

# The AI Short Book: Losers From AI Adoption

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*Every technological revolution creates winners AND losers. This is the loser list.*

### 1. OUTSOURCING / BPO — The Billable Hour Apocalypse

**The Thesis:** Indian IT's entire model is built on “man-day billing” — charging for bodies on projects. AI agents (Claude Cowork, Codex, etc.) directly automate the exact high-volume, repetitive knowledge work that is their bread and butter. On Feb 4, 2026, the Nifty IT index crashed ~6% in a single day when Anthropic released its Cowork plugins. Motilal Oswal estimates **9-12% of industry revenues could be eliminated in 4 years**. Others say **up to 50% of traditional outsourcing work** is directly exposed.

Ticker	Company	Mkt Cap	Revenue at Risk	Timeline	Disruption Score
INFY	Infosys	~\$68B	30-40% (QA/testing, routine coding, contract reviews, data processing)	2-4 years	7/10
WIT	Wipro	~\$26B	35-45% (heavy in low-end maintenance & testing)	2-4 years	8/10
CTSH	Cognizant	~\$37B	25-35% (more U.S.-embedded, some insulation)	2-5 years	7/10
			40-55% (call centers, CX support —		

<b>CNXC</b>	Concentrix	~\$2.7B	prime AI agent territory)	1-3 years	<b>9/10</b>
<b>CNDT</b>	Conduent	~\$300M	50-60% (back-office processing, transaction automation)	1-3 years	<b>9/10</b>
<b>TASK</b>	TaskUs	~\$1.5B	35-50% (content moderation + digital CX, though pivoting to AI services)	2-4 years	<b>7/10</b>

**Key Data Points:** - QA and testing contracts have shrunk **40-60%** at some firms as AI handles automated testing - **72% hiring drop** in Q1 2025 among India's top 5 IT companies - TCS pegs AI services revenue at \$1.8B — but that's a fraction of total revenue - Rs 2.5 lakh crore (~\$30B) in market value wiped in 3 days in Feb 2026

**Best Short Candidates:** CNXC (call center-heavy, AI agents eat this first), CNDT (pure back-office processing, most vulnerable), WIT (least differentiated among big 3)

## 2. TRADITIONAL SOFTWARE / SaaS — Death by a Thousand AI Cuts

**The Thesis:** \$1 TRILLION wiped from software stocks in a single week (Feb 2026). Publicis Sapient reports reducing traditional SaaS licenses by ~50%, substituting with generative AI. The fear: why pay per-seat for legacy SaaS when AI agents can do the same work without the software?

Ticker	Company	Mkt Cap	Revenue at Risk	Timeline	Disruption Score
<b>INTU</b>	Intuit (TurboTax, QuickBooks)	~\$140B	25-40% (tax prep & basic bookkeeping → AI automates)	2-4 years	<b>8/10</b>
<b>NOW</b>	ServiceNow	~\$150B	15-25% (workflow automation — but AI could BE the workflow)	3-5 years	<b>6/10</b>
<b>CRM</b>	Salesforce	~\$220B	15-25% (CRM data entry, reporting → agents; but	3-5 years	<b>5/10</b>

			platform stickiness)		
			20-30% (project management tools face AI agent alternatives)	2-4 years	7/10
TEAM	Atlassian	~\$45B			
			25-35% (lighter moat, AI project management emerging fast)	2-3 years	8/10
MNDY	Monday.com	~\$10B			

**Key Data Points:** - Intuit down **34% YTD** in 2026 — TurboTax is the poster child for “why pay when AI does your taxes” - ServiceNow down **28% YTD**, Salesforce down **26% YTD** - RELX (legal analytics) crashed **14% in one day** on Anthropic legal plugin news - Wolters Kluwer crashed **13% in one day**

**Best Short Candidates:** INTU (most directly replaceable — tax prep and bookkeeping are pure automation targets), MNDY (lighter moat, smaller company)

### 3. CONTENT FARMS / SEO-DEPENDENT — Zero-Click Apocalypse

**The Thesis:** AI search (Google AI Overviews, ChatGPT, Perplexity) is destroying the referral traffic model. **15% decline in global search traffic** as of mid-2025 per Similarweb. Content that exists purely to capture search clicks is being answered directly by AI. No click = no ad revenue.

