

## A Story in Five Acts

This is Real

AI Technology Today This is

Now

Al Business Application This is

How

Al Applied to Pricing

Accelerating

Pricing

Al Applied to a Pricing Process

This is

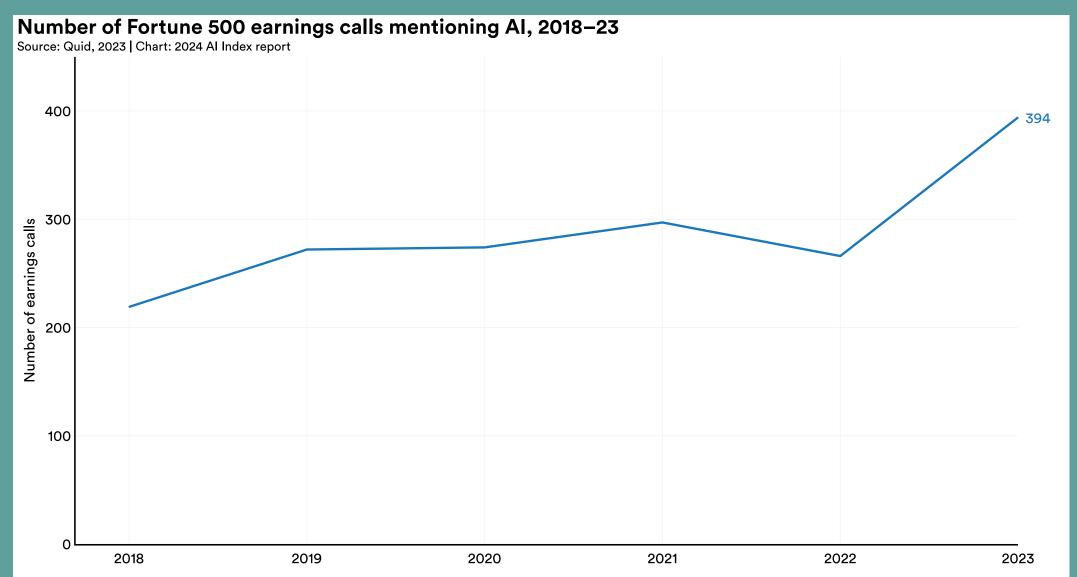
Next

Autonomous Agents



# State of Al: This is Real

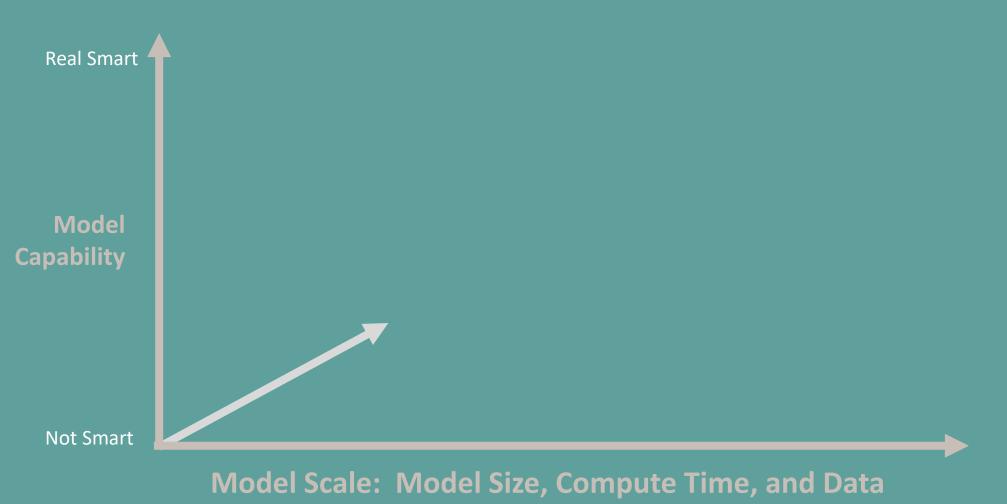
## CEO'S & Boards are Talking Al



394 Company Earnings Calls

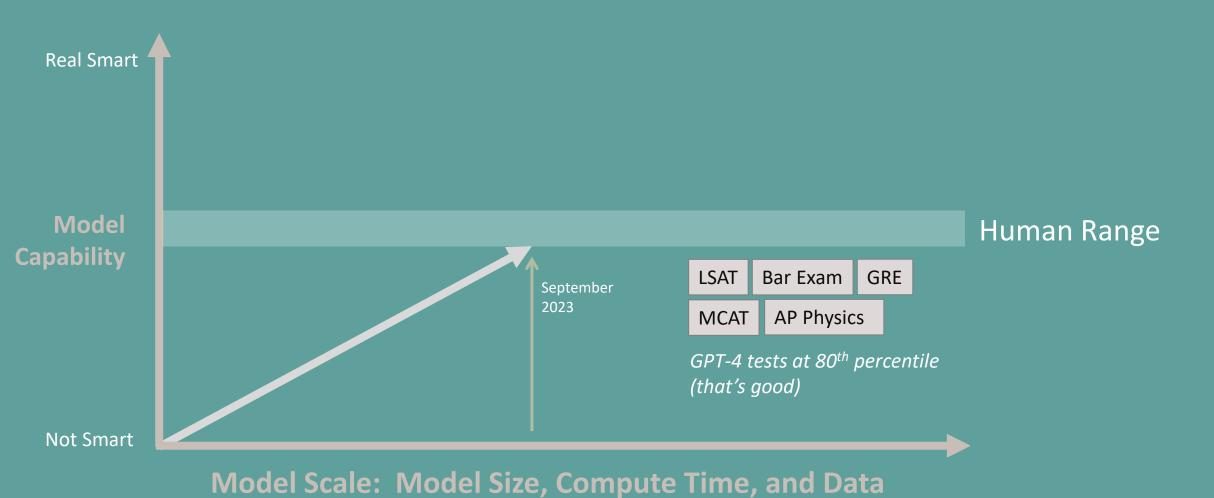
~80% of the Fortune 500

## As Models Scale, so does Capability



II INF 2024

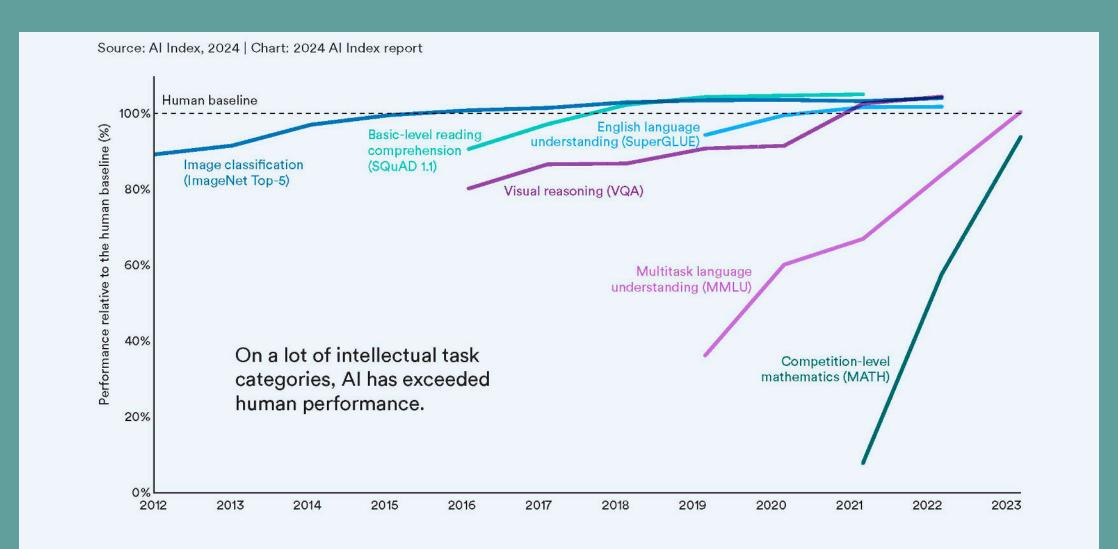
## As Models Scale, so does Capability



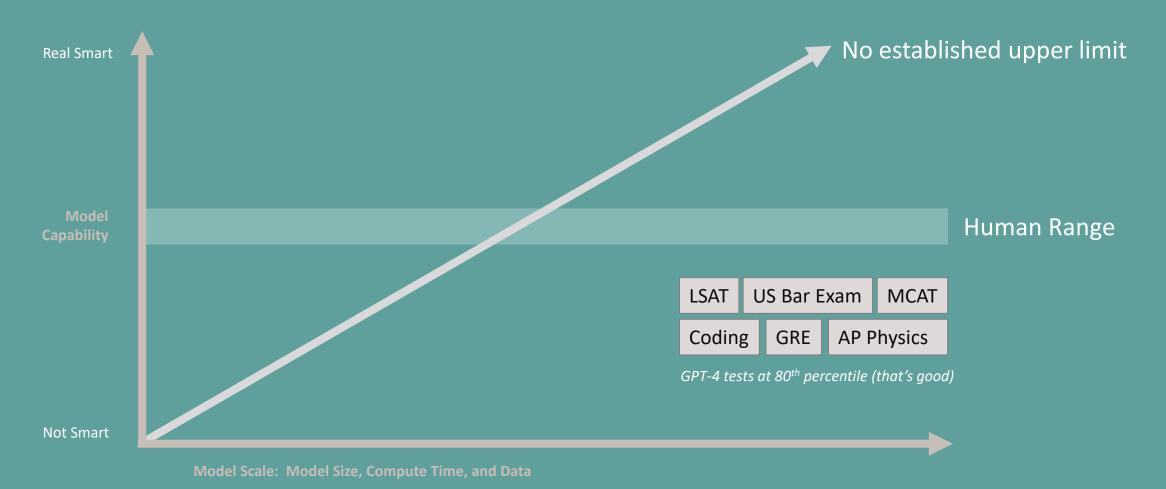
