

From Outputs to Impact

*What Becomes More
Valuable When AI Makes
Production Cheap*

Dr. Chris Rowell and Nicola Callard
April 2026

Value has always followed what is hardest to replicate.

For decades, production was the constraint. Competitive advantage came from producing more, faster, at lower cost. That logic shaped how organisations were designed, what they measured, and what they came to value in their people.

AI is dismantling that logic faster than most strategies have caught up with.

When production stops being scarce, it stops being the source of advantage. And when certain outputs become cheap, what remains hardest to replicate becomes proportionally more valuable.

Which raises a question most leaders have not sat with long enough: if production is no longer the constraint, what is?

Where value is shifting

A 2023 BCG study¹ offers both a clue and a warning: GenAI reduced the diversity of thought among consultants performing everyday work tasks by 41%. When people prompt similarly and use the same tools, outputs converge. When outputs converge, thinking converges. What would it mean if your whole industry started thinking the same thoughts?

This is the deeper shift at play: as AI drives down the cost of production, distinctly human capabilities become comparatively scarce, and therefore more valuable. Here is where value is moving.



From information to judgement. Information is abundant. What matters most now is the capacity to interpret it critically, weigh tensions and trade-offs, and exercise sound judgement when the stakes are high and the answer is not obvious.



From answers to inquiry. When answers become ubiquitous, advantage moves to those who can ask better questions. The leaders who create value will be those who can inquire beneath the surface, challenge assumptions, and open up new ways of seeing, rather than simply move faster through familiar thinking.



From prescription to attunement. The ideas generated by AI are a mirror of what has come before. In a world where AI tools pull us towards uniformity, leaders who can attune to what is emerging will have the edge. Attunement is holding context alongside content: sensing what is unspoken, what is needed here, now, with these people, under these conditions, and when wisdom matters more than consistency.



From polish to presence. As generic content floods every channel, what cuts through is not simply visibility, but resonance. People trust what feels grounded, human, and real. As noise increases, authentic human connection has never been more valuable. AI can produce polished language. It cannot bring the presence, lived experience, and relational depth that create genuine connection.



From optimisation to purpose. AI can refine a process, improve an output, and model possible futures. But it cannot tell us what is worth building, protecting, or becoming. In a world of increasing intelligence, the leaders who matter most will be those who can orient people towards meaningful futures; futures that generate not only performance, but purpose, energy, and belief.



From activity to accountability. AI can generate options, make recommendations, and accelerate execution. But it cannot own the consequences. Accountability still sits with people; those willing to make hard calls, stay with the trade-offs, and carry the weight of decision with integrity.

What most organisations are missing

Ask most leaders what AI is worth to their organisation, and the conversation often starts in the same place: how much can we save? And what does that translate to in FTE?

It sounds sensible. But framing AI solely as a substitute for human effort rests on two flawed assumptions: that human work is simply a bundle of tasks, and that as AI performs more of them, people become proportionally less necessary. Both are wrong. Outputs are not impact. Hours saved by AI don't amount to entire roles. And treating them as interchangeable is where many AI strategies begin to unravel.

AI and humans create value in fundamentally different ways. As AI drives down the cost of producing outputs, the value of what only humans can do does not stay the same. It rises.

The capabilities that are becoming more valuable – judgement, inquiry, attunement, presence, purpose, and accountability – are not tasks that can be automated. They are not outputs at all. They are the conditions under which good decisions get made, trust gets built, and organisations flourish in a fast-evolving world.

The opportunity is to stop treating AI and human effort as interchangeable, and start using AI to create more space for the capabilities that now drive real advantage. That is the shift many organisations still fail to see:

**AI changes not only
how work gets done,
but what human
contribution is
now worth.**

The strategic shift

Most organisations are still optimising for efficiency. In a world where production was scarce, that made sense. That world is changing.

Use AI solely to produce more of what is already abundant, and you have invested in the wrong asset. Use it to free up human capacity for what is becoming genuinely scarce, and you will lead and shape what comes next. Speed without wisdom is just faster noise.

Leaders need to be asking themselves:

- ? How much of our current value proposition is generated by doing, and how much comes from being?
- ? Where are we using AI to produce more of what is already abundant, and where are we using it to free up genuinely scarce human capacity? Do we know the difference?
- ? When did I last change my mind about something important because of a conversation, rather than a report or a dataset?
- ? Are we still selecting and promoting for the capabilities that were scarce before AI, or the ones that are becoming scarce now?
- ? If our whole team is prompting the same tools with similar inputs, what is that doing to the diversity of our thinking over time? And what will we lose if it continues?
- ? Who in this organisation is actually owning the hard calls, and are they equipped to do so, or are we outsourcing judgement to whoever built the model?
- ? Are we becoming more efficient at what used to create value, or are we intentionally adapting to what creates value now?

Knowing what to invest in is the easier part. The deeper leadership challenge is creating the conditions for those capacities to actually flourish: the cultures, conversations, expectations, and ways of working that allow judgement, inquiry, attunement, presence, purpose, and accountability to take root. That is where the real work of leadership now sits.

The leaders who will thrive are not those who deploy AI most aggressively.

They will be those who use it wisely, while becoming more intentional about the human capacities it can never replace. They will measure success not only by what gets produced, but by the quality of thinking, relating, deciding, and creating that sits behind it. That is how organisations build advantage that endures, and futures worth inheriting.

1 Boston Consulting Group. (2023). How people create and destroy value with gen AI. BCG. <https://www.bcg.com/publications/2023/how-people-create-and-destroy-value-with-gen-ai>



+61 7 3870 8433

info@performancefrontiers.com

performancefrontiers.com

© Performance Frontiers.



We kindly request you read the content of this document on screen rather than printing. We can collectively contribute to a greener more responsible approach to our work.