The
Value Relocation®

CASE 01 — EXECUTIVE EDUCATION

When Knowledge Is No Longer the Product

- Industry: Executive Education
- Region: Canada
- Value Relocation: Knowledge → Transformation, Network & Credential

The Company

Northbridge School of Management is a fictional Canadian business school with a strong executive education business.

For years, its model worked extremely well.

Executives paid between $5,000 and $20,000 to attend intensive programs in strategy, leadership, finance, innovation and digital transformation. Companies sent management teams to multi-day programs. Professors translated research into practical frameworks. Participants received carefully curated materials, discussed cases and returned to their organizations with new knowledge.

The underlying value proposition was rarely stated explicitly.

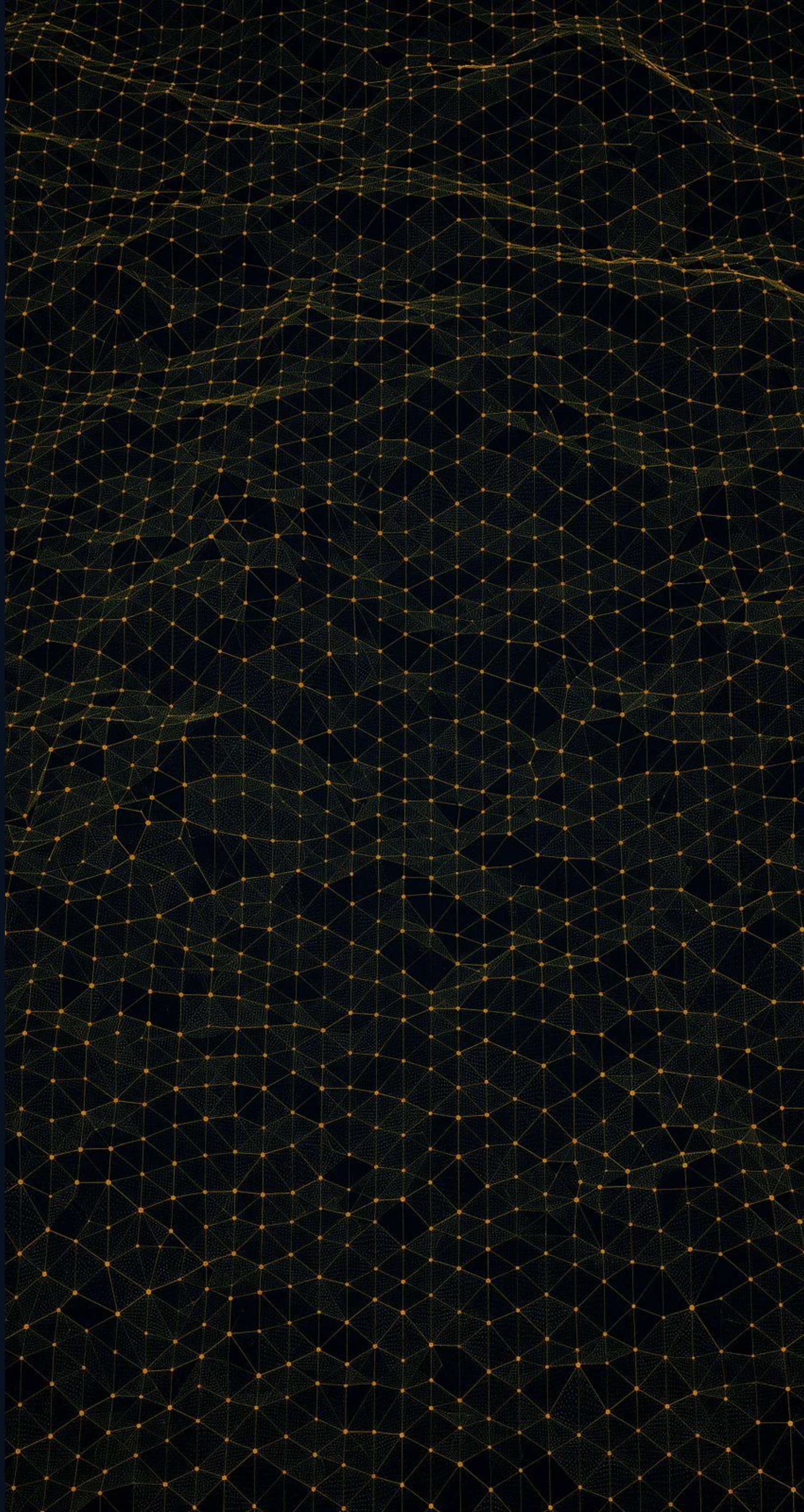
But it was clear:

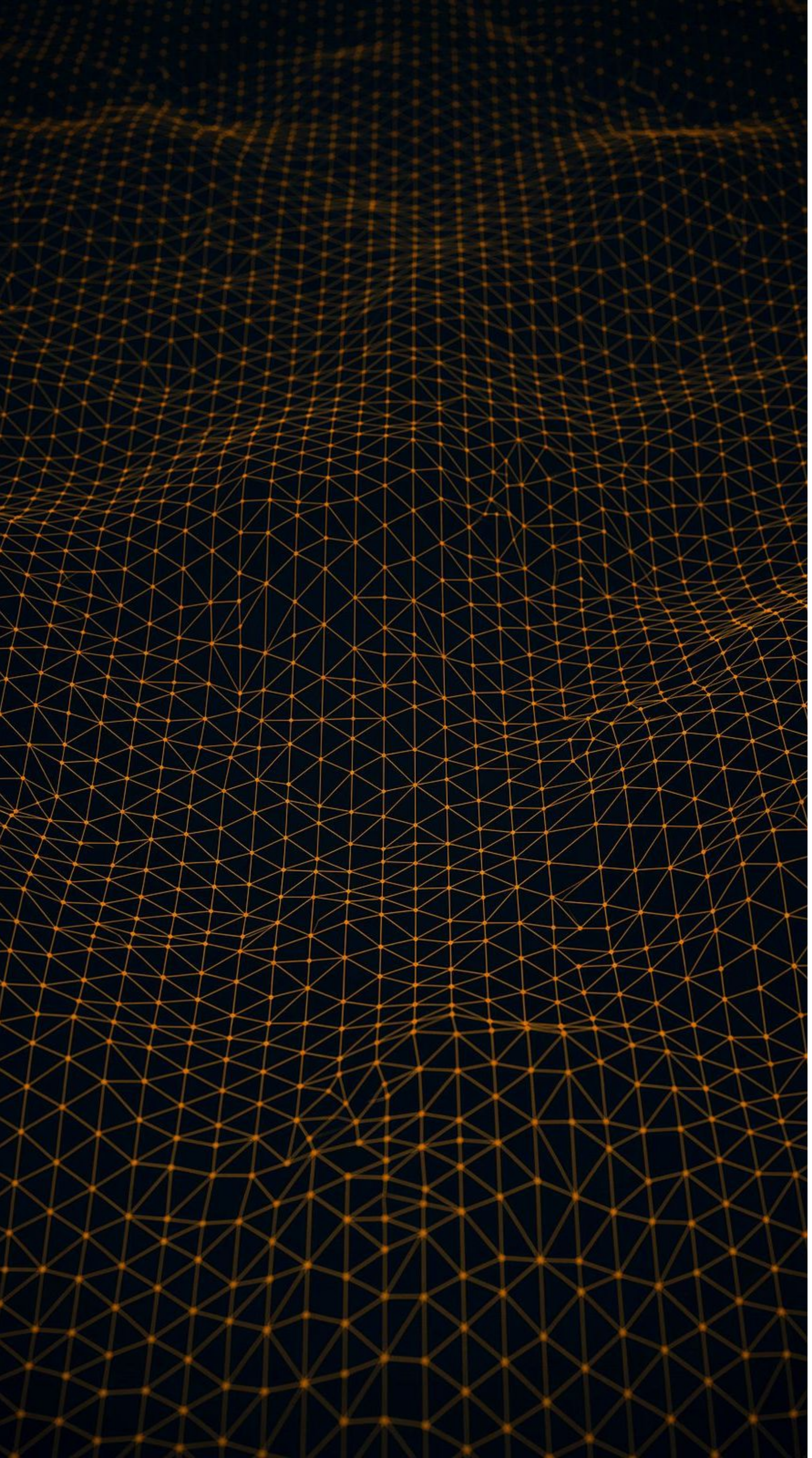
We know something you don't. And we can teach it to you.

