



Leadership Involvement in Artificial Intelligence

Driving Strategic Value in Electrical Distribution

Prepared for NAED Digital Center of Excellence publication and member guidance

Opening Note

AI has become one of the clearest and most urgent transformation pressures facing electrical distributors. It is forcing leadership teams to confront questions that reach far beyond tools. AI raises questions about strategy, governance, data readiness, customer experience, workflow design, workforce capability, risk, operating discipline, and the way organizations learn.

This whitepaper focuses on one condition that determines whether AI becomes useful or remains scattered activity: leadership involvement. The issue is not whether leaders should care about AI. The issue is whether they are close enough to the changing work to guide priorities, ask better questions, create safe operating conditions, and model the behavior they expect from others.

The argument in this paper grew out of practical NAED PowerShift® conversations with distributors. In one planning discussion, I described three reasons leaders must be involved: strategic alignment, knowledge of how work is evolving, and change management. Those three leadership imperatives now form the spine of this paper.

Leaders do not need to become AI engineers. They do not need to become AI power users. They do need enough working fluency to connect AI to business strategy, understand how AI changes daily work, and lead the adoption required to turn experimentation into measurable business value. That is the leadership challenge. That is also the opportunity.

For additional insight or a deeper conversation about any of these topics, feel free to reach out.

Sincerely,

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Executive Summary

Electrical distributors are not short on AI attention. Most leadership teams have heard the vendor claims, seen the headlines, attended the conference sessions, and watched employees begin experimenting with tools such as Copilot, ChatGPT, and other AI-enabled applications. The issue is no longer whether AI matters. The harder issue is whether distributors can turn AI activity into measurable business value without creating tool sprawl, scattered experimentation, weak output quality, or initiative overload.

The greatest risk to AI ROI in the electrical channel is passive leadership. Passive leadership does not always look like indifference. In many companies, executives are interested. They ask for ideas. They encourage exploration. They approve licenses. They expect IT to manage the risk. They may even sponsor a pilot. But they stay too far away from the real work. They do not define the business friction clearly enough, force use-case discipline, test whether the data is ready, equip managers to reinforce adoption, or make clear which outcomes matter most.

That passive posture creates a predictable failure pattern. Teams begin with tools instead of work. Employees experiment in pockets. IT is asked to secure and govern a moving target without enough business context. Vendors shape the imagination of the company before leaders define the problem. Use-case lists grow faster than the organization's ability to execute. Some AI outputs look impressive but do not improve the workflow. Some pilots produce stories but not decisions. The organization becomes active without becoming capable.

NAED PowerShift® exists to help members avoid that trap. NAED PowerShift® positions AI maturity as the ability to repeatedly turn urgency into business value. This whitepaper focuses on the leadership condition required to make that maturity possible. The core argument is simple: leadership is the operating system for AI maturity. That leadership responsibility shows up in three imperatives:

- **AI must align with strategy.** Leaders have to decide where AI should create business value, which opportunities fit organizational priorities, which ideas should wait, and which outcomes are worth measuring.
- **Leaders need to understand how work is changing.** Leaders do not need to become technical experts, but they do need enough working fluency to ask better questions and stay close to how work is evolving.
- **AI adoption is change management.** Employees watch what leaders do. If leaders stay at arm's length while asking teams to adopt AI, trust weakens and adoption becomes uneven. Leaders need to model responsible use, address fear honestly, and equip managers to reinforce new behaviors in the flow of work.

For distributors, the operating opportunity sits inside real work: supply chain optimization and forecasting, the sales production line and accelerated workflows, operations, logistics and warehousing execution, and back-office functions where administrative friction consumes capacity. In each of those areas, the first question should not be, "What AI tool should we use?" The better question is, "Where are people acting as human bridges between fragmented systems, incomplete data, inconsistent process, and customer expectations?"

Human bridges are the informal workarounds that keep the business moving. These people are valuable. But when the business depends on invisible human bridges, scale becomes fragile. AI can help reduce that friction only after leaders standardize, stabilize, and optimize the work. AI should not be used to automate confusion. It should be applied where the workflow is clear enough, the data is trusted enough, ownership is defined, and the outcome is worth measuring.

