Accolade Institute

PERPETUAL AGILITY ENGINE™ RESEARCH SERIES

EXECUTIVE REPORT

The Operating Model for Winning the AI Era

A board-level briefing on the Perpetual Agility Engine™: the six-cycle system that turns strategy into sustained performance, and the capability that keeps it ahead: Strataflux Learning.

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This edition sets out the full six-cycle Perpetual Agility Engine™ and the Strataflux Learning capability behind it, with the added depth leaders need to act on it.

About This Report

Most enterprise strategies do not fail because the strategy was wrong. They fail in execution, and almost always at a predictable point. Strategy execution is a single closed loop, and momentum leaks the moment any part is skipped, rushed, or mistaken for another.

The documented track record of AI deployed without a closed execution loop:

~95%

saw no measurable return on early generative-AI investment.

MIT Project NANDA

>80%

of AI projects fall short, roughly twice conventional technology projects.

RAND, 2024

~4x

higher three-year shareholder returns among companies capturing AI's full value.

BCG

How to use this report

Each cycle now includes the business mechanism, evidence of momentum leaking and building, and a board diagnostic question. The report can be read independently or used to guide a live executive conversation.

1. **Executive Summary**
2. **The Engine: Six Cycles, One Loop**
3. **Cycle-by-Cycle Executive Depth**
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CHAPTER 1 OF 7

Executive Summary

In the AI era, where every competitor can buy the same tools, the sustainable advantage is how fast the organization converts experience into applied capability, and how readily it lets go of what no longer works.

> ***The most important move a board can make is not to wait until the lesson becomes a headline it regrets, but to build the capability that produces the headline it is proud of.***

Peter Senge wrote in 1990 that the only sustainable source of competitive advantage is an organization's ability to learn faster than its competition. In the AI era, with competitors able to license similar foundation models, that idea becomes operational. Advantage compounds when the organization:

1. **Builds shared understanding of strategy**
2. **Activates genuine belief rather than compliance**
3. **Develops and coordinates capability at scale**
4. **Learns faster from results**
5. **Reconfigures before the market demands it**

This report names the system that produces that advantage: six cycles that must run as one loop, and the capability the loop creates when it does: Strataflux Learning.

CHAPTER 2 OF 7

The Perpetual Agility Engine™: Six Cycles, One Loop

Each cycle answers a question every leadership team confronts. Each is a point where momentum compounds or drains away. The value is in running all six as one loop.

Outside of the engine loop are the momentum leaks that steal from the engine's full potential.



Figure 10.1 · The Perpetual Agility Engine™ as one connected performance system.

Renew does not end the loop. It reopens Orient with better material than the organization had before. That is why this is an Engine rather than a plan: each turn equips the enterprise for the next.

CHAPTER 2 OF 7 · CYCLE 1

Orient — Clarity

Do we share an accurate, applied read of our strategy, or can people only recite it?

1

WHAT THIS CYCLE DOES, AND WHY IT MATTERS

Orient is not awareness of strategy. It is applied understanding: whether each layer can independently translate strategy into the decisions and trade-offs that belong to it. When Orient leaks, teams work hard on incompatible versions of the goal.

Where momentum leaks

Volkswagen's Cariad unit: brands interpreted one shared software mandate through their own lenses, producing redundant architectures, delayed timelines, and more than $7.5 billion in losses.

Where momentum builds

Moderna established a specific, quantified AI vision with measurable targets every function could translate into action.

BOARD DIAGNOSTIC QUESTION

If five members of this leadership team independently described what our function will start, stop, or change because of our top priority, would the answers converge?

CHAPTER 2 OF 7 · CYCLE 2

Activate — Conviction

Have people genuinely committed, or only complied?

2

WHAT THIS CYCLE DOES, AND WHY IT MATTERS

Compliance is visible; conviction is not. When people comply without believing, behavior is leased rather than owned. The moment the mandate relaxes, behavior reverts, and every downstream cycle that depended on it begins to collapse.

Where momentum leaks

Enterprise AI tool rollouts in which measured use declined even as access expanded: people complied publicly and reverted privately when monitoring eased.

Where momentum builds

Moderna's volunteer AI Champions opted in to drive peer adoption. Conviction-led adoption became self-sustaining because it depended on belief rather than oversight.

BOARD DIAGNOSTIC QUESTION

In our last major change, did we do anything to shift what people believe, or only what they are required to do?

CHAPTER 2 OF 7 · CYCLE 3

Develop — Capability

Have we built the capability the strategy requires, and kept it in use?

