

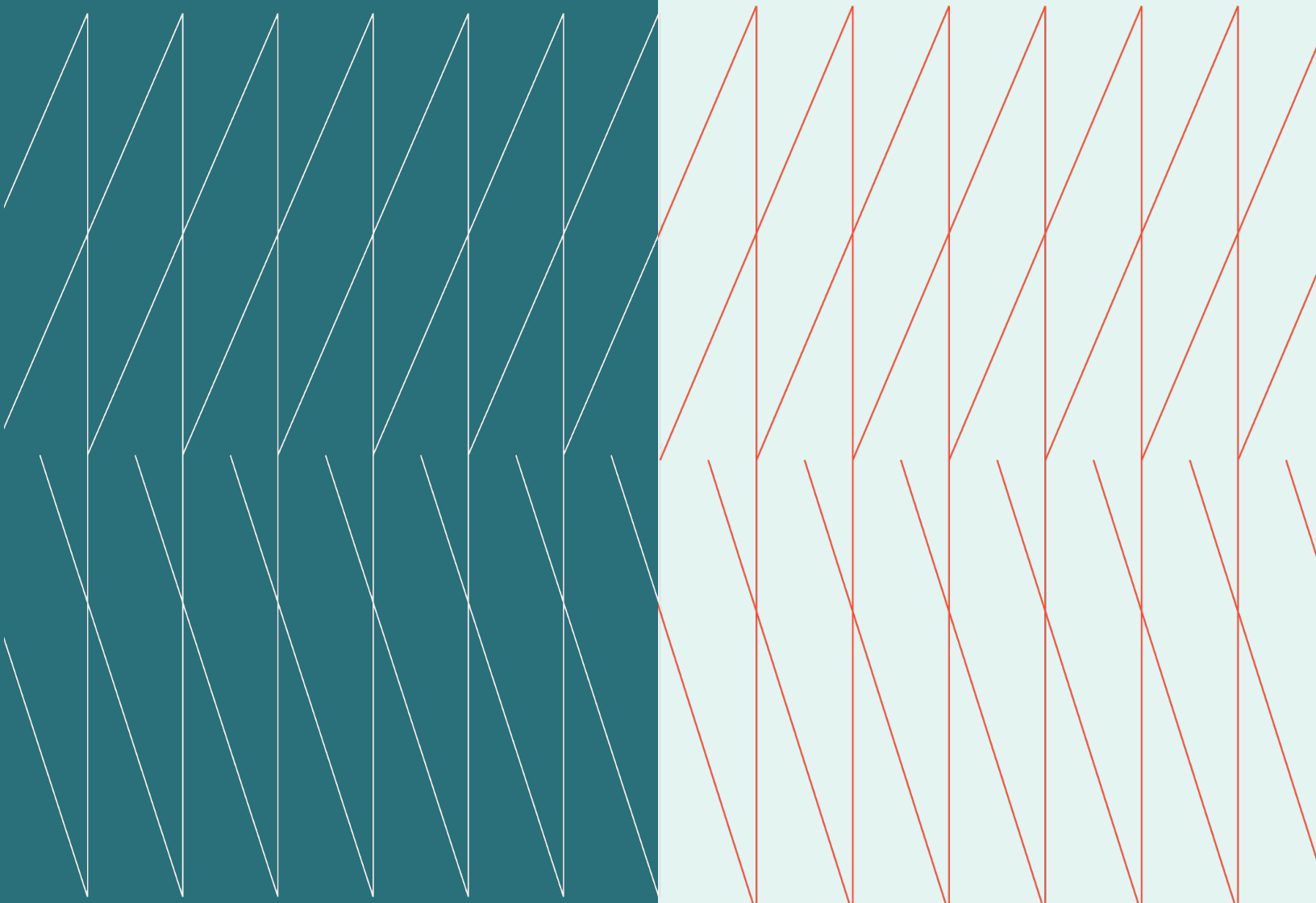
CIO

Expert Exchange

September 9, 2025

kyndryl.

Executive Summary



Hosts:

Farhaz Thobani

President, Kyndryl Canada

Karen Cheng

Chief Technology Officer, Kyndryl Canada

Overview

In this Expert Exchange session, the CIO community convened for an expert exchange roundtable to discuss the most pressing challenges in technology and artificial intelligence adoption. Participants shared insights and strategies for navigating rapid technological shifts. The discussion highlighted three critical themes: preparing the workforce for AI, managing the strategic pressures and approaches to AI implementation, and proactively addressing vendor lock-in and mitigating price increases.

Expert Exchange themes

- Future Workforce and AI Adoption
- AI Pressures and Strategic Approaches
- Vendor Lock-in and Mitigating Risk

Future Workforce and AI Adoption

Organizations actively work to prepare their workforce for AI by building trust, investing in upskilling, and deliberately defining AI's role to elevate human contributions.

