



Executive
Perspectives

AI-First Companies Win the Future

Move Fast, Scale Smart

June 2025

Introduction

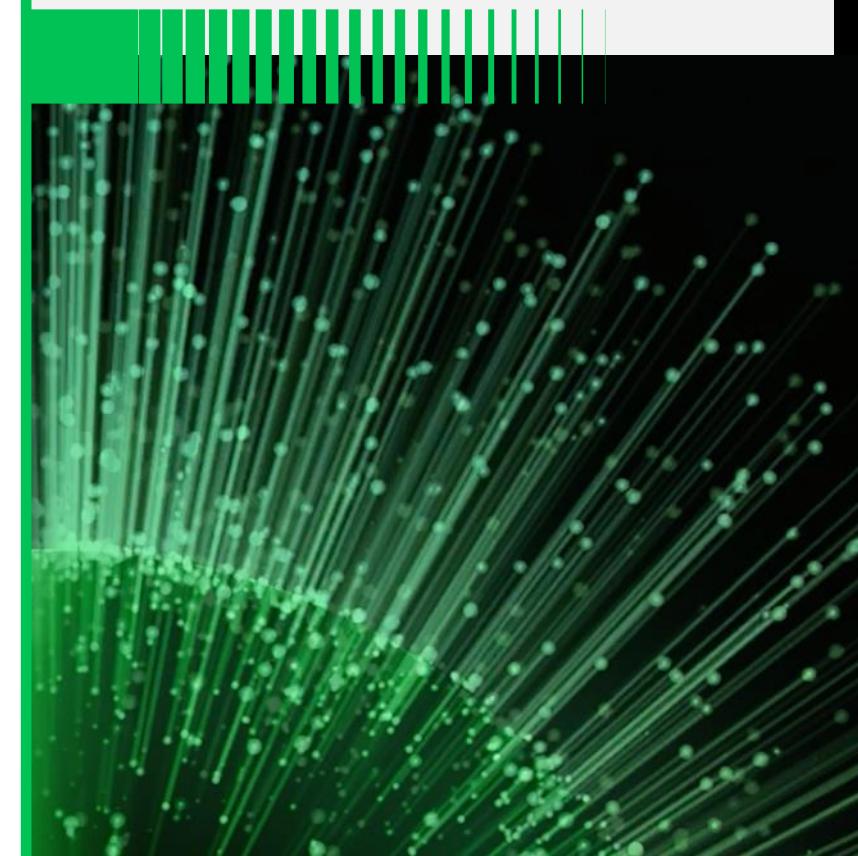
We meet often with CEOs to discuss AI—a topic that is both captivating *and* rapidly changing. After working with over 2,000 clients in the past 2+ years, we are **sharing our most recent learnings in a new series designed to help CEOs navigate AI**. With most sectors going through major shifts, the focus in 2025 is on how to leverage AI to **fully transform organizations** and create **new sources of competitive advantage**.

In this edition, we discuss the AI-first future, and the role AI will play in turbocharging growth. Future editions will dive into sector-specific insights to help leaders unlock value and accelerate transformation. We address key questions on the minds of executives:

- How can I leverage AI to win with the new economic equation?
- What does an AI-first enterprise look like?
- What are leaders doing differently and how are they using AI solutions to accelerate their transformation?
- How do I get started...and how do I get this right?

This document is a guide for executives to cut through the hype around AI and understand what creates value now and in the future.

In this BCG Executive Perspective, we articulate the vision and value of AI-first companies



Executive summary | Start your AI-first transformation journey

WHY now is the right time to act

The rise and rapid adoption of AI are transforming how organizations operate, **lowering barriers to entry, and enabling smaller players to scale fast**. As **automation reshapes business economics** and AI-first companies grow **with lean teams**, those who don't act now risk falling behind

WHAT an AI-first organization looks like

To respond to these shifts, companies need to **rethink how they operate and transform to become AI-first**:

- **Wider competitive moat:** Increased ability to capitalize on key assets such as brand, IP, talent
- **Reshaped P&L model:** High tech spending to support AI, unlocking value for reinvestment
- **Decentralized tech foundation:** Business units leading AI adoption, with IT providing scalable platforms
- **AI-first operating model:** Streamlining operations via reusable AI workflows and reduced duplication
- **Specialized, scalable talent:** Lean, high-performing teams focused on strategy, judgment, and AI collaboration

Companies must be prepared to address **broader societal implications** in the ever-evolving landscape of AI

