



AI-MEDIATED ORGANISATIONS

Redesigning Work.  
Elevating Human Judgement.  
Delivering Sustainable Value.

# CAPABILITY VELOCITY™

## THE NEW EXECUTIVE METRIC FOR THE AI ERA

MOVE BEYOND AI ACTIVITY  
MEASURE WHAT CREATES  
REAL BUSINESS VALUE



FROM ADOPTION  
TO ADVANTAGE



FROM PRODUCTIVITY  
TO PERFORMANCE



FROM TECHNOLOGY  
TO TRANSFORMATION

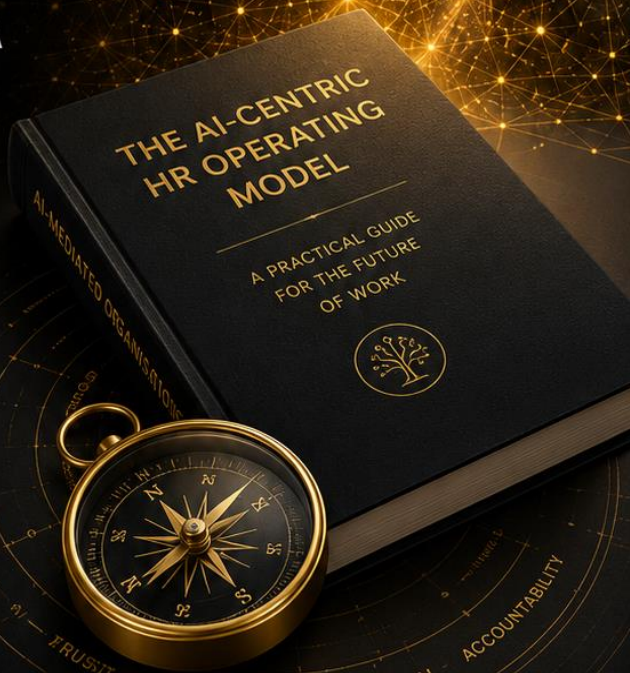


FROM DASHBOARDS  
TO DIRECTION

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HUMAN CAPITAL STRATEGIST



TECHNOLOGY SCALES RAPIDLY.  
CAPABILITY SCALES SLOWLY.  
COMPETITIVE ADVANTAGE COMES FROM  
REDUCING THE GAP BETWEEN THE TWO.



HUMAN  
JUDGEMENT  
AMPLIFIED



INTELLIGENT  
SYSTEMS  
EMPOWERED



SUSTAINABLE  
VALUE  
DELIVERED

# CAPABILITY VELOCITY™

## The New Executive Metric for the AI Era

### Executive Summary

Most organisations are measuring AI activity. Very few are measuring organisational adaptation. Board dashboards typically focus on:

- AI licences deployed
- AI adoption rates
- Training completion
- Productivity gains
- Technology investment

These metrics are useful but incomplete. They tell leaders what technology has been deployed. They do not tell leaders whether the organisation has become more capable.

As AI becomes embedded into everyday work, competitive advantage increasingly depends upon how quickly organisations can develop, deploy and apply new capabilities.

This paper introduces Capability Velocity™ as a board-level measure of organisational readiness and business value creation in AI-mediated organisations.

### Definition

Capability Velocity™ is:

*“The speed at which an organisation develops, deploys and applies new capabilities to create measurable business value.”*

The organisations that thrive in the AI era will not necessarily be those with the most advanced technology. They will be those with the highest Capability Velocity™.

## Why Traditional AI Metrics Are Failing

Many executive teams have invested heavily in AI, yet an increasing number are finding it difficult to demonstrate a sustainable return on that investment. The reason is often misunderstood. AI can undoubtedly improve productivity, automate routine tasks and create significant efficiencies, but productivity alone does not create business value.

Consider an employee who saves five hours each week using AI. The technology has successfully created additional capacity, but capacity is not the same as value. Value is only realised when organisations deliberately redesign work, redefine decision-making, strengthen governance, clarify accountability and redirect that newly created capacity towards higher-value outcomes. Without those changes, organisations risk becoming more efficient at doing the same work rather than transforming how value is created.

