

CSCRL FALL FORUM

RISK AS A COMPETITIVE ADVANTAGE: WINNING IN AN UNCERTAIN WORLD
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ABSTRACT

COMPANIES' AI RECKONING: THE REAL RISKS BEHIND THE PROMISED ADVANTAGE

MARK CHRYSTAL, PH.D.
CEO AND FOUNDER
PROFITMIND

Companies are being sold AI as an unambiguous competitive advantage — faster pricing decisions, smarter assortments, leaner operations. The upside is real. But so is the risk, and most companies are misjudging it — including the risk of doing nothing at all. Drawing on work across pricing, merchandising, and supply chain planning with companies of varying size and sophistication, this talk walks through five risks that determine whether AI becomes an edge, an expensive distraction, or a missed window:

- **Inaction risk** — the “wait and see” instinct feels safe, but in a market where competitors are already compounding gains, standing still is its own bet, and often the costliest one.
- **Adoption risk** — the gap between a model that performs well in a demo and one that survives contact with planners, buyers, and pricing teams who don't trust a black box with their P&L.
- **Selection risk** — in a market flooded with “AI-powered” claims, distinguishing genuine capability from repackaged automation, and the cost of picking wrong.
- **Data risk** — what happens when pricing and assortment models touch competitor data and consumer behavior inside a fast-moving landscape around algorithmic pricing.
- **Economic risk** — the true cost of AI beyond the license fee, including compute, integration, and the ongoing cost of keeping a model right as markets shift.

Companies that manage AI adoption with the same rigor they already apply to inventory or pricing risk — rather than resisting it, rushing in, or simply waiting it out — are the ones who will actually capture the advantage. This talk offers a practical, vendor-neutral way to tell the difference.



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