

# Nine structural shifts redrawing the next category map.

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Nine structural shifts are collapsing the operating model that defined enterprise software for the last two decades. Boards and founders that read these shifts early will define the next category. Those that don't will defend a shrinking one.

*"I sit at the direct confluence of AI, cybersecurity, vibe coding, Innovation, entrepreneurship, and online learning — an elevated purview from which to facilitate change, disintermediate legacy companies, and architect the solutions of the next decade. The same forces are reshaping the way we live, the way we learn, and the way we work — and the leaders who can govern that shift, rather than react to it, will define the institutions that follow."*

STEPHEN GILFUS

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Board director · Platform architect · Serial entrepreneur

## THE SHIFTS

# Nine shifts redrawing the map.

## 01 AI moves to the core of the system.

AI belongs at the architectural core where it drives the most consequential changes — not bolted onto the periphery as patchwork. Peripheral AI enables 2.0-style methodologies that are only a fraction of what's inevitable, and they delay the real value AI is built to deliver. The winners rebuild from the center outward.

## 02 Governance elevates AI and committee-based partnerships.

Organizational governance now formally elevates AI — and the strategic partnerships that surround it — into the committee structure. Boards stand up AI, risk, and technology committees with the authority to commission partnerships, oversee model exposure, and govern vendor relationships as fiduciary obligations.

## 03 Vibe coding opens previously unreachable markets.

Prompt-driven, agentic software production has collapsed the cost and accelerated the speed of building real products. Markets that were structurally unreachable under SaaS-era economics — niche regulated workflows, regional operators, micro-verticals — become viable for small operators with credit cards and conviction.

## 04 Innovation becomes core to governance.

Markets are changing too quickly, and technology is advancing too fast, for innovation to live in a side lab. Boards now require continuous reconciliation between strategy and the underlying technology stack, making innovation oversight a permanent governance function rather than a periodic initiative.

## 05 Security constructs become disposable.

Long-lived perimeters, static credentials, and persistent infrastructure give way to ephemeral, regenerable security constructs. As agentic systems generate and tear down environments on demand, the defensible posture is one of disposability, zero-trust by default, and continuous re-issuance — not hardened permanence.

## THE SHIFTS

# Nine shifts redrawing the map.

## 06 AI disintermediates markets at the core.

AI doesn't just optimize incumbent value chains — it removes the intermediaries those chains were built to protect. Distribution, advisory, and aggregation layers that captured margin under the old model are collapsed by agentic systems that connect supply and demand directly, redrawing competitive paradigms at their foundation.

## 08 Leadership itself becomes the differentiator.

Boards and operators who can govern AI, security, and velocity together define which institutions survive the transition. Strategy, technology, and risk converge into a single leadership discipline — and the directors who can hold all three at once become the scarcest asset on the cap table.

## 07 Online learning and reskilling become continuous.

The way we learn is rebuilt around AI-native, always-on skill formation. The degree-and-done model is replaced by continuous, contextual reskilling embedded in the flow of work — and the institutions that govern that shift will define the workforce of the next decade rather than chase it.

## 09 Entrepreneurship replaces incumbency as the default path.

Low build cost combined with agentic tooling makes founder-led, niche-first companies the dominant organizational form of the next decade. The default career and capital path shifts away from joining incumbents and toward building inside markets too small or too specific for legacy players to defend.

## UNIT ECONOMICS · 2026

# Cost of production makes niche markets reachable.

For two decades, venture math forced founders to chase trillion-dollar TAMs. When the cost curve of production collapses, the addressable map expands — and the most defensible companies of the next decade are being built inside markets the last generation considered too small to enter.

**BUILD COST**

From millions to thousands.

Agentic engineering, open models, and managed cloud have collapsed the marginal cost of producing functional software. A vertical product that required a 20-person team and \$5M now ships with a small operator and a credit card.

**AUDIENCE SIZE**

Profitable at 500 customers.

When production is cheap, the breakeven audience shrinks. Markets once dismissed as 'too small to fund' — niche regulated workflows, regional operators, micro-verticals — become structurally attractive businesses.

**DISTRIBUTION**

Direct to the practitioner.

AI-native search, community channels, and embedded agents let founders reach narrow buyers directly, without the enterprise sales motion that previously made niches uneconomical to serve.

*The next generation of category leaders won't out-spend the incumbents. They'll out-address them — serving the markets that were never large enough to justify the old cost structure, and compounding from there.*

## MARKET STRUCTURE · 2026

# Rapidly changing markets form new categories.

Categories are no longer discovered — they are engineered in real time by the operators who see the shift first. When velocity, re-bundling, and new moats collide, the market map redraws itself in months, not years.

## VELOCITY

Cycles compress from years to weeks.

Agentic build tooling and prompt-driven engineering have collapsed the time between insight and shipped product. Categories that took a decade to form in the SaaS era are now coalescing inside a single funding cycle.

## RE-BUNDLING

Workflows collapse into outcomes.

Buyers stop purchasing seats, modules, and point tools — they purchase finished work. Adjacent categories merge as a single agentic system absorbs what previously required five vendors and a systems integrator.

## NEW MOATS

Data, governance, and trust become the perimeter.

When anyone can generate software, defensibility shifts to proprietary data, model governance, regulatory posture, and the institutional trust required to operate inside regulated workflows.

*The next category leaders won't be the firms with the best roadmap. They'll be the ones with the clearest read on which market is dissolving — and the conviction to build the replacement before the incumbents notice.*

CLOSING

# Govern AI as rigorously as you govern capital.

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The advisors and directors who matter in the next cycle are the ones who can govern AI as rigorously as they govern capital — and ship as fast as the market now demands.

CONTINUE THE CONVERSATION

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Board engagements, advisory, and category-defining product strategy.