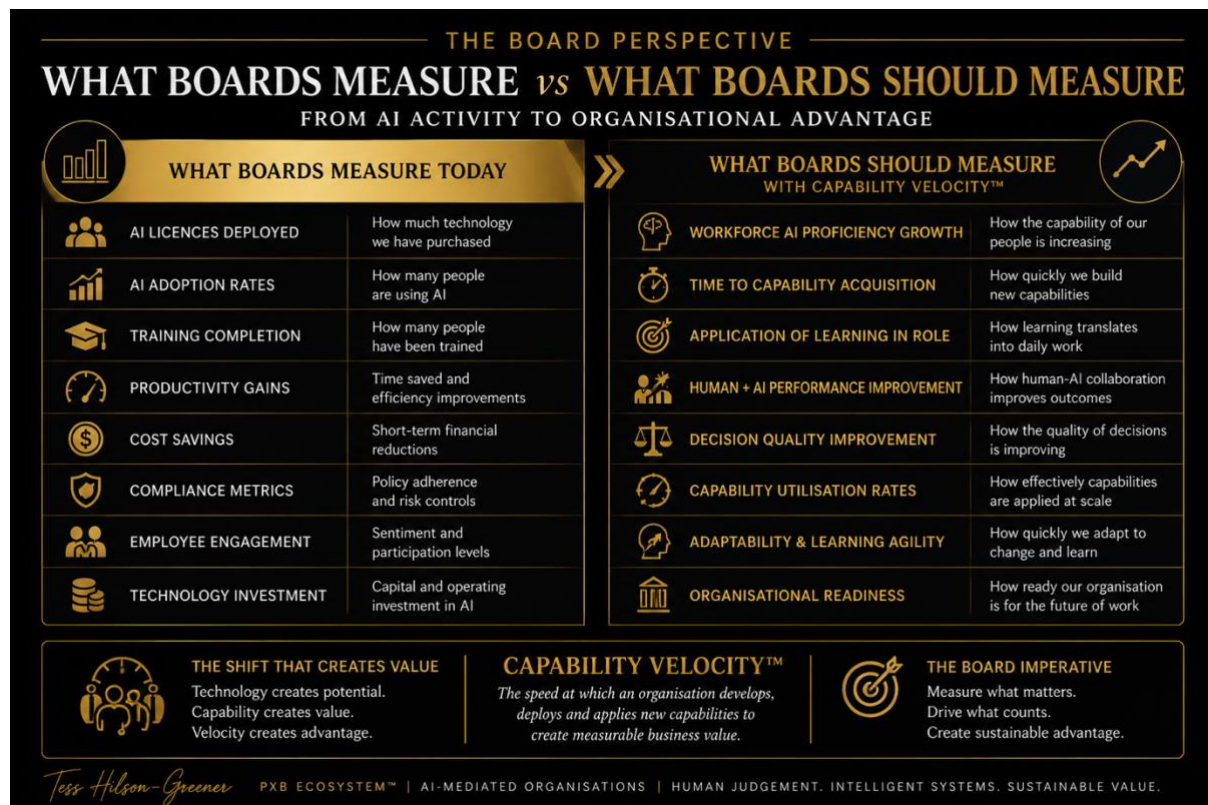


Figure 1. Measuring AI

## The Board Dashboard Gap

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Across recent board, advisory and governance discussions, AI appears on almost every agenda. Yet the concerns raised are rarely about the technology itself. Board members more frequently discuss workforce readiness, leadership capability, accountability, governance, decision quality, and the challenge of translating productivity gains into measurable business outcomes. This challenge is reflected in wider research. Employees report significant productivity gains from AI, yet many organisations continue to struggle to convert those gains into sustainable competitive advantage. The issue is no longer technology deployment. It is organisational adaptation.

### Executive Insight

Technology creates potential. Capability creates value. Velocity creates advantage.

