PERSPECTIVE · FOR BOARD MEMBERS

Technology Is Changing What Produces Performance

A succinct perspective on how the board's role is evolving as technology changes what drives results

Technology is no longer confined to supporting how organizations operate, and is increasingly shaping how they perform, with artificial intelligence accelerating that shift in ways that are uneven across the organization and not always easy to interpret from a board's vantage point.

In some areas, the impact is clear, while in others it develops beneath the surface, allowing performance to continue presenting as stable, plans to move forward as expected, and investment in technology to remain visible and often increasing, without anything in the reported outcomes suggesting that something is materially off track.

At the same time, what is producing those outcomes is changing.

WHERE THE MANDATE BEGINS TO SHIFT

Boards have traditionally overseen performance, strategy, and risk with the expectation that the organization's capabilities evolve at a pace that can be reasonably assessed, yet that expectation is becoming more difficult to rely on as technology begins to influence how decisions are made, how quickly the organization can respond, and how effectively it can adapt to changing conditions.

This shift is not confined to a single function, but extends across the organization in ways that are not always visible or consistent, which means that oversight can no longer be anchored only in understanding performance and must increasingly account for whether the organization is positioned to continue performing as the conditions that produce performance evolve.

> *Is the board gaining sufficient visibility into how these capabilities are developing, or primarily reviewing their outcomes once they are already in motion?*

WHEN CAPABILITY AND DIRECTION DO NOT FULLY CONNECT

Technology investment on its own does not determine performance, and progress within isolated areas rarely does either, since what ultimately matters is how capability is developed, how deliberately it is applied, and how consistently it supports a direction that is being held over time.

From a governance perspective, that connection is not always easy to see, as materials tend to reflect initiatives, spending, and outcomes that can be understood independently, while the relationship between them remains less clear.

In some organizations, capability is developed with intent and applied in a way that strengthens direction, while in others it expands more unevenly, supporting multiple efforts without clearly reinforcing a single direction, with the difference rarely captured in near-term results.

> *Is the board seeing how capability is raising what the organization is able to achieve, or primarily observing activity that has yet to translate?*

WHAT THIS POINTS TO

Technology makes this shift more visible, but it is not the issue on its own, since what determines the outcome is whether the organization is developing the capabilities that will determine its performance, applying them with clarity, and ensuring that they continue to reinforce one another as conditions evolve.

From a board perspective, the question becomes less about technology investment and more about whether what is being governed reflects how performance is now being produced.

> *Does what the board is emphasizing align with what will determine how the organization performs going forward?*

CLOSING

In some organizations, the connection between capability, direction, and leadership is clear, allowing the path forward to be understood with confidence, while in others activity remains visible, investment continues, and results may still hold, yet it becomes more difficult to see how those elements combine to sustain performance over time.

The difference is not always obvious at first, but becomes clearer as conditions evolve and technological capability continues to shift, at which point what is visible can usually be explained, while what sits beneath it is more difficult to assess, particularly in terms of whether it is developing at the level

required and continuing to hold together as the conditions that produce performance change.

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