3

WHAT THIS CYCLE DOES, AND WHY IT MATTERS

Develop has two parts: building capability and keeping it in use. Training addresses the first. Reinforcement, practice under pressure, and feedback loops address the second. Completion is not the test; sustained performance is.

Where momentum leaks

A major AI-powered hiring platform was protected by the password "123456." The failure was not knowledge of the standard, but the absence of reinforced practice.

Where momentum builds

JPMorgan Chase trained more than 300,000 employees through a role-segmented AI curriculum designed around the decisions people would make.

BOARD DIAGNOSTIC QUESTION

Can we point to real practice and feedback, not just completed courses, and is a standard we already know still holding under pressure this quarter?

CHAPTER 2 OF 7 · CYCLE 4

Mobilize — Traction

Is capability coordinated across teams, or merely present within them?

4

WHAT THIS CYCLE DOES, AND WHY IT MATTERS

The difference between capability and traction is coordination. Capability within teams produces effort; capability connected across teams produces compound effect. A recurring symptom of failure is expensive reorganization that rearranges, rather than resolves, the coordination problem.

Where momentum leaks

Repeated costly reorganizations undertaken to resolve teams pursuing competing versions of one goal. The reorganization is the symptom, not the solution.

Where momentum builds

JPMorgan Chase coordinated AI adoption firmwide through opt-in participation led visibly across lines of business.

BOARD DIAGNOSTIC QUESTION

Can we name every initiative competing for the same resources across units, and did our last major bet explicitly name what we would stop to fund it?

CHAPTER 2 OF 7 · CYCLE 5

Advance — Brilliance

Is our learning turning into brilliance, or stagnating into busyness?

5

WHAT THIS CYCLE DOES, AND WHY IT MATTERS

Advance converts results into learning, then learning into a higher standard. Without it, organizations improve incrementally inside the current frame while competitors reframe the game. The discipline is to ask whether a rising metric still tells the truth.

Where momentum leaks

An internal AI leaderboard was shut down after it produced more AI-powered tasks but fewer useful results. The measure rose while the outcome deteriorated.

Where momentum builds

Leaders treat a rising usage metric as a hypothesis to test rather than a result to celebrate, and raise the standard when the proxy stops answering the strategic question.

BOARD DIAGNOSTIC QUESTION

Can we state the strategic question each watched dashboard was built to answer, and does a rising number still answer it? Did we raise our standards?

CHAPTER 2 OF 7 · CYCLE 6

Renew — Emergence

Are we reconfiguring our winning formula before the market forces us to?

6

WHAT THIS CYCLE DOES, AND WHY IT MATTERS

Renew returns the organization to Orient with better material than before. It requires courage because it asks leaders to reconfigure what is currently working before the market renders it insufficient. The test is not whether the organization learned, but whether it acted.

Where momentum leaks

Intel recognized the AI shift and funded responses, but repeatedly chose safer gestures over decisive commitment. Acknowledged risk compounded over time.

Where momentum builds

Nvidia repeatedly reinvented the ecosystem and moat that made it strong because it treated its competitive model as a hypothesis subject to revision.

BOARD DIAGNOSTIC QUESTION

Where did we learn something real this past year, then quietly revert to a safer gesture instead of acting decisively? What will we carry forward?

CHAPTER 3 OF 7

The Same Six Points, in the Headlines

Every cycle has a visible failure signature and a visible success signature in companies operating now.

	Where momentum LEAKS	Where momentum BUILDS
Orient	Volkswagen's Cariad unit: brands interpreted one shared software mandate through their own lenses, producing redundant architectures, delayed timelines, and more than $7.5 billion in losses.	Moderna established a specific, quantified AI vision with measurable targets every function could translate into action.
Activate	Enterprise AI tool rollouts in which measured use declined even as access expanded: people complied publicly and reverted privately when monitoring eased.	Moderna's volunteer AI Champions opted in to drive peer adoption. Conviction-led adoption became self-sustaining because it depended on belief rather than oversight.
Develop	A major AI-powered hiring platform was protected by the password "123456." The failure was not knowledge of the standard, but the absence of reinforced practice.	JPMorgan Chase trained more than 300,000 employees through a role-segmented AI curriculum designed around the decisions people would make.
Mobilize	Repeated costly reorganizations undertaken to resolve teams pursuing competing versions of one goal. The reorganization is the symptom, not the solution.	JPMorgan Chase coordinated AI adoption firmwide through opt-in participation led visibly across lines of business.
Advance	An internal AI leaderboard was shut down after it produced more AI-powered tasks but fewer useful results. The measure rose while the outcome deteriorated.	Leaders treat a rising usage metric as a hypothesis to test rather than a result to celebrate, and raise the standard when the proxy stops answering the strategic question.
Renew	Intel recognized the AI shift and funded responses, but repeatedly chose safer gestures over decisive commitment. Acknowledged risk compounded over time.	Nvidia repeatedly reinvented the ecosystem and moat that made it strong because it treated its competitive model as a hypothesis subject to revision.