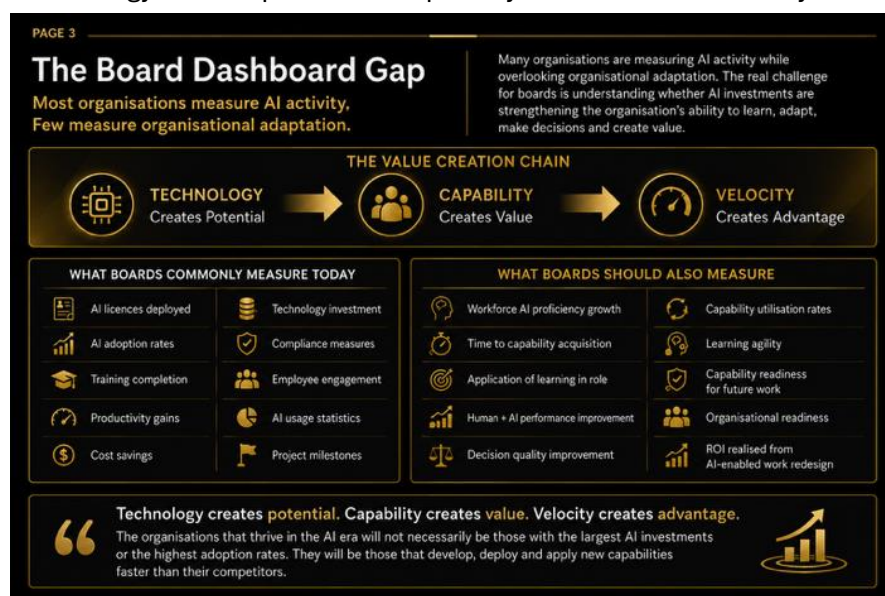


Figure 2. The Board Dashboard Gap

The organisations that thrive in the AI era will not necessarily be those with the largest AI investments or the highest adoption rates. They will be those that can develop, deploy, and apply new capabilities faster than their competitors. That is the purpose of Capability Velocity™.

## What Board Members Are Telling Me

### **The challenge is rarely the technology.**

Over the past eighteen months, AI has become a regular agenda item in boardrooms, executive committees, and transformation forums. Discussions that once focused on experimentation and use cases are increasingly shifting towards business value, governance, and organisational readiness.

What has struck me is that the concerns raised are rarely about the technology itself. Very few board members are asking whether AI will work as now most assume that it will.

Instead, the questions are becoming organisational and the themes emerging from board discussions across a range of sectors, several recurring concerns continue to surface, they are:

- How do we know whether our AI investments are creating measurable business value?
- How do we ensure accountability when AI increasingly influences decisions?
- How do we prevent employees adopting AI faster than governance can keep pace?
- How do we develop workforce capability at the speed required by the business?
- How do we redesign roles, management practices, and workflows to reflect new ways of working?
- How do we preserve human judgement while benefiting from automation and augmentation?
- How do we measure organisational readiness rather than simply technology adoption?

The underlying challenge is consistent that technology deployment is accelerating faster than organisational adaptation.

### **The Evidence**

Research increasingly supports these observations. Boston Consulting Group's global AI at Work study found that 42% of employees report saving at least one day per week through AI. Yet only 28% believe leadership actions are fully aligned with organisational AI ambitions. This suggests that while productivity gains are being realised, many organisations are still struggling to translate those gains into a coherent operating model.

At the same time, organisations continue to invest billions in AI platforms, infrastructure, and deployment programmes. Yet many leadership teams remain uncertain about how to measure value creation beyond adoption rates and productivity statistics.

- The question is no longer whether AI works.
- The question is whether organisations are evolving quickly enough to capture its full value.

## The Capability Challenge

Many organisations are still running on operating models built for a world where scale, efficiency and headcount were the primary drivers of success. In the AI era, those measures are no longer sufficient. As access to AI becomes increasingly democratised, technology itself becomes less of a competitive advantage.

Capability becomes the differentiator because it determines how quickly an organisation can learn, adapt, redesign work, improve decision-making and translate technological potential into business outcomes. The winners of the AI era will not be those with the most AI. They will be those with the capability to create the most value from it.

### The Capability Challenge

**Technology** creates potential by increasing access to knowledge, automating routine activities, augmenting decision-making and creating new opportunities for productivity, innovation, and growth.

**Capability** determines whether that potential can be realised by providing the skills, judgement, learning agility, governance, leadership and organisational readiness needed to apply technology effectively.

**Velocity** reflects how quickly capability can be developed and applied because competitive advantage increasingly depends on an organisation's ability to learn, adapt and respond faster than the pace of change.

