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White Paper

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The Three B's of AI Strategy

As AI changes what customers can do without us, we need to rethink what belongs together and where we can still earn our keep.

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Executive Summary

- **The AI task map is not the strategy.** Knowing what AI can do does not tell you what will happen to your firm. The same capability that undermines one business can strengthen another, depending on how tasks connect to assets and what customers will still pay for.
- Three questions help managers work out where to commit resources: **Bypass** — how someone might deliver the same result without you; **Bottleneck** — what that alternative would still struggle to obtain; and **Bundle** — what you should bring together to make your contribution worth buying.
- **Expertise can remain hard to reproduce while customers find another way to obtain its benefit.** Bypass must be followed all the way through delivery, including the checking, coordination and effort quietly transferred back to the customer.
- **Being near a bottleneck is quite different from being able to earn from it.** The opportunity is real only when the customer depends on the contribution, satisfactory substitutes are difficult to obtain, and the firm can secure it on terms that leave a worthwhile return.
- **A value proposition is a hypothesis, not a moat.** Build the next bundle around the next bottleneck. Test whether customers will pay enough and whether partners will leave a worthwhile return.

Abstract

AI can perform many of the tasks that once justified a firm's price, but task exposure alone does not determine a firm's fate. The same capability can undermine one business while strengthening another, depending on how tasks connect to assets and what customers will still pay for. We introduce the Three Bs framework to help managers work through these questions: Bypass examines how someone might deliver the same result without you; Bottleneck identifies what that alternative would still struggle to obtain; and Bundle determines what should be brought together to make your contribution worth buying. Drawing on two research programmes involving 626 firms tracked over eight years and extensive work with senior executives, the framework helps managers decide what to invest in, what to control and why customers will still have reason to choose them as AI's capabilities continue to change.

Introduction

Consider a travel operator whose customers pay for expert advice, carefully planned itineraries and the reasonable expectation that their holiday will go according to plan. Generative AI can suggest destinations, compare options and produce a rather good itinerary, leaving the operator to wonder how much of its advisers' work it could automate. Fair enough, although the more uncomfortable question is what customers will pay once they can get useful advice elsewhere.

This brings into focus assets that may have received less attention when expertise justified the price: access to desirable rooms on the right dates, good local guides and someone who can rearrange things when a carefully planned holiday starts to unravel. AI may wax lyrical about a hotel; getting you a room in August is a separate accomplishment. An operator with privileged access and dependable local delivery has something around which to rebuild its offer, whereas one selling the same inventory as everyone else may find that cheaper recommendations do little for its prospects.

Task maps tell us something useful about what AI can do, but getting from there to the fate of a firm, let alone a sector, requires knowing how those tasks connect to assets and what customers will buy. The same ability to produce an itinerary can undermine one operator's offer while helping another sell scarce capacity more effectively. We need to examine the bundle: the tasks, assets and commitments that together make a holiday worth taking or a candidate worth hiring. AI changes their value and the glue that holds them together, often making one part plentiful while leaving another as the bottleneck that determines whether the customer gets what they came for.

A firm's expertise can remain hard to reproduce while customers find another way to obtain its benefit. Equally, much of its work can be automated while its bundle remains valuable. The question is which connections AI loosens, which it strengthens and which new combinations it makes worthwhile.

Our suggestion is to build the next bundle around the next bottleneck. Three Bs help managers work out what this means: Bypass, or how someone might deliver the result without them; Bottleneck, or what that alternative would still struggle to obtain; and Bundle, or what they should bring together to make their contribution worth buying. The answers guide where to invest, what to control and whom to work with.

These questions emerged from two research programmes involving London Business School, BCG and Evolution Ltd, together with our advisory work. We began by mapping AI's strategic impact, but working with managers made clear that identifying exposed tasks was not enough. They needed to understand how AI changes who does what, what keeps the pieces together and who gets paid as bottlenecks shift.

1. Bypass

1.1 How could someone deliver the outcome without us?

Much of what firms have called automation involves translating their own routines into software, drawing on knowledge accumulated over time. Generative AI makes another route possible: someone can use a general model, add readily available information and tools, and refine and check the result until it is good enough for the purpose at hand. For some outputs, a competitor can produce an acceptable substitute without acquiring the knowledge that made the incumbent good at its job.

This is what we mean by expertise bypass, and it has a slightly disconcerting implication for firms rightly proud of what they know. Their expertise may remain distinctive and difficult to transfer even as customers find another way to get a satisfactory result. A traveller wanting a workable itinerary has little reason to insist that it be produced using the particular knowledge an operator has spent decades developing.

