

AI as a Leadership Opportunity

A Playbook for the Stuck, the Stalled, and the Secretly Terrified

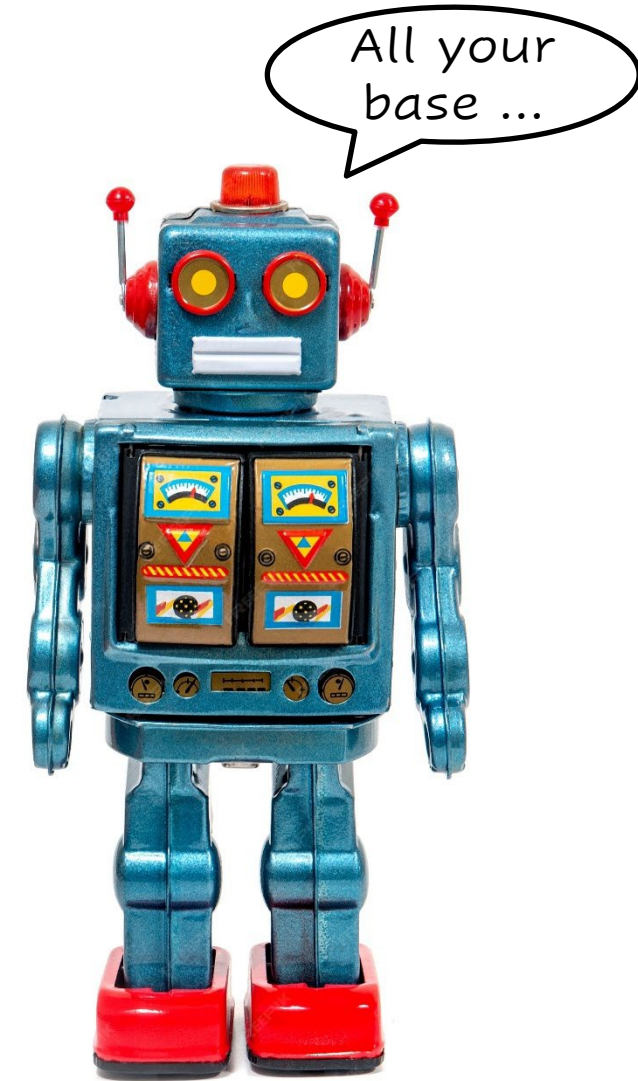
*Any sufficiently advanced technology
is indistinguishable from magic*

Arthur C. Clarke

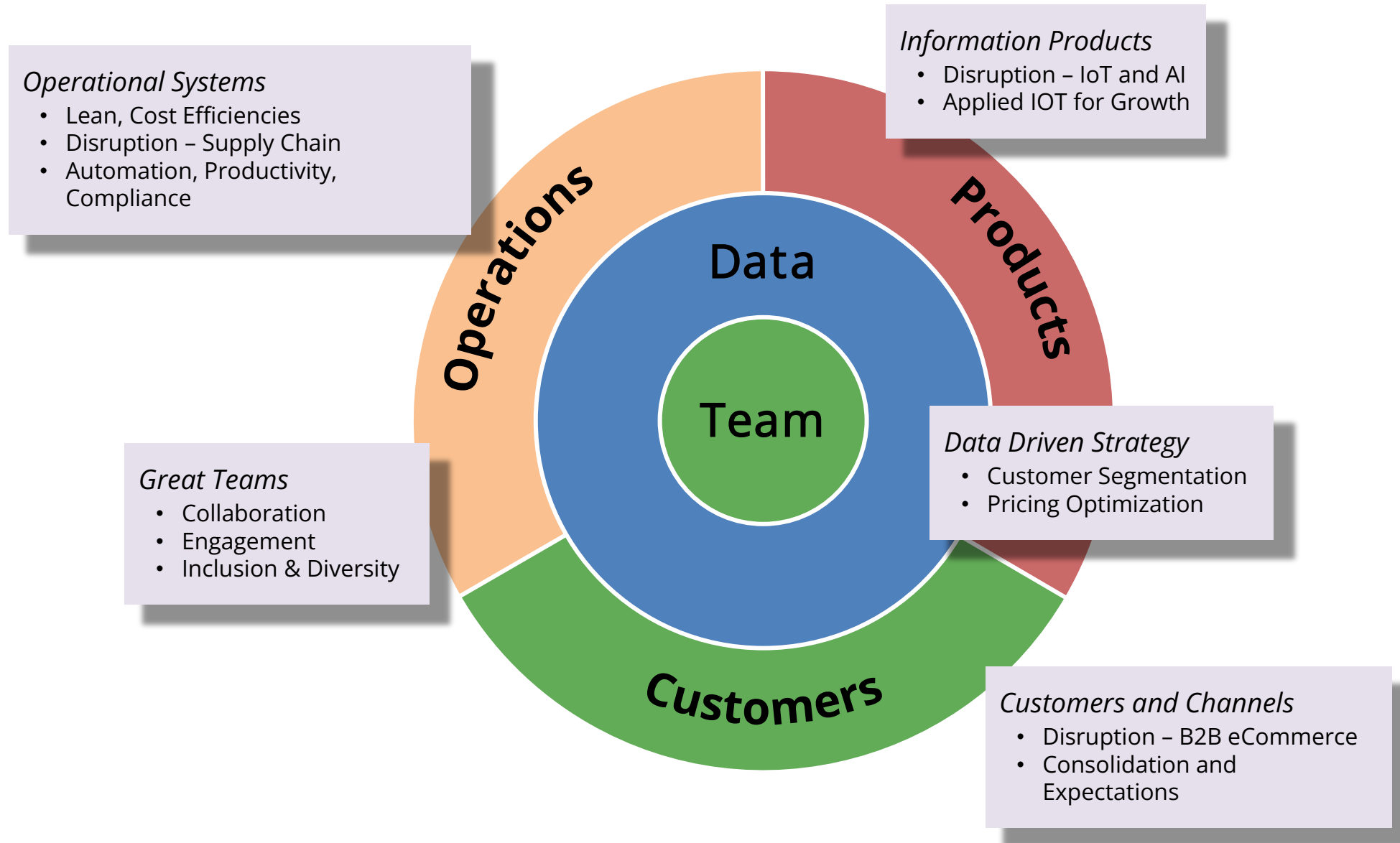
Technology Resistance: A Timeless Human Tradition



