



## **NEXT GENERATION BOARDS**

**Key questions organisations must answer  
to keep pace with technological change**

In his 2001 essay, "The Law of Accelerating Returns," American futurist Ray Kurzweil made a bold prediction. Within a few decades, he argued, machine intelligence would surpass human intelligence, leading to The Singularity – technological change so rapid it would rupture the fabric of human history.

As we witness AI systems transforming entire industries in months rather than years, the question for today's Boards is not when The Singularity will happen, but whether they can adapt quickly enough to survive it.

SAVANNAH GROUP ESTABLISHED THE NEXT GENERATION LEADERSHIP INSTITUTE (NGLI) IN 2023, IN RESPONSE TO WHAT WE SAW AS THE INCREASINGLY CHALLENGING DEMANDS BEING PLACED ON LEADERS. THE NGLI IS A THINK TANK WHICH FACILITATES AND COMMISSIONS RESEARCH, EVENTS AND DEBATE ON THE EVOLUTION OF LEADERSHIP AND ITS ACQUISITION.

Savannah's Next Generation Leadership Institute recently hosted a roundtable discussion with senior Board members and executives from a broad spectrum of industries and the public sector. All attendees shared a common foundation of deep technology and digital expertise, acquired either through their careers as functional technology leaders or as business leaders within the tech sector or with digitally native organisations.

One stark reality emerged: the current rate of Boardroom evolution is nowhere near quick enough to keep pace with technological change. As one highly influential technology Chair bluntly observed, "We are a country mile from where we need to be."

But the conversation also pointed to a clear way forward, highlighting some key issues organisations can and must address if they want to bridge the gap and catch up – before it's too late.

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**Key question:** Where does your organisation truly sit on the digital maturity scale, and do you have a realistic plan to advance?

## ASSESS YOUR ORGANISATION'S DIGITAL MATURITY

The landscape of digital adoption is not uniform. Far from it. Organisations sit at different points along a wide spectrum of digital maturity, with some successfully harnessing the latest innovations while others lag years or even decades behind.

One experienced Board Advisor and Senior Executive explained how these differences played out in the financial services sector. "The leadership in Tier-1 banks and wealth management firms is, relatively at least, very tech savvy – these large organisations are already far advanced on the digitisation journey. However, a lot of smaller community banks, building societies, etc., have barely got going. I can't tell you the number of times I've met CEOs of Tier-2 wealth management firms, for example, who don't even have a CISO function."

Knowing where your organisation sits on the maturity scale is crucial. It enables you to identify what is essential and what is achievable in terms of digital transformation. It can also help sharpen recruitment efforts, as candidates from organisations at the opposite end of the maturity scale will not necessarily be able, or inclined, to move the dial for an organisation like yours.

## UNDERSTAND AND HARNESS THE FULL POTENTIAL OF AI

The AI revolution is not on the horizon, it is already here. One Board Chair explained how their organisation had used the technology to achieve savings of between 30% and 60% across customer service, finance, and HR. Another Board member of a global leader in transport and technology explained how his company had created AI team members who know “far more than any human being”. Every team in their business now has an “AI member”, including their Board. Yet many organisations have barely begun to explore AI’s true potential.

One obstacle to more aggressive adoption is optics. How far can an organisation take its efficiency savings before there is pushback – from unions, from customers, from the public at large?

Another is inertia at leadership level, where understanding seems to lag dangerously behind reality. “There is still a lack of awareness around what AI can do,” one Senior Non-Executive Director explained. “It would be helpful if people brought more real-world examples to the Board, to open their eyes to how much is possible.”

