

# Floor vs Ceiling: Why Productivity Gains Don't Equal Competitive Advantage



AI improves individual productivity. Recent research shows individuals with AI tools can match small team output.

AI raises the floor of performance. It does not raise the ceiling.

When everyone has access to the same tools, outputs converge, the gap between adequate and excellent narrows.

Differentiation comes from quality, judgement, and originality, and these are ceiling constraints.

Most organisations are optimising for speed and volume, but fewer are asking what happens when competitors have the same capability.

In financial services, this is visible in credit analysis, risk modelling, and regulatory reporting. AI accelerates drafting. Value sits in the review layer, not the generation layer. The firms that win will redesign how judgement is applied, not simply accelerate output.

Productivity without strategic differentiation is table stakes. It does not create advantage.