

**everyone
is smart
now.**

Everyone Is Smart Now.

AI is making intelligence abundant. The interesting question is not how much more we can make with it, but what becomes valuable when making is no longer the hard part.

In 1968, an Andy Warhol exhibition catalogue carried the prediction that everybody would be world-famous for fifteen minutes. The internet eventually delivered a peculiar variation on the idea: almost everybody gained access to the machinery of publicity while attention remained stubbornly scarce.

Publishing became easy; being read did not. Recorded music became almost universally accessible without expanding our capacity to listen. Billions of capable cameras did not produce billions of memorable photographs. Each technology removed a constraint, but value did not disappear. It migrated towards whatever remained difficult.

Something similar is happening with intelligence.

A founder can describe an idea in ordinary language and have working software remarkably quickly. A marketing team can explore campaigns while the brief is still changing. An analyst can interrogate a market in minutes. Inside companies, people who once waited in an engineering queue can increasingly make useful software themselves.

The obvious story is that machines are becoming smarter. The more consequential one is that useful cognitive capability is becoming cheaper and more widely available.

I have spent much of my career watching technologies cross versions of this threshold. I began as a software engineer when making software required relatively scarce technical skills. At Ford, technology was changing how physical products were engineered and manufactured. At Microsoft, I lived through the transition from software towards cloud and AI, as computing infrastructure companies had once owned became capacity they could consume. More recently, at Amazon, generative AI began changing the economics of creative production.

These transitions were different in almost every practical respect, but they shared a pattern. When a previously scarce capability becomes widely available, it does not cease to matter; it simply explains less of the difference between winners and everyone else. Value begins moving towards the constraint that remains.

AI is moving several of those constraints at once.

Plausibility Gets Cheap

For decades, a prototype carried information because building one was difficult. Somebody had assembled enough expertise, capital and conviction to drag an idea into reality, so the existence of the object itself told you something about the seriousness of the undertaking.

At Ford, changing how vehicles were designed and manufactured meant confronting engineering systems, physical production and organisational dependencies that did not

yield because an idea was persuasive. Later, in enterprise technology, even digital propositions could require months of architecture, engineering and negotiation before anybody saw something convincing.

That difficulty was inefficient, but it performed an accidental filtering function: not every idea survived long enough to become tangible.

AI weakens the filter. An idea can acquire the surface characteristics of a product before much external reality has touched it. Describe an application, iterate through conversation, add a credible interface, and something that barely existed yesterday can arrive in a meeting looking surprisingly complete.

Durable products have not become trivial to build. Security, architecture, integration, reliability, regulation, maintenance and economics remain stubbornly real. What has changed is the cost of producing something plausible enough to create belief before those questions have been answered. AI has, in effect, industrialised plausibility.

That matters because tangible ideas behave differently inside organisations. Before a prototype exists, people debate whether the idea deserves to exist. Once they can see and use it, the conversation tends to move forward: features are proposed, adjacencies appear, a market size is calculated and the thing begins accumulating a future. The prototype starts lobbying for its own survival.

Cheaper experimentation is one of AI's genuine advantages, so this is not an argument against prototyping. It is an argument for remembering what a prototype proves. As convincing prototypes become cheaper, technical feasibility carries less information about commercial consequence. The larger danger is therefore not bad technology, which is often easy to reject, but competent technology attached to weak propositions: applications nobody changes behaviour for, agents improving processes that should perhaps disappear, and products whose customers remain theoretical.

The landfill of the AI age may be filled with things that work.

Reality Becomes the Proof

As plausibility becomes easier to manufacture, evidence has to come from somewhere harder.

A customer changing behaviour is harder to generate than a prototype. So is a buyer reallocating budget, a sales process becoming repeatable, retention surviving novelty, a channel producing demand economically or margins improving with volume. Business rarely offers laboratory conditions, but these signals contain something a demonstration cannot: consequence outside the imagination of the people building it.

Somebody has surrendered something scarce—money, time, attention, data, reputation or an established habit—and that surrender tells you the proposition has encountered reality and altered it.

Working across Microsoft's businesses internationally made this distinction difficult to ignore. Similar underlying technologies encountered healthcare, banking, manufacturing, retail and government very differently because those industries operated and bought

differently. Across markets, a proposition that travelled effortlessly as technology could encounter completely different regulation, distribution, behaviour and economics.

Technology travels more easily than behaviour.

That suggests a useful reversal in product development. Instead of using the prototype to prove the market, use the market to shape the proposition. Test price while the product is still fluid. Find out whether somebody will allocate budget before building the organisation required to serve them. Understand what customers must stop doing, rather than merely asking what they would like to start doing. Test the route to demand while changing course remains cheap.

