Agentic Enterprise:

The Next Wave Of Organizational Transformation

Or How AI is Reshaping the Way We Work and Build Products

Galit Fein, Senior Analyst @ STKI

Hi!
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Managing STKI's OCIO community

Intelligent Automation Research

Annual IT strategy Israeli benchmark

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We Are Going Through Another Technological Revolution

Like We Did with Cloud and Digital. But This Time, It's Orders of Magnitude Bigger

"AI is one of the most profound things we're working on as humanity. It's more profound than fire or electricity"
Sundar Pichai (CEO, Google)

"AI is the defining technology of our generation"
Satya Nadella (CEO, Microsoft)

"Agentic AI is the automation of automation — where software writes software. This is the single most powerful force of our time"
Jensen Huang, CEO, Nvidia

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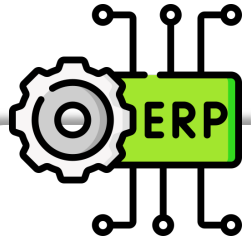
Disruptive Technology Compels Organizational Change

The Software Is Writing New Rules. It's Time We Rewrite How We Work.



ERP IMPLEMENTATION

Process standardization, data centralization

ERP brought all back-office processes—finance, HR, and procurement—onto a single platform, prompting companies to reorganize their teams and workflows to fit its rigid structure

CLOUD, SAAS JOURNEY

Fast, flexible, and scalable infrastructure

Cloud reduced reliance on centralized IT approvals.
New roles & processes emerged: CCoE, DevOps, FinOps automated workflows, self-service provisioning and CI/CD

DIGITAL TRANSFORMATION

Customer-centered experience

Digital technologies brought apps into the conversation between the org. and its customers
Breaking down traditional silos, Agile, multi-disciplinary teams, reducing layers of management

AI REVOLUTION

Intelligence automation, and decision-making

GenAI, AI agents, and Agentic AI are driving a profound transformation in how work is done, how value is created, and how organizations compete.

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GenAI

Reactive AI Tools

Creates **new content** from learned data patterns and serves as the foundation for AI agents and Agentic AI

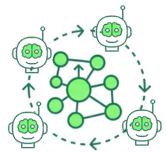
AI Agent

Simple, single-task SW entity

Has a capacity for **goal-driven, autonomous action**, with minimal human intervention

They come in 2 types:

1. General-purpose ***(Personal Productivity Agent)***
2. Task-specific ***(Invoice Processing Agent)***



Agentic AI

Sophisticated, collaborative ecosystems

An **advanced and proactive system** composed of **numerous specialized agents** that work collaboratively to accomplish complex objectives by executing tasks and leveraging a variety of tools to deliver targeted outcomes

RPA

Rule-based & rigid - follows predefined scripts. If the invoice format changes, it often breaks.
No Learning

AI Agent

AI-based, goal-driven agent that reads **unstructured data**, resolves anomalies, and autonomously updates systems—**adapting and improving**

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Agentic AI = Multi-agent Systems + Orchestration

The true power of the agentic AI - not a single super-agent,

but through the collaboration of multiple, specialized agents

Multi-agent systems have the capacity to fully automate complex, end-to-end processes across different departments or platforms. They have the power to reshape the software paradigm

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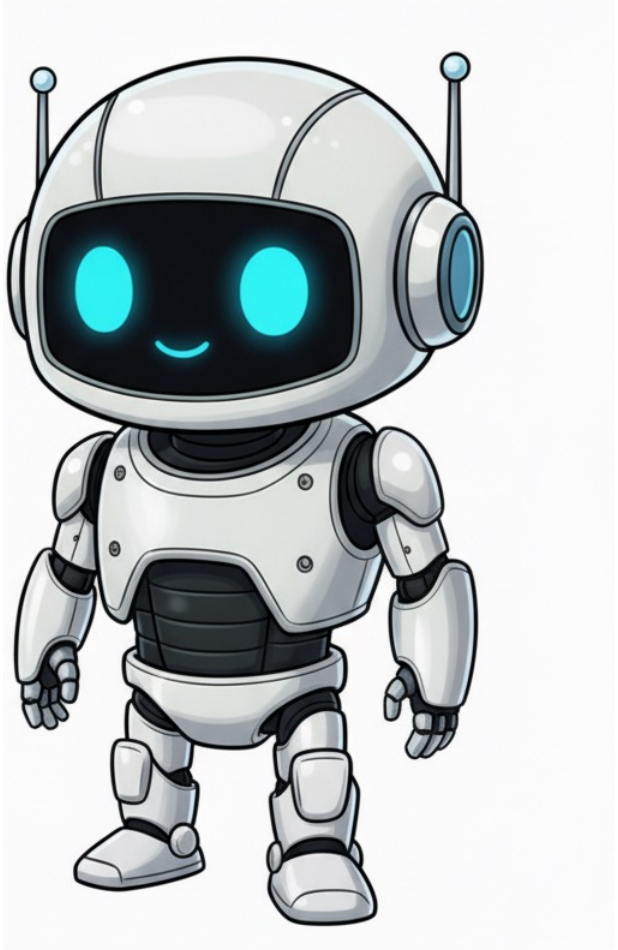
"What about us?"



