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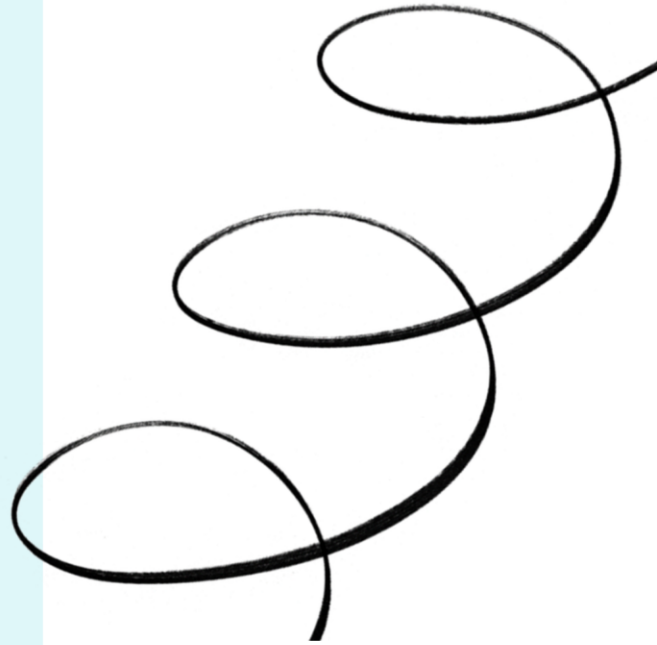
EXECUTIVE ESSAY · 2026

Competitive Advantage in the Age of AI

Why an operating system that starts
from customer need matters more
than technology alone

Petri Selkäinaho

Operational Excellence · AI · Business Intelligence



WHAT LEADERS SHOULD REMEMBER

Executive Summary

Three principles for building competitive advantage in the age of AI.

01

Customer need and objectives first

The organization exists to help the customer succeed in their own process.

02

Customer-to-customer processes before technology

Processes connect people, data and technology to achieve the customer's objectives.

03

Continuous improvement builds lasting advantage

AI strengthens the cycle of learning and improvement. It does not replace it.

AUTHOR

Petri Selkäinaho**Why I wrote this essay**

AI has risen to the top of senior leadership's agenda. Yet the conversation often starts with technology, even though lasting competitive advantage comes from something much deeper: the way an organization helps its customers succeed and leads its value creation.

I have examined this question from several angles. I have led Elisa's group-level Operational Excellence development and its centralized Business Intelligence function, and later the development of an AI-driven recommendation engine and the supporting data, identification and authentication capabilities. Today I work as a consultant on projects for some of Finland's largest listed companies.

In this essay I set out my view of why the successful use of AI is built on customer need and objectives, customer-to-customer processes, reliable data and continuous improvement – not on technology alone.

**KEY
EXPERTISE**

- Operational Excellence
- Business Intelligence
- AI & Recommendation Engines

- Data
- Large Enterprise Transformation

MORE ABOUT THE AUTHOR**Looking back, the whole picture comes into focus**

This is not a theoretical idea for me. Leading Elisa's group-level Operational Excellence transformation from 2009 onward, I saw how process management and systematic continuous improvement can strengthen competitiveness when they are led as one coherent operating principle rather than as separate development projects. The key was to connect customer need and objectives, end-to-end performance, management attention and the organization's ability to change. Elisa advanced significantly over the 2010–2020 decade – the share price tripled (3.3×) and quality recognitions accumulated.

From 2007 to 2009 I was also responsible for Elisa's centralized Business Intelligence organization. One of the valuable lessons I learned at that time stayed with me: decisions can be no more reliable than the information behind them. Master data and shared definitions may look like technical questions, but their business value shows immediately when leadership needs a shared view of customers, products and performance.

In 2016 I took responsibility for an AI-based recommendation engine. Over the next three years I led a change in which predictive and adaptive analytics supported customer service and sales with next-best-action recommendations. The results and the experience demonstrated the potential of intelligence embedded in operational work. At the same time, it exposed the dependencies: recommendations were only as good as the underlying customer and product data, customer identification, business rules, contextual information and the processes at the customer interface.