This is why AI must be business-led and IT-partnered. The business owns the pain, workflow, value hypothesis, process standardization, change management, data cleanup priority, adoption plan, and measurable outcome. IT and data leaders manage infrastructure, security, access, integration, approved tools, governance mechanics, and scalability reality. Both sides are essential. Neither side can substitute for the other.

The practical leadership task is not to become an AI expert. It is to become engaged enough to lead responsibly. Leaders need to make sharper choices, protect the organization from tool-chasing, create safety for employees learning new ways of working, and build the operating discipline required to scale what works. The distributors that benefit most from AI will not simply be the companies that test the most tools. They will be the companies whose leaders connect AI to strategy, stay close to the changing work, and turn proprietary knowledge into value competitors cannot easily duplicate.

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How This Whitepaper Fits Within NAED PowerShift®

NAED PowerShift® is not a generic AI education series. It is a practical transformation framework designed to help electrical distributors move from urgency and confusion toward disciplined execution and measurable business value. The broader NAED PowerShift® AI body of work addresses maturity, use-case planning, data readiness, policy and governance, adoption, AI searchability, and operating discipline.

This whitepaper is one focused installment within that larger body of work. It does not attempt to cover every AI topic. Its purpose is to explain the leadership condition underneath the rest of the work. A distributor can understand AI concepts, license tools, form a committee, and still fail to create value if leaders remain too far away from strategy alignment, workflow reality, and adoption behavior.

The maturity path remains consistent with NAED PowerShift®: start with fear and friction, convert that friction into opportunities, run disciplined pilots, govern and scale safely, and embed adoption into daily work. Leadership involvement is required at every stage. Without it, the organization may stay busy, but it will not reliably become more capable.

NAED PowerShift® FORGE Stage	Leadership Role
Fear / Friction	Leaders create honest conversation around business pressure, employee fear, and operational drag.
Opportunities	Leaders choose which friction points matter enough, are ready enough, and are owned enough to test.
Run Pilots	Leaders require owners, baselines, review cadence, evidence, and stop, refine, or scale decisions.
Govern & Scale	Leaders support practical guardrails that make safe experimentation visible and repeatable.
Embed Adoption	Leaders and managers reinforce the behaviors required for AI to become part of the work.

Leadership Is the Operating System

Leadership is the operating system for AI maturity because leadership determines what the organization pays attention to, what it prioritizes, what it funds, what it stops, what it reinforces, and what it tolerates. AI will not create those decisions by itself.

In many distributors, AI activity is already happening. Employees are experimenting. Vendors are demonstrating tools. IT is reviewing risk. Managers are hearing questions from their teams. Executives are asking what the organization should do next. None of that is bad. It is the normal starting point. But activity does not equal capability.

The leadership task is to turn scattered activity into disciplined learning. That means creating a bridge from AI noise to measurable business value. It means forcing the conversation back to the work, not the tool. It means asking where friction lives, which use cases are ready, what data is trusted, which workflows need standardization, who owns adoption, and how the organization will know whether anything improved.

That sentence captures the leadership challenge. Leaders do not need complete technical mastery. They do need enough working fluency to believe the work enough to support it, challenge it, fund it, govern it, and model it.

The Three Leadership Imperatives

The three leadership imperatives cannot operate independently. Strategic alignment without working knowledge becomes executive abstraction. Working knowledge without change management becomes personal fluency without adoption. Change management without strategic alignment becomes activity without priority. The gears have to move together.

- The first imperative is strategic alignment. Leaders must aim AI at the business friction that matters most.
- The second is understanding the work and how it is changing. Leaders must stay close enough to daily work to understand where AI helps, where it creates risk, and where the foundation is not ready.
- The third is change management.

Leaders must model the behavior they expect, equip managers to reinforce new habits, and address employee fear honestly.

Together, these imperatives create operating discipline. They help a distributor avoid tool chasing, shadow AI, pilot theater, and work stop. They also help the organization turn AI into a practical capability that supports customers, employees, suppliers, and performance.

Imperative One: Strategic Alignment

AI cannot be treated as a collection of unrelated productivity tricks. It has to be aimed. A distributor may use AI to reduce internal friction, improve customer response, support purchasing decisions, accelerate onboarding, improve product content, strengthen knowledge access, or help managers see exceptions earlier. Those are different strategic choices. Each one carries different data requirements, ownership needs, risk considerations, change-management demands, and measures of value.