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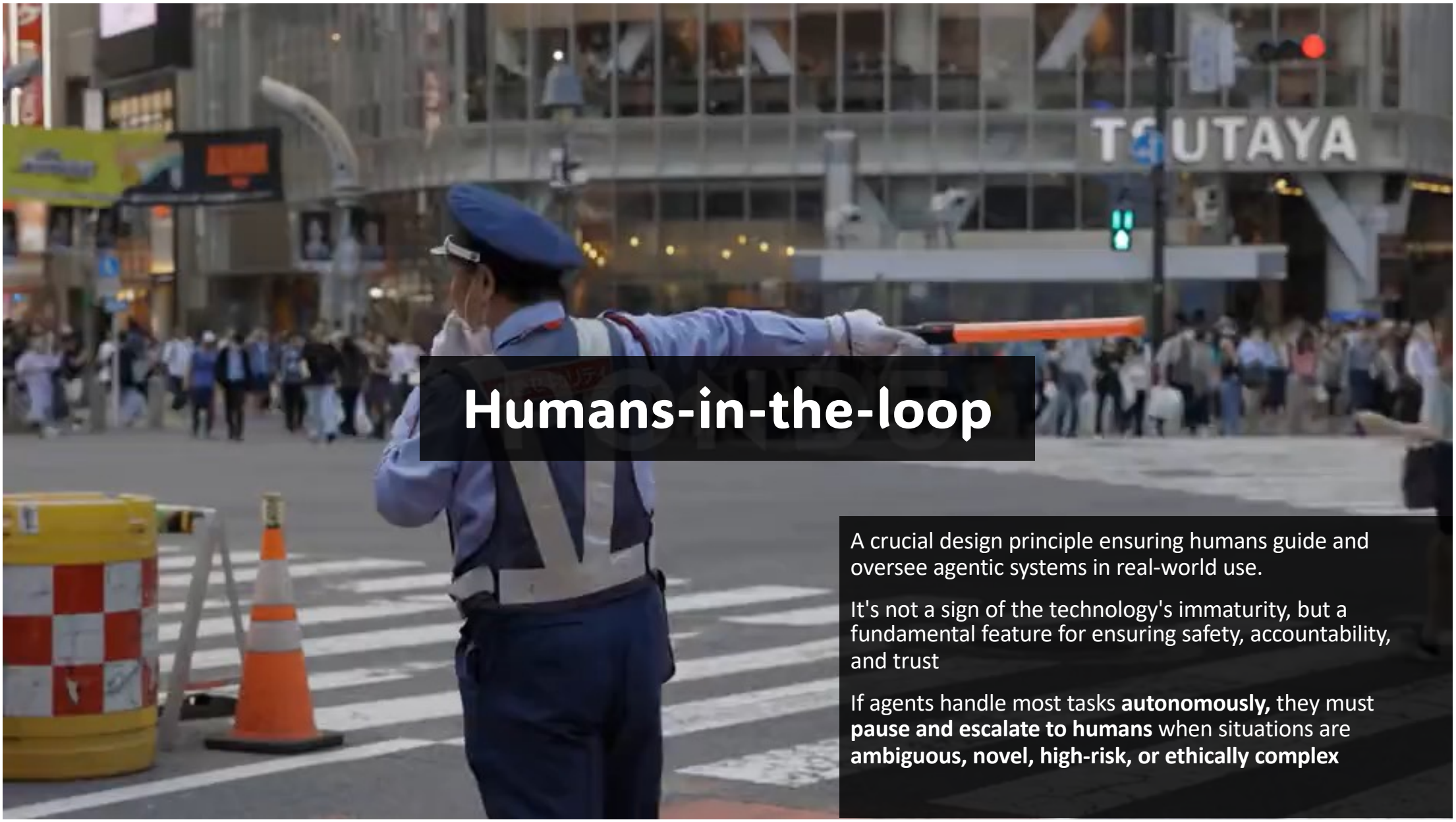
Stop Hiring Humans
The Era of AI Employees Is Here
ARTISAN
artisan.co
I don’t buy it.
I think humans will have to stay in the loop



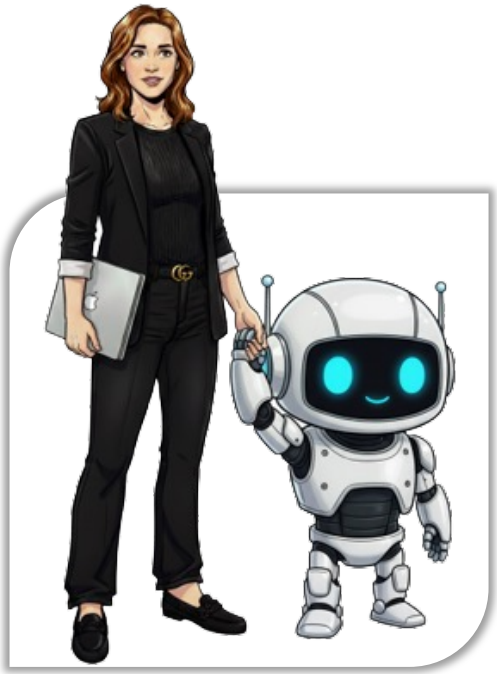
Humans-in-the-loop

A crucial design principle ensuring humans guide and oversee agentic systems in real-world use.

It's not a sign of the technology's immaturity, but a fundamental feature for ensuring safety, accountability, and trust

If agents handle most tasks **autonomously,** they must **pause and escalate to humans** when situations are **ambiguous, novel, high-risk, or ethically complex**

This shift works both ways—



Multi-agent systems will need

Human-in-the-Loop, while

Human-only teams

will become the new legacy

The first area this revolution will impact is Software Development and IT

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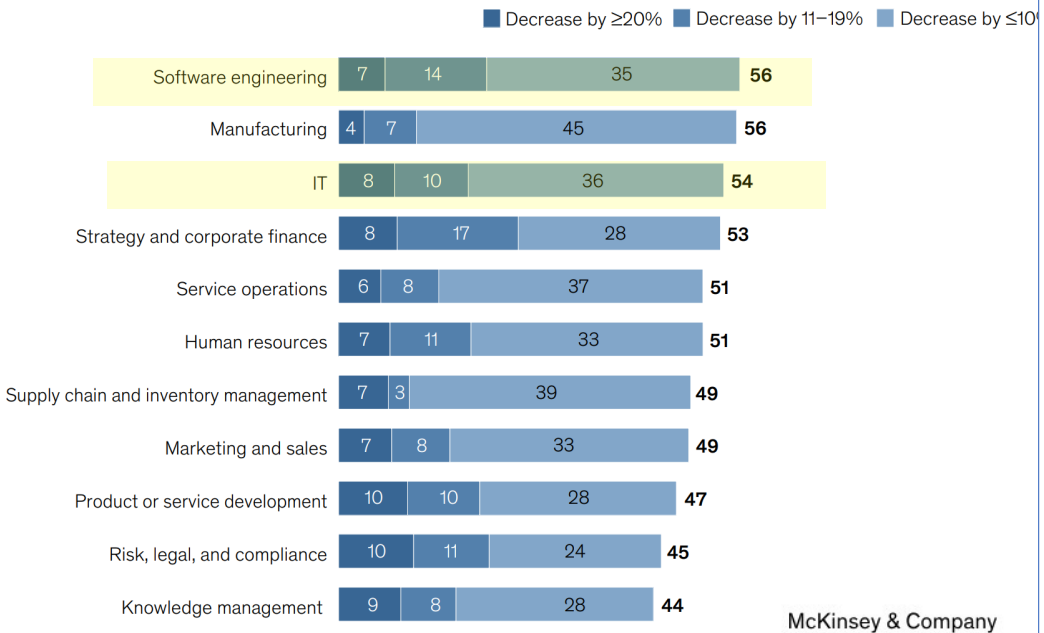
Software Development and IT Delivery are The First To Adopt Agentic AI

Respondents most commonly report cost benefits from AI activities in software engineering, manufacturing, and IT.

