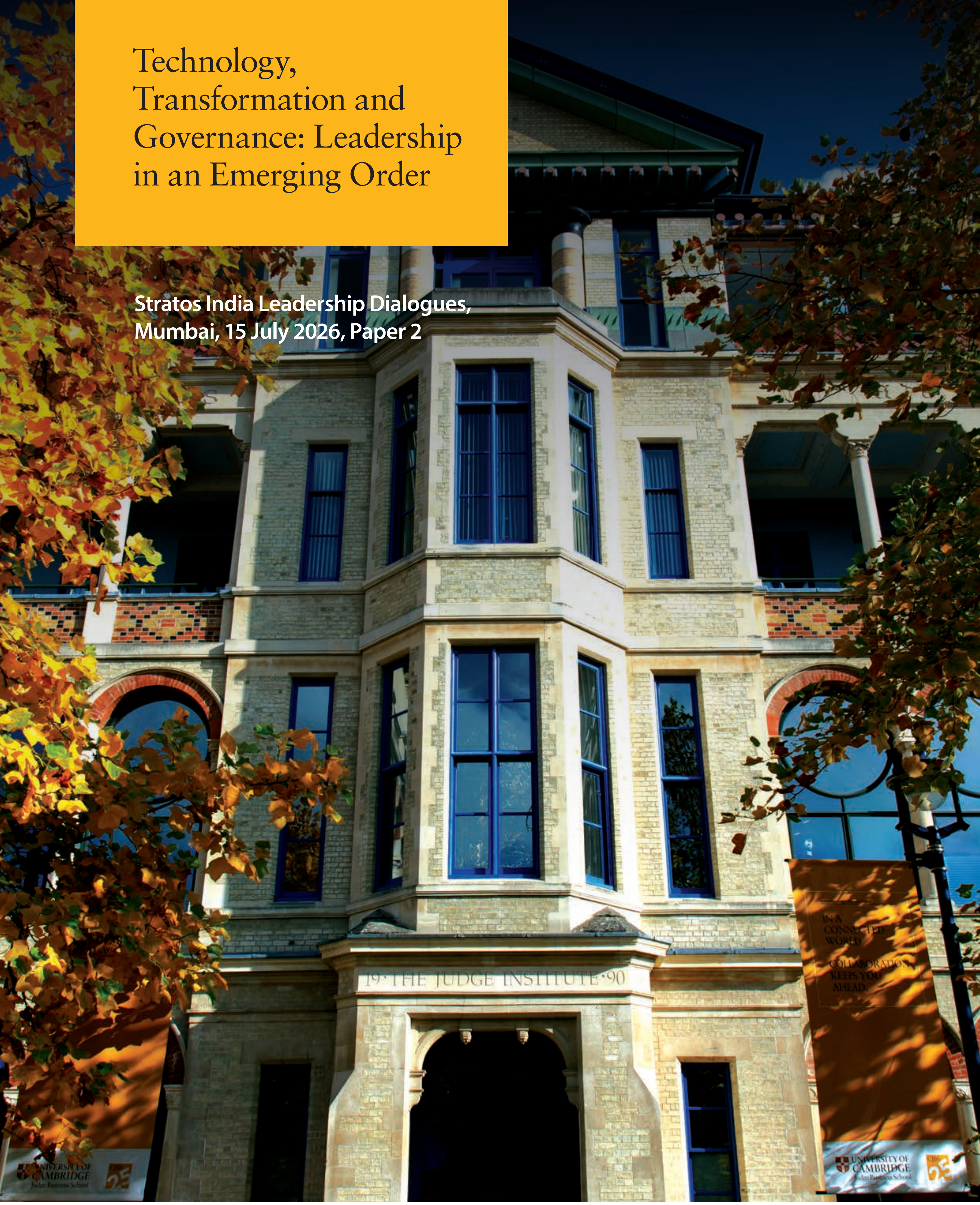
# Technology, Transformation and Governance: Leadership in an Emerging Order

**Stratos India Leadership Dialogues, Mumbai, 15 July 2026, Paper 2**

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# Foreword

The relationship between capital and judgement has always been the central preoccupation of financial services leadership. What has changed, and changed quickly, is the terrain on which that judgement is exercised. This paper is the second in a series produced through the partnership between Cambridge Judge Business School and Bain & Company, under the umbrella of the Stratos Global CEO Forum and Executive Symposium – a body of work whose first instalment, *Power, Capital and Governance:* Leadership in a Fragmented World, I was delighted to see launched at Stratos. That paper set out the argument that fragmentation, geopolitical and institutional, has made leadership quality rather than access to information the decisive competitive variable.