This observation led naturally to my next responsibility: for two years I led the development of customer data and of customer identification and authentication. Viewed from the outside, the move might have looked like stepping away from AI, but in reality, I went deeper into the foundations that make AI useful and reliable. My subsequent consulting work with some of Finland's largest listed companies has confirmed the same conclusion: technology helps the customer succeed sustainably only when it is integrated into a well-led system of customer-to-customer processes, data, decisions and continuous improvement.

Looking back, I realized I was not moving from Operational Excellence to AI. I was gradually building different parts of the same operating system.

PERSPECTIVE

Competitive Advantage in the Age of AI

Why an operating system that starts with a customer need matters more than technology

AI is table stakes rather than a competitive differentiator. Competitive advantage comes from how well an organization helps its customers succeed in their own processes. AI is one of the most powerful new capabilities for reaching that goal – but only when it is built on an operating system that starts from customer need.

The wrong starting point

AI has moved from expert circles to the heart of senior leadership discussions. Boards weigh the level of investment, executive teams compare platforms, and employees find practical applications for generative AI in their own work. The enthusiasm is understandable: AI can expand analytical capacity, speed up knowledge work and open up possibilities that were hard to imagine only a few years ago.

But focusing on technology can put the discussion in the wrong order. Organizations often start by asking which model to choose, where to roll out Copilot, or how quickly an AI agent can be built. These are important implementation questions, but they are not the starting point of competitive advantage. If raised too early, they risk placing new tools on top of current ways of working – without first assessing how the customer's success, and the work that supports it, should be developed.

The more important question is therefore not “How should we use AI?” A better question is: “What kind of operating system helps the customer succeed and, at the same time, enables sustainable performance?” The perspective shifts from a technology project to the company itself: to how customer need is understood, work is connected across organizational boundaries, decisions are made, experience is turned into learning, and operations are improved.

By operating system, I mean neither the company's IT architecture nor merely what is usually called the management system. I mean the whole by which an organization helps the customer succeed: customer-to-customer processes that begin with customer need and objectives, reliable data, and technology and AI, all continuously improved through the PDCA principle. The operating system is therefore a broader concept than the management system. The management system – leadership, governance models, decision-making and capability development – is the steering part of the operating system: it sets direction, amplifies the benefits gained from technology, and turns purpose into

results. Every company has such an operating system, whether it was designed deliberately or formed gradually through structures, systems and established habits.

The term AI Factory deserves a short definition here, because it is often used as if it were self-evident. It refers to the industrial production model of AI: a repeatable machine at the core of the company that systematically turns data into models, predictions, recommendations and automated actions. It is made up of data pipelines, machine-learning algorithms, an experimentation platform and software infrastructure that together create a continuous learning loop. In recent years the term has also come to refer more broadly to the level of maturity at which AI is in such comprehensive and repeatable use that it produces value across the organization – and, on the infrastructure side, to computing environments that “manufacture intelligence” at industrial scale. What matters for leadership, however, is where the AI Factory sits in relation to value creation.

The AI Factory is not the operating system. The AI Factory is one of the operating system’s capabilities.

The distinction matters. An AI Factory can provide shared infrastructure, models, data services, deployment practices, monitoring and governance. It can make developing and using AI industrially repeatable. But on its own it does not decide how the customer should succeed, which performance outcomes to prioritize, how the conflicting objectives of different functions are reconciled, or how work is redesigned. These remain the responsibility of leadership.

Customer need and objectives before technology

The most durable starting point is therefore the same as before the current wave of AI: the customer. Organizations do not exist to adopt technology, but to help their customers achieve objectives that matter to them. A customer-to-customer process begins with customer need and ends with the solution delivered to the customer, the customer’s experience and their feedback. Value is created in the customer’s own process when the solution helps them succeed. As processes run, information is generated and used, and this becomes the company’s data. Technology’s task is to strengthen this system, not to define its purpose.

Customer need and objectives first. Customer-to-customer processes before technology. Reliable data as the foundation. AI as the enabler.