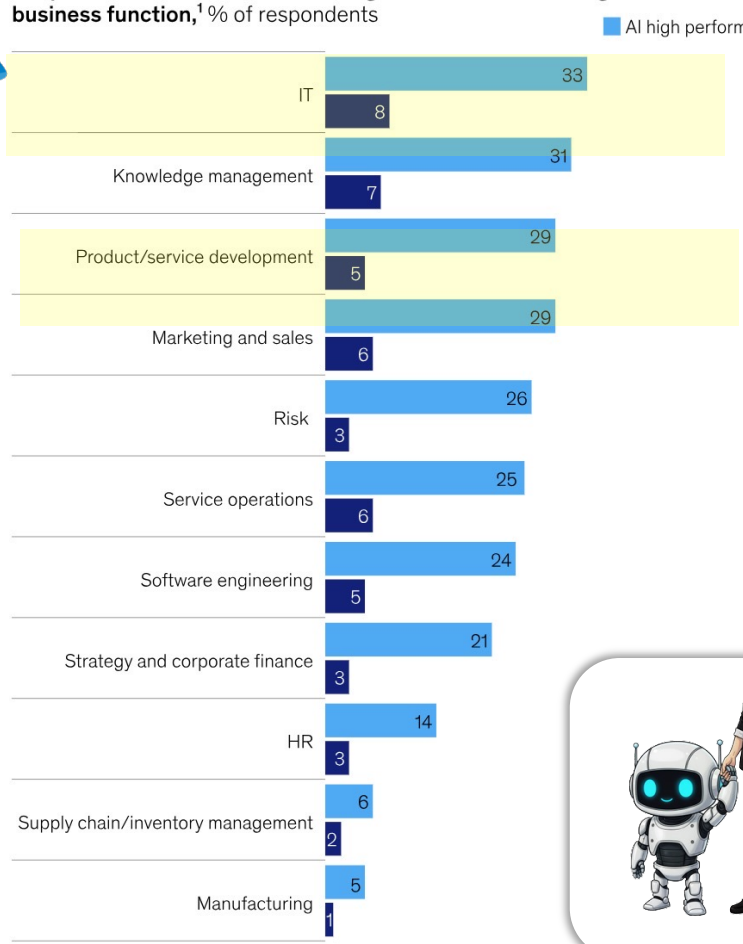
Cost decrease within business units from AI use, past 12 months, by function,[1] % of respondents



McKinsey & Company

High performers are much more likely than others are to have taken AI agents to the scaling phase.

Respondents who describe their organization's use of AI agents as 'scaling' or 'fully scaled' in the given business function,[1] % of respondents



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AI in Software - From Assistant to Agent

Today - AI as a passive assistant or “copilot”
Suggests code, supports developers

Tomorrow - AI as an **active participant** in the SW development, sometimes acts as an **autonomous executor**

What does this mean?
It's not just about optimizing processes — it's a fundamental change that redefines:

- **Roles** in software development
- The **structure** of software teams
- Core development **workflows**

"במהלך שירות מילואים נדרשתי לפתח מערכת. משימה שלקחה לי בעבר 4–5 חודשים — הסתיימה תוך 4 שעות בלבד.
זה לא שיפור בפרודוקטיביות, זו קפיצה בסדרי גודל"

מפתח תוכנה באמזון ישראל

"מערך HR ביקש שנפתח אפליקציה למתנות לעובדים. הערכנו שמדובר בפרויקט של כמה שבועות. אך כבר למחרת הם חזרו עם תשובה: תודה, אין צורך — מישהו כבר פיתח את האפליקציה ב־Base44"

CIO בחברת אנרגיה

"מפתחי תוכנה מדווחים על חיסכון של 30-60%, בעיקר בפעולות כמו כתיבת קוד, בדיקות ותיעוד בזכות שימוש בכלי AI"

מנהל פיתוח חברת טלקום

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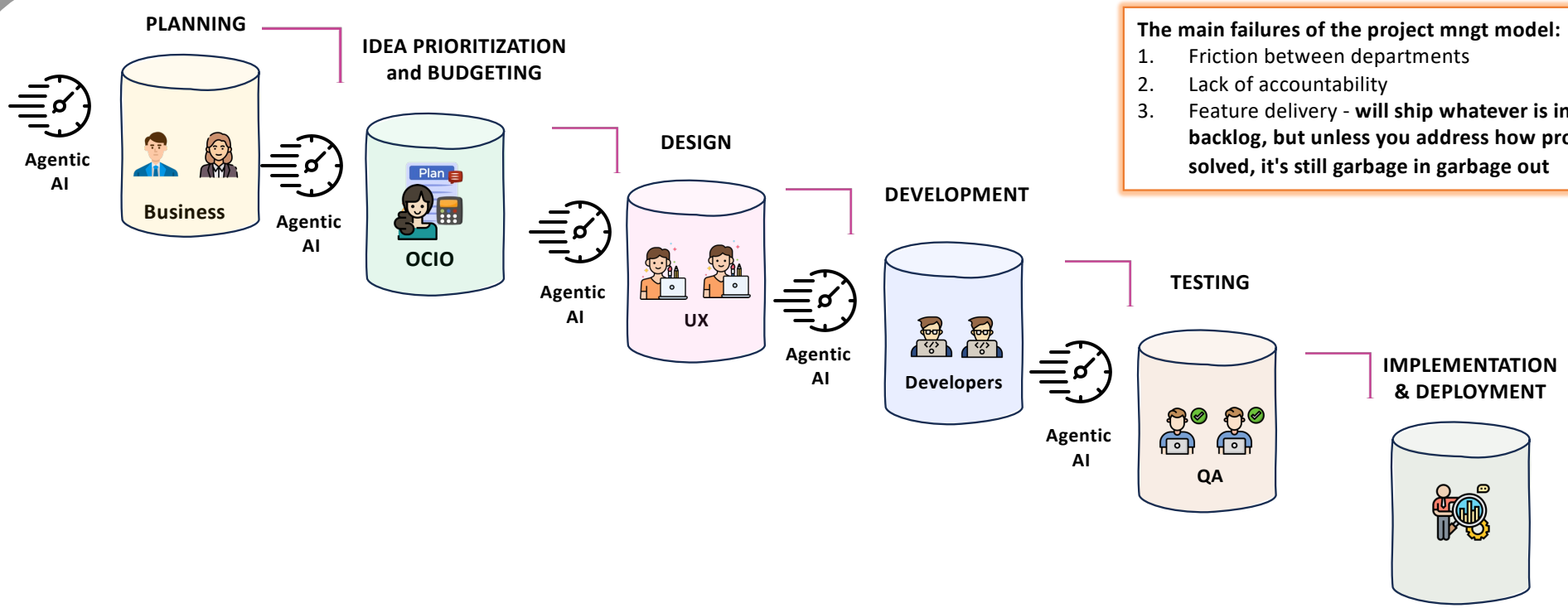
The traditional Software Development Lifecycle,

a structured and linear process can't match AI’s speed or complexity



The main failures of the project mngt model:

1. Friction between departments
2. Lack of accountability
3. Feature delivery - **will ship whatever is in the backlog, but unless you address how problems are solved, it's still garbage in garbage out**