CHAPTER 4 OF 7

Three Truths That Run Through All Six

These operating principles recur across every cycle and determine whether change endures or quietly reverts.

1

Belief must change before behavior does.

Change a policy, target, or tool without changing what people believe, and the change reverts when oversight relaxes. Measuring adoption at launch captures the wrong variable; belief predicts whether the behavior will hold.

2

Presence and courage cannot be delegated to process.

A framework can create the conditions for a hard decision. It cannot make the decision. Every cycle contains a moment when a leader must show up, commit publicly, and bear the cost of that commitment.

3

Learning velocity is the advantage that remains.

When competitors can license similar models, advantage comes from converting experience into applied capability faster, and letting go of what no longer works sooner.

Across every failure, the mechanism is almost always human, not technical. The strategy's logic is rarely the problem. The resourcing of the people it depends on usually is.

CHAPTER 5 OF 7

The Capability, Finally Named

The most consequential enterprise learning often happens everywhere at once, across every layer, in the flow of actual work.

Most lessons that reshape strategy, budgets, teams, and careers do not arrive as courses. Nobody signs up. Nothing is logged in the learning management system. Yet these lessons determine who thrives and who stumbles. Part of why this learning has been difficult to manage is that it lacked a name.

Strataflux Learning

The enterprise-level learning, and unlearning, that flows across every layer of an organization in the flow of change. Strata are the layers where real lessons accumulate. Flux is the rate of flow through a surface, a velocity concept.

It is not a seventh cycle. It is what the six cycles produce when they run together: learning velocity made operational and governable.

WHY NAMING MATTERS

What an organization can name, it can measure, resource, write into the strategic plan, govern, and hold accountable for results rather than course completions.

CHAPTER 6 OF 7

The Board Diagnostic

Run the six questions in one leadership sitting. Specific answers mean the Engine is running. A vague answer locates the next momentum leak.

Orient	If five members of this leadership team independently described what our function will start, stop, or change because of our top priority, would the answers converge?
Activate	In our last major change, did we do anything to shift what people believe, or only what they are required to do?
Develop	Can we point to real practice and feedback, not just completed courses, and is a standard we already know still holding under pressure this quarter?
Mobilize	Can we name every initiative competing for the same resources across units, and did our last major bet explicitly name what we would stop to fund it?
Advance	Can we state the strategic question each watched dashboard was built to answer, and does a rising number still answer it? Did we raise our standards?
Renew	Where did we learn something real this past year, then quietly revert to a safer gesture instead of acting decisively? What will we carry forward?

FACILITATION · Ask each question, then give the room 60 seconds of silence. The quality of the answer is the signal.

CHAPTER 7 OF 7

The Choice and the Next Step

What this means for the board, and the most valuable next step: a conversation with the leader best positioned to build this capability.

Every organization is already writing a story about its AI era. The only question is the headline it ends with. The board's most important move is not to wait until the lesson becomes a headline it regrets, but to build the capability that produces the headline it is proud of.

Start the conversation with your Chief Learning Officer (CLO)

1. Which cycle is leaking momentum for us right now, and how would we know?
2. What is the most valuable lesson we learned this year that never made it into a course, and what did we change because of it?
3. What would it take to write Strataflux Learning into our strategic plan and make learning velocity a metric we actually manage?

Ready to go deeper?

Request the full PAE research series or a leadership briefing at accoladeinstitute.com, or contact Accolade Institute at contact@accoladeinstitute.com or +1 (980) 537-8388.

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Authorship and Use of AI

In keeping with EU transparency norms, including the EU Artificial Intelligence Act (Regulation (EU) 2024/1689), Accolade Institute discloses: this report was conceived, directed, and approved by Jorge Acuña, who holds full editorial responsibility for its content and conclusions. The underlying frameworks and the Strataflux Learning™ construct are original human intellectual contributions. Generative AI tools assisted with drafting and synthesis under human supervision; all sources and claims were reviewed and verified by the author, and no citation or data was autonomously generated without human review.

Jorge Acuña is a talent development expert and trusted advisor to the C-suite, with experience spanning multiple industries. He helps leaders and organizations build the capabilities required to thrive in an era of continuous disruption and accelerating technological change.

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