“Processes before technology” does not mean automating current processes. It means redesigning value creation starting from customer need, and only then supporting it with people, data, automation and AI. Otherwise, the risk is automating a poorly working process and delivering poor service more efficiently.

A customer-centric perspective also explains why process management cannot be reduced to documenting processes. A customer-to-customer process crosses functional boundaries because the customer's objective crosses them too. It connects the decisions, information, responsibilities and capabilities required to deliver the solution and enable the customer's success. If functions optimize only their own work, interfaces multiply, information fragments, and local efficiency can degrade the customer experience. The task of process management is to prevent exactly this.

The operating system behind competitive advantage

Customer need first. Processes before technology. AI as the enabler.

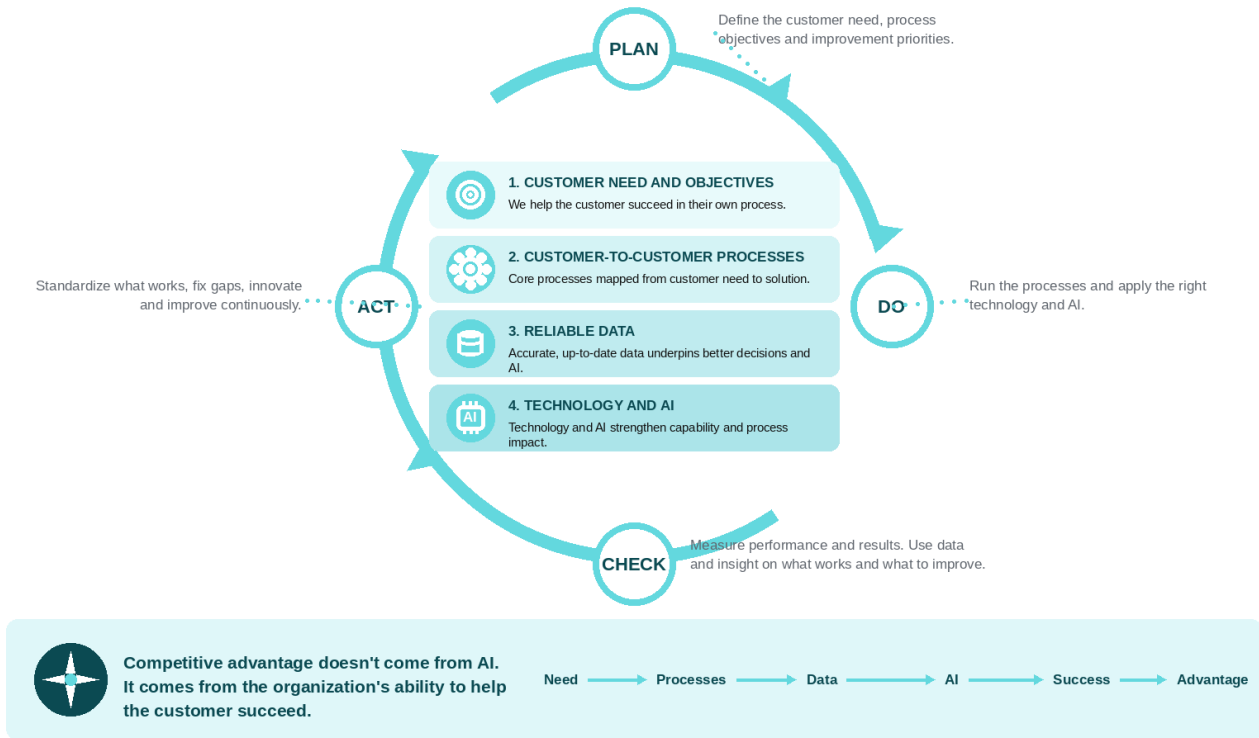


Figure 1. The operating system behind competitive advantage: customer need and objectives, customer-to-customer processes, reliable data, and technology and AI are continuously improved through the PDCA cycle.

AI does not replace the operating system – it strengthens it

In their book *Competing in the Age of AI*, Marco Iansiti and Karim Lakhani argue that a digital organization cannot be led effectively if its processes, data and organizational units remain separate silos. They describe leaders as designers, reformers, integrators and guardians of the digital system. The idea is powerful because it shifts the conversation from individual tools to the way of operating. I agree with them, but I would take the argument a step further: these leadership responsibilities closely resemble the aims of mature process management.