This second paper does not restate that argument. It tests it against India, and specifically against the conversations that took place at the Stratos India Forum in Mumbai, where sixty of the region's most senior financial services leaders sat with policymakers, regulators and investors to examine what fragmentation and technological acceleration actually demand of an institution once the strategy papers are closed and the operating decisions begin. India is a useful testing ground precisely because its contradictions are so legible: an economy attracting record bond inflows even as equity investors withdrew capital; a financial sector modernising its governance even as ownership and management remain, in too many institutions, insufficiently distinct; a technology sector with genuine strength in AI application and a genuine, structural weakness in the compute and infrastructure layers beneath it. None of these tensions are unique to India. They are, I would argue, the defining tensions of global financial services in 2026, simply visible here first and most starkly.

Where the first paper in this series asked leaders to recognise that boards must now govern systems they do not fully see, this paper asks a harder and more operational question: what does that governance discipline actually require of an AI transformation agenda, a capital plan, and a workforce, in the next eighteen months rather than the next decade? The answer we heard repeatedly at the Forum was that the constraint is rarely technical. It is organisational – a matter of whether leaders are willing to own transformation rather than delegate it, and whether governance structures are designed for judgement under uncertainty rather than compliance after the fact.

I am grateful to the practitioners, regulators and scholars whose thinking sits behind this paper, and to my colleagues at Cambridge Judge for continuing to give this partnership the intellectual rigour it demands. If the first paper in this series described the fragmented order we now operate in, this one is an attempt to show, through India's example, what disciplined leadership within that order actually looks like in practice

**Shyam Unnikrishnan**
Managing Partner, Bain & Company India

# Technology, Transformation and Governance: Leadership in an Emerging Order

India has rapidly emerged as a critical node in the global financial system, embodying both the opportunities and complexities of today's economic landscape. Despite significant equity outflows in early 2026, India attracted robust inflows into its bond markets, signalling a shift in how global capital assesses risk and opportunity. With surging M&A activity, ongoing regulatory reforms, and an increasingly dynamic financial sector, India is not merely riding the waves of global change; it is helping to define them. The Stratos India Forum convened thought leaders, investors, and policymakers to explore how India's scale, growth, and strategic choices are shaping the future of capital, technology, and business transformation.

This paper, the second in a continuing series produced by Cambridge Judge Business School and Bain & Company through the Stratos Global CEO Forum and Executive Symposium, synthesises the key insights, strategic imperatives, and leadership lessons from those conversations. Where the first paper focused on framing the new landscape of power, capital and governance, this second paper is deliberately more operational. It translates India's experience into concrete steps that financial services leaders can take to reshape their organisations, operating models and investment decisions.

# India's Strategic Relevance in the New Global Order

As highlighted in our previous analysis in *Power, Capital and Governance: Leadership in a Fragmented World (2026)*, the global financial system is undergoing a profound structural transformation. Geopolitical fragmentation, shifting capital flows, and technological acceleration have upended traditional models. India's experience encapsulates these shifts, reflecting a recalibration of risk and opportunity.

India's economic narrative is marked by both resilience and transformation. In the first half of 2026, investors withdrew nearly $30 billion from Indian equities,[1] India has also seen substantial inflows into its bond markets.[2] This contrast reflects a growing sophistication in how global investors view India: not as a monolithic opportunity, but as a complex, multi-faceted market where different classes of capital are making distinct and deliberate choices.

Large deals have accelerated, with M&A values rising over 20% to nearly $90 billion in the first half of 2026, underpinned by regulatory reforms and an increasingly active financial services sector.[3] This is not the behaviour of a market in retreat, but rather of a market maturing rapidly, attracting capital that is increasingly discerning about where and how it is deployed.