Bottom-up experimentation has real value. The people closest to the work often see the friction first.

- A counter associate may know where customer questions stall.
- An project manager may know which order-status details are hardest to assemble.
- A buyer may know which supplier signals are unreliable.
- A warehouse supervisor may know where exception handling consumes the day.
- A credit manager may know which account reviews take too much manual preparation.

Leaders should not smother that energy.

But bottom-up energy has a ceiling. It usually optimizes what one person, one team, or one function can see from their seat. Strategic value requires a wider lens. Leaders have to decide which friction points connect to the customer promise, margin preservation, service level, branch performance, supplier relationships, inventory management, labor leverage, and long-term competitiveness.

That is the work of leadership. A vendor cannot define that for the distributor. IT cannot define that alone. A frontline employee cannot carry that burden alone. Strategic alignment requires leaders to decide what matters, what should wait, and what should not be pursued even if the technology looks interesting.

Strategic alignment across the operating domains

Strategic alignment becomes concrete when leaders map AI opportunities against the real operating domains of the distributor enterprise.

Operating Domain	Typical Friction	Leadership Question
Supply Chain Optimization & Forecasting	Supplier lead time, shortage signals, replenishment planning, inventory turns, vendor communication, demand uncertainty.	Which supply chain decisions depend on data people do not fully trust today?
Sales Production Line & Accelerated Workflows	Customer response, quote preparation, follow-up, order status, substitution support, sales history, account planning.	Where are sales teams spending time assembling answers instead of serving customers?
Operations, Logistics & Warehousing Execution	Warehouse exceptions, delivery coordination, receiving issues, branch-level process variation, inventory accuracy.	Where are people acting as the bridge between process design and operational reality?
Back-office Functions & Administrative Friction Reduction	HR, finance, credit, marketing, accounting, reporting, meeting follow-up, policy communication.	Where is administrative work consuming capacity without improving the business?

Leaders should resist the urge to ask for a long list of AI ideas. A long list can feel productive, but it often proves the organization has not made choices. The stronger move is to ask which friction points are strategic enough, ready enough, and owned enough to test.

Strategic alignment also protects the organization from aiming AI at the biggest problem that has never been solved simply because it is the most painful. That instinct is understandable, but it is often wrong. The biggest problem is usually big for a reason. It may involve weak data, unclear ownership, inconsistent process, competing definitions of success, cross-functional disagreement, or too much change burden for a first move. Leaders should not ignore those problems, but they should avoid using them as the first proof point if the foundation is not ready. A better first move is a use case that is narrow enough to manage, visible enough to matter, owned enough to move, and measurable enough to learn from. That is how leaders build confidence, create momentum, and avoid turning AI into another overpromised initiative.

Strategic alignment also means saying no or not yet. Some ideas are valuable but not ready. Some are technically interesting but operationally weak. Some need process standardization before AI is appropriate. Some need data cleanup. Some need manager reinforcement. Leaders create credibility when they can make those distinctions without killing curiosity.

Imperative Two: Understanding the Work and How It Is Changing

Leaders cannot effectively lead work they no longer understand. That does not mean a senior executive has to perform every task in the business. It means leaders need enough working knowledge to understand where work breaks down, what employees are being asked to change, and how AI is altering the way people produce results.

AI is entering daily work. It can draft, summarize, analyze, classify, compare, search, rewrite, structure, translate, and prepare work for human review. Those capabilities sound general, but the impact is practical.

- They change how salespeople prepare customer responses.
- They change how managers write updates.
- They change how analysts prepare first-pass logic.
- They change how HR drafts communications.
- They change how marketing creates content.
- They change how operations leaders review patterns.
- They change how new employees find answers.

Leaders who do not use AI at all are making decisions from a distance. They may rely on vendor claims, IT updates, articles, anecdotes from enthusiastic users, or fear from people who had poor first experiences. That is not enough. A leader needs firsthand exposure to what AI is good at, where it fails, what it requires from the user, how easily it can produce confident but weak output, and how much human judgment still matters.

Working fluency is not technical mastery. A leader does not need to know how a model was trained to understand that output quality depends on context, source material, instruction quality, review standards, and the user's judgment. A leader does not need to build an agent to understand that agentic workflows require clear triggers, trusted data, rules, actions, fallback paths, owners, and logging. These are operating realities, not just technical details.

