

# AI is Rewriting the Rules of Work and Redefining Management

By Don Sutherland

The business world continues to evolve at a remarkable pace. Even as the Artificial Intelligence (AI) transformation is still in its early stages, it is starting to impact business and the way it is conducted. Recent reporting from Yahoo Finance and *The New York Times* illustrates that during periods of disruptive change, both challenge and opportunity can co-exist. Indeed, challenge can be framed as opportunity in an entrepreneurial mindset.

[Yahoo Finance](#) highlights how AI is beginning to reshape the labor market by displacing and augmenting workers. Evidence suggests that, at least for now, the net effect is slightly negative for employment. According to Goldman Sachs economist Elsie Peng, AI-driven automation has reduced monthly payroll growth by about 16,000 jobs per month.

In contrast, [The New York Times](#) profiles entrepreneur Matthew Gallagher, who built Medvi, a highly profitable telehealth company generating hundreds of millions in revenue, with only a handful of people by leveraging a wide array of AI tools for coding, marketing, customer service, and operations. His success illustrates the emerging possibility of “superefficient” companies that can scale rapidly with minimal human labor. The story highlights how AI is not only reducing labor demand in some areas but also dramatically lowering the barriers to entry (recall the Porter Five Forces Framework), enabling individuals with the right skills to build and scale businesses at unprecedented speed. In doing so, AI is beginning to redefine traditional assumptions about firm size, productivity, and organizational structure.

For managers, the implications are profound. The central challenge increasingly concerns strategically integrating AI: deciding where to substitute, where to augment, and how to redesign work itself. Leaders must balance efficiency gains with talent development, ensuring that productivity improvements do not come at the cost of long-term capability. Those who succeed will be the ones who treat AI not merely as a cost-cutting tool, but as a force multiplier for human potential.