Cost of Not Investing (CONI) in Intelligent Processes Automation

About

This study introduces and conceptualizes the 'Cost of Not Investing' (CONI) in intelligent process automation (IPA). The authors develop a framework identifying three dimensions of CONI—operational inefficiencies, strategic disadvantages, and human capital impacts—and test initial perceptions through a cross-sector survey of 108 professionals in the US and EU.

Problem

Traditional methods for evaluating technology investments fail to capture the significant strategic risks associated with delaying the adoption of AI-driven automation. This oversight can lead businesses to make suboptimal decisions by underestimating the cascading negative consequences of inaction, such as losing competitive advantages and key talent.

Study Outcome

- Delaying automation has severe consequences, with professionals identifying talent migration (81% agreement), lower productivity (77%), and loss of early-mover advantages (74%) as major risks.
- A critical gap exists between awareness and action, as only 16.7% of organizations systematically incorporate these strategic costs into their investment decisions.
- The cost of delay is a cascading mechanism, where initial operational inefficiencies lead to lost strategic flexibility, which in turn erodes capabilities and weakens long-term competitive position.
- The most significant perceived impact is on human capital, with 81% of respondents believing that valuable employees will leave for competitors with more advanced automation.

Keywords

Intelligent Process Automation • Cost of Not Investing • CONI • Real Options • Dynamic Capabilities • Strategic Investment • Automation Strategy