Not a One-Time Leadership Exercise

AI is changing quickly, and the way people use it inside the business will continue to evolve. A leader who understands today's tools but stops paying attention will eventually fall out of touch again. The work will change, the tools will change, employee habits will change, customer expectations will change, and new risks will appear. Leadership fluency has to be maintained, not checked off.

That means leaders need an ongoing rhythm for staying close to the work. They should keep using AI in their own responsibilities, ask teams what is changing in daily workflows, review examples of AI-assisted output, listen for where data or process friction is blocking value, and stay alert to new uses emerging from employees. The goal is not to chase every new feature. The goal is to remain close enough to the changing work to lead it responsibly.

Without that ongoing engagement, leaders gradually drift away from the context needed to make good decisions. They may overestimate what AI can do, underestimate what adoption requires, miss new risks, or fail to see where employees are quietly developing workarounds. Understanding the work is not a static requirement. It is a continuing leadership discipline.

Human bridges reveal where leaders need to look

In electrical distribution, some of the most valuable operating knowledge lives in human bridges. A human bridge is a person who keeps the work moving when systems, data, reports, or process standards do not fully connect. These people often hold the company together. They know who to call, what to ignore, which report to trust, which branch exception matters, and when the official process is not the real process.

Those people are valuable, but they also reveal fragility. If the business depends on invisible human bridges, the workflow is not ready to scale. AI may help reduce friction, but only if leaders understand what the bridge is doing, why it exists, and whether the underlying process should be standardized, stabilized, optimized, or potentially discontinued before AI is applied.

This is where leadership working knowledge matters. Leaders should look for the side spreadsheets, the manual reconciliations, the unofficial experts, the repeated questions, the duplicate data entry, the customer responses that require multiple system checks, and the reports nobody fully trusts. Those signals tell leaders where AI might help and where the foundation is not ready.

Imperative Three: Change Management

AI adoption is not a software rollout. It is a change in work practice. People are being asked to think differently, search differently, draft differently, verify differently, decide differently, and learn differently. They are being asked to trust new forms of assistance while still owning the quality of the work. They are being asked to learn in public and change habits that may have worked for years.

That is change management, whether the organization names it or not.

The human side of AI is often underestimated because the tools are easy to access. A person can open a tool, type a prompt, and receive an answer in seconds. That speed creates the illusion that adoption will be simple. It will not. Availability is not adoption. Licenses are not adoption. A policy is not adoption. A one-time training session is not adoption. Adoption happens when people change how they work in a way that produces better outcomes and can be sustained over time.

Leaders set the signal. When leaders tell employees that AI matters but do not use it themselves, the message is weak. Employees hear, “This matters for you, but not for me.” That creates skepticism. It also gives everyone in your organization permission to treat AI as optional. If the senior team is not visibly learning, if functional leaders are not tying AI to real work, and if frontline managers are not reinforcing responsible use, the organization should not expect broad adoption.

Modeling responsible AI use does not require performance theater. Leaders do not need to brag about prompts or turn every meeting into an AI demonstration. The better behavior is practical and honest.

- A leader can say, “I used AI to prepare for this discussion, but I had to verify the assumptions.”
- A manager can say, “This draft is a starting point, not finished work.”
- A functional leader can say, “We are testing AI to reduce the time our team spends preparing customer follow-ups, but human review remains required before anything goes out.”

Leadership distance creates cultural distance. When leaders tell employees AI matters but do not use it themselves, employees notice the gap. They may hear AI as something being pushed onto them rather than something leaders are learning alongside them. That weakens trust. It can also make AI feel like a productivity extraction tool instead of a practical way to reduce friction, improve consistency, and help people do better work. Leaders can prevent that by participating visibly, speaking honestly about what they are learning, admitting where AI still needs review, and reinforcing that the goal is not simply more output. The goal is better work, stronger judgment, and more capacity for the human expertise that still differentiates great distributors.

Address fear honestly

Change management also requires leaders to address fear honestly. Employees may wonder whether AI will help them, monitor them, expose them, or eventually replace parts of their work. Dismissing that fear is a mistake. So is using fear as the primary motivator.