Ticker	Company	Mkt Cap	Revenue at Risk	Timeline	Disruption Score
ZD	Ziff Davis	~\$1.3B	40-60% (digital media empire dependent on SEO traffic)	1-3 years	9/10
IAC	IAC (Dotdash Meredith/People Inc)	~\$4B	25-40% (cut Google dependency from 60% to 33%, adapting)	2-4 years	6/10
BRDG	BuzzFeed (now Vivaldi Group)	~\$50M	60-80% (content farm model,	0-2 years	10/10

already  
near-dead)

**Key Data Points:** - Fiverr app downloads **down 18%**, Upwork **down 22%** in H1 2024 YoY - Dotdash Meredith proactively cut Google search dependency from 60% → 33% (smart move) - Programmatic ad revenue declining across the board as AI answers replace page visits

**Best Short Candidates:** ZD (still heavily SEO-dependent, shrinking), BRDG (already a zombie)

## 4. STAFFING / TEMP AGENCIES — AI Agents = Digital Temps

**The Thesis:** If AI agents can do knowledge work, who needs temp workers? Robert Half is down **58-62% over the past year**. Gartner predicts **20-30% reduction in customer service positions** by 2026 from GenAI. Staffing companies that place clerical, accounting, and IT contractors are in the blast zone.

Ticker	Company	Mkt Cap	Revenue at Risk	Timeline	Dis
RHI	Robert Half	~\$3B	40-55% (accounting/finance temp staffing → AI automates)	1-3 years	9/1
KFRC	Kforce	~\$700M	35-50% (tech & finance staffing)	2-4 years	8/1
TBI	TrueBlue	~\$200M	30-45% (light industrial + on-demand staffing)	2-4 years	7/1
KELYA	Kelly Services	~\$500M	35-50% (office/clerical, science, education staffing)	2-4 years	8/1
MAN	ManpowerGroup	~\$3B	25-35% (huge scale, some insulation from blue-collar mix)	3-5 years	6/1

**Key Data Points:** - RHI stock: \$108 high (Feb 2022) → ~\$28 (Feb 2026). **74% decline**. - Entry-level office/clerical temp placement is essentially an AI agent use case now - Accounting temp staffing (RHI's bread and butter) directly threatened by AI bookkeeping

**Best Short Candidates:** RHI (most concentrated in AI-vulnerable white-collar temp work), KFRC (similar exposure, less diversified)

## 5. 🎓 EDUCATION — Chegg Is Already Dead

**The Thesis:** Chegg is the canary in the coal mine — stock went from \$113 (2021) to **\$0.55** today. **99.5% destruction.** AI tutoring (ChatGPT, Claude) does what Chegg charged \$15/month for, but better and free. Other ed-tech companies face similar pressure.

Ticker	Company	Mkt Cap	Revenue at Risk	Timeline	Disruption Score
CHGG	Chegg	~\$62M	80-90% (homework help → ChatGPT does this for free)	Already happening	10/10
NRDY	Nerdy (Varsity Tutors)	~\$100M	60-75% (1-on-1 tutoring → AI tutoring at fraction of cost)	1-2 years	9/10
PSN.L	Pearson	~£6B	20-30% (textbooks disrupted, but enterprise training has legs)	2-5 years	6/10
COUR	Coursera	~\$1.5B	15-25% (course completion AI, but has university partnerships)	3-5 years	5/10

**Key Data Points:** - Chegg: from \$14B peak to **\$62M** market cap. The ultimate AI casualty. - Pearson dropped **8%** on Anthropic's legal tool news (collateral damage) - "Rated Underweight" by analysts at Morgan Stanley heading into 2026 - AI tutoring is arguably BETTER than human tutors for most subjects now

**Best Short Candidates:** CHGG (already dead, but if somehow still listed...), NRDY (next Chegg)

## 6. ⚖️ PROFESSIONAL SERVICES / LEGAL / DATA — The \$1 Trillion Club Takes a Hit

**The Thesis:** Anthropic's legal plugin triggered a sector-wide panic. RELX lost 14% in a day, Wolters Kluwer 13%. These are companies charging premium prices for legal databases, analytics, and research tools that AI can now replicate. Thomson Reuters, RELX, and Wolters Kluwer have been valued as "toll booth" businesses — but what if AI builds a new road?