HOW to start the journey to transform into an AI-first org

E2E transformation can start with a series of **no-regrets moves**:

- **Make a business-led AI agenda:** Define tangible priority outcomes from AI
- **Embrace AI in your daily work:** Set the tone by role-modeling AI adoption across your teams
- **Anticipate impact on your workforce:** Pinpoint where and how roles will shift and develop upskilling strategy
- **Prove impact and scale:** Identify and prioritize a few high-value initiatives to test and show measurable impact
- **Create space to fund what works:** Allocate resources toward quick wins and build a plan to budget for AI

AI-first organizations will take different shapes across sectors – our **upcoming Sector of the Future series** explores key trends, transformations, and how to begin the journey at the sector level

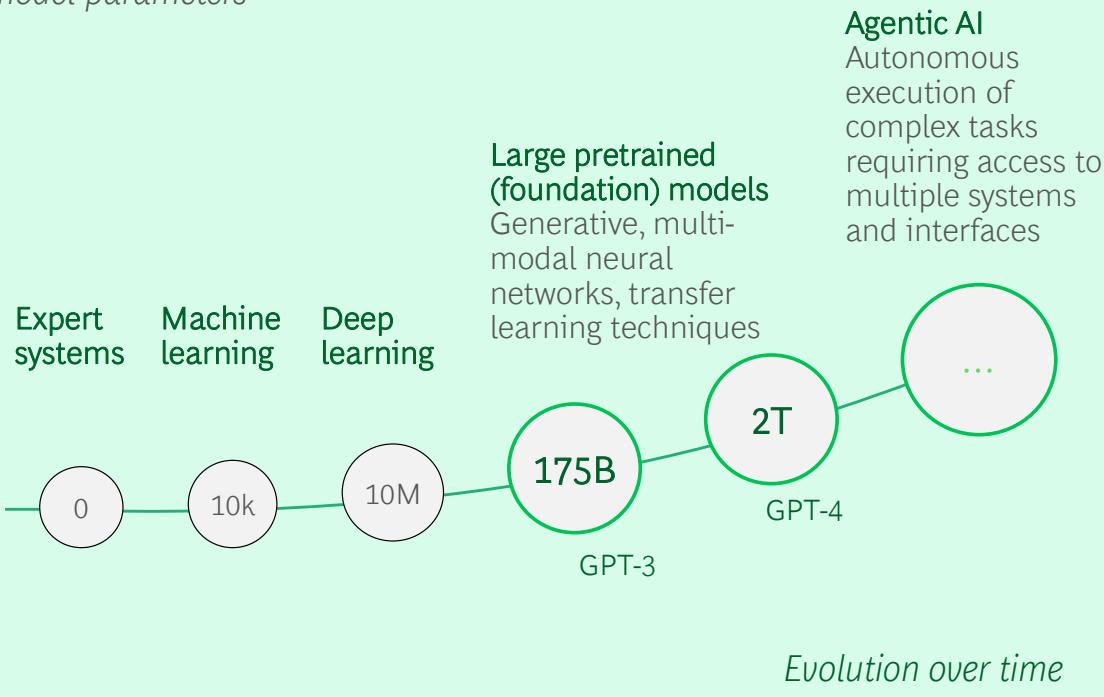
Major trends
are reshaping
how companies
operate—and
those that don't
adapt risk
falling behind

- 1 Access to AI is becoming democratized**
Foundational models and AI agents are now widely accessible, reducing barriers to entry and allowing smaller players to compete on speed and automation
- 2 AI is rapidly changing business economics**
The costs of knowledge, labor, and task delivery are falling due to automation, while revenue potential is increasing for companies that set up for success now
- 3 Headcount is no longer a prerequisite to scale**
AI-first companies are redefining productivity, unlocking rapid growth with smaller, highly skilled teams (e.g., Cursor reaching \$100M ARR in under two years)
- 4 Technology spending is growing rapidly**
As AI-driven tech budgets surge, companies that fail to match the pace risk being left behind by faster-moving competitors