The stronger message is that AI should be used to reduce low-value friction, improve consistency, support judgment, and free people to spend more time on work where human expertise, customer relationships, supplier coordination, and problem-solving matter. The risk is not simply AI itself. The risk is falling behind teams and competitors that learn how to use AI responsibly to serve customers better and operate with less drag.

Leadership at Every Level

Leadership involvement looks different at different levels of the organization. Treating all leaders the same is a mistake. The C-suite, functional leaders, and frontline managers sit at different points in the operating

system. They see different risks. They control different levers. They influence adoption in different ways. A mature AI approach needs all three layers engaged, but not in identical ways.

The C-suite owns direction and accountability. Senior leaders decide whether AI is a strategic capability or a scattered set of experiments. They set ambition, risk posture, investment priorities, governance expectations, and decision rhythm. They decide whether the company will prioritize practical friction reduction or chase visible innovation theater. They decide whether pilots will be judged by evidence or protected by politics.

Functional leaders own translation. They convert enterprise direction into meaningful work sales, operations, purchasing, finance, HR, marketing, customer service, logistics, product data, and other functions. They should be able to name where friction lives, which workflows are strong candidates for AI support, which data is required, which roles are affected, what human review is needed, and how value will be measured.

Frontline managers own reinforcement. They are closest to the habits that determine whether adoption works. They see whether employees actually use the tools. They hear confusion first. They notice when AI saves time and when it creates rework. They know where employees are using unapproved public tools quietly because the approved path is unclear or inconvenient. They also know which outputs are good enough and which ones need more judgment.

The AI leadership posture matters.

- An absent leader leaves AI to shadow use, tool chasing, and pilot theater.
- A reckless leader creates pressure without method, bypasses governance, and ignores evidence.
- A disciplined leader builds a business-led, IT-partnered model, makes the safe path obvious, prioritizes friction-first thinking, and treats pilots as decision tools with exit criteria.

This is not a personality assessment. It is an operating mirror. Leaders should ask which posture their teams experience from them. Do employees see curiosity with discipline? Or do they see distance, panic, or delegation without direction?

What Happens When Leadership Is Missing

When leaders stay out of AI, the organization does not stand still. It fragments. People will still experiment because the tools are available and the pressure is real. Some experimentation will be useful. Some will be risky. Some will be invisible. Some will create quality problems. Some will produce local improvements that never scale.

The first risk is tool sprawl. In the absence of a clear business frame, every new AI tool looks interesting. Teams compare platforms before defining the work. Vendors shape the imagination of the company. Leaders ask which tool is best without first asking which problem is ready.

The second risk is shadow AI. When employees do not know what is allowed, or when the approved path feels too slow or disconnected from real work, they find their own path. That behavior often begins with good intent. People are trying to save time, draft better messages, summarize information, or solve problems faster. But invisible use creates risk because the company cannot guide what it cannot see.

The third risk is pilot theater. Leaders may ask for visible AI progress, and teams respond by launching pilots without clear hypotheses, baselines, owners, review cadence, or exit criteria. At first, this looks like momentum. There are meetings, demos, screenshots, and stories. But when leaders ask what improved, the evidence is thin.

The fourth risk is work slop. AI can produce more output faster. Without standards, teams may generate more documents, summaries, emails, analyses, and presentations that look polished but lack judgment. The organization becomes busier without becoming clearer.

The fifth risk is initiative overload. AI adds another layer of ideas to organizations that may already struggle to finish what they start. Leaders must protect teams from turning every promising AI thought into another project queue. The goal is not more initiatives. The goal is better choices, better readiness, and better execution.

Business-Led, IT-Partnered Ownership

AI must be business-led and IT-partnered. This is one of the most important operating principles in NAED PowerShift®. The wording matters. AI is not an IT project, even though IT is essential. AI is not a business project that ignores IT, either. It is a business transformation effort that depends on technical partnership.

The business owns the pain. The business defines the workflow, the value hypothesis, the user group, the process standard, the change-management burden, and the adoption expectation. The business determines what good looks like. The business validates whether output is useful. The business owns the outcome.

IT and data leaders manage the infrastructure, security, access, integration, approved tools, governance mechanics, and scalability reality. They protect the company from unmanaged risk. They help determine whether the data is accessible, whether permissions are appropriate, whether the tool can be supported, and whether the solution can scale safely.