The purpose of business core processes has never been to create a new hierarchy alongside the functional organization. The purpose has been to build end-to-end responsibility for the customer's success, to connect work across silo boundaries, and to create a disciplined loop of measurement and improvement. The age of AI does not make this leadership architecture obsolete. It makes it more decisive than ever.

AI learns from the information an organization produces. Much of that information is created when people and systems carry out processes: a customer encounter is recorded, a product feature is maintained, a service request is classified, an order is delivered or an anomaly is resolved. If the process is inconsistent, the resulting data is often inconsistent too. If ownership is unclear, definitions and quality control begin to diverge. A model may be technically advanced, but it still inherits the reality of the operating system around it.

AI therefore does not so much replace the operating system as amplify its effects. In a coherent system it can accelerate learning, support better decisions and help redesign work around customer outcomes. In a fragmented system it can scale ambiguity, produce convincing answers from unreliable inputs, and speed up local optimization. What is decisive is not only whether the technology works, but whether the organization knows what it wants to improve with it.

The new role of the business core process owner

When my earlier experiences come into focus as parts of the same operating system, process ownership also appears in a new light. If customer need and objectives, customer-to-customer processes, data and intelligence form one system, the process owner cannot be merely the maintainer of the current workflow. Their responsibility is, at once, to ensure the performance and reliability of the current process and to build the way of operating for the future. The role must expand from preserving the process to continuously renewing the value creation that supports the customer's success.

The traditional responsibilities remain essential. The business core process owner ensures that the process is identified and designed from the customer's perspective and contains the steps and actions critical to the outcome. People must understand the end-to-end whole and their own role in it. Tools, guidance and information must support successful

execution. Anomalies and change needs must be addressed quickly, and performance must be assessed systematically to achieve better customer satisfaction and internal efficiency.

Mature process ownership, however, is not limited to overseeing the current process, ensuring compliance or making incremental improvements. The more mature the ownership, the more strongly it includes the continuous innovation and renewal of the process: challenging established assumptions, rethinking the process and, where necessary, replacing it entirely with a new way of operating. The process owner is a pathfinder who champions customer need, aims to exceed customer expectations and leads the change of the whole.

The process owner thus combines two responsibilities: ensuring the performance and reliability of the current process and building the future way of operating. This is active leadership, not administrative ownership. They are responsible for the continuous development and renewal of the whole process, both within their own value stream and together with other process owners. The cross-process dimension is decisive. The customer experiences the company as a single service journey, even though the organization often leads work through separate functions, systems, budgets and metrics. The process owner's task is to connect these into a boundary-crossing whole.

AI expands the development agenda. The process owner should identify where intelligent support helps the customer achieve their objectives, improves quality or responsiveness, and reduces delays and unnecessary work. They must distinguish the decisions AI can support from the responsibilities that should remain with people for reasons of empathy, accountability or judgment. The role also includes assessing whether the process produces sufficiently reliable data, whether definitions are shared across boundaries, and whether both new risks and intended results are monitored after technology is deployed.

The process owner is not the technical owner of AI. They are the business owners of AI adoption in their own process. Their responsibility is to ensure that AI helps the customer succeed, improves the performance of the process, and works together with people, data and other technology.

This makes the process owner a pathfinder, reformer, leader of change and integrator. The role approaches the leadership qualities Lansiti and Lakhani describe: designing the system, innovating new ways of operating, integrating across organizational boundaries, and guarding performance and trust. The process owner's particular focus, however, is the customer's end-to-end outcome. It is precisely the championing of customer need and the aim of exceeding expectations that keep renewal from turning into technology for technology's sake.

What AI does not replace

AI can analyze, suggest and automate, but where the customer's success and the organization's renewal are concerned, not everything essential can be reduced to data or computation. Three human capabilities remain especially important.

Creative collaboration. Producing solutions alone does not create shared understanding or commitment. Renewal requires dialogue between people, interpretation and building together.