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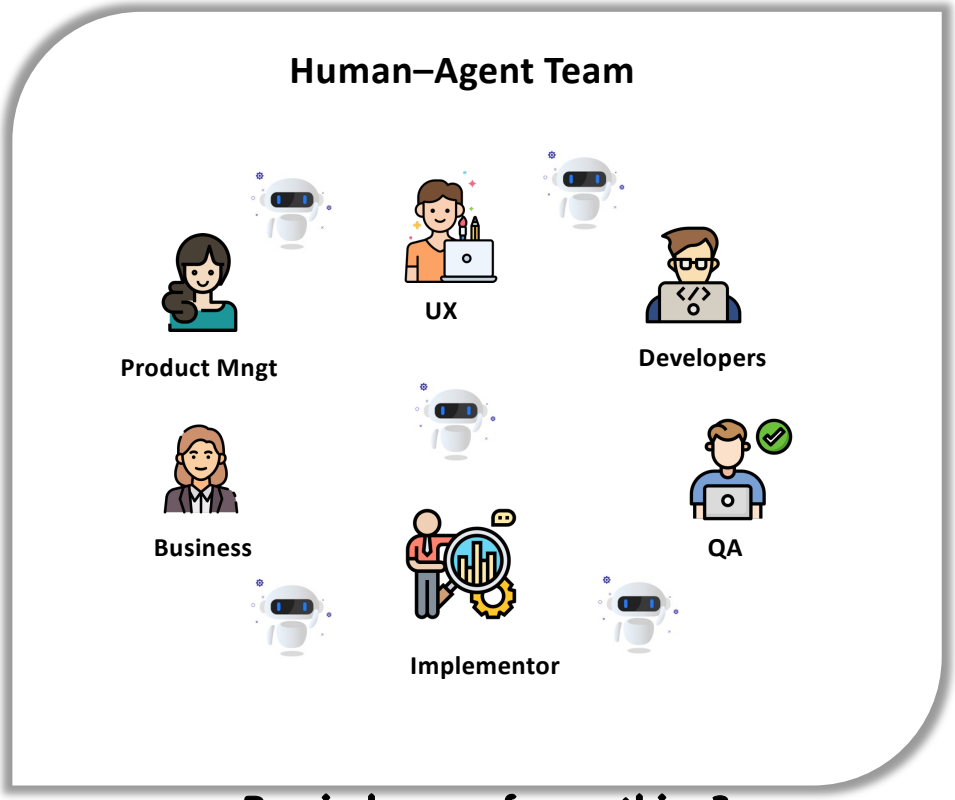
AI not only accelerates each phase – it blurs the boundaries between them



A human–agent team working collaboratively to solve complex problems, with a clear focus on achieving measurable business outcomes.

Reminds you of something?

Product Team

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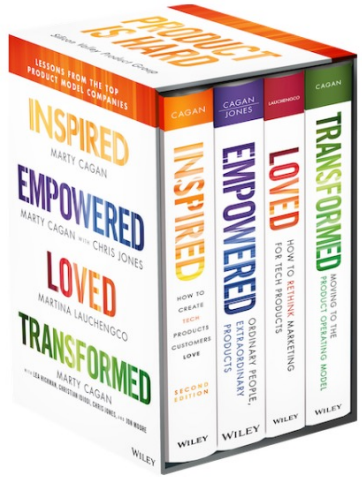
Product Management

Marty Cagan,
the primary thought leader for
product management



"Product is done by Multifunctional, Autonomous

Product Team"

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I am a big believer in Product Management.

Israeli startups are developing
world-conquering products.

This change is difficult for traditional organizations, but **unavoidable**

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Product Management 1.0

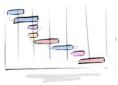
didn’t work

Neither did Agile

Although Agile Delivered Some Positive Local Impact

Agile at scale failed to deliver strategic impact at the organizational level

It’s still common to see months spent on budgeting and requirements-gathering



Work batched into big projects with infrequent, big-bang releases

End-customer feedback is treated as an afterthought

Small frequent uncoupled releases with little strategic value

Epic Waste: Agile coaches, Scrum masters, Product managers, Project managers, PMOs, Business analysts, System analysts, etc

Org silos remain intact, the friction between departments hasn’t disappeared

Who’s truly accountable for project success?

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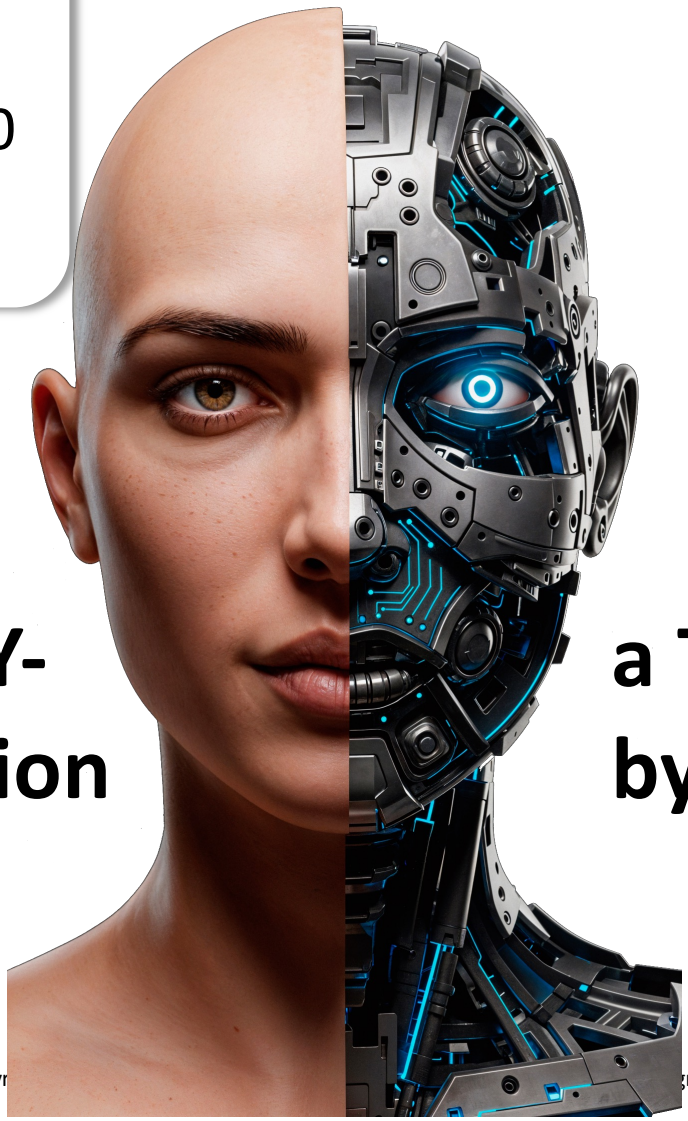
The biggest issue with Agile or Product Mngt 1.0 was approached as

