

The Asset Is No Longer the Model

What now holds patrimonial value is not the software. It is the reproducible capability to operate it.

The reader has changed

Since the first week of this cycle, one sentence has held: a model that performs on a benchmark is not, for that reason, operable. It was an engineer's statement, defended on architectural grounds. This year, it changed language. Not because the thesis evolved, but because a new reader has appeared on the executive committee, and that reader does not read accuracy scores. The CEO, the General Counsel, and the Chief Risk Officer no longer ask whether the model works in the laboratory. They ask whether the organization has the sustainable capability to bear responsibility for its decisions, and at what recurring cost.

Deployability, understood as the mere technical capacity to reach production, no longer suffices to describe the problem. The old equation linked performance to production release. The new one links performance to the sustainable capability to operate its decisions. The lock is no longer technological. It is institutional.

Three levels, one order

The cycle mobilizes three neighboring notions that a hurried reader treats as synonyms, and that an opponent will know how to separate. They do not live at the same level, and the order matters.

- At the first level, the **sustainable operating capability**: an emergent property of the organization, its ability to absorb, steer, and audit the risk of an automated system over time, at controlled cost.
- At the second level, the **institutional regime**: the set of rules, formal and informal in the sense of institutional economics, that make this capability possible, from lines of accountability to arbitration procedures and evidentiary obligations.
- At the third level, the **auditability regime**: the technical and organizational implementation of those rules in a given system, the mechanisms by which it remains, at every moment, controllable and accountable.

A property, the rules that ground it, their embodiment in the architecture. This ordering is not decorative: it will indicate, at the end of this article, which of these three objects deserves the name of asset. This lexicon is stable across the entire cycle.

The migration of the constraint and of capture

The market long read the cost of artificial intelligence as a cost of acquisition. You buy a license, you call an API, and the rest would be merely a matter of the capability curve: the next model, better trained, will absorb whatever is getting stuck. Conflating the cost of the model with the cost of the regime surrounding it is the founding error of the first deployments.

The cost of acquisition is the model's, paid once. The cost of operation is that of the auditability regime that frames it, paid every month: continuous monitoring, engineering of control data, human arbitration, drift management, legal responsibility. One will object that IT delivery was never trivial, and that is correct: integrating an SAP system, a core banking platform, or a hospital information system remains a difficult art. What has been commoditized is therefore not delivery in general, but a precise segment: access to models, baseline integration, standard deployment. The delivery of the model becomes a commodity. The delivery of the regime does not.

From this comes a law that senior leadership is discovering in 2026: the operating cost does not fall when the model improves. Often, it rises. A model judged more capable is immediately applied to more critical processes, capturing high-responsibility business flows. In doing so, it widens the impact surface of an anomaly and demands a hardening of control structures.

The limiting factor has migrated, and it is the limiting factor we must speak of, not value. Value remains co-produced by the model, the data, the processes, and the people: its source has not changed. What moves is the bottleneck, and rent does not follow value, it follows the bottleneck. Yesterday, the bottleneck was technological scarcity and the raw capability of the model, and the rent went to the frontier labs. Today, generic capabilities are commoditizing, the price of inference is collapsing, and the bottleneck becomes the organizations' inability to absorb, steer, and audit operational risk. The capture of rent therefore moves toward mastery of the institutional regime. The mass deployment of field engineering forces, the expansion of the Big Four's technology-consulting arms, are only the provisional embodiments of this transfer: the market is trying to buy the integration capability that internal structures cannot yet produce.

The institutional symptom

This shift is not measured by the raw count of technical failures. That a report records a year-over-year rise in incidents proves no strict causality: it may reflect a growing volume

of systems in production, or greater transparency in reporting. What demonstrates the thesis is not the statistic of the accident. It is the reaction of the institution.

The signals of 2026 are organizational. Stanford's AI Index reports this year that the share of companies operating without an explicit Responsible AI policy has collapsed, from 24% to 11%, while roles dedicated to AI governance are up 17%. Governance has ceased to be a compliance discourse or an ethical posture. It has become a line on the org chart and a budget item at the executive committee.

The economy ruled before the regulator. When major consulting or finance players must absorb financial losses over deliverables corrupted by hallucinations or reasoning errors, the origin almost always sits in the same place: the absence of mechanisms able to detect or contain the model's failure. What the market penalizes is not the generator's score. It is the failure of the regime of use.

Architecture as the condition of auditability

The sustainable operating capability is not a compliance framework bolted on by outside auditors. It is embodied in the technical architecture, or it does not exist. For a system to be institutionally operable, it must answer to a strict grammar of auditability, structured around three invariants: a rigorous split of data flows, an explicit calibration of uncertainties, a dynamically controlled applicability domain. The validation of a highly automated system then ceases to be a stamp obtained once and for all at production release.

The field provides an instance of this, not a general proof. In connected health and triage, PREDICARE treats the applicability domain not as a passive specification but as an active architectural object: the system continuously re-measures its own confidence boundaries and suspends execution as soon as the context drifts outside its safety envelope. Auditability becomes a systemic property rather than a frozen document.

What becomes the asset

The thesis changes owner, not content. This is not a translation of engineering into financial language, with the loss that any translation entails. It is the same architectural assertion, now carrying a total responsibility that the executive committee must answer for before its shareholders, its clients, and its regulators.

Before a board of directors, management no longer answers for having bought the most advanced model on the market. It answers for the regime under which it operates that model, and for its ability to suspend it without breaking business continuity. The benchmark is still purchased by IT. But value capture no longer happens at the level of the model: it happens at the level of the organization able to answer for it.

What remains is to name precisely what, within that organization, serves as the asset. It is not the auditability regime, which is only an implementation. Nor is it the institutional regime, which is only a set of rules. It is the sustainable operating capability itself, the first level of our hierarchy, understood as the reproducible institutional capability to operate autonomous systems over time.

This qualification is not rhetorical. A strategic asset is recognized by five properties: it accumulates, it resists imitation, it transfers only imperfectly, it generates future flows, and it is valued independently of its substrate. The sustainable operating capability meets all five. It is built through organizational learning and cannot be acquired in a single block. It resists imitation because it rests on largely tacit routines and responsibilities. It transfers only by degrading. It conditions the flows the system will authorize tomorrow. And it retains its value when the underlying model is replaced. The model, by contrast, has lost these properties one by one: interchangeable, imitable, transferable, commoditized. The substrate has become an input. The capability to operate it has become the asset.

A theory that produces no prediction remains an intuition. This one is falsifiable. At comparable models, two organizations should exhibit durable gaps in economic performance correlated with the quality of their auditability regime, not with the intrinsic quality of the models they use; and once models become interchangeable, valuation gaps should be explained more by institutional capabilities than by algorithmic assets. If the opposite held, if durable gaps tracked the models rather than the regimes, the thesis would be false.

We must measure what this observation displaces. For thirty years, technology was held to be the strategic asset. Then data. Autonomous systems impose a third shift, in which the asset becomes the institutional capability to operate them. This is no longer a migration of value within a stable definition of the asset. It is the definition of the asset that shifts. This shift rejoins an old question about the nature of intangible and organizational capital, one this cycle does not intend to settle here.

One question remains, which this cycle has opened without closing. If architectural governance, regulatory compliance, and financial risk management obey the same grammar of auditability, how will organizations structure their departments to unify these competing frameworks? That is the subject of the week to come.

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