The rapid advancement of AI is reducing barriers to entry and scale

Computational power over time

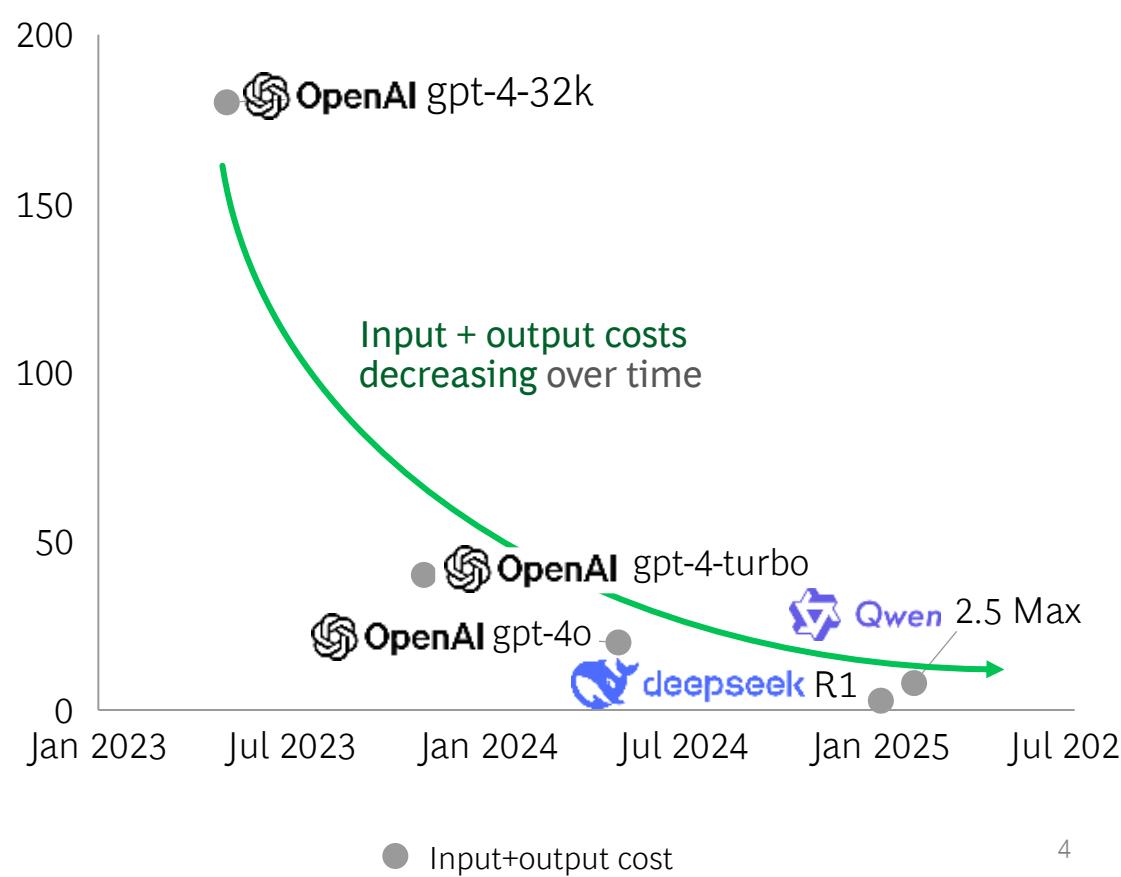
Power
model parameters



Source: OpenAI, DeepSeek, Qwen

Token cost of models over time

\$/M tokens



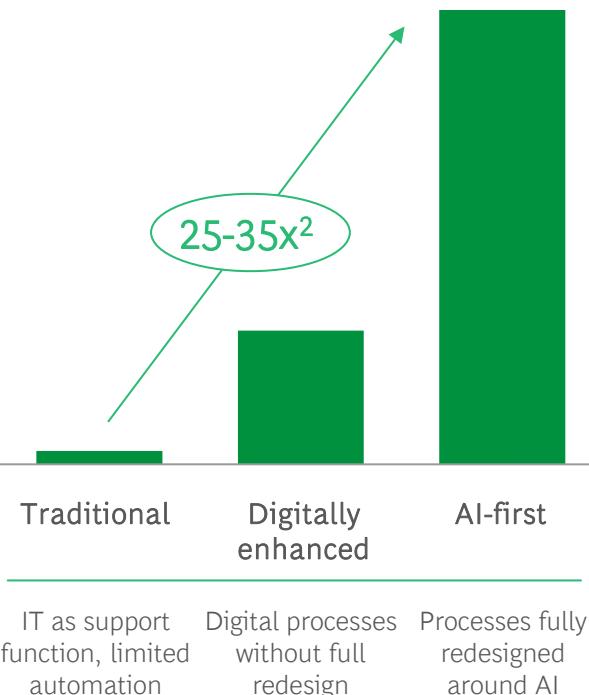
Well-positioned firms can unlock value from low costs and high revenues

While major cost drivers are trending downward...