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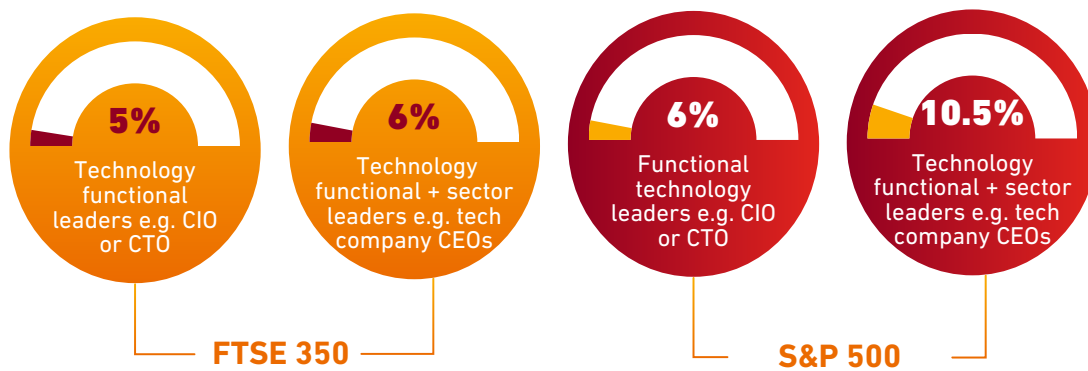
**Key question:** Does your Board understand what AI can accomplish in your organisation, or are they still debating whether to take it seriously?

## ADDRESS THE DIGITAL SKILLS GAP IN THE BOARDROOM

Recent Savannah research has revealed a glaring skills gap at the top. Among nearly 2,000 Non-Executive Directors at FTSE 350 companies, only 5% (91) have worked in a senior digital role, such as Chief Information Officer, Chief Technology Officer or Chief Information Security Officer.

The proportion of digital NEDs in the S&P 500 is slightly higher at 6% (262 out of 4,101) – and if you broaden the definition to include people with a strong digital background, it increases to 10.5%. But even this figure seems worryingly low.

## Proportion of 'Digital Non Executive Directors'



Given the extent to which digital technology now drives every aspect of business operations, is it enough to have 1 in 10 Board members (at most) who genuinely understand how it works? Time, perhaps, for recruiters and succession planners to rethink their Board strategies.

**Key question:** Does your current Board composition accurately reflect the challenges and opportunities of the digital age, or do you need to bring additional digital experience and skills in to the mix?



## 4 INNOVATIVE WAYS ORGANISATIONS ARE ACCELERATING BOARD TRANSFORMATION

### Shadow Boards

Bring in fresh perspectives and develop future leaders by creating 'Shadow Boards', where emerging talent discuss the same issues as the main Board.

### Board apprentice programmes

Give younger experts governance roles (without voting rights), so they can learn while contributing specialised knowledge.

### Technology subcommittees

Establish small groups of experts who can provide deeper technical governance while maintaining Board level oversight.

### Expert sessions

Rather than make permanent appointments, bring in subject matter experts for intensive quarterly sessions.

## MEASURE AND IMPROVE DIGITAL LITERACY AT LEADERSHIP LEVEL

Most Board members have a broad understanding of marketing and finance, even if they are not professional marketers or qualified accountants. Should they not have a broad understanding of technology as well? As one distinguished technology leader and educator put it, "It would be unacceptable for any NED to say, 'I'm sorry, I can't read a spreadsheet or balance sheet' or 'I can't read an org chart'. It should be equally unacceptable to say, 'I don't get tech'." And yet, digital illiteracy appears prevalent.

