Shape the future with confidence

Five strategic questions for the C-suite on physical AI

The better the question. The better the answer.
The better the world works.

Physical artificial intelligence (AI) is no longer just hardware you buy but an intelligence capability you build. The imperatives below are designed to guide executive discussions on where value is created, where risk accumulates, and what must be deliberately funded to scale successfully.

1. Hardware no longer differentiates – workflows do.

Robots, sensors and platforms are becoming easier for competitors to buy. Over time, the physical machine itself becomes interchangeable. Sustainable advantage comes from what sits on top: AI-ready data, models, simulation assets and operating know-how that improve with use.

This makes the earliest strategic question not "which robot," but which environments or workflows could realize sustained efficiency gains from humanoids, other robotic modalities or physical AI platforms.

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Executive question:
Which environments or workflows could see lasting efficiency gains from humanoids, other robotic form factors or physical AI platforms rather than short-term automation wins?

2. Physical AI is opex, not capex.

Physical AI requires ongoing investment in data capture, testing in simulation, monitoring and retraining. Treating the intelligence layer as a one-off cost often works in pilots but breaks down in production and scaling.

This distinction becomes critical once early concepts move toward real deployment, where operating costs and ROI, not prototype success, determine viability.

Executive question:
Have we designed a budget model for continuous learning or a budget model for an installation project?

3. Not every PoC should scale.

Physical AI systems are designed to capture new experience, learn from it and feed improvements back into operations. When learning is shared across sites or fleets, resilience and performance can compound rather than decay.

However, most organizations succeed at proof of concept (PoC) and fail at the next step. The key filter after PoC is not technical feasibility, but economic scalability.

Executive question:
Which use cases make economic sense to scale beyond early prototypes — once operating costs, reliability requirements and workforce impact are fully understood?

4. Responsible AI must be embedded.

As physical AI systems operate closer to people and in less controlled environments, guardrails, escalation paths, auditability and clear human accountability must be designed into the intelligence itself — before systems are scaled.

Responsible physical AI becomes a scaling requirement, not a compliance add-on, as systems move into production and interact with human workers and customers.

Executive question:
Do we have a responsible physical AI framework that assigns accountability and embeds guardrails into the system — before we scale?

5. Scaling requires an operating model, not just technology.

Physical AI must be trained, tested, monitored and updated in production. That shifts the talent mix toward data engineering, simulation and digital twin capability, and disciplined model operations — alongside domain experts who understand real-world constraints.

At scale, success depends as much on processes, operating structures, asset management practices and governance models as on the technology itself.

Executive question:
Do we have the operating model — including operational processes, organizational structure, technology, people capabilities, governance and performance mechanisms — required to scale physical AI across the enterprise?

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2603-10664-CS
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