- 370 BCE Writing will destroy memory (Socrates)
- 1474 Printing press is witchcraft (Scribes petition)
- 1840 Riding a speeding train causes insanity (England)
- 1880 Telephones summon evil spirits (US)
- 1906 Wireless telegraph isolates society
- 1930 Recorded music kills live performance
- 1950 Television destroys family life
- 2000 Internet/Social media rots brains
- 2020 AI will end civilization



Putting Digital Transformation Ideas Into Context



Talking Up (Execs)

- ❑ Organization Behavior
- ❑ Market Behavior

Talking Across (Peers)

- ❑ The Department of No
- ❑ Security Reality

Talking Down (Team)

- ❑ Four Currencies
- ❑ Seal Team 6

Knowing vs. Understanding

 Meta

 Gemini

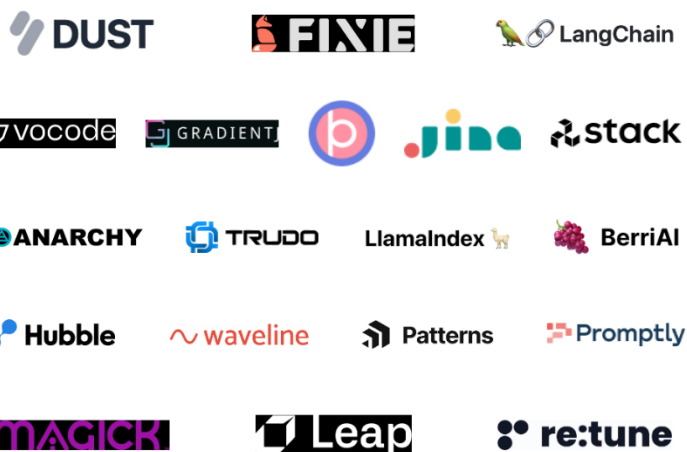
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 OpenAI