High-value task delivery	High-skill employee (e.g., PhD) research... > >\$100K/yr	AI agent-powered task delivery (e.g., Deep Research)... ~\$2-3K/yr
Advisory costs	In-person client advice cost per interaction... > ~\$5	AI enabled-advisory, cost per conversation... \$0.20 - \$0.30
Time to access knowledge	Manual analysis of market media taking... > 3 hrs	AI rapidly gathering and synthesizing data in... 5 mins

... revenue potential is increasing for AI-first firms

Revenue per employee across different company types¹



1. 70+ companies included in analysis, 2. Value varies by sector

Source: Harvard Business School, Wharton AI & Analytics Initiative, BCG analysis

Companies set up for success can unlock maximum value creation

Lemonade	Customer acquisition costs cut by 90%
Klarna.	50% reduced workforce and 73% increase in revenue per FTE
ByteDance	80% of policy-violating content removed autonomously by AI
Electrolux	60% of support calls resolved by AI without human agent

Efficiency gains have potential to significantly increase margin, highlighting importance of setting up for success now

AI-native firms highlight how AI supports scaling with limited headcount

AI-native firms are built with AI at the core, which enables rapid, capital-efficient scaling...



Despite staggering venture funding, AI-native startups can now **scale rapidly with minimal external capital**



Small teams leverage **AI-powered coding, marketing, and administrative tools** to accelerate growth with fewer employees



AI automation reduces reliance on venture funding by **enabling profitability sooner with minimal resources**

... and proves AI-centric models can deliver high ARR with lean teams



\$50M ARR in 24 months with 30 people

\$100M ARR in 12 months with 20 people

\$40M ARR in 5 months with 15-20 people

\$10M ARR in 2 months with 15 people

\$10M ARR in 2 years with 9 people

Digital natives expanded tech spending—AI-first will accelerate the trend

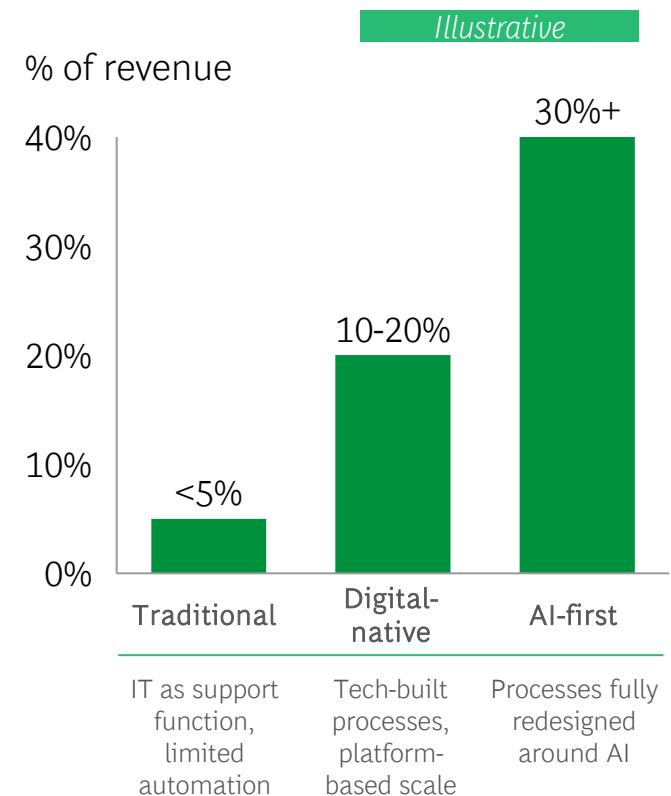
Traditional-firm tech spending¹

Global payments technology company	~4% of revenue
Multinational retail corporation	~3% of revenue
Major US insurance provider	~2% of revenue
Energy mgmt. and automation firm	~2% of revenue

Digital-native tech spending¹

US-based fintech platform	~12% of revenue
Large-scale online marketplace	~14% of revenue
Digital-first insurance platform	~16% of revenue
Industrial 3D-printing tech leader	~14% of revenue

% of revenue spent on tech for different firm types



1. All company examples anonymized
Source: Company 2024 10-Ks, GlobalData

Companies face key challenges as they prepare for an AI-first future



01

Evolving competitive advantage

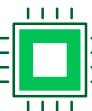
Given that broad adoption means AI will not be a new source of competitive advantage, how do I rethink my existing sources of competitive advantage?



