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The Rise of the Chief AI Officer: What Every Executive Needs to Know

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Not long ago, digital transformation was the new frontier for corporate innovation. The rise of artificial intelligence (AI), however, makes that perspective seem quaint. As AI continues its seismic shift in how companies operate, compete, and grow, a new role is emerging at the executive table: the Chief AI Officer (CAIO).

A recent IBM report revealed that 26% of organizations now have a CAIO, up from 11% just two years ago. This role is more than a “hype hire.” Although [78% of companies](#) use AI in at least one business function, the return on those investments is [questionable at best](#). As such, the market is signaling a clear need for strategic leadership to guide AI initiatives and align them with business outcomes.

Key Takeaways

- **The Chief AI Officer is no longer optional.** As AI becomes a competitive necessity, organizations need a dedicated leader to guide strategy, governance, and adoption.
- **The CAIO role is defined by cross-functional breadth, not just technical depth.** Effective CAIOs bridge innovation with compliance, partner across the C-Suite, and embed AI into the DNA of the business.
- **The strongest candidates come from varying backgrounds.** Companies are seeking executives who can commercialize AI, build trust, and align technology with business outcomes, whether they come from data science, product, or transformation backgrounds.

What is a Chief AI Officer?

A Chief AI Officer is the senior executive responsible for guiding an organization’s AI strategy, implementation, governance, and ethics. Their core responsibilities include:

- Developing a unified AI strategy grounded in business objectives and responsible use
- Prioritizing AI investments that move the needle in terms of operational efficiency, customer experience, and product development
- Ensuring ethical, secure, and compliant AI use
- Upskilling workforces to ensure AI tools become a value-add
- Fostering a culture that embraces innovation with AI tools

How Does a CAIO Partner with the Rest of the C-Suite?

Because the CAIO is a cross-functional leader, they are responsible for becoming a strategic

partner to everyone in the C-Suite:

- Working with CIOs and CTOs to implement and integrate AI into existing IT infrastructure
- Helping CHROs reskill and [retain talent](#)
- Providing guidance to CMOs, CCOs, and CROs on how AI can personalize prospect and customer experiences
- Building workflows, automations, and AI products to help CFOs improve risk forecasting and increase operational efficiencies

The CAIO in Action: Examples from Key Industries

As the CAIO role continues to develop, it will look different from industry to industry. Here are some examples I'm seeing from clients across several key sectors.

The CAIO in CPG

[Consumer packaged goods \(CPG\)](#) companies are no strangers to disruption. One of our CPG client's demand forecast models struggled to remain reliable amid these disruptions, as it relied heavily on historical data. By elevating AI leadership at the executive level, this client was able to embed advanced, real-time forecasting into the business.

The impact was immediate:

- Marketing and sales teams could make pricing adjustments dynamically
- Operations could plan inventory and logistics with greater confidence
- Product innovation pipelines were suddenly informed by live consumer sentiment data rather than outdated surveys

This resulted in larger margins, faster speed-to-market, and a renewed sense of competitiveness in a turbulent market.

The CAIO in Distribution

The [distribution services](#) sector is constantly facing margin pressure, labor shortages, and inventory complexity. One client in this space was struggling with costly spoilage of perishable items and frequent out-of-stocks on high-demand products. The client's traditional replenishment process used rules-based and backward-looking methods, making it nearly impossible to keep pace with shifting buying patterns.

By appointing a CAIO, the company was able to embed AI into core operations:

- Flagging at-risk inventory via predictive analytics, then promoting and moving that inventory quickly to prevent spoilage
- Dynamically forecasting demand to adjust for local events, weather, and even social media-driven food trends

- Optimizing delivery routes to reduce fuel costs while ensuring freshness

Within months, the client dramatically reduced their waste, improved fill rates, and started to recover their margins. But what stood out to me wasn't just the technology, but the CAIO's leadership in embedded these AI tools across procurement, sales, operations, and other business units.

The CAIO in Business Services

One client in the business services space, a \$250M, PE-backed facilities services company had been growing quickly through acquisition. With each merger, the client brought in new systems, client onboarding processes, and reporting standards, causing highly paid managers to spend countless hours reconciling data and addressing service gaps.

The company didn't yet have a Chief AI Officer; their CIO handled their technology infrastructure in a piecemeal way. As a result, their AI pilots never moved beyond the test phase. Leadership viewed them as "nice-to-haves" rather than part of the growth strategy.

This is where a CAIO could make a transformational difference. By owning a unified AI agenda, they could cut across business units to embed automation into critical processes. For a middle-market PE portfolio company, the upside isn't theoretical, it's faster integration of add-ons, improved client retention, and EBITDA expansion.

An Executive Search Consultant's Point of View

At Slayton, we are seeing a sharp rise in demand for the CAIO role. Our clients aren't just looking for someone with technical expertise. They want a leader who understands how to commercialize AI, align it with business objectives, and serve as a strategic partner to the CEO and board.

In fact, some of the best candidates for this position have come from nontraditional backgrounds: data science leaders, product executives, or transformation officers who have led real-world AI deployments. Identifying these profiles, assessing their fit for specific industry contexts, and helping organizations clarify what they truly need has become a critical part of our work.

If your company is starting to explore this role, my advice is: don't just look for someone who can "do AI." Look for someone who can lead through change, build trust across departments, and turn potential into performance. That's how the Chief AI Officer earns their seat at the table.

Final Thoughts on the CAIO

AI is no longer the future. It's a competitive necessity *right now*. Boards are increasingly interested in how to harness it responsibly. CEOs are asking where it fits into their growth plans. And employees are asking what it means for their roles.

Although the transformation is a shared responsibility, someone must lead that process.

Appointing a Chief AI Officer is critical if you want to thrive in a new era of intelligence, agility, and innovation. Although it may seem like a trend, eventually this position will become table stakes.

What are you doing to prepare for that future right now?