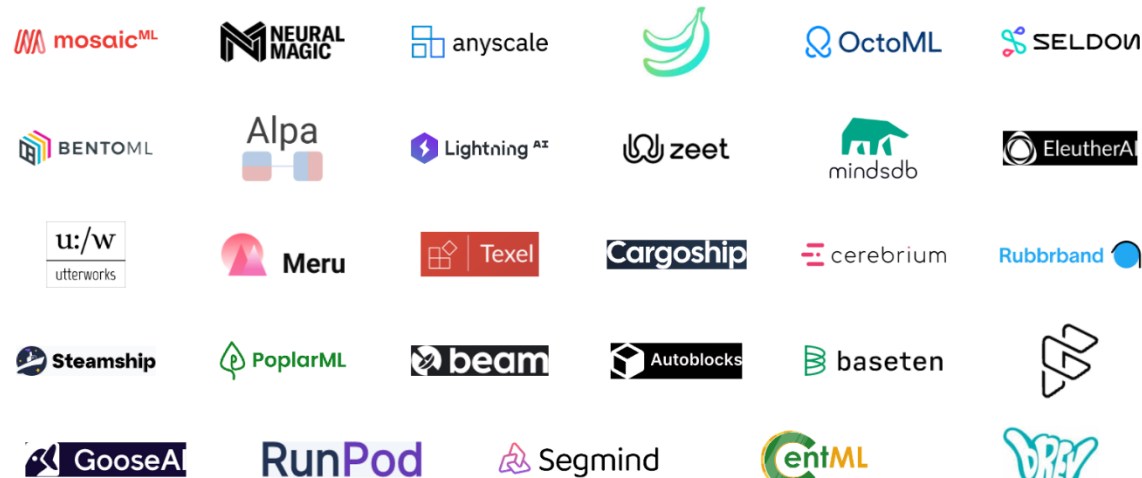
 ANTHROPIC

Knowing vs. Understanding

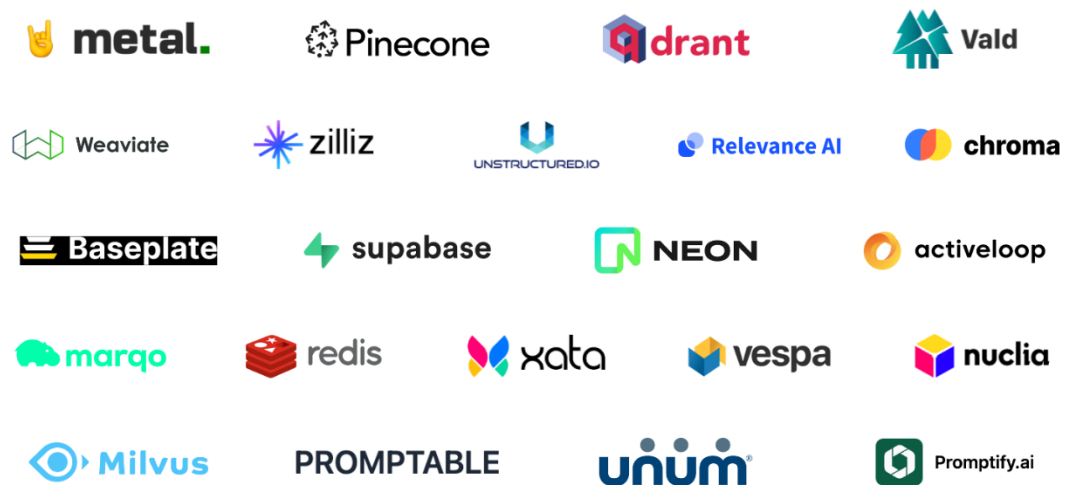
Orchestration



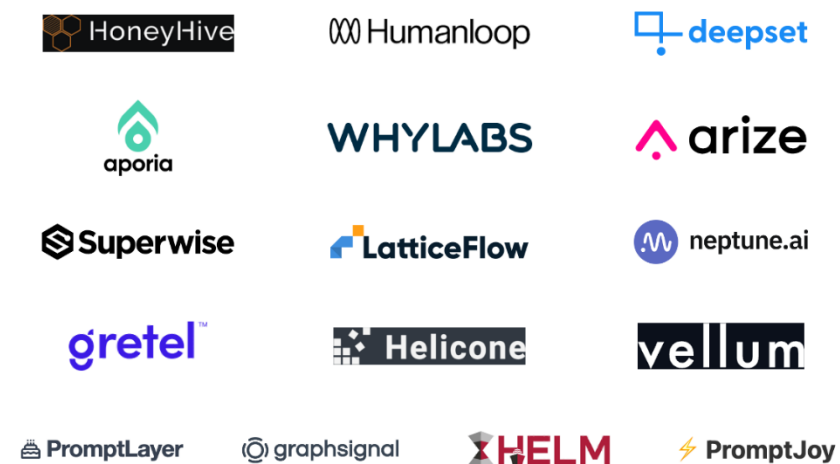
Deployment, Scalability, & Pre-Training



Context & Embeddings



QA & Observability





Pactiv Corporation (NYSE:PTV)

2005 - 2012

Why

Value Creation

- Steady cash generation with value/GARP profile
- Attractive to institutional investors seeking stable returns

How

Scale and Cost Leadership

- Vertically integrated, high-volume manufacturing
- Centralized sourcing and operations to drive lowest cost

What

Food Packaging Portfolio

- Smart acquisitions per shifting material demands
- Rigorous standard work to integrate acquisitions quickly