02

Shifting P&L structure

What happens when tech investment surpasses all other cost centers in the P&L?



03

Changing role of the IT function

How does the **role of the IT function change** in an AI-first organization?



04

Reimagined operating model

How do we manage a workforce where AI agents outnumber people, and how must human roles evolve?



05

Transformed shape of the workforce

How do I upskill people to drive adoption while also **retaining critical thinking skills and avoiding overreliance on AI**?

To overcome these challenges, firms need to adopt AI-first traits



01

Wider competitive moat

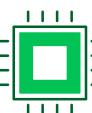
- Increased ability to capitalize on key assets, such as brand, IP, and talent
- Reduced barriers to scale across talent, content, and reach



02

Reshaped P&L model

- High tech spending to support AI, with value redeployed toward growth
- Reinvestment of returns into innovation and intelligent automation of routine work via agents and other AI systems



03

Decentralized tech foundation

- Enterprise-wide AI platforms and agent ecosystems maintained by IT
- Business units given autonomy to own and deploy AI solutions with increased speed and independence



04

AI-first operating model

- Streamlined operating model that minimizes redundancy
- Reusable AI workflows that support consistent, scalable deployment across the enterprise to accelerate time-to-value



05

Specialized, scalable talent

- Lean, elite teams with specialized skills; ~50–70% fewer people and 1.5–2X compensation for top talent
- Roles focused on judgment, strategy, and human-AI collaboration



1 | AI is redefining the sources of lasting competitive advantage



Increasing strategic importance

Brand trust becomes a key differentiator as AI-generated content and automation become ubiquitous

Direct relationship and access to customers become critical as AI commoditizes content and advice

Owning innovations, including **patents, trademarks, and copyrights**, is crucial as AI becomes democratized

Exclusive, high-quality, diverse data sets drive value when effectively leveraged, fueling better AI models

Attracting and retaining top AI-fluent talent are a necessity due to high competition for skill sets



Decreasing strategic importance

Operational scale with large back-office functions becomes redundant through AI-driven efficiencies

Large physical customer service teams lose edge as AI agents handle customer engagement more efficiently

Diffused expertise across teams loses value as AI **rapidly acquires, synthesizes, and applies disparate knowledge**

Expensive content production becomes less important as AI drastically lowers content generation costs

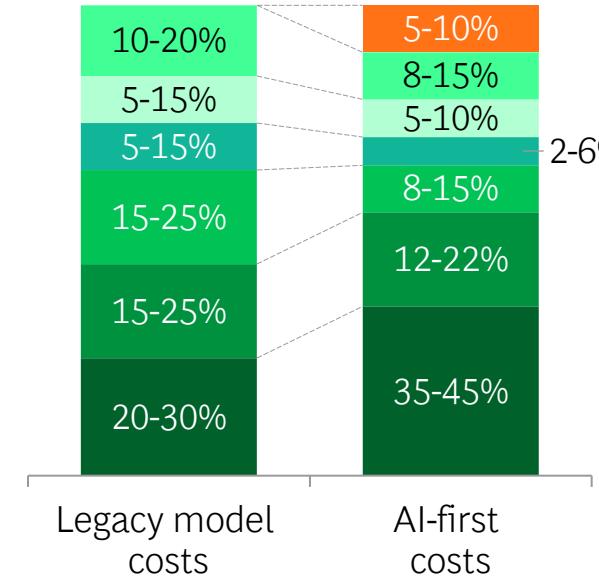


2 | Companies must account for shifting P&L in the age of AI

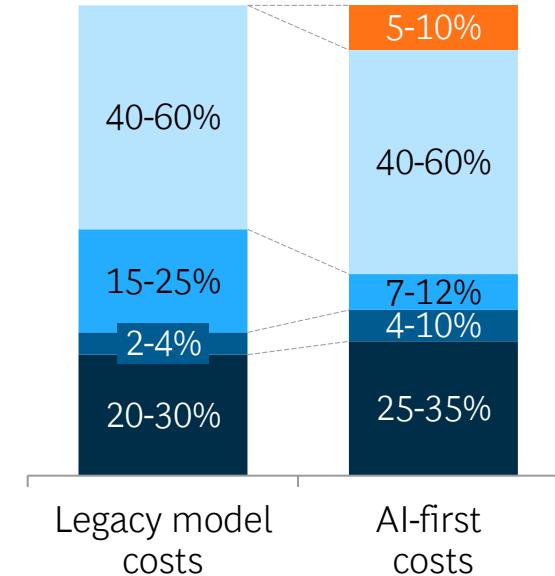
Example P&L impact on AI-first companies