Appreciative feedback. AI can help shape feedback, but genuine recognition from another person strengthens trust, meaning and social standing in a way a machine does not replace.

Holistic judgment. Reality is always richer than data. Decisions require reconciling experience, situation, values, responsibility and consequences – especially when information is incomplete or objectives conflict.

The AI Factory needs a management system

The expanded role clarifies the relationship between process management and the AI Factory. The AI Factory provides a repeatable technical capability with which data can be turned into models, applications, recommendations and automated actions. It can include computing infrastructure, shared data services, model development and deployment, monitoring, security and governance. These elements are essential when an organization wants to move from individual experiments to large-scale use.

Technical repeatability, however, does not by itself create repeatable business value. A model can be deployed consistently even when the organization has no shared view of the customer objective it is meant to advance. An agent can perform a task efficiently while the wider process remains fragmented. A recommendation can be statistically accurate and still fail to support the customer's success. The ability to produce AI does not automatically create the ability to help the customer succeed.

The AI Factory is not the operating system. The AI Factory is one of the operating system's capabilities.

The operating system must connect this capability to strategic purpose, customer outcomes, process ownership, shared data, decision rights, performance metrics, risk management and continuous improvement. Process management provides much of this leadership architecture. It makes it possible to choose in a disciplined way where AI belongs, to redesign the surrounding work, to reconcile dependencies and to learn from results.

This also helps solve a common governance problem. If AI is treated as a separate change program, business functions may expect experts to identify the use cases, while technology teams lack the authority to change end-to-end work. When ownership is tied to business core processes, responsibility sits closer to the customer and to the performance to be improved. Shared AI and data teams can provide platforms, standards, expertise and safeguards, while process owners lead adoption and renewal within a shared operating model.

The result is neither decentralization without direction nor centralization without a business connection, but an integrated system: shared capabilities and governance combined with end-to-end business responsibility. This is what breaking down silos means in practice. Functions remain important sources of expertise and capacity, but the customer's success is led across them.

Operational Excellence in the age of AI

Operational Excellence has always meant more than efficiency. At its best it is the discipline of building an organization that understands customer needs and the creation of value in the customer's own process, makes performance visible, responds to anomalies, learns systematically, and improves its operations and performance faster than the environment changes. AI expands the toolkit of this discipline, especially in knowledge work, prediction, personalization and decision support. It does not change the purpose of the activity.

The familiar logic of continuous improvement still applies. The organization sets a goal, changes the way work is done, evaluates both customer and operational results, and corrects course. What has changed is the system being improved. Leaders no longer develop only the interaction of people and processes, but the socio-technical whole in which people, data, traditional automation and AI learn to work together. The PDCA cycle is as essential to the model and the way it is used as it is to the process around it.

That is why I do not believe the winners of the AI age will stand out through the largest models alone. Access to models is widening, tools are becoming easier to use, and today's technical lead is narrowing. AI does not diminish the importance of process management – it makes it more important than ever. The more decisions, recommendations and tasks are supported by AI, the more important it becomes to lead the customer-to-customer process as a whole.

The strongest organizations start with customer need and objectives, lead work through customer-to-customer processes, treat reliable data as a business responsibility, and use technology deliberately as an enabler. Their process owners ensure the performance of current processes while also acting as pathfinders, reformers, business owners of AI adoption and leaders of change across the whole. The AI Factory makes digital capabilities reusable and scalable. The operating system connects all of this into a cycle of customer success, performance, learning and renewal.

Competitive advantage does not come from AI. It comes from the organization's ability to help the customer succeed.

The strongest organizations continuously improve the entire operating system, with particular emphasis on understanding customers, using that understanding, and ensuring that customer-to-customer processes help the customer achieve their objectives and exceed their expectations. This is precisely what Operational Excellence means in the age of AI.

CLOSING

Closing Statement

The winners of the AI age are not the organizations with the best tools. The winners are the organizations with the best operating system for using them.

THREE PRINCIPLES

1

Customer need and objectives first

2

Customer-to-customer processes before technology

3

Continuous improvement builds lasting advantage

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