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2005 - 2012

Prairie Packaging

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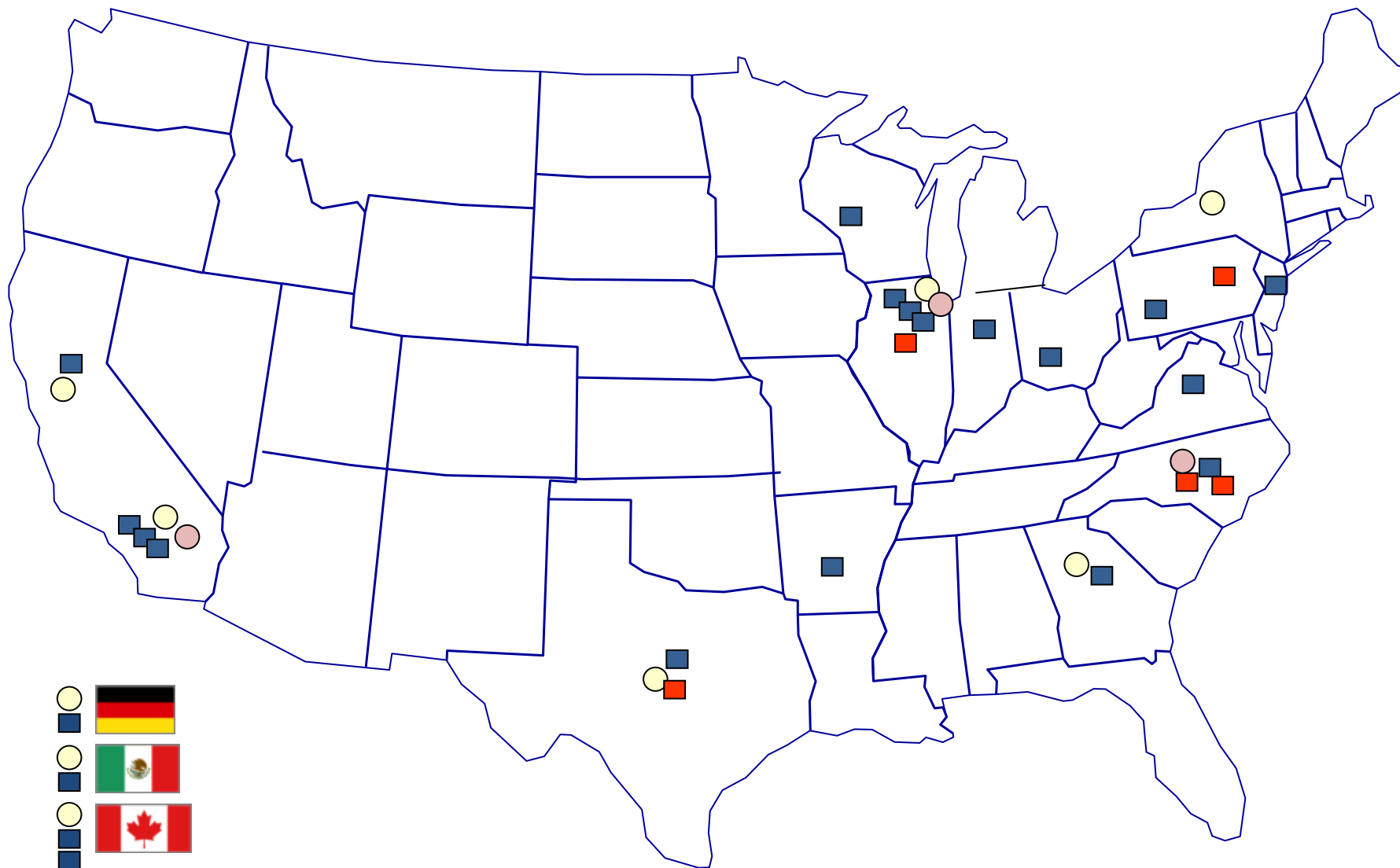
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- Rigorous standard work to integrate acquisitions quickly

Pactiv in 2012: Complicated Value Chain



2005 - 2012

Prairie Packaging



- PTV Distribution Center
- PTV Manufacturing
- PP Distribution Center
- PP Manufacturing

Quick Ideas for Digital Transformation

- Integrated supply chain as North Star
- Collaboration rigor from the start
- It's all about Pwnership
 - Transformation led by IT ...
 - ... Projects led by Operations, Supply Chain, Finance, etc.
- No tech in the title



2005 - 2012

Prairie Packaging



2012 - 2019

IDEX Corporation (NYSE:IEX)

Why

Total Shareholder Return

- Consistent value growth with low volatility
- Predictable and stable

How

Decentralization

- Empower Business Units with minimal central control

What

Portfolio Management

- Highly engineered products in niche markets
- Stable market share with high switching costs

IDEX in 2015: Markets and Products



2012 - 2019

IDEX enjoys high margins & stable revenues because we

... operate in focused niches...