- Knowledge was scarce.
- Access to experts was scarce.
- High-quality business content was scarce.

And the institution had built an attractive business around providing access to all three.

Then the economics of knowledge began to change.





The Old Scarcity

For decades, executive education benefited from several forms of scarcity.

A senior manager wanting to understand corporate strategy could read books, hire consultants or attend a business school. But acquiring structured, relevant and applicable knowledge required considerable effort. The business school reduced that effort. It selected the relevant theories. Professors interpreted them. Cases illustrated them. Programs provided structure.

The institution effectively performed three valuable functions:

Selection

Interpretation

Transfer

This justified a premium.

A three-day strategy program did not cost thousands of dollars because printing slides or providing a classroom was expensive. Participants paid because the institution had privileged access to expertise and could efficiently transfer that expertise to them.

Knowledge was the product.

The Abundance Shock

Generative AI fundamentally changes this equation. Consider a manager preparing for a strategy workshop. Today, that manager can ask an AI system:

> *Explain Porter's Five Forces for my industry.*

Seconds later, the framework appears.

The manager can continue:

> *Apply it to a European industrial equipment manufacturer with €500 million in revenue.*

The AI adapts the framework.

Then:

> *Challenge the analysis from the perspective of a private-equity investor.*

Another perspective appears.

Then:

> *Turn the conclusions into five strategic questions for our management workshop.*

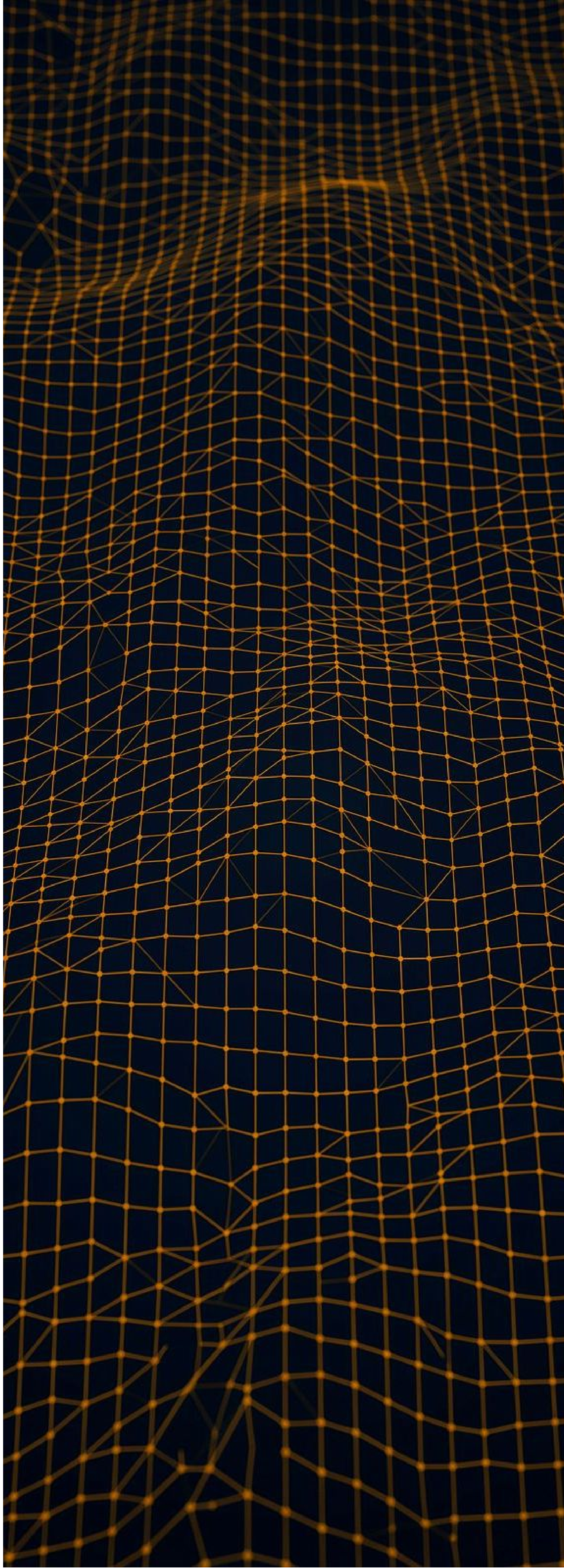
What previously required books, research, professors or consultants can increasingly happen in minutes. And this is only the beginning.