Illustrative and directional

Retail Banking



Consumer Packaged Goods



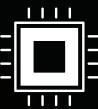
Note: All figures are illustrative and represent simplified directional ranges
Source: BCG analysis

AI-first reshapes cost structures

~25-45% decline in labor spending as AI reduces reliance on people-driven processes

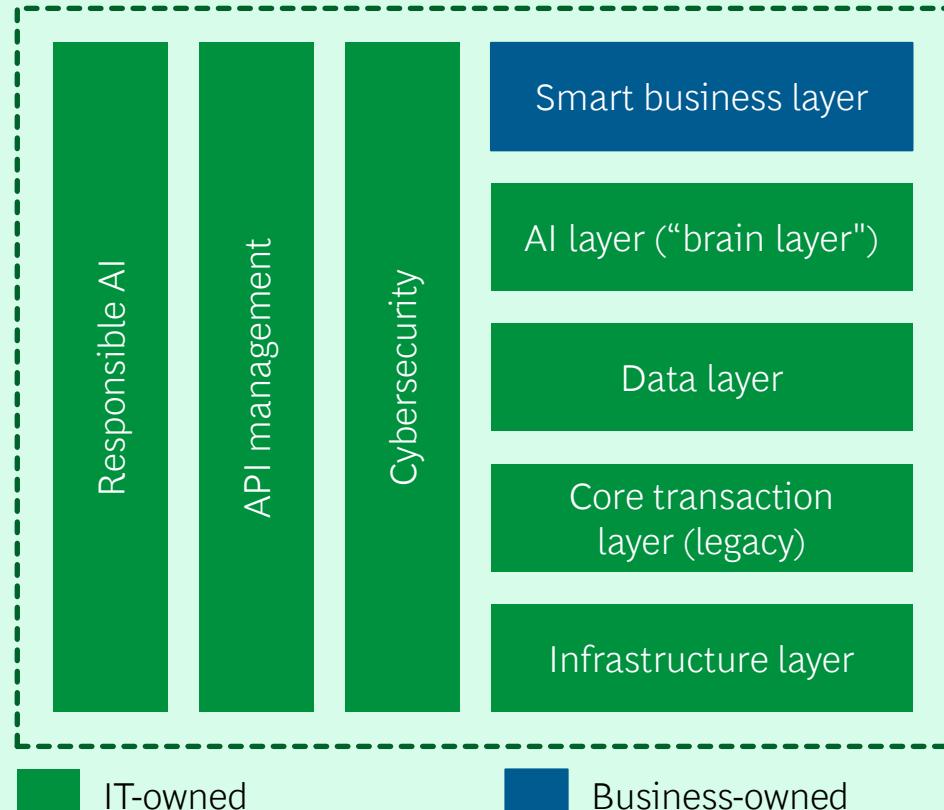
~1-2x increase in tech spending as technology shifts from support role to strategic core

Value unlocked by AI is redeployed into growth priorities, boosting operating margin



3 | Increased tech spending redefines the role of IT across the org

AI-first architecture



Business functions **design and execute tailored AI workflows**, leveraging the IT-powered frame



Business includes tech-savvy talent with both **operational and AI skills**, reducing the need for business domain experts within IT



IT **maintains the tech, data, and cyber foundation** (the "frame") that enables the build of AI solutions

4 | The AI-first operating model rewrites how organizations work



Digitaly enhanced op model | AI as enabler

People are the core drivers, with digital tools included.
AI used incrementally to boost efficiency



+



Core processes
built around **people**

Supplemented by
digital tools incl. AI

Key characteristics

- Function-led workflows with digital support
- Governance via **reporting and analytics** with undefined, ad hoc, or **static AI policy** and risk management
- **Static roles** enhanced by digital tools
- Culture focused on **efficiency gains**
- Business relying on IT-owned **digital enablers**