Product and go-to-market then become harder to separate. If technology can be altered continuously, proposition, price, distribution, customer behaviour and economics can be discovered as parts of the same system. Commercial reality should not arrive after the product has been built; it should help determine what deserves to be built at all.

A product without a credible route to demand is not finished. It is merely built.

Abundance Meets a Human Being

The internet gave us something close to an infinite shelf. AI is placing an extraordinarily productive factory behind it.

Companies can now produce more software, imagery, propositions, campaigns and services than their customers could reasonably consume. Supply can expand dramatically without any corresponding increase in human attention, organisational capacity or purchasing power.

This is why cheaper production can make distribution more consequential rather than less. A company capable of generating endless propositions but unable to reach and retain customers economically has not solved its growth problem; it has simply expanded the number of ways in which it can discover that it has one.

I saw a version of this at Amazon's Brand Innovation Lab. Generative AI could increase the speed and range of creative possibilities available to global brands, but those brands rarely suffered from a shortage of things they could say. The harder judgement was which idea belonged in which context, for which customer, at which moment, and whether it changed anything that mattered. More creative supply did not create more human attention.

The same logic extends beyond advertising. As functionality becomes easier to reproduce, established relationships, distribution, ecosystems and positions inside important workflows can become more consequential. Agents may shift this boundary again if they increasingly act across services on a user's behalf. Digital companies spent decades trying to own destinations because customers had to visit websites, apps and portals to accomplish something; if intermediating systems can increasingly execute intentions for us, some of that value may move.

How far remains uncertain. The more useful question is what would remain difficult if it did: perhaps a trusted relationship, permission to act, knowledge of the current situation or access to demand.

Those things are less glamorous than intelligence. They may also become more valuable because of it.

The Company Knows Tuesday Morning

This is also why “proprietary data is the moat” is too crude.

A capable general model can know an extraordinary amount about banking without knowing why a particular payment failed five minutes ago. It can understand manufacturing without knowing which component failed inspection this morning. It can absorb libraries of sales methodology without knowing that an important customer began evaluating a competitor yesterday.

General intelligence can know a great deal about the world. Businesses operate in situations.

What matters in those situations is context: customer history, workflow state, relationships, permissions, operational reality and current intent assembled when a consequential decision has to be made. Some of that context can compound as interactions produce knowledge, knowledge improves decisions and better outcomes deepen relationships.

The underlying intelligence may increasingly be available from several providers. The accumulated position from which a company applies that intelligence can be much harder to reproduce.

Context does not automatically become a moat. Customers leave, data can be portable, competitors can acquire similar access and platforms can change the economics underneath you. But defensibility in AI may depend less on possessing intelligence in the abstract than on embedding it somewhere consequential: what the system can see, what just happened, what it understands about the situation and what it is permitted to do next.

Those are business questions wearing technical clothes.

Creation Is Cheap. Inheritance Isn't.

Inside organisations, abundance creates another problem.

Most large companies have some version of the spreadsheet nobody wants to delete. It began as a useful model, accumulated tabs, formulas and dependencies, lost its original author and eventually became important enough that nobody wants to discover what happens when a particular cell changes. Spreadsheet risk is well documented; the joke survives because the organisational pattern is familiar.

AI can extend that pattern far beyond spreadsheets. Give people the ability to create software and the immediate effects can be valuable: sales builds a tool, finance automates reporting, marketing creates an agent, operations removes an irritating manual step.

Then some experiments survive. People depend on them, data enters them, permissions accumulate and other systems connect. Their creators change jobs. Somewhere else, another team solves a similar problem differently because making something has become easier than discovering, adapting or governing what already exists.

Software can become cheap to create long before it becomes cheap to inherit.

Once something becomes consequential, it acquires obligations—security, maintenance, integration, compliance, continuity and accountability—and none disappears because version one took an afternoon. AI can therefore improve productivity inside individual teams while allowing complexity to accumulate across the enterprise.

The useful measure is not simply whether people produce more, but whether the business creates more customer and economic value without complexity, cost and coordination expanding alongside it. That requires a distinction between freedom to experiment and the right to become permanent. Rebuilding every old approval gate would squander much of what makes the technology useful; allowing every successful experiment to harden into infrastructure creates another form of waste.

Creation can be easy while permanence still has to earn its place. An AI-native organisation may eventually need to become as accomplished at removing things as it becomes at making them.

Permission Has a Price

Intelligence also does not automatically confer authority.