AI can explain concepts at different levels of complexity, generate examples, simulate opposing viewpoints, answer follow-up questions and adapt explanations to an individual's context. The marginal cost of another explanation approaches zero.

That creates a fundamental change:

Business knowledge is becoming abundant.

And when something becomes abundant, its ability to command a premium tends to decline.



THE VALUE RELOCATION

The obvious reaction for a business school would be to use AI to make education more efficient.

- Generate course materials faster.
- Create personalized learning paths.
- Build AI tutors.
- Automate assessments.

All of these initiatives may make sense. But they address efficiency. They don't address the strategic question.

The more important question is:

> **If knowledge itself becomes abundant, what remains scarce?**

This changes the perspective completely. The value does not disappear.

It relocates.

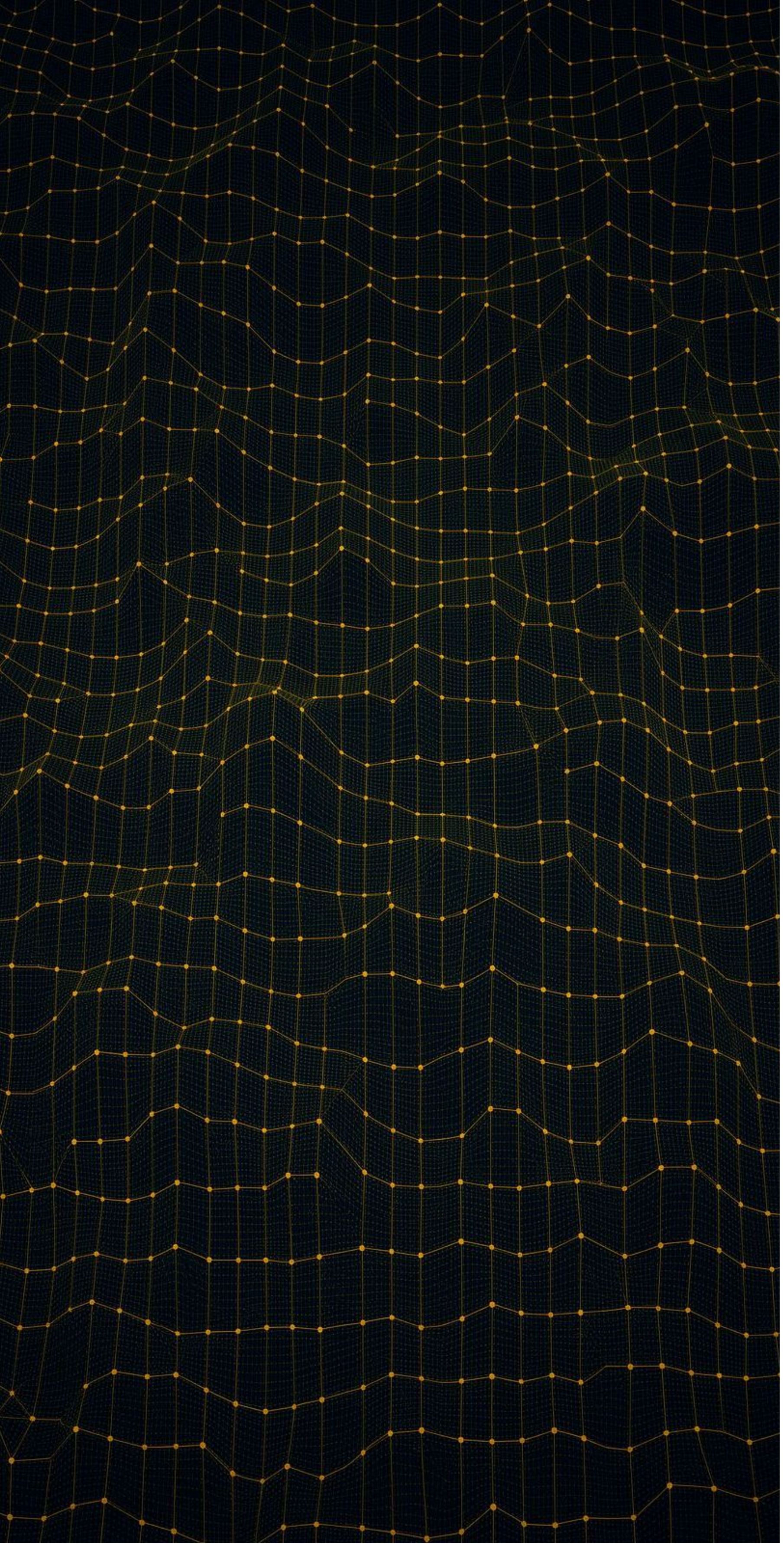
FROM

- Knowledge
- Content
- Explanation
- Frameworks
- Information access

TO

- Transformation
- Application
- Judgmen
- Peer interaction
- Network
- Experience
- Credential
- Accountability

The institution therefore needs to reconsider what business it is actually in.



From Teaching Strategy to Practicing Strategy

Imagine the same three-day strategy program five years from now. Participants no longer spend the first day listening to professors explain strategic frameworks. They already have access to those frameworks.

Instead, before arriving, each participant works with an AI learning environment to understand the relevant concepts and apply them to their own company. The physical program begins where traditional education often ends:

with application.

Participants bring a real strategic problem from their organization. They defend their assumptions. Peers challenge them. Faculty members expose contradictions. Industry experts introduce perspectives that were missing. Teams simulate competing strategic choices. Executives make decisions under uncertainty. And they experience the consequences.