IUNF 2024

## Artificial vs. Human Intelligence

Artificial Intelligence is rapidly mastering skills at and above human-level



## As Models Scale, so does Capability



## Logistics Sales Negotiation

#### Company

Happy Robot (Y Combinator)

#### Context

Al calls a trucking company to see if they will take a trucking load. They negotiate on price.

#### **Implication**

AI can hold transactional business conversations with a person.

Al broker service rep calls trucking carrier.



#### Pablo Palafox • 3rd+

+ Follow

Co-founder @ Happyrobot (YC S23) | Al voice assi...

We taught carriers sales to our Al. Now it negotiates me down every time w

Exciting news today, freight enthusiasts!

At Happyrobot we build AI assistants to automate calls in logistics.

And carrier sales is by far one of the most interesting and complex use cases we've tackled so far.

Payment status updates? Easy! Check calls? A breeze!

But carrier sales? Now that's a different ball game.

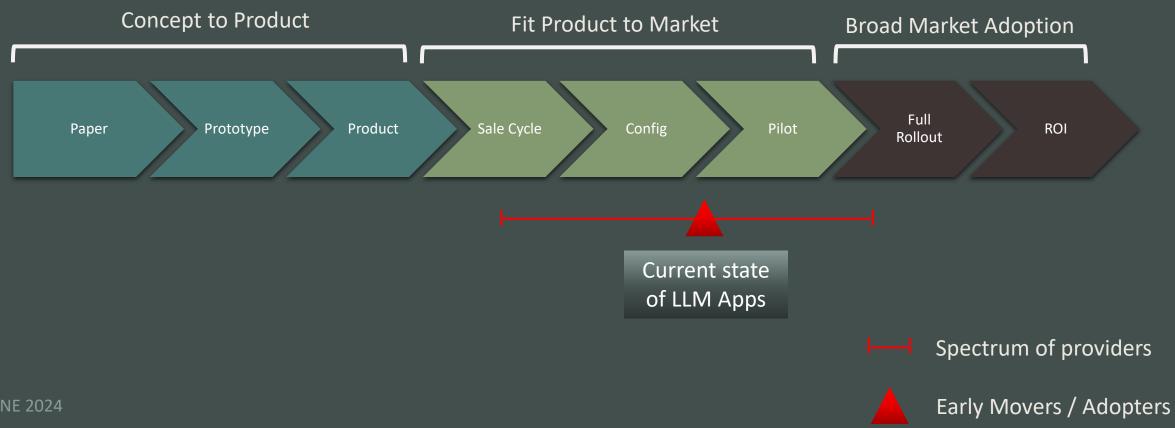
Selling a load properly has a lot of nuance. For instance, if you're selling flatbed, you'd better know the different between skidded and non-skidded coils. Did you know that? I didn't, but our AI sure does.