Source: BCG analysis



Illustrative

AI-first op model | AI as integral

AI agents are the core drivers, with human oversight to close gaps



+



Core processes built
around **AI agents**

Supplemented
by **people**

Key characteristics

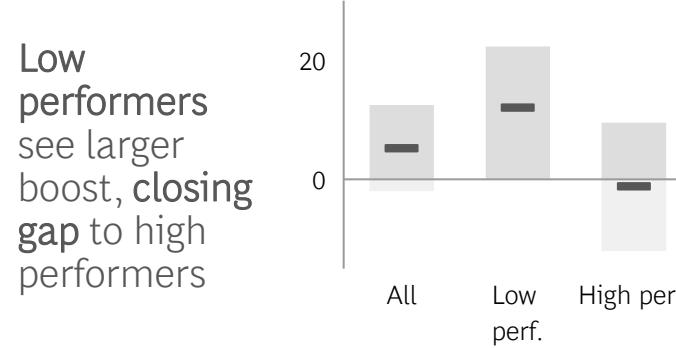
- **Flattened hierarchies** with AI agents executing AI-led decisions
- Real-time governance backed by **executive alignment**, embedded AI policy, and **responsible AI guardrails**
- Skills, roles, and responsibilities **reshaped around AI agents**
- AI-embracing culture built on **trust, speed, and adaptability**
- Business-owned tech and **scalable tech infrastructure**



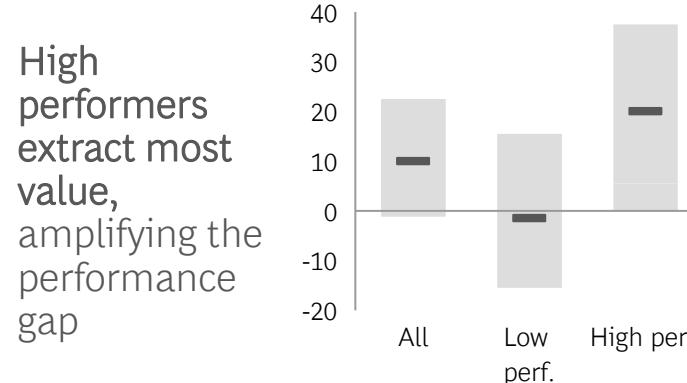
5 | As AI transforms the workforce, the value of skills and tasks shifts

AI impact on workforce productivity varies depending on the task

Repetitive / structured tasks (% boost)



Complex, judgment-based tasks (% boost)



Source: Economist, BCG analysis

- AI narrows performance gaps—a short-term advantage
- Routine tasks are automated, reducing headcount and reshaping roles
- Fewer expert roles, as AI facilitates access to knowledge

- AI removes high “toil” tasks, boosting top-performer productivity and satisfaction
- War for talent intensifies as top performers remain rare and command a premium
- Enablement and empowerment drive performance – not simply providing tools

Examples of impacted skills



Closing gap between top and bottom performers

- Coding efficiency
- Writing documents/presentations
- Product design
- Ad effectiveness
- Legal analysis
- ...



Increasing performance disparity

- Profits and revenue
- Debating points
- Investment decisions
- Material discovery
- ...

Getting started | The journey to AI-first begins with critical next steps



1. Make a business-led AI agenda

Define tangible priority outcomes from AI, and ensure that business leaders take ownership



2. Embrace AI in your daily work

Use a variety of AI tools to increase your proficiency, and set the tone by modeling adoption across your teams



3. Anticipate impact on your workforce

Identify where and how roles will shift, and develop a strategy to upskill teams to work effectively with AI



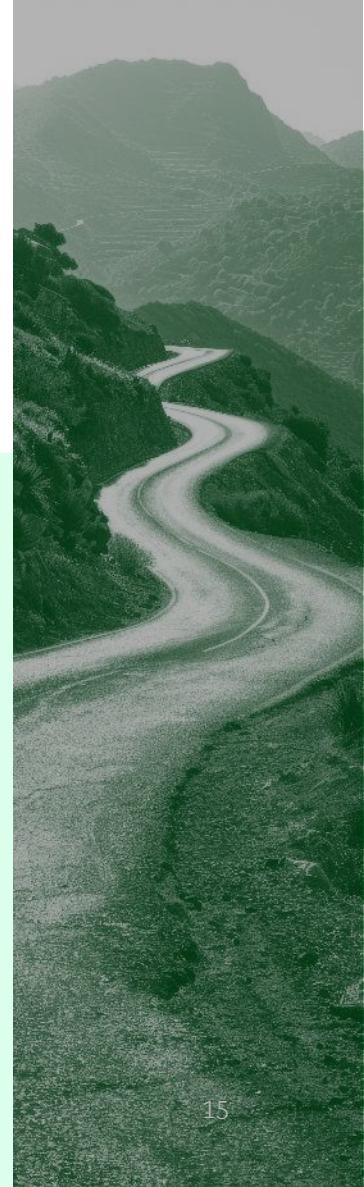
4. Prove impact and scale

Focus on a few high-value initiatives to show measurable impact and rapidly build momentum to scale