Neither side can substitute for the other. If the business hands vague ideas to IT and walks away, AI fails. If IT creates a technically elegant solution without business ownership, AI fails. If leaders buy a tool before defining the work, AI fails. If managers are not equipped to reinforce adoption, AI fails quietly.

A distributor does not need a perfect operating model to begin. It needs enough clarity to avoid the two worst extremes: reckless experimentation and frozen caution. The business-led, IT-partnered model allows the organization to move, learn, and protect itself at the same time.

The Actionable Leadership Roadmap

Leadership involvement has to become practical. A leadership team does not need to walk out of the first AI conversation with a complete enterprise roadmap. It does need a disciplined starting sequence.

The roadmap below gives executive teams, functional leaders, and managers a practical way to begin. It is not meant to be a rigid project plan. It is meant to prevent AI from becoming either a tool-first scramble or another abstract strategy conversation.

Leadership move	What it means
1. Build leadership fluency	Each leader should use AI in a few real tasks so they understand strengths, limits, review needs, and risk.
2. Name the business friction	Start with work that is slow, manual, inconsistent, repetitive, expensive, or hard to see clearly.
3. Find the human bridges	Identify where experienced people are manually connecting systems, data, process, and customer expectations.
4. Standardize, stabilize, optimize	Do not automate a broken or non-standard process. Clarify the workflow before scaling AI into it.
5. Sort use cases	Classify opportunities as ready now, needs foundation, or not now based on value, data, ownership, risk, and change burden.
6. Assign business ownership	Name the functional owner, manager reinforcement path, IT/data partner, and review standard before piloting.
7. Run decision-oriented pilots	Use pilots to produce evidence and a stop, refine, or scale decision, not just stories.
8. Create safe momentum	Define approved tools, data boundaries, human review, and escalation so learning stays visible.
9. Equip managers	Train managers to reinforce safe use, review quality, and adoption behavior in daily work.
10. Measure what matters	Track time saved, rework avoided, cycle time, response quality, consistency, adoption, and eventual financial impact.

What executives should ask first

- Where are we using AI today, visibly or invisibly?
- Where are employees acting as human bridges between weak systems, unclear data, and customer expectations?
- Which friction points connect most clearly to strategy, margin, service, customer experience, capacity, or risk?
- Which use cases are ready now, which need foundation work, and which should wait?
- What data would each use case require, and do we trust it enough for the intended workflow?
- Who owns the business outcome, adoption, review standard, and measurement?
- How will managers reinforce the new behavior?
- What would cause us to stop, refine, or scale the work?

Conclusion: Leadership Is the Operating System

AI will continue to change. Tools will improve. Features will become more embedded. Agents will move from concept to practical workflow support in some areas and disappointment in others. Vendors will keep making claims. Employees will keep experimenting. Customers will keep expecting faster, clearer, more consistent answers. None of that pace is likely to slow down.

The durable question is not whether AI matters. It does. The better question is whether leaders are building the operating discipline required to make AI useful. That discipline starts with leaders who are engaged enough to align AI with strategy, close enough to the work to understand how it is changing, and visible enough to model the behavior they expect from their teams.

Leadership cannot sit on the sidelines because AI is not just a tool decision. It is a strategy decision, a work-design decision, a data-readiness decision, a governance decision, a talent decision, and a change-management decision. Each of those decisions requires leadership. Not abstract support. Not distant sponsorship. Practical involvement.

This is also where the opportunity becomes larger than efficiency. The first wave of AI value may come from reducing friction, speeding up routine work, improving first drafts, supporting analysis, and helping teams find information faster. Those gains matter. But the larger strategic opportunity is differentiation. Distributors that learn how to combine AI with their own customer knowledge, supplier relationships, product expertise, branch experience, pricing judgment, inventory history, service model, and operating discipline can create value competitors cannot easily duplicate.

That kind of differentiation does not happen by simply giving people access to tools. It does not happen through scattered experimentation. It does not happen because a few advanced users find clever shortcuts. It happens when leadership creates the conditions for AI to scale responsibly across real work. Leaders must clarify where AI connects to strategy, define which workflows matter most, prioritize the data and knowledge foundations required, and equip managers to reinforce adoption. Without that leadership, companies may see pockets of productivity, but they will not reach peak performance at scale.