As the world navigates heightened geopolitical competition, rapid technological transformation, and evolving capital flows, India sits at the intersection of these forces. Its importance lies not only in its scale and growth potential, but also in its role as a proving ground where investors, businesses, and policymakers are testing new assumptions about the future of the global economy. With a population of over 1.4 billion,[4] a rapidly expanding middle class, and GDP growth holding steady at 6.5% [5,6] the structural foundations are as compelling as the strategic moment.

As Shanti Ekambaram, Former Deputy Managing Director of Kotak Mahindra Bank, observed: *"You can't help geopolitics. You've got to survive, thrive and grow despite everything. That should be your strategy."* Success in India will depend on the ability to diversify risk, invest in human capital and infrastructure, and harness the vast domestic market while remaining deeply connected to the global economy. For financial services leaders, this is not merely an observation about India. It is a leadership principle for the decade ahead.

[1]https://www.opalesque.com/715892/From_Outflows_to_Upturn_Duro_Capital_on589.html
[2]https://www.reuters.com/world/india/foreign-investors-pour-record-money-into-indian-debt-tax breaks-index-inclusion-2026-06-30/
[3]https://www.financialexpress.com/business/news/india-mampa-value-jumps-21-7-in-h1-second highest-on-record/4274658/
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[5]https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/IND?zoom=IND&highlight=IND;
[6]https://www.worldbank.org/en/news/press-release/2026/04/09/india-remains-among-the-fastest-growing-economies





# Leadership and Institutional Transformation

As we noted in *Power, Capital and Governance*, leadership quality is now the decisive advantage in a fragmented world. India's own institutional experience reinforces this with force. M. Damodaran, former Chairman of Securities and Exchange Board of India (SEBI) and presently Chairperson Excellence Enablers, reflected on the principles that drove some of India's most challenging institutional turnarounds. His central message: no organisation is beyond repair if leaders start with the belief that every problem has a solution and trust the people within the institution to help find it. The distinction between ownership and professional management is more relevant than ever. Damodaran noted: *"Efficiency is not a function of ownership. Efficiency is a function of management."*

For financial institutions operating in or alongside India, this carries immediate strategic implications. The future of public sector banks, the depth of India's debt markets, the quality of investment advice available to Indian savers, and the degree of openness to foreign capital are all tests of management quality and governance ambition. Courageous decision-making, the willingness to challenge orthodoxy, and the freedom for capable leaders to act are not aspirational qualities. They are operational necessities.

This mirrors the broader governance imperative identified in our earlier paper: boards must govern systems they do not fully see or understand, and leaders must be held accountable not just for outcomes, but for the quality of the judgement that produced them.

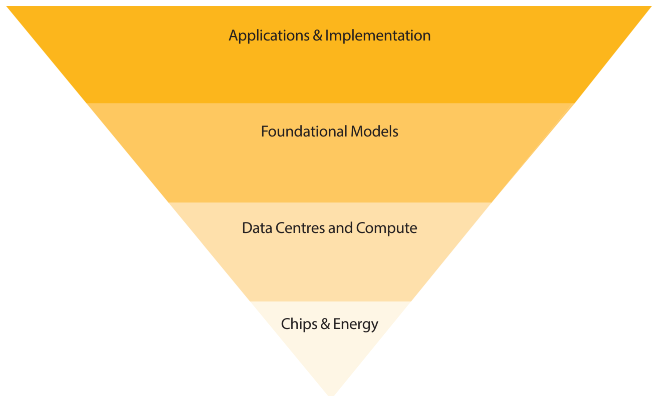
# AI and the Business Transformation Imperative

*Power, Capital and Governance* identified technology, and artificial intelligence (AI) in particular, as a structural force already reshaping decision-making, market dynamics and competitive advantage across financial services. The Stratos India Forum confirmed that this shift is accelerating but also revealed a critical gap: most organisations are not yet realising meaningful returns from AI, not because the technology is failing, but because it is being misapplied.