**Value** is created when capability improves business outcomes.

**Advantage** emerges when organisations can repeat this process faster than competitors.

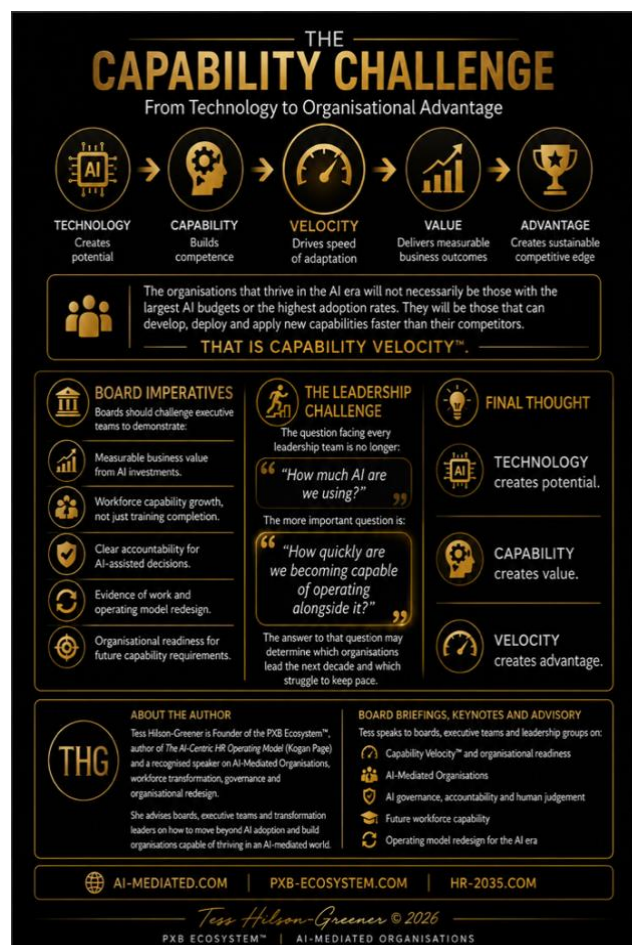


Fig.3 Capability Challenge

### This is why Capability Velocity™ matters.

It provides leaders with a way to shift the conversation from technology deployment to organisational readiness, workforce adaptability, and sustainable value creation.

# Five Questions Every Board Should Ask

Most boards now receive regular updates on AI investments, adoption rates, and technology deployment. While these metrics are still important, they often focus on activity rather than outcomes. As AI becomes embedded into decision-making, operations and knowledge work, boards must broaden their oversight. The challenge is no longer simply understanding how much AI is being used. The challenge is understanding whether AI is strengthening the organisation’s ability to create value, adapt and compete. The following questions are designed to help boards move the conversation beyond technology deployment and towards organisational capability, readiness, and business performance.

**FIVE QUESTIONS EVERY BOARD SHOULD ASK**  
FROM AI ACTIVITY TO BUSINESS VALUE

<b>1</b>	<b>What can our workforce do today that it could not do six months ago?</b> Measure capability growth, not just training completion.	<b>LOOK FOR:</b> <ul style="list-style-type: none"> <li>Capability growth</li> <li>New skills</li> <li>Better decisions</li> <li>Human-AI collaboration</li> </ul>
<b>2</b>	<b>How quickly can we build the next capability required by the business?</b> The rate of learning is now a competitive advantage.	<b>LOOK FOR:</b> <ul style="list-style-type: none"> <li>Learning velocity</li> <li>Reskilling speed</li> <li>Workforce adaptability</li> <li>Capability readiness</li> </ul>
<b>3</b>	<b>Which workflows, roles or decisions have been redesigned because of AI?</b> Transformation happens when work and decisions change.	<b>LOOK FOR:</b> <ul style="list-style-type: none"> <li>Work redesign</li> <li>Decision rights</li> <li>Role evolution</li> <li>Operating model change</li> </ul>
<b>4</b>	<b>How are we measuring decision quality alongside productivity?</b> Better decisions create more value than faster decisions.	<b>LOOK FOR:</b> <ul style="list-style-type: none"> <li>Better outcomes</li> <li>Reduced risk</li> <li>Improved judgement</li> <li>Customer value</li> </ul>
<b>5</b>	<b>Where is measurable business value being created?</b> Every AI investment must connect to clear business outcomes.	<b>LOOK FOR:</b> <ul style="list-style-type: none"> <li>Revenue growth</li> <li>Cost optimisation</li> <li>Innovation</li> <li>Workforce effectiveness</li> </ul>

**THE BOARD IMPERATIVE**  
The question is no longer: "How much AI are we using?"  
The question is: "How quickly are we becoming capable of operating alongside it?"