... with high switching costs...

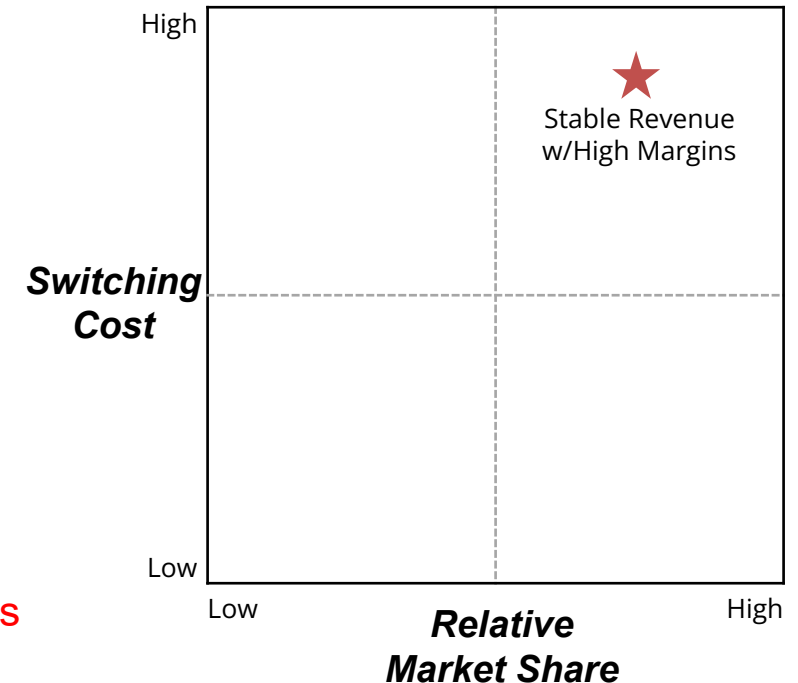
... where we can get our price

This market structure is *stable* ...

IDEX can maintain those positions because there is **no compelling reason to switch from our products**

... but also challenges *growth*

It is tough to break into other niches because there is **no compelling reason to switch to our products**



- *Information* is a new, differentiating product feature – a **compelling reason to switch**
- This is a growth opportunity ... but also a potential competitive threat

IDEX in 2015: Markets and Products



2012 - 2019

	Product			Channel		Customer	
	Sensors/Data In Place	Data Ecosystem	System Component	Dealer Network	OEM / End User	Market Signals	Product Line Ideas
<i>"Ideal"</i>	✓			✓		✓	✓
Oil & Gas	✓		✓	✓		✓	
Energy	✓			✓		✓	
Med Devices			✓		✓		
Agriculture		✓		✓		✓	
Indust'l Controls		✓			✓	✓	✓

Attributes that suggest shorter time-to-value

Innovation Aligned with Strategy

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The Conversation

Marketing



A little help here?

ChatGPT?
Claude Desktop?
Nano Banana?

Hackers! PII!
Company Secrets

IT Dept



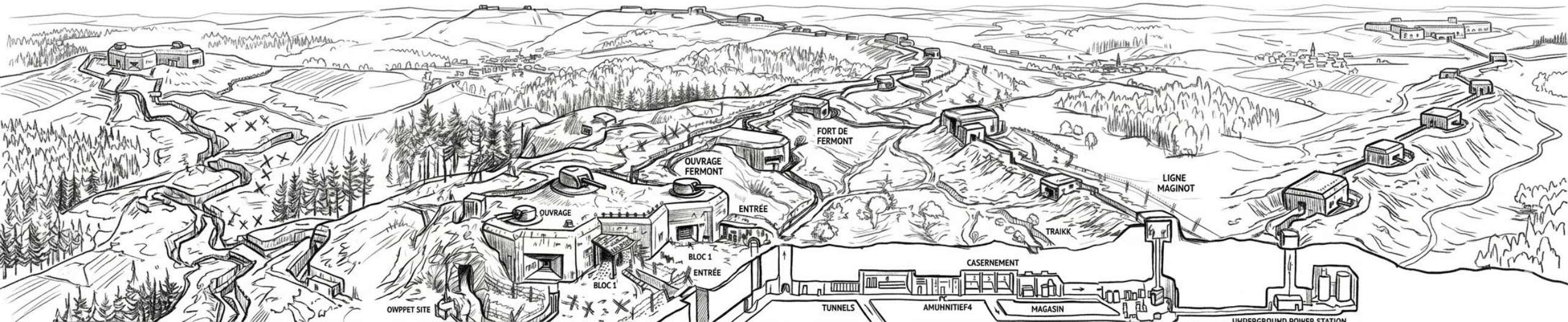
I can barely manage what I have!