The firms seeing real results are those treating AI as a business transformation, not a technology implementation. They are redesigning end-to-end processes, rethinking business models, and placing AI under direct CEO sponsorship rather than delegating it to technology functions. As Michael Withers, Head of Bain & Company's APAC Organisation practice, observed: *"The companies getting benefits from AI are treating it as a business transformation, not a technology implementation. You can't delegate this level of change. It's not the IT department's job. Leaders have to own the transformation."*

India occupies a distinctive position in this landscape. Its strengths in digital talent and application development are globally recognised. Its challenges, in chip manufacturing, large-scale compute infrastructure, and foundational model development, are equally real. But the more immediate constraint is neither technical nor infrastructural. It is organisational: leadership capability, workforce readiness, and the cultural willingness to redesign how work is done.

Speakers framed this through an 'AI layer stack': with chips and concentrated energy at the base and applications and implementation at the top. India today is strongest at the top of this stack, with deep capability in applications and some progress on data centres, but remains structurally weaker in chips, concentrated clean energy and hyperscale infrastructure. In Shanti Ekambaram's words, *"if you are only in the application layer, you will be buying tokens forever".* The strategic response is to double down on India's application and implementation strengths, while building partnerships and selective sovereign capacity in infrastructure and models.




Shyam Unnikrishnan, Managing Partner of Bain & Company's India offices, captured the urgency plainly: *"2026 has to be the year where it's no longer about pilots and the number of initiatives. It's actually about what AI is doing to the bottom line."*

For financial services leaders, the lesson is consistent with what we identified in *Power, Capital and Governance:* the competitive advantage of the next decade will not be information. It will be judgement, applied through organisations that are genuinely structured to learn, adapt and act at speed.

[7] https://hbr.org/2026/02/where-senior-leaders-are-struggling-with-ai-adoption-according-to-research





In that context, the primary barriers are increasingly human and organisational. 93% of firms scaling AI see people issues, rather than technology, as the main obstacle to value.[7] Leaders must build their own AI literacy and enable their teams to do the same. Leaders need to redesign roles and workflows for a hybrid human–AI workforce, and engage early with employees, regulators and other stakeholders on how productivity gains will be managed in labour markets where large-scale redundancies are neither straightforward nor desirable.

Further constraints are regulatory, potentially imposing mandatory risk management systems, data governance requirements, human oversight mechanisms, and transparency documentation on AI systems used in credit scoring, insurance underwriting, and KYC, precisely the workflows this paper recommends prioritising. For example, DORA (Digital Operational Resilience Act)[8] adds a layer of ICT (Information and Communication Technology) resilience obligations, including third-party risk management requirements that apply to AI vendors and cloud model providers. In India, the Reserve Bank of India's draft Guidance on Model Risk Management (June 2026)[9] introduces board-level accountability, kill-switch mandates, and independent validation requirements for all AI and ML models used by regulated entities. For C-suite leaders, the implication is clear: AI transformation and regulatory compliance are not sequential activities. They must be designed together from the outset, with legal, risk, and compliance functions embedded in the AI governance structure from day one, not consulted after deployment decisions have been made.

[8] https://www.eiopa.europa.eu/digital-operational-resilience-act-dora_en
[9] https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?Id=5089

# Operational Agenda: What Financial Services Leaders Should Do Next

To make these strategic imperatives actionable, the Stratos India Forum discussions can be distilled into a practical agenda for C-suite leaders in financial services.

**1. Governance and Leadership**

- Establish a board-level focus on AI and technology: ensure the board regularly reviews AI strategy, risk, ethics and resilience, and receives a concise annual AI strategy and risk report.
- Create a CEO-chaired AI Transformation Steering Group: bring together business heads, COO, CIO/CTO, CRO and HR to prioritise 3-5 end-to-end workflows for redesign and set bottom-line targets (for example, changes in cost-to-income ratio, return on equity or customer satisfaction).
- Institutionalise 'devil's advocate' challenge: designate a small group to test assumptions and stress-test major AI and capital decisions before board approval.