But the real challenge is negotiation. If you're any good doing carrier sales, you'll have to learn how to negotiate. And you'd better do that, cause carriers will definitely try to get the best rate for them.

You put everything into the mix, and you get a pretty good AI carrier sales rep that frees up your human reps to do more sales and focus on actual relationships.

You'll want to listen to the full thing to see the negotiation piece.

## Path to Product: Research Paper to ROI





# Business Application of AI

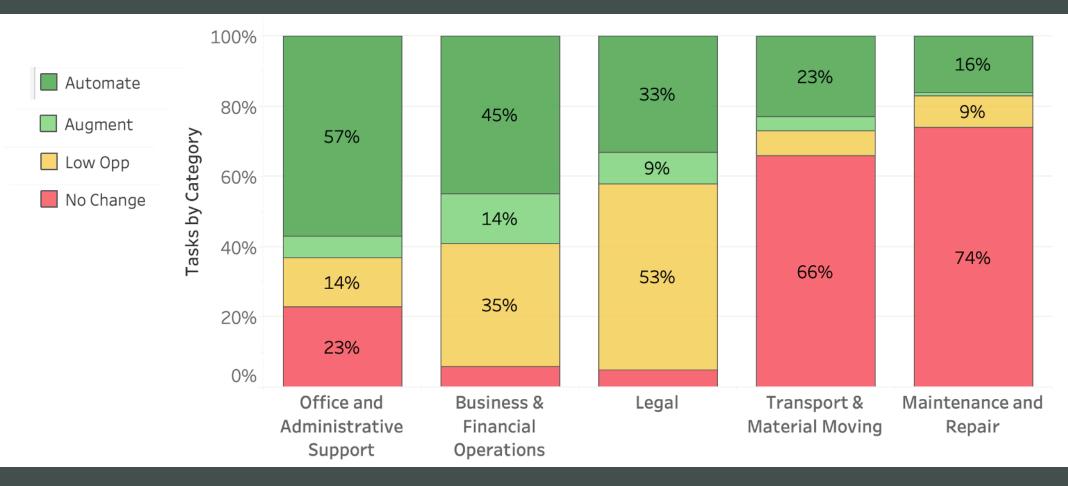


## Each Role is composed of Multiple Tasks + Each Task has various Levels for potential automation

Task Category	Description	Customer Service Rep	Potential Cost Savings
Automate	Task can be fully automated	Transcribe the call, summarize main points, score outcome	80% to 99%
Augment but not automate	Productivity, efficiency, and accuracy improved but will continue to be performed by person.	Suggest potential fixes to the problem. Provide context about the customer.	5% to 50%
No Automation	Tasks will continue to be performed by a person.	Defuse an angry customer	N/A

#### Source

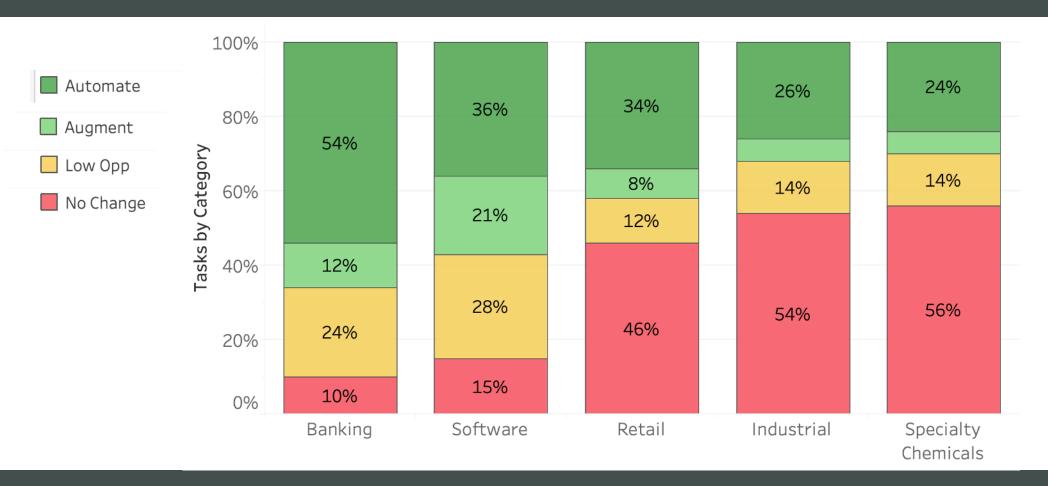
## Potential Al Impact will Differ by Role