- ❑ “Already Busy” is the most common complaint
- ❑ It’s not a security argument – it’s change management wearing a security costume
- ❑ When “no” feels responsible, it becomes the default

The Wall

The instinct in security is to build walls.

Walls keep threats out - but they also keep opportunity out.



Nobody ever got fired for saying no ...

Except eventually they do ... because they route around you ...

AI Leadership Playbook

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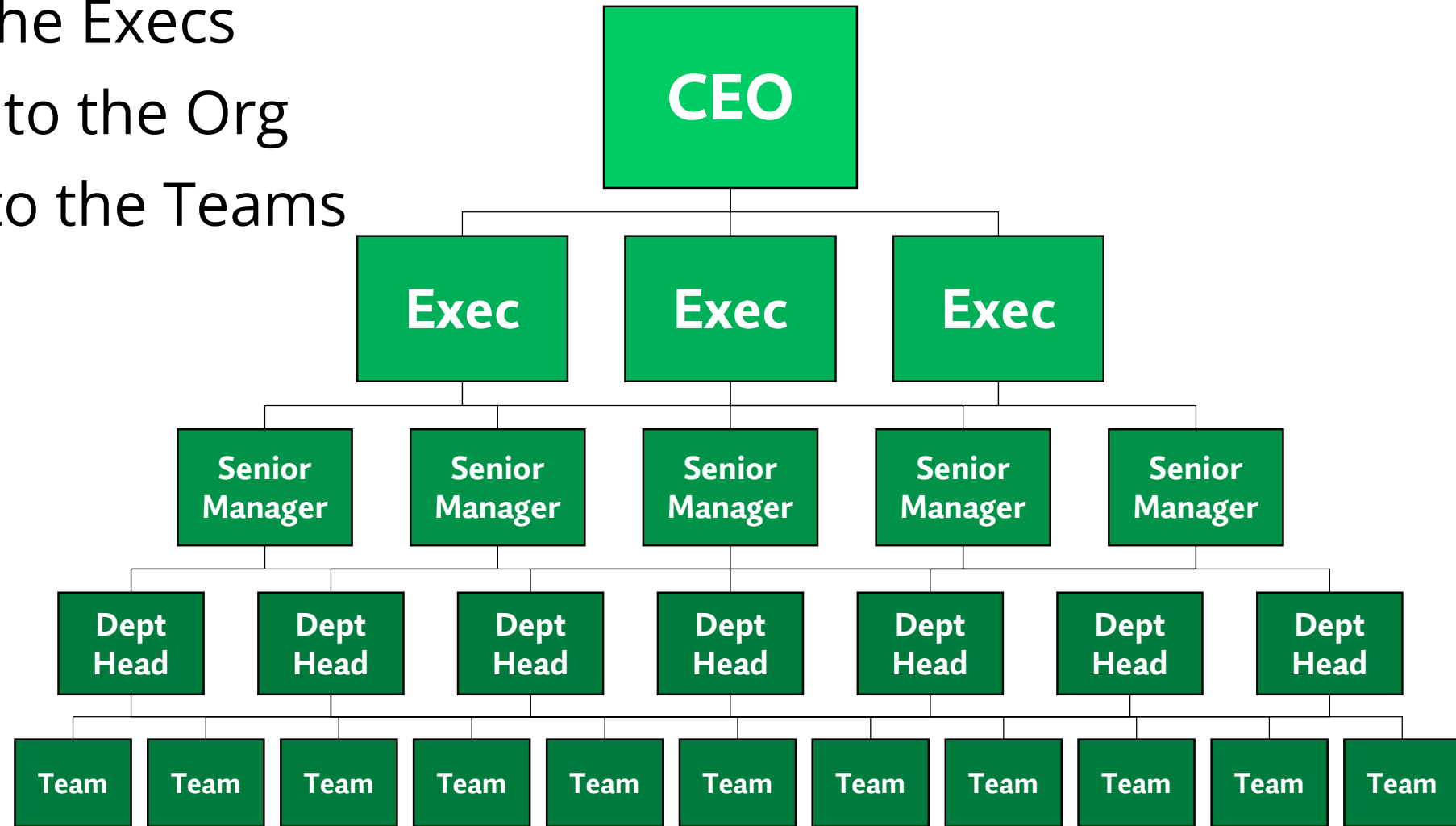
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Challenge – How to Really Connect ...