**2. AI and Operating Model**

- Prioritise 3-5 end-to-end workflows for AI-first redesign over the next 12-18 months (for example, retail lending, SME onboarding and KYC, claims and fraud handling, trade and supply chain finance). For each, define target outcomes, required agents and data, and the changes in human roles.
- Implement a hub-and-spoke AI organisation model: build a central 'hub' team for platforms, models, security and data governance, and appoint 'spoke' leaders in each business unit who are accountable for P&L impact, not just the number of pilots.
- Launch a structured workforce reskilling programme: identify roles that will be AI-augmented, provide targeted training in working with agents and managing hybrid human-AI teams, and set measurable adoption goals (for example, the proportion of staff actively using AI tools each week).

**3. Capital, Energy and Infrastructure**

- Stress-test AI and data-centre plans against energy and capital scenarios: build simple scenarios for changes in energy prices, supply interruptions and policy shifts, and link them to credit risk, infrastructure viability and AI-heavy business models.
- Develop a five-year capital plan for AI and digital infrastructure: estimate required investment in data, compute and platforms, decide what can be funded from internal cashflow and what requires external capital or strategic partnerships.
- Identify strategic partnerships for AI infrastructure and models: for India-based institutions, explore partnerships with global cloud and model providers, and consider participation in domestic sovereign AI and data-centre initiatives.

**4. India-based Global Solutions**

- Select 2-3 India-tested solutions to scale and export: for example, AI-enabled distribution tools, thin-file credit scoring, or fraud and AML analytics tuned to high-volume, low-margin environments. Build a productisation roadmap and a go-to-market plan for other markets or group entities.
- Create an 'India Lab' within the group: use India as a laboratory to prototype AI-enabled products, then adapt and export them to other geographies, with joint oversight by India leadership and global business heads.

**Strategic Takeaways for Financial Services Leaders**

The Stratos India Forum distilled into a set of clear and actionable imperatives for C-suite leaders:

- **Own the transformation**
  Treat AI as a business transformation, not an IT project, with explicit CEO and board sponsorship rather than delegation to technology functions.
- **Redesign sequentially, not wholesale**
  Focus on stepwise workflow redesign over massive change programmes, prioritising a small number of end-to-end processes (for example, lending, onboarding, claims) and re-engineering them with an AI-first mindset.
- **Act before technology stabilises**
  Build modular, adaptable operating models now; do not wait. Break the organisation into modular capability blocks and design AI agents and workflows around those blocks, so underlying tools and models can be swapped as technology evolves.
- **Build for adaptability, not a single bet**
  Prioritise organisational flexibility over any one technology stack, using a hub-and-spoke: a central "hub" for common platforms, security and model governance, and business "spokes" that own P&L outcomes, process redesign and hybrid human–AI teams.
- **Think globally from an Indian base**
  Leverage India's digital strengths for global, exportable solutions, recognising India's current advantage in the application layer of the AI stack and building partnerships for capital-intensive infrastructure and foundational models.

# Conclusion: India as a Laboratory for the Future

India's financial sector is now a microcosm of the global transformation underway. The tensions it embodies – between equity outflows and bond inflows, between institutional reform and governance gaps, between AI ambition and organisational readiness – are not uniquely Indian. They are the defining tensions of global financial services in 2026.

The lessons from India are instructive precisely because they are being tested at scale, in real time, under genuine pressure. As we argued in *Power, Capital and Governance,* the next decade will not reward those who waited for a return to stability. It will reward those who translated a fragmenting system into clear strategic commitments and then held themselves to account for delivering on them.

For C-suite leaders in financial services, India's example is both a provocation and an opportunity. The question is not whether to engage. It is whether your organisation is structured, led and culturally equipped to do so with the conviction the moment demands. In a world where information is broadly shared and market signals are visible to all, the true advantage lies in judgement: in the ability to surface and update the assumptions beneath that judgement faster than peers, and to embed those choices in governance, operating models and AI-enabled workflows that can learn, adapt and act at speed. In practical terms, this means putting in place the governance, operating model and workforce changes outlined in this paper, and institutionalising regular, explicit reviews of the assumptions that underpin your strategic judgements on capital, technology and India's role in your portfolio.

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