#### Source

Accenture Research based on analysis of Occupational Information Network, US Dept Labor, US Bureau of Labor Statistics

## Potential Al Impact will Differ by Industry



#### Source

## How Businesses Are Using Al

Survey of businesses in a broad range of industries e.g. distribution, media, banking, insurance, legal, etc.



Contact-center automation



Personalization

26% 23%



Customer acquisition

22%



Al-based enhancements of products

22%



Creation of new Al-based products

### Al as Customer Service Rep (CSR)

## Al Supported CSR's and Automated Back Office



**CUSTOMERS** 







Omnichannel entry points for customers across both scenarios. Al is utilized at different touchpoints.



CUSTOMER SERVICE REP









Partial Replacement



CUSTOMER SERVICE REP









Support & Augmentation



**BACK OFFICE** 





Manual & Simple Automation



**BACK OFFICE** 







Fully Automated

Al trained to address Tier One & Tier Two inquiries across all channels. Tier Three escalations were still managed by humans.

Klarna – 700 outsourced reps replaced

Al supports CSRs via Knowledge Management and training, fully replaces Back Office staff to accelerate operational tasks.

Charles Schwab – 900 back office removed; 1400 CSR hired

## **Annual Cost to Run Al**

(Standard Working Hours for 1 Year)

\$17,280

\$9.00 / Hour\*
8 Hours / Day
20 Days / Month
12 Months / Year
(no benefits)
\*Constantly falling

time

by Scott Brinker (@chiefmartec)

slow



# Areas of Opportunity

# Areas of Opportunity: Starting w. Al

Sales Effectiveness

**Human Resources and FP&A** 

Marketing

Manage Legal and IT spend

## Sales Effectiveness

Inside sales: Order Entry from Email

Opportunity Identification

Big Bid Process

Levity
Proton AI
ChatGPT

## Human Resources and FP&A

ChatGPT

Human Resources
Job Descriptions
Policy Documents

Financial Planning & Analysis
Identify the most profitable
customers

# Manage Service Vendor Spend

This is a coming trend but not here quite yet.

What is ChatGPT good at?

What is the legal profession?

What is the software profession?

Insurance adjusters?

GitHub CoPilot (Software)
Spellbook (Legal)

## Marketing

ChatGPT
Pricing Software Vendors:
Vendavo, PROS, others

### **Pricing**

Website Copy

Branding images

Personalized outbound outreach

## Playbook: Transform Pain to Gain

Select a Process



Decompose Process to Tasks



Automate, Augment, or Leave As-Is



Redesign the Tasks

## There is No Single Pricing Process



#### Data Management

**Cost Updates Product Updates** Product Value Alignment Market Research Data Integrity **Pricing Analytics** 



#### **Pricing** Strategy

Customer Segmentation **Pricing Model** Determination Market Price Communication Competitive **Analysis** Profitability **Analysis** 

**Dynamic Pricing** Implementation



#### **Deal Desk**

**Quote Review** Exception Management Margin Analysis **Customer Impact** Assessment **Approval Workflow** 

Management



#### **Strategic Customers**

Contract Compliance Agreement Negotiation Strategic RFQs Value-Based Pricing Customer Lifetime Value Analysis Strategic Account Reviews



#### **Price** Administration

**Price Updates** Price Change Communication **Price Audits System Integration** Training and

Support



#### Pricing Governance

Policy Development **Feedback Collection** Compliance **Pricing Adjustments** Monitoring Communication **Ethics and Fairness** 