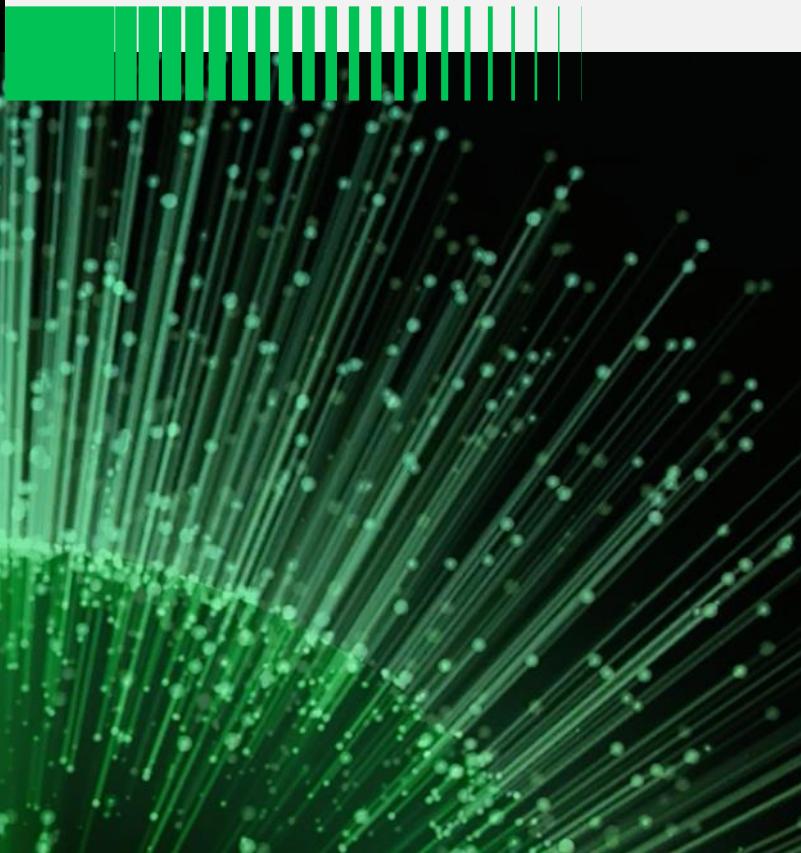


5. Create space to fund what works

Allocate resources toward early wins, and build a plan to budget for AI investments that deliver value



BCG experts | Key contacts for AI transformation



Americas

	Ashkan Afkhami Healthcare		Ramsey Baker Travel, Cities & Infrastr.		Julie Bedard Industrial Goods; People & Org.		Dylan Bolden Consumer		Sesh Iyer Insurance
	Djon Kleine Tech, Media & Telco; Tech & Digital		Matthew Kropp Tech, Media & Telco		Renee Laverdiere Public Sector		Amanda Luther Consumer; Tech & Digital		David Martin Tech, Media & Telco; People & Org.
	Steven Mills Public Sector		Suchi Srinivasan Tech, Media & Telco		Vladimir Lukic Industrial Goods; Tech & Digital		Beth Viner Financial Institutions		

Europe, Middle East, and Africa

	Jessica Apotheker Consumer; Marketing		Vinciane Beauchene Industrial Goods; People & Org.		Nicolas de Bellefonds Consumer		Akira Abe Insurance		Aparna Kapoor Financial Institutions
	Antoine Gourévitch Industrial Goods; Tech & Digital		Christoph Hilberath Industrial Goods		Nina Kataeva People & Org.		Nipun Kalra Financial Institutions		Romain de Laubier Insurance; Tech & Digital
	Andrey Levin Industrial Goods		Daniel Lopez Energy		Nigel Markey Healthcare		Jeffrey Walters Consumer; Tech & Digital		
	Chris Meier Healthcare		Dan Sack Consumer; Tech & Digital		Richard Sargeant Travel, Cities & Infrastr.				
	Marc Schuuring Energy; Tech & Digital		Marcus Wittig Tech, Media & Telco		Robert Xu Consumer				

Asia-Pacific

The background of the image features a dense, fan-like arrangement of numerous green fiber optic cables or light rays radiating from the top left corner towards the center. This creates a sense of depth and connectivity. In the foreground, the letters "BCG" are displayed in a large, bold, white sans-serif font. The "B" and "C" are solid white, while the "G" has a black circular cutout in its upper left portion.

BCG