a METHODOLOGY-based Transformation



AI pushes us toward a

a Transformation-led by Technology

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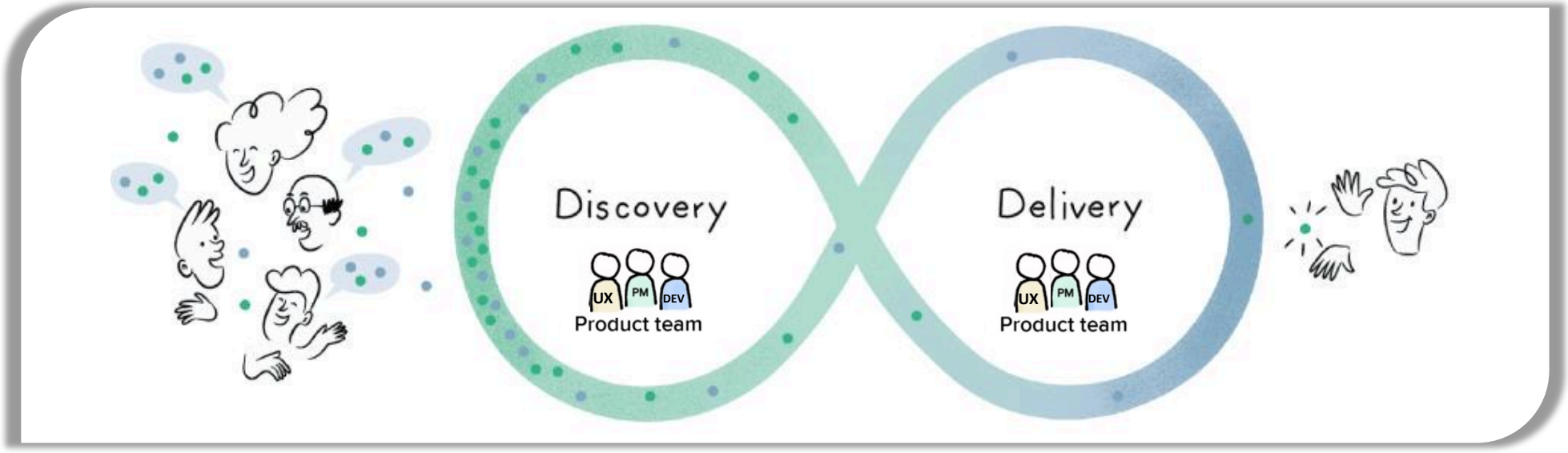
Product Mngt: Continuous Discovery and Delivery

Ongoing and parallel activities of the same team



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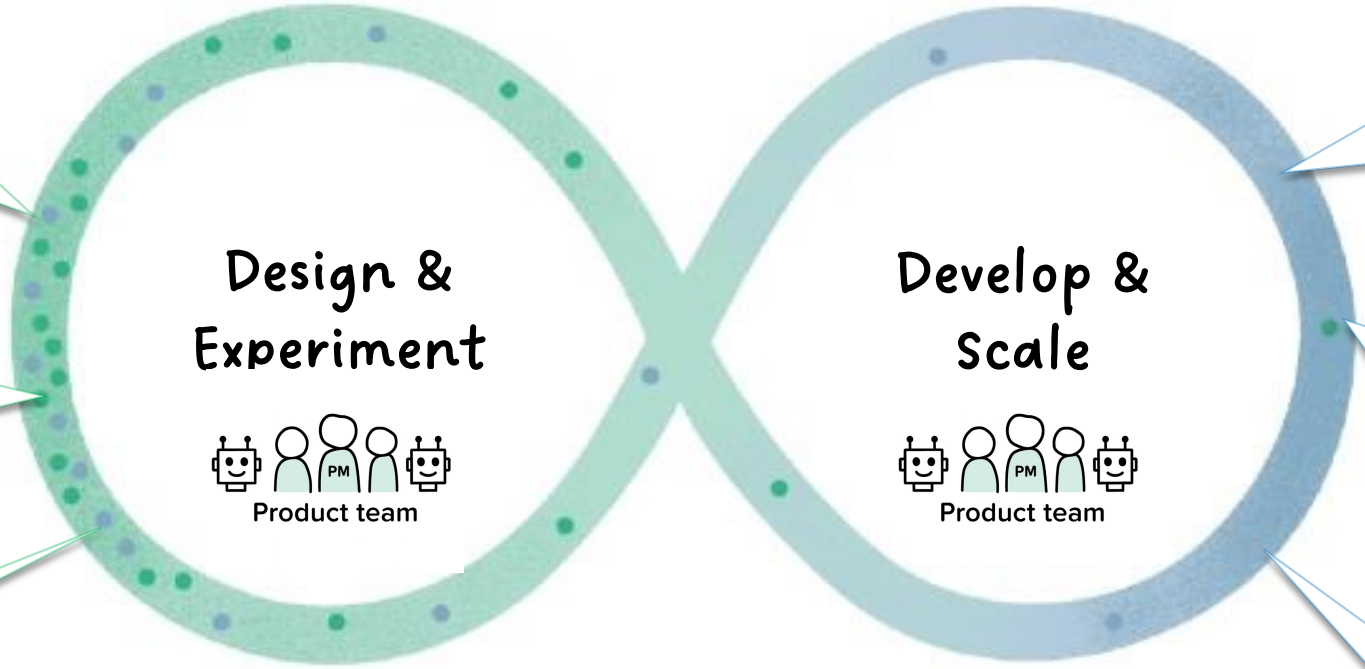
AI Era: Rapid Validation and Automated Development



PMs describe goals in plain language; AI turns them into user stories

Designers use AI create mockups in minutes for quick feedback

Devs generate code instantly with AI for real user testing

Biz, design & Dev team converge with AI as the connector

AI will automate and dramatically boost productivity across the development: coding, testing, deploying

Testing- Agents turn code and goals into complete test coverage

Code Optimization - AI boosts performance and security

Agents manage builds, tests, and deploy hands-free

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AI is reshaping development like the internet did for distribution

We've always had to solve four key product challenges:

- What to build
- How to build it
- Build it (develop, test, deploy)
- Distribute it – getting your product into customers' hands—**it used to be the hardest part of success**

Today, **thanks to the internet,** product distribution is dramatically easier

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Development work is shrinking; Problem-solving, discovery, and strategy are expanding, with a primary focus on "What"

What to build – **Product Strategy**

How to build it – **Product Discovery**

✓ **Build it** - Product Development & Delivery

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Agentic AI **dramatically increases** demand for highly **experienced developers**

Juniors and mid-career developers focused on feature coding **risk displacement** and must upskill

Agentic AI democratizes development by enabling **less experienced** users to create complex solutions