Whether that traveller can dispense with the operator altogether depends on the rest of the bundle, including hard-to-obtain information, physical assets and responsibility when things go wrong. A sensible comparison follows the alternative all the way through delivery, including checking and correcting it, and whatever effort has quietly been handed back to the customer.

In one account from our research, a pharmaceutical advisory COO described a client that moved medical-publications content development to a technology platform while seeking a 30% reduction in agency prices. The work returned when the platform failed to perform, a useful reminder that the attractions of a cheaper production method have to survive the less glamorous business of delivering what was promised.

Bypass can also happen through a change in how customers find and buy the service. An AI assistant that takes a traveller from a request to a confirmed booking could leave little reason to browse an operator's recommendations, even while buying rooms or local services from that same operator. The expertise and assets might still be useful, but the operator's role, bargaining position and share of the price could look quite different.

Take recruitment. Grupa Pracuj operates job marketplaces, including Poland's Pracuj.pl, and recruitment software, including eRecruiter. Candidates could begin with a general AI assistant, while employers add matching and assessment tools to software they already use. If these arrangements let the two sides find each other without the marketplace, the platform is bypassed; if separate providers take over discovery, matching or assessment, its offer is gradually unbundled. A useful feature can survive either change without preserving the business that once sold it.

2. Bottleneck

2.1 What would that alternative still struggle to obtain?

Once AI makes a contribution easier to supply, attention shifts to whatever still prevents the customer from getting the result. Plentiful advice does not put the traveller in the room they want, just as plentiful applications and clever matching do not necessarily leave an employer with someone suitable who actually wants the job.

For the travel operator, scarce accommodation or distinctive experiences might provide the answer, although a claim to have “inventory” deserves a closer look. If every agent can book equivalent rooms at the same price, the scarce asset may belong to the hotel owner, who can sell through several AI services and has little reason to share the resulting profits generously. Being near a bottleneck is quite different from being able to earn from it.

The opportunity becomes interesting when the customer depends on a contribution, satisfactory substitutes are difficult or costly to obtain, and the firm can build or secure it on terms that leave a worthwhile return. All three matter, and all can change as capacity expands or customers want something else. These bottlenecks give their holders an advantage; ordinary internal delays can simply destroy value.

Sometimes the asset worth developing is already present in a supporting role. Recruitment platforms accumulate information about employers, candidates and their interactions. As AI makes polished applications easier to produce, their presentation may reveal less about candidates' abilities, increasing the appeal of dependable evidence about skills, experience and current interest. Candidates, in turn, want reassurance that vacancies and advertised conditions are genuine. Using AI to write an application is perfectly compatible with telling the truth; the difficulty is working out which claims deserve confidence.

For Pracuj, this raises a question worth dwelling on: will more applications still be what employers pay for when AI makes applications abundant? Its employer relationships and candidate interactions could help it develop verified evidence, confirm availability and learn from hiring outcomes. That would take investment in reliable sources, permissions, checks and ways to correct mistakes, since collecting claims and establishing their validity are rather different occupations.

LinkedIn is pursuing opportunities here too. In September 2026, it announced tests of verification through people who had worked or studied together, alongside wider distribution of verification through partners. These efforts expand the evidence available, although confirming someone's identity or employment history leaves plenty still to learn about their suitability for a job.

Verification could become a valuable bottleneck, but employers and credential providers may control the evidence, other platforms may assemble it, and portable standards may make it widely available. Pracuj would need to establish which information it could maintain unusually well, how that helps a hiring decision, and why others would struggle to do the same. Access to relevant people, genuine hiring demand and the ability to get recruitment completed are other possible sources of advantage.

Much the same applies when managers invoke “our data,” “our relationships” or “our brand,” three expressions that tend to bring a reassuring warmth to a strategy discussion. Their value becomes clearer once we ask which information or access matters, what investment would make it more useful, and who else could provide an adequate substitute. We also need to know who gets paid: correctly identifying a bottleneck is of limited comfort if the partners controlling it take most of the return.

3. Bundle

3.1 What should we bring together around that contribution?

Customers buy things together when the connections matter. An itinerary must reflect actual availability; a candidate recommendation must lead to a real vacancy and a workable hiring process. Someone needs to sort things out when the parts fail to fit. By the integrity of the bundle, we mean the value created because its tasks, assets and commitments fit together and can adapt together as circumstances change.

AI changes this glue. It can reduce reliance on particular expertise, help buyers specify what they need or make suppliers easier to coordinate, allowing components to move to different providers. But where quality depends on continuing adjustment or shared responsibility, separating the parts can still destroy value even when their individual tasks are readily automated.

