

12 / MAR / 2026 · VICTOR B · AI, PROFESSIONAL SERVICES, FUTURE OF WORK

— THE INFORMED LAYER · ESSAY

The Defragged Economy.

How AI is reorganising professional work —
and who captures the gain when it does.

Bajanov Advisory | EVIDENCE-BASED AI DECISIONS

10x

the output.

The same salary. A new kind of exhaustion.

“ Thinking was always the hard part of knowledge work. Execution was the *holiday*. AI removes the holiday.

– THE COGNITIVE BITE, AFTER YEGGE

When every mechanical task is instant, what remains is an unbroken stream of judgement, synthesis, and decision — at 10x the rate, absorbed alone.

Consolidation, dressed as efficiency.

Markets reward headcount cuts. Every individual CEO is stuck in a competitive dynamic where unilateral restraint is punished.

<p>01</p> <h3>Fire 15%</h3> <p>Trim the obvious. Announce the AI story. Book the margin.</p>	<p>02</p> <h3>Absorb</h3> <p>Remaining staff pick up the load. Output holds. Earnings pop.</p>	<p>03</p> <h3>Fire 20% More</h3> <p>As AI improves, repeat. The drive rearranges itself.</p>	<p>04</p> <h3>Hit The Wall</h3> <p>No surge capacity. No redundancy. No one coming up behind.</p>
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DEFRAG ≠ DELETE *"We're not firing people. We're optimising."*

The firm's moat was **overhead**. AI just dissolved it.

WHAT SENIORS NEEDED THE FIRM FOR

- 01 Research teams & junior associates
- 02 Proposals, decks, document production
- 03 Bookkeeping, IT, compliance
- 04 Marketing & business development
- 05 Financial modelling & market sizing

WHAT AI HANDLES CREDIBLY TODAY

- 01 Research teams & junior associates
- 02 Proposals, decks, document production
- 03 Bookkeeping, IT, compliance
- 04 Marketing & business development
- 05 Financial modelling & market sizing

◀ SAME LIST ▶

This time, the economy works.

History's educated professionals fled — because the *economy* collapsed around them. AI displacement is different: it happens *inside* prosperity.

800K

ARGENTINA · 2001

Professionals emigrated during the crisis.

500K

GREECE · AUSTERITY

Educated citizens left during the decade.

87K

SOUTH KOREA · TODAY

Fried-chicken shops. More than every McDonald's worldwide, combined.

AI displacement lands in a **functioning, growing** economy — with solvent clients, enforceable contracts, stable currency. The displaced professional's starting position is *better* than the Russian engineer's.

A networked market, intermediated by professional bodies.

THE SENIOR

Independent & AI-augmented.

Client relationships.
Domain authority.
Judgement that clients actually pay for.

NEEDS: SURGE
CAPACITY,
SECOND EYES,
PRESENCE

PROFESSIONAL ASSOCIATION

The matchmaking layer.

Credentialling. Ethical oversight. PI umbrella. AI-enabled skills taxonomy & matching.

REPLACES THE FIRM'S BUNDLED APPRENTICESHIP

THE JUNIOR

Project-based, meritocratic.

Builds credentials through demonstrated performance on real work — not seat-warming.

NEEDS:
EXPOSURE,
FEEDBACK,
MARKET SIGNAL

Two playbooks. Same AI. Different futures.

THE EXPANSION PLAY

Keep the team. Do 10x for clients.

- Productise services at fixed price
- Share the upside with senior practitioners
- Undercut hourly competitors by half, still book higher margin
- Move first on jurisdiction & associations

A new kind of firm.

THE COST-CUT PLAY

Fire the team. Pocket the savings.

- × Still bill by the hour on a 10x task
- × Seniors walk — they've now seen what they can do alone
- × Institutional knowledge leaves with them
- × No moat. No differentiation.

Racing to zero.

Someone, somewhere, has to **put a stake in the ground.**

The coordination problem isn't solvable through patient deliberation. First movers face obvious risks; second movers face structural disadvantage. By the time the optimal decision becomes clear, the question of who captures the value has already been settled.