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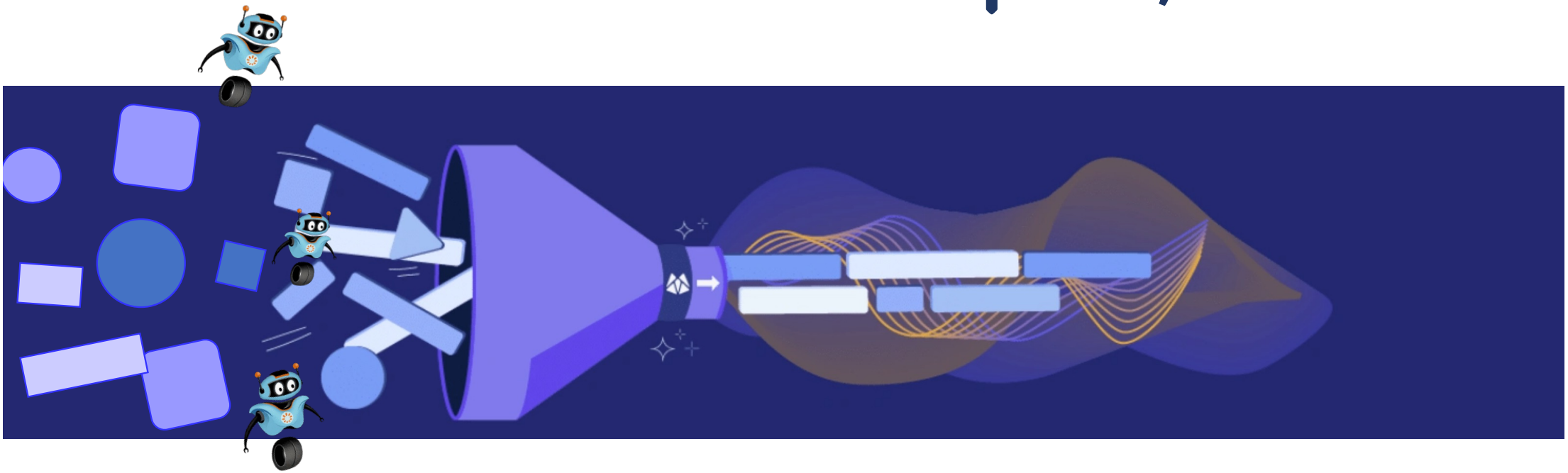
As AI makes development easier, demand for software will explode, not shrink



the only way to deal with the increasing flow of demands is to shift

from feature mode to an outcome mode

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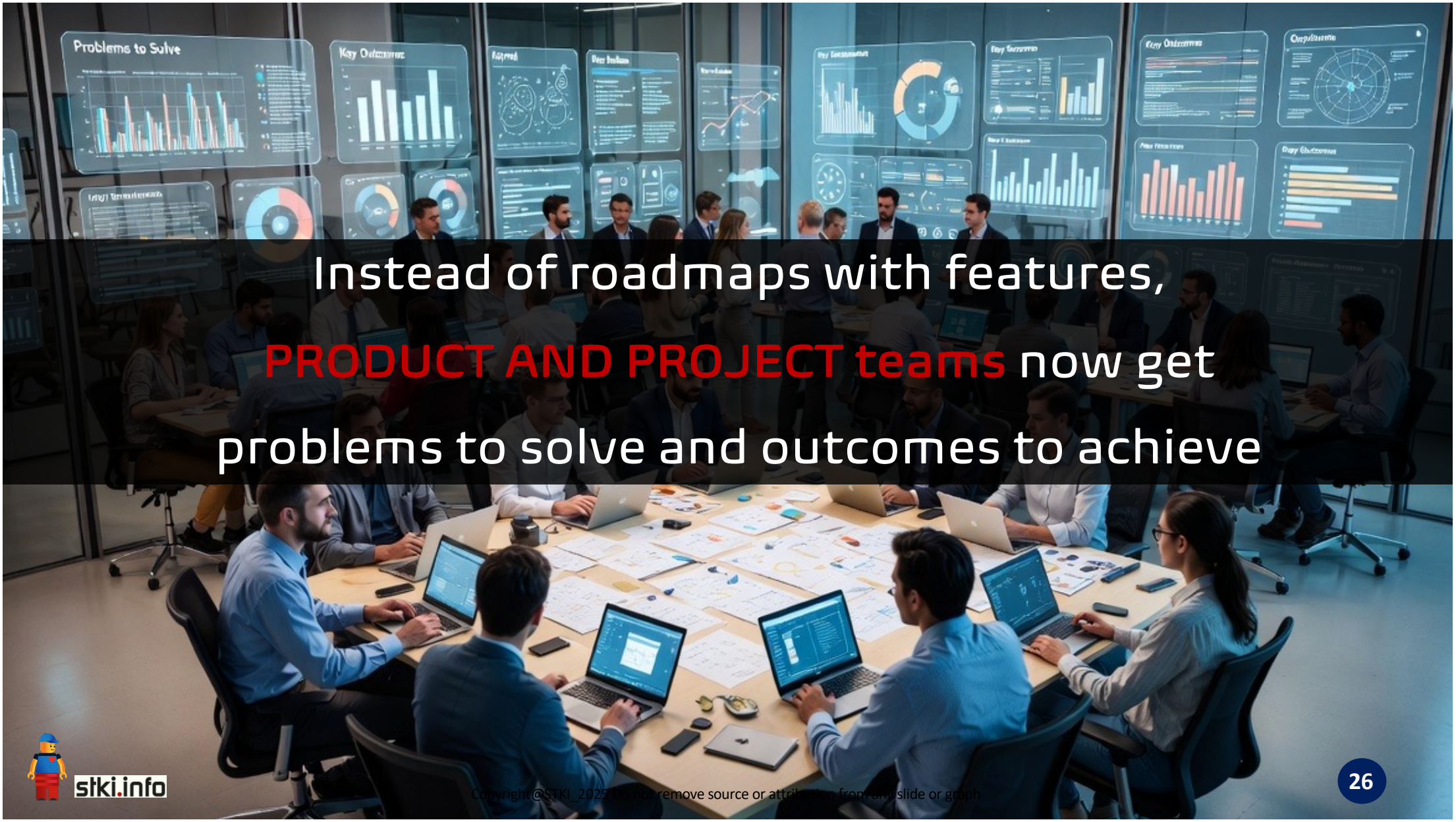

Instead of roadmaps with features,

PRODUCT AND PROJECT teams now get

problems to solve and outcomes to achieve

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We're already familiar with Product Model Concepts:

Many of them can be applied to the Project Model:

- *Outcomes over outputs*
- *Ownership and accountability*
- *Trust over control*
- *Transparency*
- *Small frequent releases*
- *Innovation*
- *Rapid experimentation*
- *Continuous Discovery and Delivery*

- *Clear **project goals and objectives** (biz KPIs)*
- *User-centric mindset - focused on the **outcome** for the user, not just the output of code*
- *Project team, as **autonomous** as possible (tribe, value-train, squad)*
- ***Reducing** inter-team **dependencies** through infrastructure and integration delivery as a service, aka platform teams*
- *Senior Project Manager, Two-in-a-box Model (biz + IT), Scrum Master - it doesn't matter who, as long as one person is **accountable** for the project success*

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Not everything needs to be managed as a product

But most evolving, user-centric initiatives do. Especially AI-driven ones

Project

Finite, scoped, and delivery-focused efforts with clear start and end points will continue to be managed as projects:

- **Regulatory compliance updates**
- **Infrastructure upgrades**
- **Integrations**
- **Annual budgeting or planning cycles**
- **Short-term initiatives**

Product

Ongoing, evolving, user-centric initiatives that benefit from continuous iteration and long-term ownership:

- **Customer-facing platforms**
- **Internal tools with high user engagement**
- **Data platforms & AI/ML capabilities**
- **APIs and integration layers that serve multiple teams or external partners**
- **Core business**
- **Digital and AI transformation initiatives that require agility and user feedback loops**