AI can also deepen a bundle by making its existing parts work better together, or broaden it by making additional services worth offering. Cheaper generation may increase the value of checking and assurance; cheaper coordination may let a provider adapt several parts of a service together as customers' needs change. Managers need to ask what now belongs together and why customers would prefer the new combination.

Bypass and bundle integrity therefore need to be considered together, but assessed separately. Itinerary writing may become easy to bypass while the connections between planning, scarce rooms and dependable delivery remain valuable. A specialist's judgement may remain hard to replace even as it becomes useful in several different bundles. For any customer outcome, identify the contribution whose role AI is changing, then ask how much value its surrounding connections add. The matrix sets out the choices to investigate.

Bypass vs bundle integrity

Possibility of bypass of the contribution	Weaker bundle integrity Connections add less value	Stronger bundle integrity Connections add more value
Higher	Reconsider the offer. Test a different contribution, bundle or role where customers still have reason to pay.	Rebuild around the bottleneck. Test alternative ways to provide the exposed contribution while preserving or strengthening the connections that make the whole valuable.
Lower	Extend the contribution's reach. Test selling it directly or through other bundles on terms that preserve a return.	Invest in the connections. Develop the fit, continuing adaptation and responsibility that make the hard-to-bypass contribution more valuable.

These are choices to investigate, not predictions of profitability. Strong integrity gives someone a reason to assemble the bundle; it does not reserve that role for the incumbent. A customer, partner or entrant may do it better, while a scarce contributor earns its return by supplying them. The box “How to use the Three Bs” explains how to apply the two judgments consistently.

Pracuj's public offerings illustrate some of these connections. Its AI Assistant supports candidates' job searches, while eRecruiter's AI preselection, described in its documentation as being tested, compares CV information with job requirements. It can consider applications from several channels, provided the vacancy is published on Pracuj.pl. This links the marketplace to the employer's recruitment process, although the comparison still relies on what the CV says.

Whether such additions justify staying depends on how much better the whole service becomes. Joining products commercially is easy enough; the more interesting possibility is to connect discovery with dependable evidence, confirmed candidate interest and progress towards a hire. That takes decisions about what the platform will verify, what employers and partners will supply, and who will put things right when information proves wrong.

None of this means every part must sit inside one company. In our research, a client separately hired a subject-matter expert to validate machine-assisted work produced by a consultancy's junior team: the expert's judgement was still needed, but the client had found a different way to buy it. Conversely, an audit provider might automate much of its analysis while customers continue to buy its accountable opinion. Substantial automation can coexist with continued demand for a provider, while expertise AI cannot replace may be bought through a different arrangement. Sector outcomes also depend on changes in prices, demand and the division of work, including services that become worth offering as costs fall.

Consider two travel operators deciding where to invest. Both can use AI to write itineraries. If one sells widely available rooms that customers can book and coordinate cheaply themselves, better itinerary production will do little to protect the package. It needs to test a different contribution or role. For the other, privileged room allocations and local teams may make it possible to keep a holiday working when flights change or a hotel lets the customer down. Here the investment could go into linking AI planning to inventory and local response, so that changes to one part are reflected in the others. The same replaceable contribution sits within two bundles with very different prospects.

The second operator could broaden its offer to include door-to-door transport and deepen it through continuing adjustments during the holiday. It might secure desirable rooms through contracts, strengthen local delivery and use external AI tools for planning. Where contracts and interfaces cannot adequately deal with quality, investment or responsibility, direct integration becomes more attractive; where access rights do the job, there may be little reason to buy the hotel.

The aim is to secure the scarce contribution while bringing together the elements that need joint management. A firm with valuable capacity or dependable evidence might supply several other companies' bundles rather than insist on owning the customer relationship. Either way, it needs to understand its partners' alternatives and the bargaining power that comes with them.

There is scope for expansion too. A cybersecurity CFO in our research reported that language models working under expert oversight had helped reduce technical staffing in the security operations centre by about two-thirds through attrition; the company reinvested savings in R&D and was selling continuous penetration testing alongside annual tests. The account illustrates how the next bundle can grow as delivery costs fall. Whether it also becomes more tightly connected depends on how testing, diagnosis and response improve one another.

3.2 Put the three Bs to work

Start with something customers already pay you for and work through the tasks, assets and commitments that make it possible. Mark the connections that make the combination valuable, then use the matrix to compare the present offer with a proposed new bundle. Keep the focal contribution and customer outcome clear in each comparison; the box provides guidance. Bring together people who understand customers, delivery and investment, preferably joined by a colleague willing to explain how a competitor might make life difficult.

