaining alignment and brand consistency. | Grant edge teams data, micro-budgets, and clear risk bands so approvals vanish from routines. |
| **3. Neural Necklace** | Create seamless horizontal communication across teams. | How to work with AI to decentralize and make context-rich information universally discoverable in real time. | Invest in a searchable data repository that pushes tailored insights to every role. |
| **4. Three Hearts** | Master three operating modes—analytic, agile, aligned—and switch deliberately as conditions change. | Modes of leadership that avoid both command-and-control relapse and free-for-all agile anarchy. | Codify triggers that pause analysis, launch bursts, or reconvene teams for cultural recalibration. |
| **5. RNA-Powered Resilience** | Empower rapid-rewrite squads that sense shocks early and update processes in real time. | How to turn resilience into a standing capability instead of an expensive post-crisis recovery project. | Authorize cross-functional crews to tweak pricing, workflow, or channels within hours—not quarters. |

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|---|---|---|---|
| 6. An Emotional Being | Culture shifts when you rewrite roles, change incentives, and redeploy talent. | How to overcome the trust issues that silently kill AI transformations. | Revise job designs and rewards first; then frame AI as a career mobility accelerator. |
| 7. Strategic Serendipity | Leverage ways of working that let AI stack the odds in your favor. | Ways to convert uncertainty from threat into a managed asset by making optionality a measurable KPI. | Add KPIs that track idea flow, diverse collaborations, and fast, risk-balanced experiments. |
| 8. Your Transformation Plan | The detailed path to move from vision to organizational transformation. | The step-by-step approach to managing AI transformation. | Require every experiment to earn a "right to scale" and model daily AI use in leadership. |

This book is broken into four parts.

**The Current and Future State of AI.** Chapter 1, "Reimagining Growth Amid a Sea Change," outlines the current state of AI and looks to the future, unpacking how AI will transform societies and markets. It sets the frame from which the Octopus Organization emerges.

**Anatomy of the Octopus Organization.** Chapters 2 through 5 present the four pillars of the Octopus Organization based on biological traits of the octopus. Chapter 2, "Eight Arms," outlines a model for distributive decision-making that empowers frontline staff to take greater initiative and act more strategically, revolutionizing the role of middle management. Chapter 3, "Neural Necklace," describes new means of communication that keep all parts of the organization aligned. Chapter 4, "Three Hearts," describes a multitracked leadership style that adjusts to rapid changes in priorities, challenges, and market forces. Finally, Chapter 5, "RNA-Powered Resilience"

describes how your organization can more effectively and rapidly sense external threats, while democratizing experimentation to continue to push the envelope.

**Setting the Right Culture.** Simply changing the structure of your organization is not enough. Success depends on the trust you build with your workforce. Earning this trust requires a cultural shift, an organization-wide willingness to embrace the unknown and leave familiar ways of working behind. In Chapter 6, "An Emotional Being," we offer practical strategies—built on what we've learned from millions of career development surveys—for fostering a culture that embraces change. Chapter 7, "Strategic Serendipity," highlights a seemingly counterintuitive benefit of Octopus Organizations: habits and tools that increase "luck" and stack the odds in favor of success.

**Beginning Your Journey.** Finally, and critically, in Chapter 8, "Your Transformation Plan," we provide you with the concrete steps to take to develop your transformation plan and get it underway. If you read just one chapter, make sure it's this one.

The tide has turned. The organizations that own the future will be the ones that throw off their shells and swim with the octopuses. We will begin in Chapter 1 by charting AI's trajectory over the coming five years, the window you have to rearchitect your company before the true sea change arrives.

Ready? Let's dive in.