Customer

Feedback and

Adjustment

Customer

#### Innovation and **Optimization**

Technology Adoption Process Improvement

Al and Machine Learning Integration

## Pricing Process: Selection Criteria

01

Opportunity Size

Represents a significant amount of revenue and margin

02

Time Commitment

Requires significant time and effort to perform

03

Type of Work

Significant % of the pricing team's work is non-value add

## Select a Single Pricing Process



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#### Strategic RFQs

Value-Based Pricing Customer Lifetime Value Analysis Strategic Account

Reviews



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#### Pricing Governance

Policy Development Compliance Monitoring **Ethics and Fairness** 



#### Customer Feedback and Adjustment

**Feedback Collection Pricing Adjustments** Customer Communication



Innovation and

## **Optimization**

Technology Adoption Process Improvement

Al and Machine Learning Integration

## Time by Task Area

WHAT I THOUGHT



## Data Preparation Impacts Margin Performance





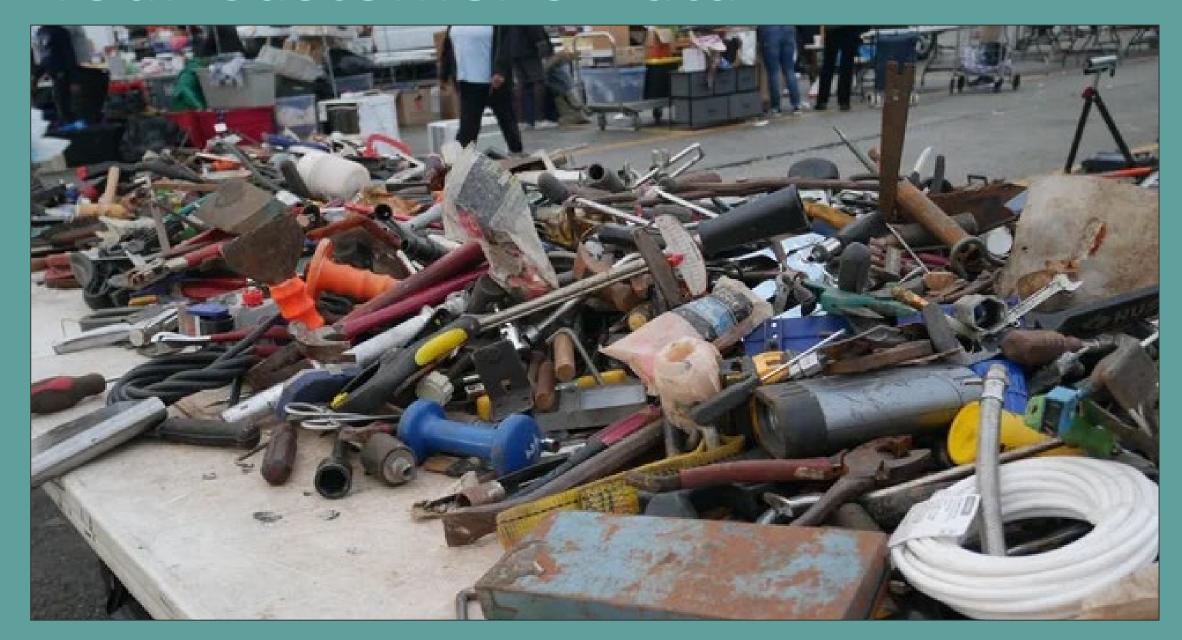
## Your Data

1-48 of over 1,000 results for "10mm socket wrench" Sort by: Featured ✓ Eligible for Free Shipping The Original Ratcheting Wrench **GEARWRENCH** Free Shipping by Amazon Shop GEARWRENCH > Get FREE Shipping on eligible orders shipped by Amazon **Delivery Day** Get It by Tomorrow Department **Hand Tools** Socket & Socket Wrench Sets **Combination Wrenches** Socket Wrenches GEARWRENCH 16 Pc. Ratcheting Flex **GEARWRENCH 30 Piece 12 Point** GEARWRENCH 20 Pc. Ratcheting **Nut Drivers** Combination Wrench Set, Metric - 9... Ratcheting Combination SAE/Metric... Combination Wrench SAE/Metric - 3... Screwdrivers **★★★★☆** 1,494 ★★★★☆ 174 **★★★★★** 2,805 Individual Drive Sockets √prime √prime Hex Keys Sponsored **Customer Reviews** Results ★★★☆ & Up Check each product page for other buying options. Overall Pick 🕕 ★☆☆☆☆ & Up Brands Performance Tool uxcell ☐ Klein Tools CRAFTSMAN Urrea WORKPRO MIXPOWER