By the end, it should be possible to explain what customers will buy, which asset or capability deserves investment and how the pieces will be brought together on commercially sensible terms. Then find out whether customers and partners agree. A recruitment platform might ask employers to pay for a shortlist with agreed evidence standards and confirmed candidate interest, comparing hiring progress and full costs with its existing service. A travel operator could test what customers will pay for assured access and help when plans go wrong.

Count the costs of securing assets, checking claims, correcting errors and paying partners. Agree in advance what would make you reconsider: a widely available substitute, evidence that costs too much to obtain, or a partner claiming most of the return. The three Bs may send you back to an earlier question as a proposed bundle changes what customers value or a supposed bottleneck proves avoidable.

Our research offers some reason to insist on this discipline. Professional services firms increasingly emphasised relationships, judgement and trust in their public positioning, while technology firms emphasised scalable systems; in follow-up interviews, directors often revised their assessment of AI while keeping their explanation of why customers would continue to need them. As their AI forecasts shifted, their confidence in their own indispensability proved rather more resilient. Some of those claims may prove well founded, but they deserve the same scrutiny as the AI capabilities threatening them.

The excitement about what AI can do is understandable. Watching a system produce in seconds something that once took hours is arresting. Our research shows why the strategic implications require a further judgment about the value of the surrounding bundle. A firm's expertise may remain difficult to reproduce while customers find another way to obtain its benefit. Equally, automating much of the work may leave a bundle worth buying, or make a broader, more tightly connected offer possible.

The three Bs turn those possibilities into choices about where to commit resources. One firm may need to secure scarce assets and strengthen delivery; another may earn more by supplying a specialist contribution to several providers. Separating bypass from bundle integrity

helps managers explain why, then test whether customers will pay enough and whether partners will leave them a worthwhile return.

Building the next bundle around the next bottleneck gives managers a way to act as AI's capabilities change. The task map helps us see what can be done differently. The three Bs help us decide what is worth bringing together, what we should invest in and why customers will still have reason to choose us.

3.3 How to use the Three Bs

Use the matrix to compare a present offer with a proposed alternative. Bring together colleagues who understand customers, delivery, investment and the competitors who would happily take your place.

1. Fix the outcome and contribution. Choose something customers pay for, such as a completed hire or a dependable holiday. Identify the contribution AI might change: matching, advice, access or assurance. List the surrounding tasks, assets and commitments. Keep this contribution and customer outcome clear throughout the comparison, so that you do not confuse replacing itinerary writing with replacing a travel operator.

2. Make the bypass credible. Describe how a customer, competitor or partner could obtain the contribution's benefit through another route. Include checking, coordination, corrections and effort transferred to customers. Could the alternative work without acquiring your particular expertise or assets? Place the contribution higher or lower on the bypass axis, recording what evidence would change your assessment.

3. Assess the connections separately. Ask what customers would lose if the surrounding elements were supplied without their present coordination. Strong integrity comes from fit, continuing adjustment or shared responsibility; it can span several firms. AI may weaken these connections, strengthen them or make new ones worthwhile. Additional services broaden the offer; they deepen its integrity only when their connections create value.

4. Choose an investment and test the return. Name the bottleneck the alternative still faces, how you could secure it and why satisfactory substitutes would remain difficult to obtain. Decide what to build, contract for or supply through others. Test willingness to pay against full delivery costs and partners' claims on the return. Agree what would make you reconsider. Do not count contributions in each quadrant: their strategic importance is rarely equal.

About the research

The first study analysed 5,330 firm-year website observations from 626 firms over 2017–2025, alongside 33 interviews and three roundtables involving 100 senior participants. Researchers coded 36 activity-level accounts, distinguishing realised changes, prospective moves, reversals and non-movement. The evidence examines public positioning, reported experience and managerial expectations, not the prevalence or causal effects of particular strategies. The pharmaceutical, independent-validator and cybersecurity accounts are participant reports; the travel example is illustrative. Part of this research is detailed in a forthcoming *Strategic Entrepreneurship Journal* article.

The second programme involved 531 unique participants across five stages from February 2024 to March 2026, including 221 completed director surveys. Later surveys, roundtables and interviews revisited subsets of participants, focusing on a deeper examination of patterns of strategic change brought about by GenAI. This has had the support of the UK's Institute of Directors, the UK Regional Innovation Fund and LBS's RAMD.

This article also draws on advisory work by BCG and Evolution Ltd, and the framework has been refined by using it for guiding executives, including work with Pracuj's leadership as it considered its AI strategy, and other companies in a range of sectors.

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Evolution Ltd is a boutique advisory that combines frontier research from world-class business academics and technologists with hands-on experience from senior executives to guide organizations in an increasingly complicated environment.

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