With that leadership, the picture changes. AI can become part of how the company serves customers, supports sales, improves supply chain decisions, strengthens warehouse execution, accelerates onboarding, reduces administrative friction, and preserves human expertise where it matters most. It can help the organization turn proprietary knowledge into a repeatable advantage. It can make experienced people more leverageable, newer employees more capable, and daily work more consistent. It can help the company lead the field, not by chasing AI hype, but by applying AI to the operating realities competitors struggle to see, standardize, and scale.

The companies that get this right will not be perfect. Some pilots will fail. Some data will not be ready. Some employees will be skeptical. Some tools will disappoint. But they will learn faster because their leaders are engaged in the right way. They will choose better first moves. They will govern without freezing. They will measure without killing learning. They will involve managers and employees in the work. They will turn AI from scattered activity into a repeatable capability.

That is the deeper promise of NAED PowerShift®. AI is the starting point because it is urgent. The real work is building organizations that can respond to change with clarity, discipline, ownership, and courage. Leadership is not a support function in that work. Leadership is the operating system that makes it possible.

Appendix A: Leadership Imperative Summary

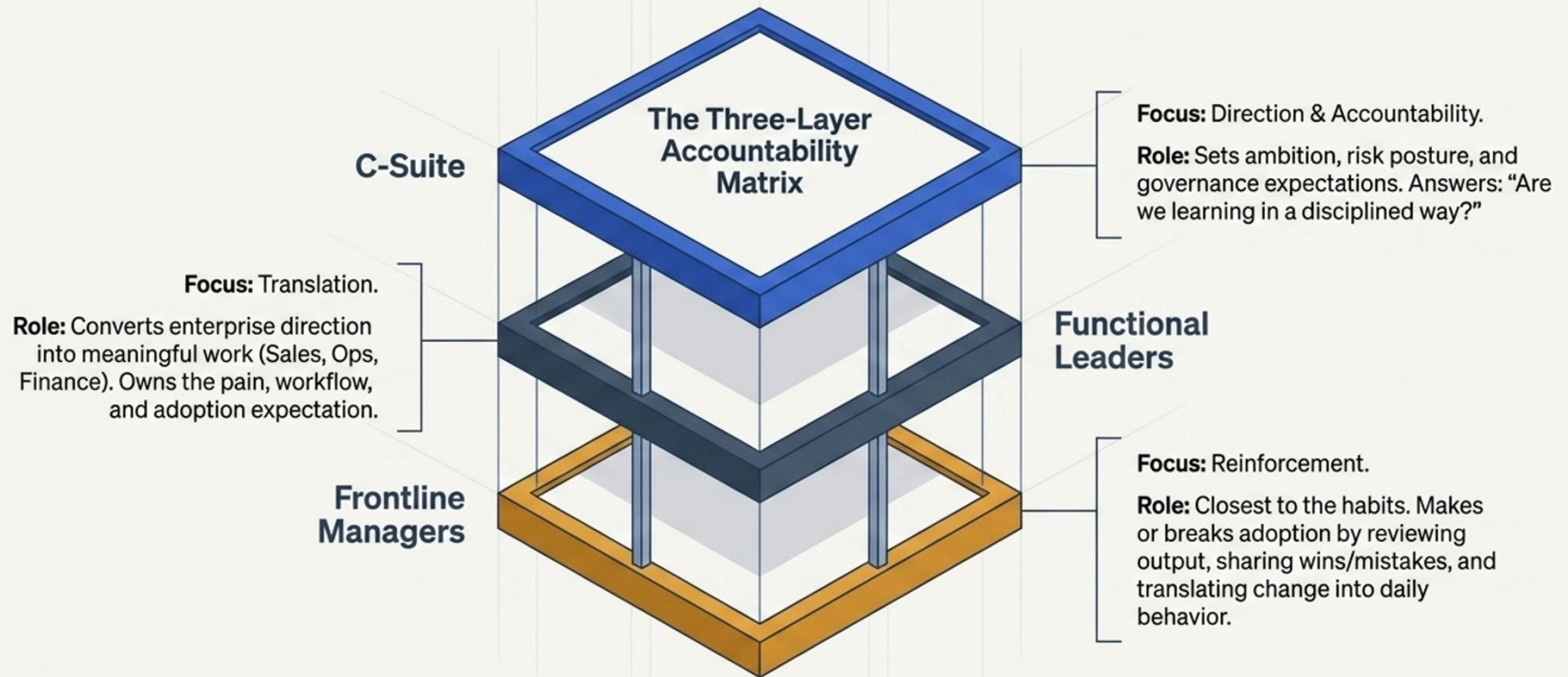
Imperative	Leadership responsibility	Risk if neglected
Strategic Alignment	Aim AI at the business friction that matters most. Decide what deserves attention, what needs foundation work, and what should wait.	Tool chasing, fragmented experimentation, weak priorities, vendor-led strategy.
Understanding the Work	Stay close enough to workflows to understand where AI helps, where it fails, and what data or review is required.	Detached leadership, weak requirements, overdelegation, unrealistic expectations.
Change Management	Model responsible use, equip managers, address fear, and reinforce adoption as a work practice.	Uneven adoption, skepticism, shadow AI, work stop, initiative fatigue.