An incorrect paragraph is irritating. A system moving money, changing a production schedule, altering a customer's account or making a regulated decision presents a different problem because what matters is no longer simply whether the system knows enough, but whether anybody trusts it to act.

Human organisations have always separated expertise from agency. Knowing how to drive does not give somebody the keys to every vehicle; understanding markets does not give every analyst authority over a firm's balance sheet. AI makes that distinction increasingly consequential as systems move from producing recommendations towards taking actions.

Trust therefore has economic consequences. Systems permitted to act can occupy deeper workflows and perform more consequential work. Reliability, security, provenance, accountability and reversibility are not merely constraints around AI; they influence how much responsibility customers and institutions are willing to delegate.

The most capable system does not necessarily capture the most value if capability cannot cross the boundary into permission.

The Economics of Choosing

In 2002, David Bowie told *The New York Times* that music would become “like running water or electricity”. Recorded music did not stop mattering as access became ubiquitous, but the economics around it changed.

AI presents business with a related problem. If knowledge, analysis, software and creative production become cheaper and more widely available, producing them does not become worthless. Production simply becomes less sufficient as a source of advantage.

Eventually this lands on something business has often treated as softer than strategy: taste.

Creative disciplines have always understood the difference between technique and taste. Technique expands what can be made; taste helps determine what deserves attention. In a company, its equivalent is judgement under abundance: recognising which problem matters, which customer behaviour constitutes meaningful evidence, which capability changes the economics, which uncertainty deserves testing next and which attractive idea should die before the organisation becomes committed to wanting it to succeed.

I have seen enough transformations to distrust the assumption that more activity means more progress. Building Microsoft's transformation business to substantial scale was not simply an exercise in generating propositions. Across industries and markets, the harder work was distinguishing where technology genuinely changed a product, customer experience or operating model from where technology was simply looking for somewhere to go. Years later at Amazon, generative AI expanded the creative possibility space enormously without removing the obligation to choose.

This is where cheap experimentation becomes genuinely powerful: it can lower the cost of being wrong, provided companies discover that they are wrong while the mistake remains cheap.

The cost of creating a weak prototype may be collapsing. The cost of allowing it to acquire a team, customers, dependencies, operating complexity and capital is not. AI gives organisations many more inexpensive opportunities to become expensively committed to things that should never have survived.

The prize is therefore more interesting than simply more innovation. It is **cheaper wrongness**: exposing weak propositions earlier, while they can disappear without drama, and concentrating attention and capital behind the few things reality continues to validate.

For much of the industrial era, the company could be understood as a machine for coordinating scarce expertise and capital so that more could be produced. An AI-enabled company faces an additional problem because it may generate possibilities faster than it can responsibly pursue them. In that world, the organisation begins to resemble an editor as much as a factory.

An editor does not maximise output. An editor preserves what strengthens the whole and removes what does not. For a founder, CEO or investor, the objects being edited are commitments—products, markets, initiatives, systems, management attention and capital.

Follow the Scarcity

This is where AI becomes a question of business building and capital allocation rather than simply technology.

Founders can explore more propositions before making major commitments. CEOs can automate more processes and run more experiments. Investors can identify dozens of plausible interventions across product, pricing, sales, service and operations. That abundance is valuable precisely because not everything has to survive.

The mistake is confusing the ability to attempt more things with an obligation to pursue more things. Every surviving initiative eventually competes for resources AI does not make infinite: customer attention, management capacity, organisational coherence and capital.

For much of modern business history, useful expertise itself could confer advantage because it was comparatively scarce. AI does not make intelligence irrelevant or every form of expertise abundant, but it is making some valuable cognitive capabilities dramatically easier to access. As that happens, advantage moves towards what remains difficult: real-world evidence, distribution, context, permission, judgement and the willingness to stop.

These are not substitutes for technology. They determine whether technology becomes economically consequential.

Companies have spent decades learning how to overcome constraints on what they can produce, and much of corporate life still rewards addition: another feature, product, market, initiative or process. AI relaxes some of those constraints without relaxing the limits on what customers will buy, organisations can absorb or investors should fund.

The challenge therefore changes. It is no longer simply how to make more possible, but how to keep possibility cheap until reality has earned the right to make it expensive.

That may be the discipline that matters most in the AI economy: learning faster while commitment remains reversible, recognising when evidence has become strong enough to commit, and abandoning what has not earned that privilege.

AI can help us know more, analyse more and make more. None of those things alone can make customers care, businesses work or investments compound. As intelligence becomes easier to access, the advantage will increasingly belong to those who recognise where the difficulty moved—and have the judgement not to follow everything else.

Follow what remains scarce.

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