The product is no longer:

Learn strategy.

It becomes:

Become better at making strategic decisions.

That distinction may appear subtle. Economically, it is enormous.

The New Scarcity

AI can explain a framework. But explanation is not the same as transformation.

AI can generate arguments. But generating arguments is not the same as standing in front of twelve experienced executives and defending a strategic decision.

AI can simulate perspectives. But a simulation is not the same as building relationships with peers who may become customers, partners, employers or investors.

And AI can generate certificates. But it cannot automatically reproduce the reputation accumulated by a respected institution over decades.

Several resources therefore become relatively more v

aluable precisely because knowledge becomes abundant.

Context

- Knowing a framework is easy.
- Knowing when it applies is harder.

Judgment

- Producing alternatives becomes cheap.
- Choosing between them remains difficult.

Network

- Information can be replicated infinitely.
- Relationships cannot.

Experience

- Content scales almost without limits.
- A meaningful human experience does not.

Credential

When information becomes abundant, trusted signals of competence may become more important rather than less important.

Transformation

People rarely struggle because information does not exist.

They struggle to turn information into changed behavior.

THE STRATEGIC RESPONSE

If Northbridge accepts this shift, it should not simply add AI to its existing courses. It should redesign the product around the new scarcity. Traditional lectures become preparation. AI handles much of the knowledge transfer. Physical and synchronous learning focuses on situations where human interaction creates disproportionate value. Programs become smaller, more intensive and more contextual.

Faculty roles change. The professor is no longer primarily a source of information.

The professor becomes:

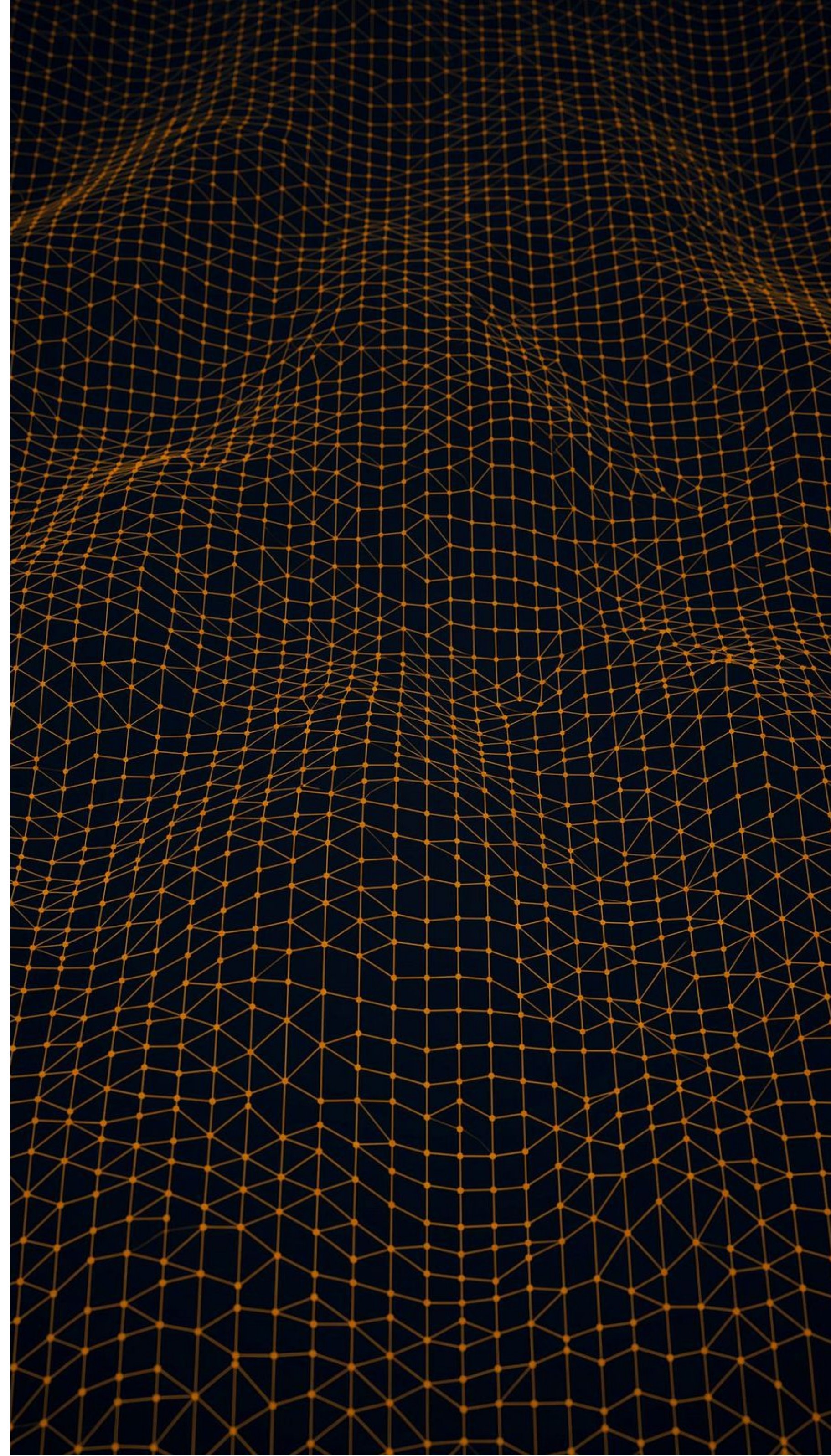
challenger, facilitator, coach and curator of experience.

The economics may change as well. A school might provide AI-supported foundational learning at very low cost – perhaps even free. That creates reach. Premium pricing then moves toward scarce experiences:

executive simulations, personal coaching, cohort programs, industry networks, applied projects and recognized credentials.

The institution therefore doesn't necessarily become less valuable.