AI Product

There's no question—every AI initiative must be built and managed like a product

Because your AI problems might actually be TEAM STRUCTURE problems

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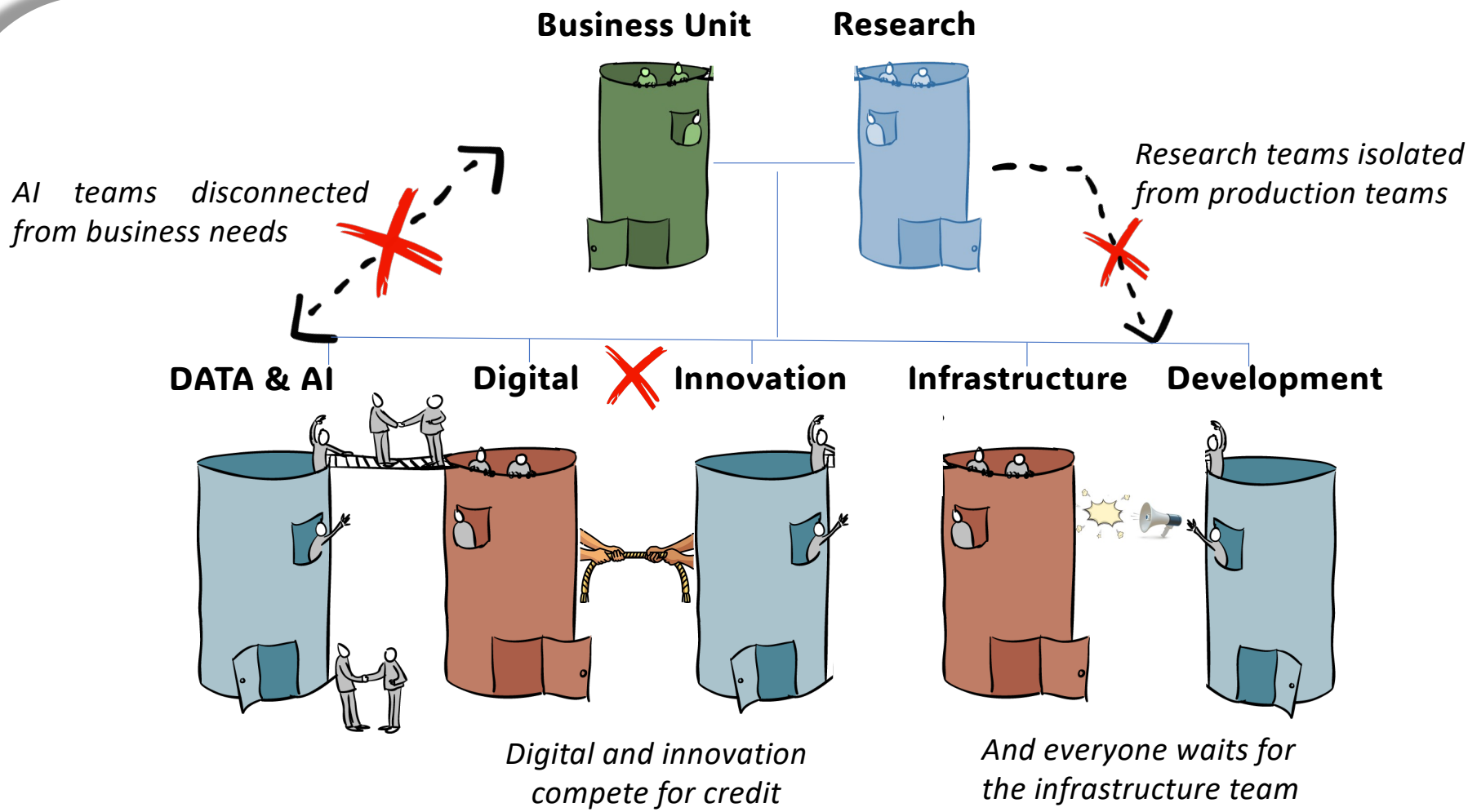
When teams don't share a clear understanding of what they're building and why, even the best models fail to create value



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AI is forcing us to organize teams around problems—not functions

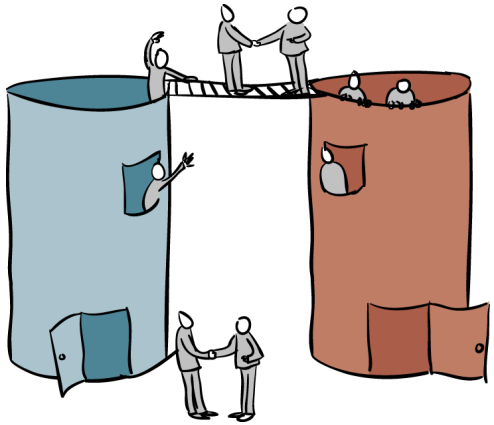
Personalization team

Search team

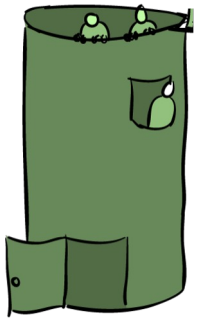
Platform & Tools Team
(ML devs, infrastructure devs)

Customer Experience
(Data scientists, devs, product mng, designer)

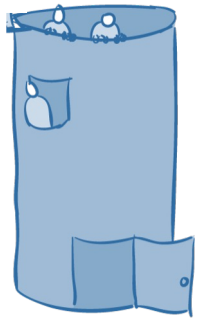
Growth & Retention Team
(Data scientists, devs, product mng, designer)

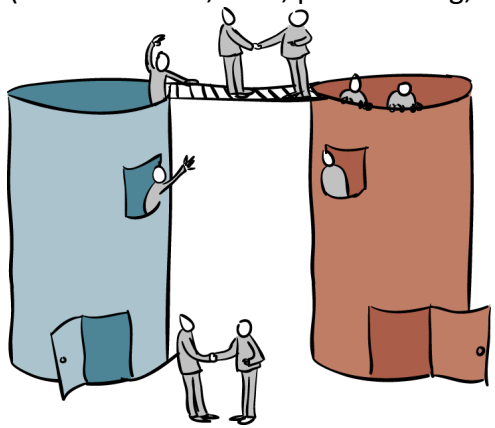


data engineering team



AI Infrastructure Team





ML team

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PMOs VS Product Managers

Traditional PMOs

buried in backlogs, timesheets, and handoffs will become obsolete

AI automates delivery tasks; it will take over much of the "how."

Product Managers

will shift from execution to problem-solving

Delivery work is shrinking; problem-solving , discovery and strategy are expanding, elevating the Product Managers to a strategic level

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We all need better Product Managers

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Product Manager (PM)

- The Product Manager is **accountable** for the product's success
- PM has a completely **different set of skills** from project managers, who mostly manage a backlog
- A PM must become an **expert on customers** by conducting a minimum of 30 customer interviews per year
- PM is **responsible for value and viability** (she is hardly taking an active part in the design or development)
- A person with **deeply understanding of business** – she represents compliance, sales, marketing issues, legal constraints, and go-to-market in general
- **Expert on the data** - how is the product being used?