- Kyndryl's "**People Readiness Report**", which surveyed 1,000 CIOs across 8,000 companies, indicates over 90% of organizations are ready for AI adoption. However, 45% face internal resistance, largely due to fears about job displacement. Executives emphasize that AI primarily automates tasks, not entire jobs, creating opportunities for higher-value work.
- The rapid, consumer-first development of AI tools creates unique challenges for enterprises. Employees arrive with high expectations based on personal use, but these tools may not be suitable for enterprise environments due to security, operational, or ethical gaps. This dynamic requires careful, deliberate investment choices, as capabilities evolve quickly and can render current investments obsolete.
- Organizations recognized as "pacesetters" in AI adoption approach implementation with clear intent. They focus on deliberate hiring and upskilling, robust organizational change management, and establishing clear data governance policies. This deliberate strategy fosters trust within the organization, as employees better understand AI's benefits and the company's specific goals for its use.
- The future of hybrid human/AI teams will require building trust in AI, especially agentic AI that makes autonomous decisions. Executives suggest defining acceptable outcomes and responsibilities for AI, much like a "choose your own adventure" scenario with a limited set of pre-approved actions. This approach helps reduce intimidation, gradually increasing trust in agents as members of an augmented workforce as the technology proves its reliability.

AI Pressures and Strategic Approaches

Business leaders face intense pressure to reduce costs with AI while simultaneously navigating the risks of rapid adoption, prompting a critical debate on whether to adopt offensive or defensive implementation strategies, particularly concerning agentic coding.

- Executives consistently report pressure from leadership and boards to rapidly adopt AI, often with an underlying expectation of immediate staff reductions. This pressure creates a significant challenge for IT leaders who must balance speed with thorough vetting of tools for data sovereignty, security, and vendor viability. Rushing adoption without proper diligence can lead to the painful, trust-eroding experience of removing tools that do not meet enterprise standards.

- Some leaders actively resist using AI as a primary means for immediate staff reduction, instead focusing on increasing operational stability and dependability. Their goal is to empower existing teams to achieve more and pursue higher-value tasks, thereby reducing the need for future hiring requests, rather than cutting current staff. Automating fragile, menial tasks, such as certificate management, frees personnel for more meaningful work.
- While an immediate reduction in current staff may not be the primary goal, discussions acknowledge that AI-driven automation will likely lead to a lower overall headcount over time through natural attrition and retirement. This shift would result in a smaller, more highly skilled workforce focused on complex problems that require human insight. However, funding the extensive cloud consumption and computational needs of advanced AI, such as agentic AI, might require significant operational shifts or workforce adjustments to realize a positive business case.
- Agentic AI offers significant potential for specific business functions like fraud detection due to their defined processes and large-scale operations. However, it also introduces complex challenges, including managing permission structures for agents and ensuring regulatory compliance for automated decisions. The investment in agentic AI must demonstrate clear returns, often requiring strong alignment between IT and business units to prove the financial benefits. Most executives shared that they are a long way from agentic AI adoption and most are still working through niche or simple automation use cases.
- An “offensive” AI strategy involves proactive internal development and rapid deployment of AI solutions. This approach leverages advanced agentic coding capabilities, such as those found in tools like Cursor and Anthropic, to accelerate development times dramatically. By delivering enterprise-grade code quickly, this strategy not only shows tangible results to leadership but also facilitates the re-architecture and refactoring of existing technical debt, making large projects more manageable.

Vendor Lock-in and Mitigating Risk

Organizations widely face significant challenges with vendor lock-in and unexpected price increases, driving them to strategically re-evaluate infrastructure choices, cloud consumption, and long-term vendor partnerships.

- Many organizations experience continuing frustration with unexpected and substantial price hikes from vendors. These experiences prompt a serious consideration of alternative solutions to avoid being entirely dependent on a single provider. The pervasive nature and deep integration of current solutions make such transitions difficult and impactful.



- To counter vendor lock-in and manage rising costs, organizations engage in extensive cleanup efforts to reduce their existing software footprints. By optimizing and consolidating their use of services, they not only decrease immediate consumption but also prepare their environments for easier migration to alternative platforms when the time comes. This proactive housekeeping, often triggered by a "crisis," proves invaluable in the long term.
- Beyond addressing current lock-in, leaders actively seek to prevent future dependency. One member mentioned encouraging staff to actively monitor market changes to identify which tools or companies venture capitalists are acquiring, anticipating potential future price increases or unfavorable changes to service terms. This foresight helps organizations avoid becoming "handcuffed" to new critical technologies that could replicate past negative experiences.
- The escalating cost of cloud resources necessitates a shift from a "cloud first" to a "cloud smart" strategy. Organizations now focus on meticulously evaluating where specific workloads truly belong, considering on-premise solutions where asset sweating and different financial models might offer better value or risk management. This approach ensures that cloud adoption aligns with a comprehensive cost-benefit analysis.
- Despite the challenges, organizations can achieve rapid and complete replacement of deeply embedded systems when faced with significant vendor changes. For example, one organization successfully replaced a widespread secure access solution within 30 days by collaborating closely with an alternative vendor to tune software performance. This demonstrates that with focused effort, even highly entrenched technologies can be transitioned, albeit with significant work and potentially some trade-offs in performance.

To learn more about the Kyndryl Canada CIO/CTO Expert Exchange or to become a member of this community, please visit this [website](#).



© Copyright Kyndryl, Inc. 2025

Kyndryl is a trademark or registered trademark of Kyndryl Inc. in the United States and/or other countries. Other product and service names may be trademarks of Kyndryl Inc. or other companies.

This document is current as of the initial date of publication and may be changed by Kyndryl at any time without notice. Not all offerings are available in every country in which Kyndryl operates. Kyndryl products and services are warranted according to the terms and conditions of the agreements under which they are provided.