



Shopify's AI-first memo through the lens of FORGOOD Lütke (2025)

Context

In April 2025, Shopify CEO Lütke issued an internal memo declaring AI usage a "baseline expectation" for all employees. The policy has three components, as discussed on the right. Lütke framed AI as "a thought partner, deep researcher, critic or tutor".

The memo was widely covered (Forrester, TechCrunch, Fortune) and prompted similar mandates at other companies. Notably, Shopify's headcount dropped from 11,600 in 2022 to 8,100 by end of 2024, while revenue grew 20-40% year on year.

How is Shopify mandating AI adoption?

The policy operates across three mechanisms:

Performance
evaluation

AI usage questions are now part of performance and peer reviews, teams must demonstrate why AI cannot achieve what they need before requesting new headcount, and employees across every role are expected to use AI reflexively.

Hiring
gatekeeping

Before requesting headcount or resources, teams must demonstrate why they cannot achieve what they need using AI. Lütke frames this as a starting point for discussion though, not as a formal approval gate.

Universal
mandate

AI usage is required across all roles and seniority levels, from entry-level to executives, across every function.



Below is an analysis of the key dimensions from the FORGOOD framework as they apply to Shopify's mandatory AI adoption.

FORGOOD analysis

FAIRNESS	Applies uniformly but impacts unevenly. Task-based roles are easier to augment than relationship or judgment-based roles.
OPENNESS	The memo was shared publicly, which is unusually transparent. But how clearly are employees informed about how AI proficiency assessments affect their career progression or employment?
RESPECT	Employees must justify why they are needed over AI, inverting the traditional employment relationship. The impacts on professional identity, employee relationships and organizational culture and autonomy are not addressed.
GOALS	Stated goal is competitive survival and merchant success. But growing revenue plus shrinking headcount suggests cost efficiency is the primary driver. Whose interests does the mandate serve first?
OPINIONS	As regulators increasingly scrutinise AI's impact on employment, how might a mandatory AI proficiency policy be perceived if it became the subject of regulatory review?
OPTIONS	The mandate is binary: mandatory across all roles. A proportionate alternative could assess role by role where AI adds value versus where human expertise is the differentiator.
DELEGATION	Should an employer mandate how employees think and work, or should individual professional judgment be preserved?