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In the era of AI, the role of Product Managers is becoming both more complex and more critical

AI-powered products:

Risks we've never faced before

PMs are responsible for those risks. We'll need more experienced PMs, senior managers with better judgment

Decision-making with trade-offs

AI multi-functional product teams must balance cost, functionality, and design — PM decides trade-offs

Manage Human –Agents teams:

PM is responsible for the people in the product agentic team, they don't require less management, they require better management, delivered through **coaching**

Product Agentic Team

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"Coaching is no longer a specialty; you cannot be a good manager without being a good coach"

Bill Campbell, The Coach of Silicon Valley

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Managing the Workforce Paradox of Enthusiasm and Anxiety

Managers Must Lead with Empathy, Education, and Clarity

Not like this:

- **84%** of employees are eager to embrace Agentic AI
- **56%** simultaneously worry about their own job security

- **85%** of workers are learning how to use AI outside of work
- **83%** state that most of what they know is self-taught

Source: Deloitte

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You don’t scale through methodology,
you scale through people!

Managers need to spend a significant amount of their time developing people.

Training people is the BOSS’s JOB

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Experts lead experts
Modern Leadership Isn’t About Micromanaging
It’s about going deep with your team—having the courage to ask hard questions, demand good answers, teach the techniques, upskill when needed, and stay focused on results

The Agentic Organization Restructuring for a New Operating Model

Functional shifts in SW and PM are just early signs of a deeper, structural transformation

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The End of Hierarchy as We Know It: From Silos to Fluid, Outcome-Oriented Teams

Traditional orgs are built around a hierarchy of roles and departments designed to manage complexity and ensure control

Agentic AI ignores departmental boundaries, focusing solely on the task and orchestrating the necessary resources, regardless of where they sit in the organizational chart

Agentic Org - fluid, adaptive and outcome-driven by human-agent teams

This new structure promises unprecedented agility and **efficiency**, but introduces significant **challenges,** requiring the development of new, real-time governance frameworks

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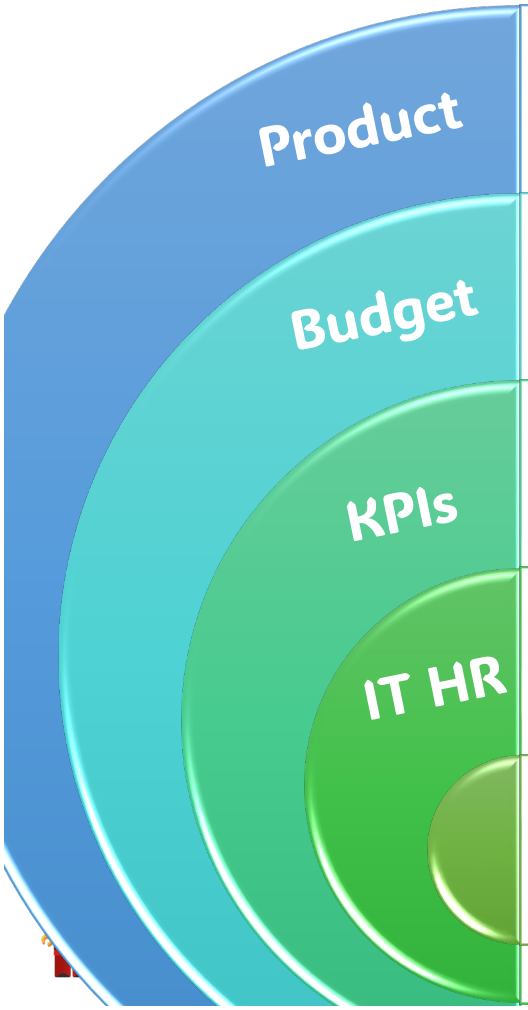
The OCIO's Role in Real-Time Governance



Different business environment	The Evolution of the OCIO Role
Co-existence of different models : Waterfall and Agile; Project and Product mngt	• OCIOs must master modern Product Mngt alongside Project leadership
Cross-functional collaboration replaces silos, enabling rapid decisions	• Shift from rigid annual budgets to adaptive zero-based budgeting
Reduced need for strict controls on feature delivery	• OCIO must define and align new KPI's with business goals then track and communicate success across all stakeholders
Tasks dynamically assigned to best-fit agents (human or AI); jobs become fluid portfolios of human-centric work	• Reinvent IT HR: Shift from static roles to dynamic, skill-based talent allocation
AI streamlines development and PMO tasks—backlogs, timesheets, handoffs	• Elevating the OCIO to a strategic level - focusing on outcomes, aligning portfolio, budget, resource with business goals

In Conclusion

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AI will redefine, and in some cases replace,
entire roles and workflows

This goes beyond the expected development or tasks automation
AI challenges the core processes we've relied on for decades,

AI will change *WHAT* we work on (outcomes) and
***HOW* we work (processes) and**
the *ORGANIZATIONAL DESIGN* around them

The biggest challenges of Agentic Enterprise
are human and organizational, not technical

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It's very easy with disruptive technology just to take us where it leads, as opposed to leading it

We all want to use AI to enhance our experience and make life easier

But the real challenge is deciding
where we should go,* not just *where we can go

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Change Beyond Technology - Leaders Must Lead

This is NOT about cost-cutting or shifting responsibility onto employees.

It's about clear strategy, empowered people, and ethical leadership

Only then can we unlock new frontiers of productivity and innovation

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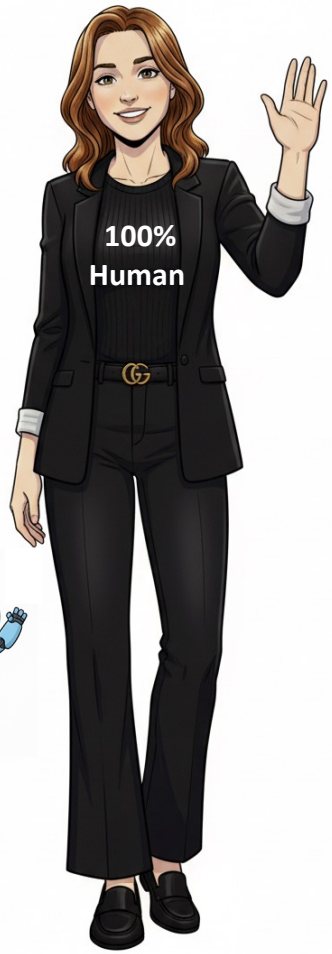
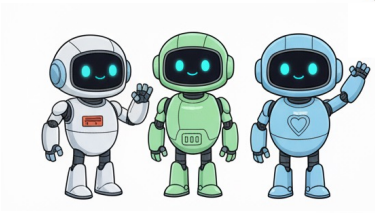


“We helped!”



Gemini Copilot Claud

Thank you!

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EVP & Senior Analyst @ STKI

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