**TECHNOLOGY → CAPABILITY → VELOCITY**  
POTENTIAL → VALUE → ADVANTAGE

**THE CAPABILITY VELOCITY™ CONNECTION**  

- Capability drives performance
- Performance drives adaptation
- Adaptation drives advantage

**CV CAPABILITY VELOCITY™**  
Capability Velocity™ is the speed at which an organisation develops, deploys and applies new capabilities to create measurable business value.

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## AI Activity to Business Value

- 1. What can our workforce do today that it could not do six months ago?**  
Capability growth matters more than training completion. Boards should seek evidence that employees are developing new skills, making better decisions, and working more effectively alongside AI.
- 2. How quickly can we build the next capability required by the business?**  
The speed at which organisations develop new capabilities is becoming a source of competitive advantage. Learning velocity and workforce adaptability are increasingly important board-level considerations.
- 3. Which workflows, roles or decisions have been redesigned because of AI?**  
Technology alone does not create transformation. Sustainable value is created when organisations redesign work, decision-making, governance and operating models around new capabilities.

Fig. 4 Board Five Questions

### 4. How are we measuring decision quality alongside productivity?

Many organisations focus heavily on efficiency gains. However, improved decision quality, reduced risk and stronger outcomes often create greater long-term value than productivity improvements alone.

### 5. Where is measurable business value being created?

Every AI investment should be linked to clear business outcomes. Boards should expect evidence of value creation through revenue growth, cost optimisation, innovation, workforce effectiveness, or customer impact.

## Leadership Implications

**The debate about whether AI works is largely over as the evidence increasingly suggests that it does.**

Organisations across every sector are reporting productivity gains, faster execution, improved access to knowledge and new opportunities for innovation. Yet many leadership teams continue to struggle with a more fundamental challenge *translating those gains into sustainable business value*. The reason is simple; Technology does not transform organisations because leadership decisions do.

AI can create capacity, automate tasks, and augment decision-making. However, value is only realised when leaders redesign work, redefine accountability, build capability and embed governance into how the organisation operates. This is why the future of competitive advantage will not be determined solely by access to technology. Most organisations will eventually have access to similar tools, platforms, and models. The differentiator will be organisational capability.

The organisations that thrive in the AI era will not necessarily be those with the largest AI investments or the highest adoption rates. They will be those that can develop, deploy, and apply new capabilities faster than their competitors. That is Capability Velocity™.

## Board Imperatives

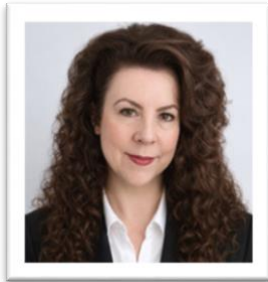
Boards should challenge executive teams to demonstrate:

- Measurable business value from AI investments.
- Workforce capability growth, not just training completion.
- Clear accountability for AI-assisted decisions.
- Evidence of work and operating model redesign.
- Organisational readiness for future capability requirements.

## Final Thought

Technology creates potential, capability creates value, and velocity creates advantage. The question facing leadership teams is no longer how much AI they are using, but how quickly they are becoming capable of creating value alongside it. Over the next decade, access to AI will become increasingly commonplace, but organisational capability will not. The organisations that succeed will not necessarily be those with the largest AI investments or the highest adoption rates. They will be those that learn faster, adapt faster and build new capabilities faster than their competitors.

In an AI-mediated world, sustainable competitive advantage will not come from technology alone. It will come from the speed at which organisations develop, deploy and apply human and machine capability together. That is Capability Velocity™.



## About the Author

Tess Hilson-Greener is Founder of the PXB Ecosystem™, author of The AI-Centric HR Operating Model (Kogan Page) and a recognised speaker on AI-Mediated Organisations, workforce transformation, governance and organisational redesign.

She advises boards, executive teams, and transformation leaders on how to move beyond AI adoption and build organisations capable of thriving in an AI-mediated world.

## Board Briefings, Keynotes and Advisory

Tess speaks to boards, executive teams, and leadership groups on:

- Capability Velocity™
- AI-Mediated Organisations
- AI governance, accountability and human judgement
- Future workforce capability
- Operating model redesign for the AI era

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