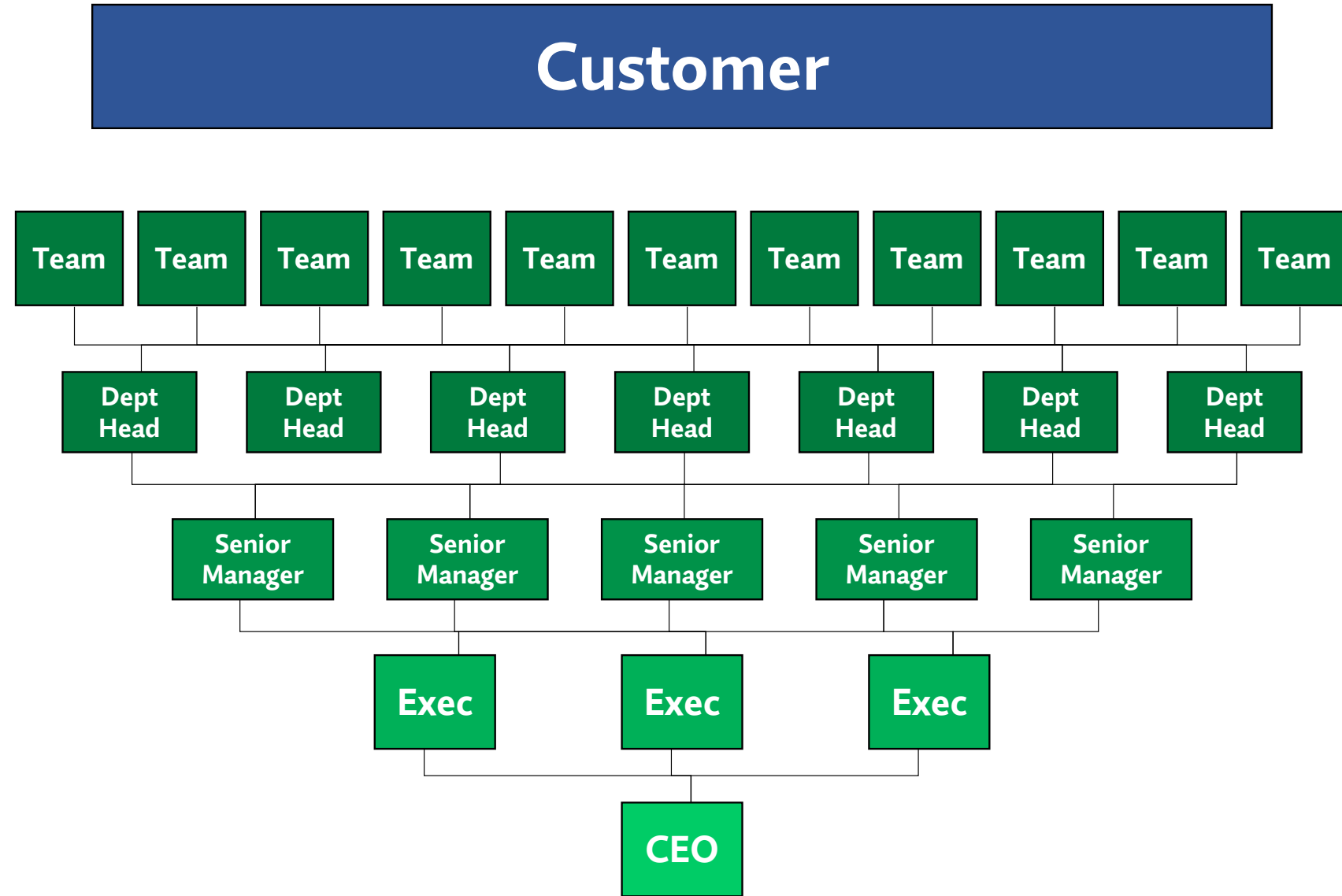
Three Audiences

- ❑ “Up” to the Execs
- ❑ “Across” to the Org
- ❑ “Down” to the Teams



Challenge – How to Really Connect ...