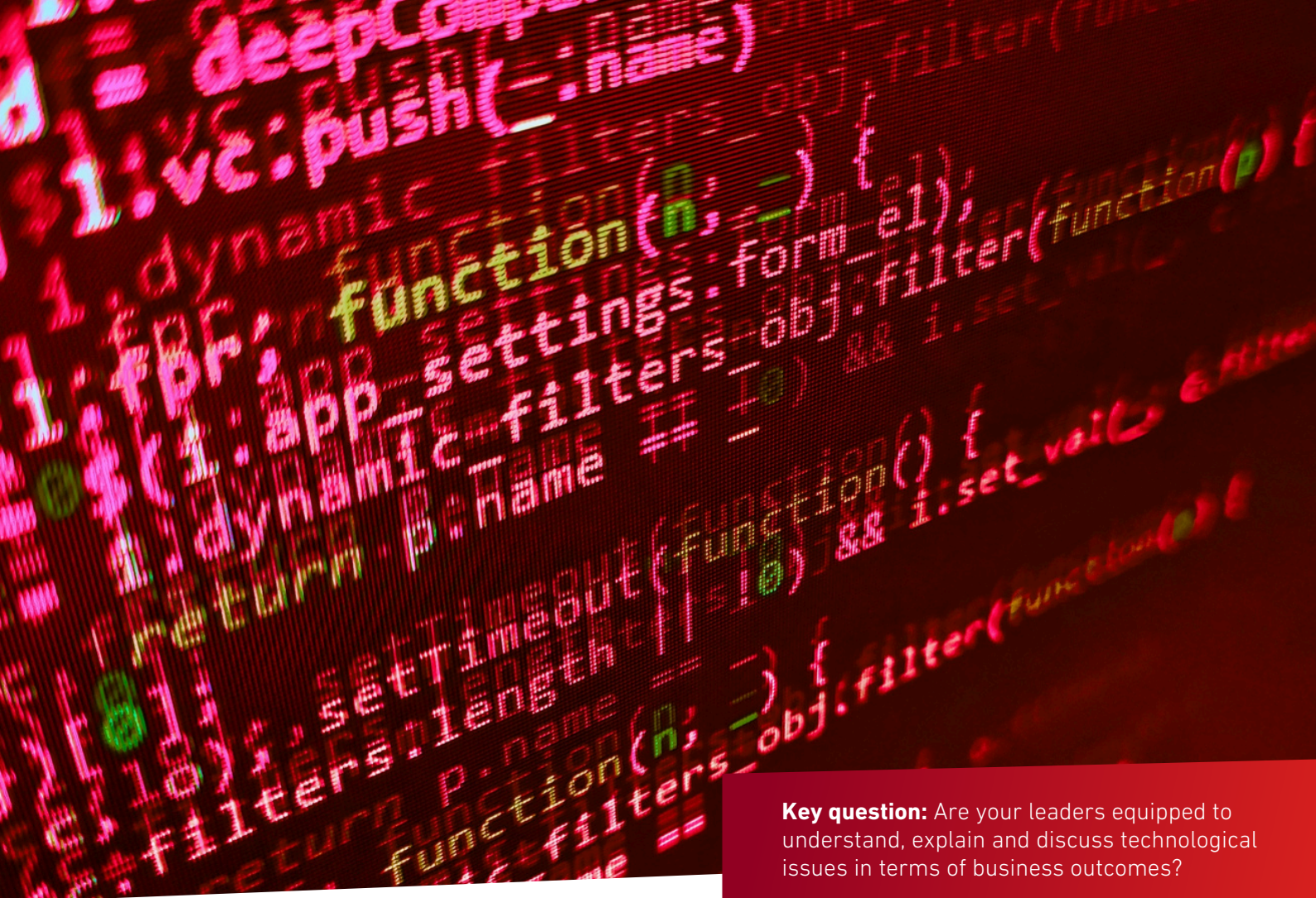
Several participants talked of a 'tick box' approach to digital competence, where organisations eagerly assign it to any director who has even the faintest connection to technology. One shared an example of a leader within a global fashion brand who had been given a huge "tick" for digital, "because, they'd worked at a global social media business, but they knew literally nothing about tech by their own admission!" Such an approach is dangerously superficial. Digital ignorance needs to become the exception rather than the norm. Getting a true picture of who is, and who isn't, digitally and technically literate is an important first step on the way there.

There is, however, a counter-argument. As one guest pointed out, the basic principles of finance have remained the same for years, if not decades. Technology, on the other hand, is transforming so rapidly and so fundamentally that only a subject matter expert has any hope of grasping the issues of the day. Should we really expect all Board members to understand the difference between neural networks and LLMs?