Ticker	Company	Mkt Cap	Revenue at Risk	Timeline	Disrup Sco
REL.L	RELX (LexisNexis)	~£50B	20-35% (legal analytics/research —	2-5 years	7/10

			AI directly competes)		
			20-35%		
<b>WKL.AS</b>	Wolters Kluwer	~€25B	(legal/tax/compliance tools → AI alternatives)	2-5 years	<b>7/10</b>
			15-25% (Westlaw faces AI legal research; but pivoting to AI)	3-5 years	<b>6/10</b>
<b>SGE.L</b>	Sage Group	~£8B	20-35% (accounting software → AI bookkeeping)	2-4 years	<b>7/10</b>
<b>EXPN.L</b>	Experian	~£30B	10-20% (credit data has moat; analytics less so)	3-5 years	<b>5/10</b>

**Key Data Points:** - RELX stock down ~50% since Feb 2025 — massive multi-month decline - London mayor warned AI could “destroy swathes of jobs” in finance, legal, consulting - Anthropic specifically demoed legal contract review, compliance tracking, regulatory analysis - These companies have deep moats (proprietary data) but AI is testing those moats for the first time

**Best Short Candidates:** RELX (most directly exposed to AI legal research), SGE.L (accounting software under AI pressure from both INTU and AI-native tools)

## 7. ADVERTISING / MARKETING — The Creative Destruction of Creatives

**The Thesis:** AI creates ads, writes copy, designs graphics, and optimizes targeting faster and cheaper than humans. Agencies lose billable hours. Platforms that depend on human-created content for ad inventory (SEO content farms) lose traffic. The middle layer of advertising — not the platforms (Google, Meta) and not the brands — gets squeezed.

Ticker	Company	Mkt Cap	Revenue at Risk	Timeline	Disruption Score
<b>IPG</b>	Interpublic Group	~\$10B	25-40% (creative services, media buying → AI automates)	2-4 years	<b>7/10</b>
<b>OMC</b>	Omnicom	~\$16B	20-35% (similar to IPG but slightly more diversified)	2-5 years	<b>6/10</b>
			35-50%		

<b>FVRR</b>	Fiverr	~\$800M	(freelance marketplace — AI replaces low-end gigs)	1-3 years	<b>8/10</b>
<b>UPWK</b>	Upwork	~\$1.5B	30-45% (same thesis as Fiverr but slightly more enterprise)	2-4 years	<b>7/10</b>

**Key Data Points:** - Fiverr active buyers **down 10%** in 2024, app downloads **down 18%** - Upwork app downloads **down 22%** in H1 2024 YoY - Publicis Sapient cutting SaaS licenses 50% by substituting with GenAI tools - Why hire a freelance copywriter when Claude writes better copy in seconds?

**Best Short Candidates:** FVRR (most exposed to low-end freelance work that AI eats first), IPG (agency model under structural pressure)

## TOP 10 SHORT CANDIDATES — RANKED BY CONVICTION

Rank	Ticker	Company	Disruption Score	Why
1	<b>CNDT</b>	Conduent	9/10	Pure back-office processing. Small cap. No moat. AI eats this whole.
2	<b>RHI</b>	Robert Half	9/10	White-collar temp staffing is literally what AI agents replace. Down 74% from highs already but still falling.
3	<b>CNXC</b>	Concentrix	9/10	Call center giant. AI voice agents are already replacing human call centers at scale.
				TurboTax & QuickBooks are the #1 “why pay for this when AI

4	<b>INTU</b>	Intuit	8/10	does it?" targets. Huge market cap = big short potential.
5	<b>ZD</b>	Ziff Davis	9/10	SEO content empire being eaten by AI search. \$1.3B and shrinking. Least differentiated
6	<b>WIT</b>	Wipro	8/10	Indian IT giant. Most exposed to low-value work. Low-end freelance marketplace.
7	<b>FVRR</b>	Fiverr	8/10	Why hire a human for \$50 when AI does it in seconds?
8	<b>NRDY</b>	Nerdy	9/10	Next Chegg. AI tutoring is better AND cheaper.
9	<b>KFRC</b>	Kforce	8/10	Tech & finance staffing. Both categories being automated.
10	<b>MNDY</b>	Monday.com	8/10	Lightweight project management SaaS. AI agents will manage projects themselves.

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## ⚠ IMPORTANT CAVEATS

1. **Timing is everything.** Some of these (CHGG, CNDT) are already priced for death. Others (INTU, CRM) still have huge market caps and could take years to unwind.



2. **Pivots happen.** Companies that successfully pivot to AI-enabled services (like TCS with \$1.8B AI revenue) may survive or thrive.
  3. **The market can stay irrational.** Some beaten-down names (RHI, WIT) could bounce on “AI fears overdone” narratives before continuing lower.
  4. **Short squeezes are real.** High short interest + small float = dangerous. Size positions accordingly.
  5. **Not financial advice.** This is research and analysis, not a recommendation to trade.
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*“Software is eating the world” — Marc Andreessen, 2011 “AI is eating software” — Wall Street, 2026*