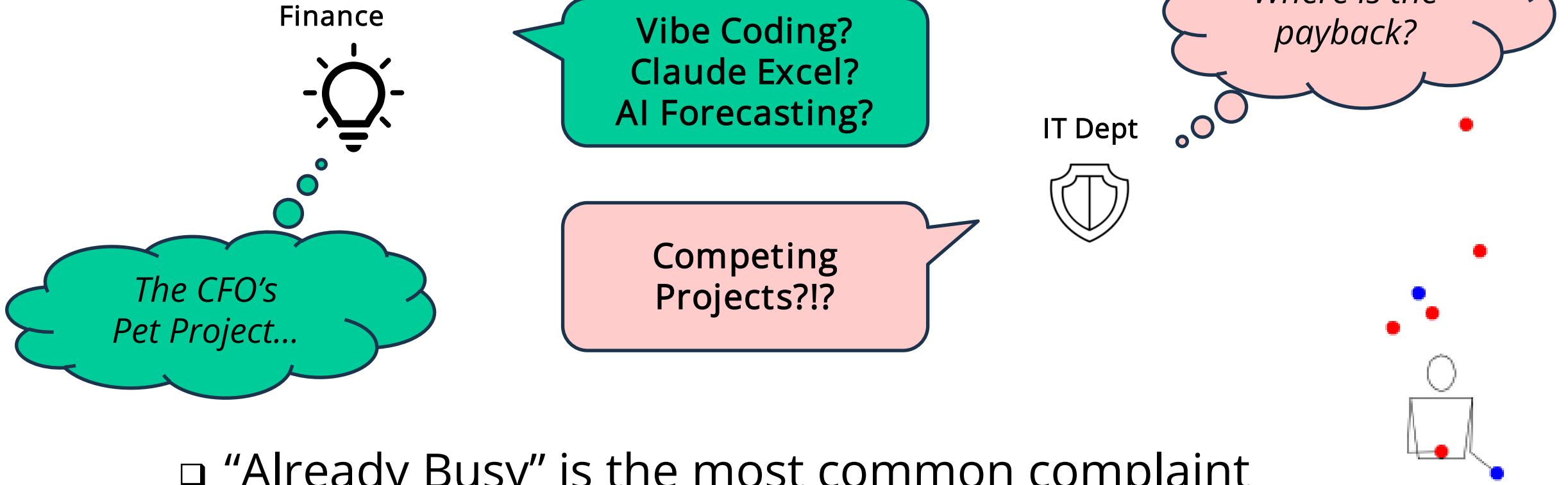
Servant Leadership



Three Audiences

- ❑ "Down" to the Execs
- ❑ "Across" to the Org
- ❑ "Up" to the Teams


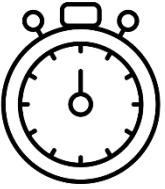


The Conversation



- ❑ “Already Busy” is the most common complaint
- ❑ It’s not a cost/benefit argument – there are other types of “currency”
- ❑ This is a good idea! Cash is not king (alone) ...

What's the ROI?

Money isn't everything ...

		<u>Return</u>	<u>Investment</u>
	Capital	<ul style="list-style-type: none">• Top Line (Revenue, Volume)• Bottom Line (Savings, Avoidance)• Cash Flow	<ul style="list-style-type: none">• Cost to Build• Cost to Maintain
	Time	<ul style="list-style-type: none">• Process Elimination (FTE / hours)• Process Automation (FTE / hours)	<ul style="list-style-type: none">• Time on Project (FTE / hours)• Competing Duties (FTE / hours)• Overtime (FTE / hours)
	Attention	<ul style="list-style-type: none">• Simplification• Less Tasks More Thinking	<ul style="list-style-type: none">• Skills and Concepts Training• Add-on Project Work
	Energy	<ul style="list-style-type: none">• Quality Thinking / Focus• Less Waste / See the Impact	<ul style="list-style-type: none">• Add-on Project Work• Reduction of Regular Duties

What is My Next Move?

How willing is your leadership to pursue AI?

Resistant

Pushing

Ready

The Political Problem

You can do it,
but nobody's asking you to.

Speak their currency

The Green Light

Go. Show results
before anyone changes their mind.

*Keep your team focused,
not euphoric*

Learning

The Long Road

Start with relationships.
The technology can wait.

*Build trust
before you build anything*

The Pressure Cooker

They want it yesterday. You're not ready.
This is when technical debt gets born.

*Slow them down
without losing them*

*How ready
is your team
to deliver it?*

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James P. MacLennan

Founder & Managing Partner

Maker Turtle LLC

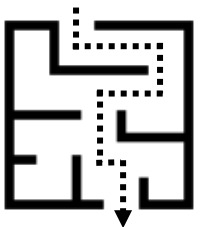
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Clear and Simple Alignment



Security is a Path, not a Wall



People are the Critical Success Factor

Available Now!



JAZZ AI

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