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**Key question:** Do your Board members possess genuine digital literacy, or are you relying on superficial 'technology adjacent' experience?



**Key question:** Are your leaders equipped to understand, explain and discuss technological issues in terms of business outcomes?

## RESOLVE COMMUNICATION ISSUES

"The challenge starts with language," one highly experienced NED, investor and advisor explained. "Many senior leaders in my organisation are Classics Oxbridge graduates – brilliant people, very smart. But you try to describe what an API is and what you need one for, it's a difficult conversation."

It is a problem that goes both ways. Just as senior officials often lack the technical vocabulary to engage meaningfully with digital leaders, so technology executives can also struggle to translate their work and domain into terms that "non-technical" people understand.

Ultimately, the language everyone should be using is the language of business. As one multi-disciplinary C-suite Executive and Non-Executive Director put it, "If executives are talking about bits and bytes, rather than about cost, revenue, risk and opportunity, then Boards are rightly going to turn off."

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## CHECK THE STATE OF YOUR EXECUTION ENGINE

It has long been recognised that an average strategy with great execution beats a great strategy with average execution. Increasing technological complexity makes this truer than ever.

Executives in leadership roles, and the CEO in particular, must look beyond the company vision for technology to ensure that the organisational machinery is in place to deliver the desired results.

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**Key question:** Does your organisation have the execution capabilities to match its digital ambitions?

## UPDATE LEADERSHIP PROFILES FOR NEW DIGITAL REALITIES

The accelerating pace of digital change places fresh demands on leadership. Many organisations will need to rethink their talent models accordingly.

For example, the ideal Board member is increasingly likely to be T-shaped, that is, a specialist in strategy, finance, or technology who can also contribute more broadly to organisational success.

Key attributes for today's leaders include adaptability, openness to new possibilities, and a willingness to continue unlearning and relearning throughout their careers. But most important is curiosity, about what's happening in competitor organisations, in other industries and around the world. Where is technology being used in new and interesting ways? How can those innovations be adapted for my industry and my business? These are the questions today's leaders should be constantly asking themselves.

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**Key question:** Do your leaders possess the curiosity and adaptability to thrive in an environment of constant technological change?





## BE OPEN TO A MORE RADICAL RETHINK

The pace of technological change might soon “rupture the fabric of human history”. Perhaps radical times call for radical measures.

One participant suggested that now could be the time for a “wholesale restructure of our organisations”, and a “full-scale reassessment” of the skills and capabilities needed to even survive, nevermind thrive.

Companies are already creating job descriptions for AI agents and embedding them into their teams. Some are even experimenting with AI Board members, virtual participants trained on restricted documents who contribute to decision-making processes. Could this herald a fundamental shift?

Organisations should be open to exploring all the possibilities technology creates, however far it takes them from traditional operational models. But one thing must never be forgotten: the importance of human connection. “Trust doesn’t happen between a person and a machine,” noted one of our roundtable contributors. “Trust happens between human beings.” Perhaps the future, after all, does not belong to the machines but rather to hybrid models that blend technological capabilities with human understanding, empathy, and judgement.

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**Key question: what is the role of humans in a world so dominated by technology?**



## HOW SAVANNAH IS HELPING COMPANIES ELEVATE THEIR BOARDROOM DIGITAL CAPABILITY



The questions outlined above provide a framework for honest organisational assessment. Finding answers, and acting on them, will require focus, courage and, above all, urgency. As the pace of change continues to accelerate, the window for comfortable, gradual adaptation is rapidly closing. This leaves Boards facing a simple choice: rapidly evolve or risk becoming casualties of a transformation they failed to understand until it was too late.

# CONCLUSION

To survive and thrive in the age of AI, organisations need to stay curious, challenge the status quo, and embrace the full potential of digital evolution, and that starts at the top. Boards must become more intentional about the skills they nurture, the voices they amplify, and the questions they ask. As one person noted, they must also be in a position to actually understand the answers, not just know which questions to ask!

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