Appendix B: Leadership Questions for Use-Case Review

Review area	Leadership question
Business value	What business outcome improves if this use case works?
Workflow clarity	Where exactly does the use case live in the work?
Human bridge	What manual workaround, side spreadsheet, expert dependency, or informal process does this address?
Data readiness	What data or knowledge does the use case require, and do we trust it enough?
Ownership	Who owns the business outcome, process standard, and adoption?
IT partnership	What does IT or data need to make this safe, supported, and scalable?
Human review	What will humans still verify, approve, or decide?
Change burden	How much behavior change is required, and what must managers reinforce?
Measurement	What baseline and success measure will tell us whether this improved the work?
Decision point	When will we decide to stop, refine, or scale?

Appendix C: Three-Layer Accountability Matrix

AI maturity requires an interconnected operating model across three layers.



The AI Leadership Posture Matrix

The Absent Leader (Staying Out)	The Reckless Leader (Leaning In Badly)	The Disciplined Leader (Strong Involvement)
Governance: Leaves to IT or shadow users.	Governance: Big mandate, no method; or over-governance that freezes progress.	Governance: Business-led, IT-partnered. Makes the safe path obvious.
Prioritization: Tool chasing without business frame.	Prioritization: Chasing complex use-cases before building basic muscle.	Prioritization: Friction-first thinking; honest readiness assessments.
Measurement: Pilot theater; activity without decisions.	Measurement: Celebrates activity, ignores ROI or quality.	Measurement: Treats pilots as decision tools with exit criteria.

Appendix E: Leadership Operating System Infographic

AI Maturity: Leadership as the Operating System

AI maturity is not measured by the number of tools a company tests, but by a leader's ability to turn AI urgency into measurable business value. This requires moving beyond "activity" to a disciplined operating model where leadership provides the strategy, working knowledge, and change management necessary for true transformation.



The Three Pillars of Leadership Involvement



Leaders must define the business problems first rather than letting vendors or enthusiasts drive tool adoption.

Leaders need enough firsthand exposure to understand how AI alters daily tasks and where human judgment remains critical.

AI adoption fails when leaders remain detached; visible, responsible use by leadership prevents skepticism and "work slop."



The Three-Layer Responsibility Model

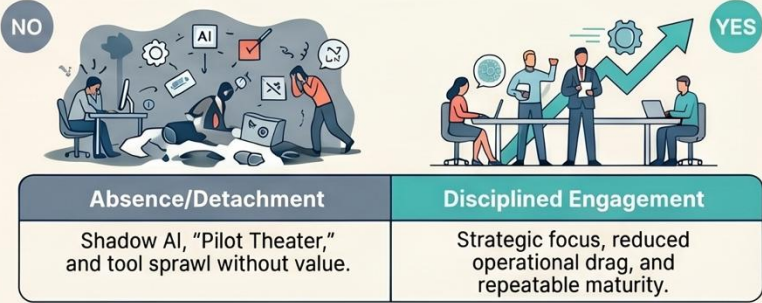


C-Suite: Direction & Accountability
Sets the risk tolerance, investment priorities, and the mandate that AI must produce business outcomes.

Functional Leaders: Workflow Translation
VPs and Directors convert broad strategy into specific use cases, data priorities, and adoption plans.

Frontline Managers: Daily Reinforcement
Managers turn AI into a habit by providing feedback, reviewing outputs, and reinforcing quality standards.

Leadership Posture vs. Organizational Outcome



NotebookLM