It can become **more valuable while selling less knowledge.**

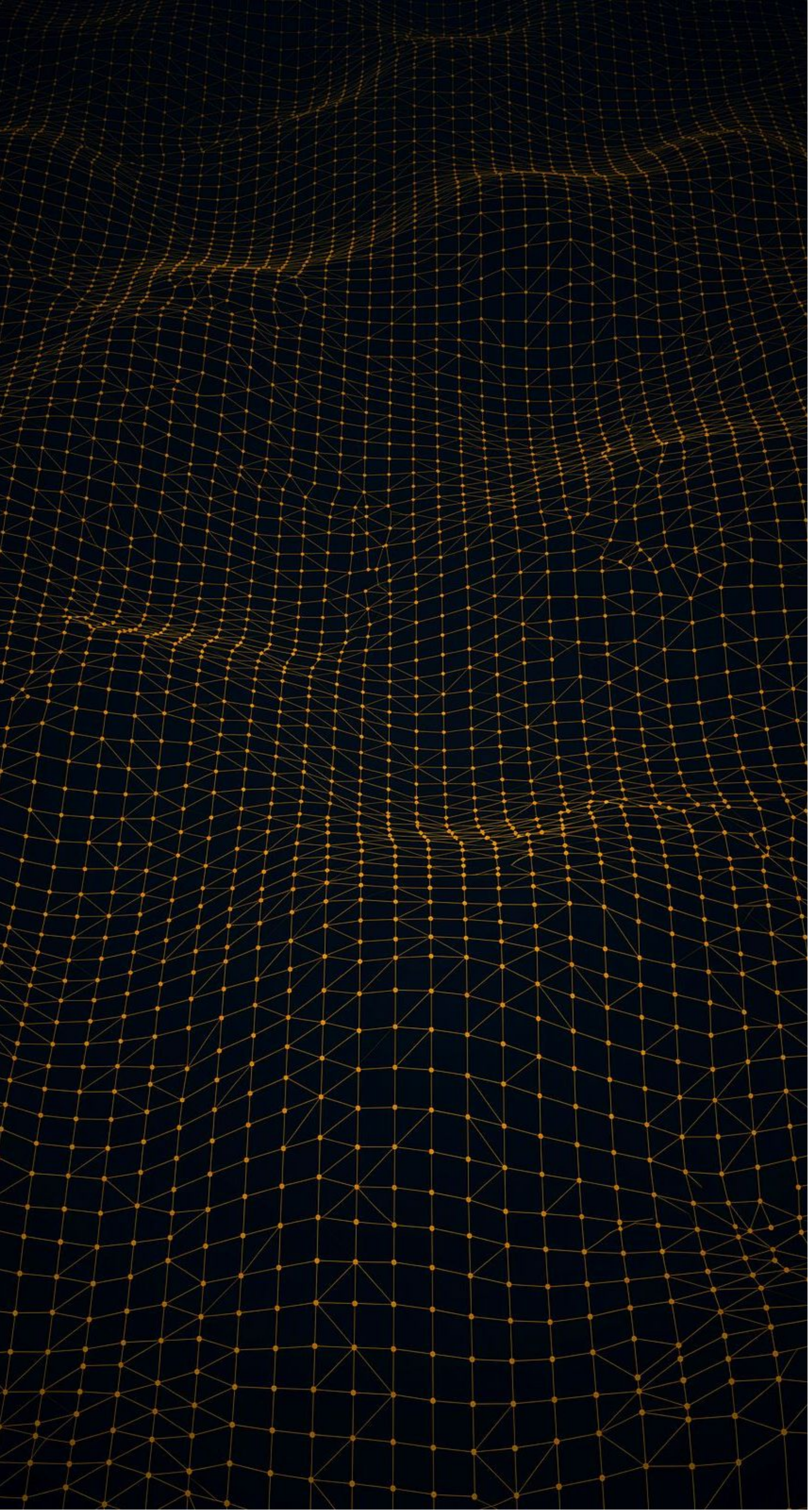


VALUE RELOCATION MAP

Value Component	Before AI	After AI	Direction
Knowledge	Scarce	Abundant	↓
Business content	Scarce	Abundant	↓
Explanation	Valuable	Commoditized	↓
Analysis	Expensive	Cheap	↓
Context	Valuable	More valuable	↑
Judgment	Scarce	Scarcer	↑
Peer network	Scarce	Scarce	↑
Experience	Valuable	More valuable	↑
Credential	Valuable	Potentially more valuable	↑
Transformation	Scarce	Scarce	↑

This is the important distinction. The market for executive education does not necessarily disappear.

But **the reason customers pay changes.**



THE MANAGEMENT QUESTION

The Northbridge case is about education. But the underlying question applies far beyond universities.

- Consulting firms sell expertise.
- Software companies sell functionality.
- Banks sell information and advice.
- Marketing agencies sell creativity.
- Professional services firms sell analysis.

Many of these businesses have built their economics around something that historically was difficult to produce. AI changes the cost of producing it.

The strategic question is therefore not:

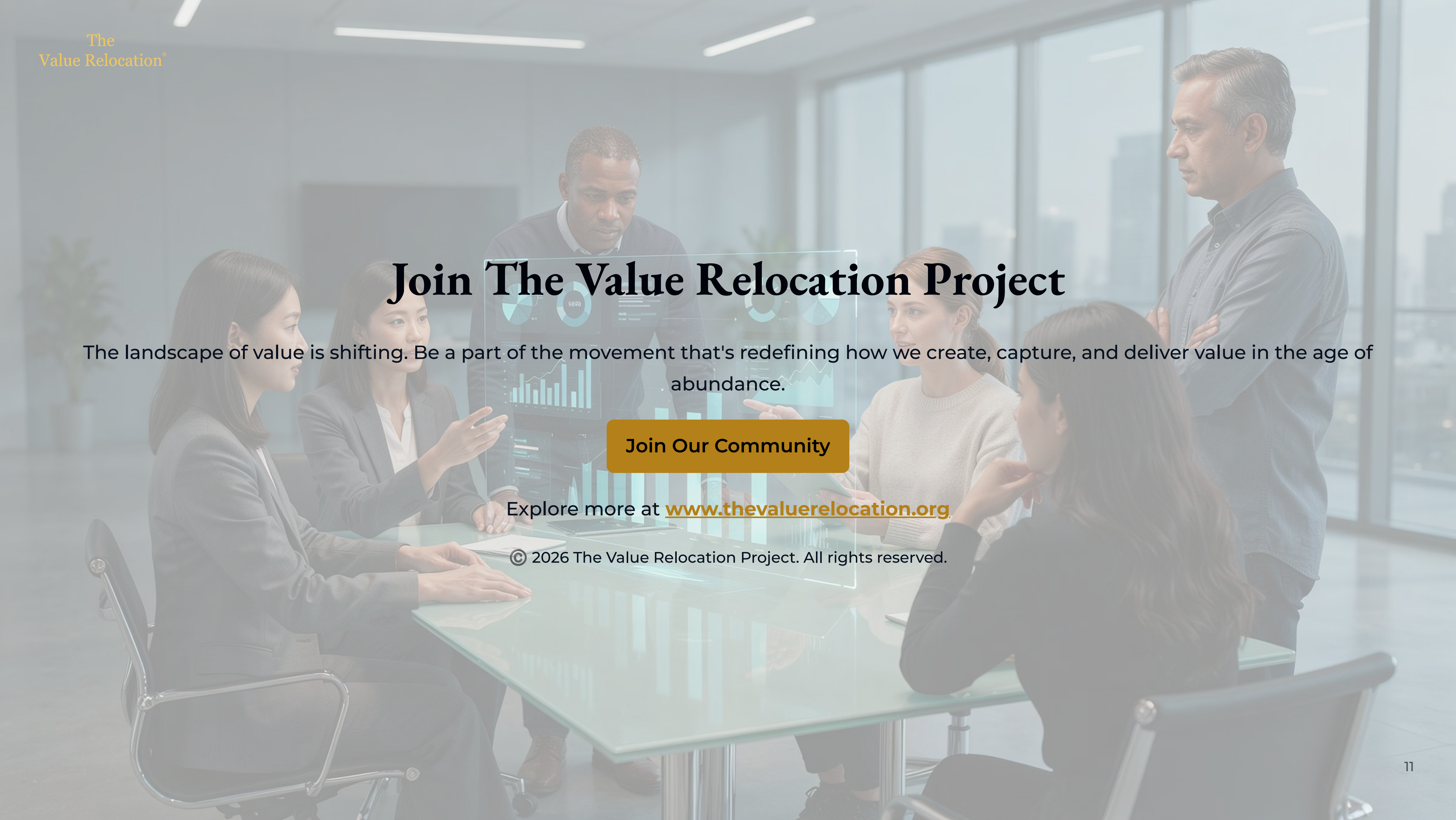
> **How can we use AI to become more efficient?**

It is:

> **If the thing our customers traditionally paid us for becomes abundant, what will they still pay a premium for?**

That is the starting point of Value Relocation.

The Value Relocation®



Join The Value Relocation Project

The landscape of value is shifting. Be a part of the movement that's redefining how we create, capture, and deliver value in the age of abundance.

Join Our Community

Explore more at www.thevaluerelocation.org