## Your Vendor's Data



## Your Customer's Data



## Why does Data Prep take so long?

INPUTS FROM MULTIPLE SOURCES IN VARYING FORMATS ON DIFFERENT TIMETABLES











Your last set of files









### Inherit Complexity

Multiple inputs and processes + Field names, Part IDs, File Type, Table Structure, etc. are rarely consistency

BIG CORP AGMT Q1 2023 v1

BIG CORP AGMT Q1 2023 v2a

BIG CORP AGMT Q1 2023 v2a BH

BIG CORP AGMT Q1 2023 v9d BH AY TT...

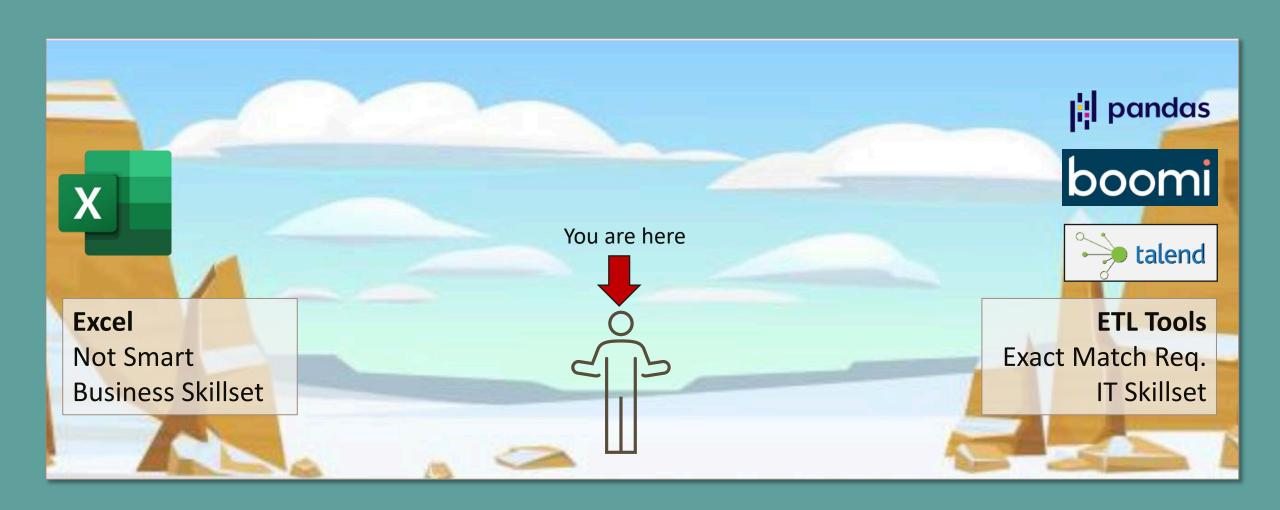
BIG CORP AGMT Q1 2023 Final

BIG CORP AGMT Q1 2023 Final FINAL

EXTERNAL DATA INPUTS

INTERNAL DATA INPUTS

## Existing Tools Don't Fit the Task



Employee Satisfaction
Margin
Efficiency

Improve
All Three
Simultaneously



# Apply Al to Pricing Process of Strategic Account RFQ

## Phase 01

## **Get Started**

Embrace & expand the use of off-the-shelf Al tools

Focus on lowrisk (tertiary) functions

## Phase 02

## **Build Capabilities**

Expand technical tools and cultural capabilities

Augment Existing Processes + Build Capability

Secondary functions

## Phase 03

## Go Big

Big Bets / Big ROI

Reinvent core functions & processes

Ready for new competitors

## Task Disposition Categories

Task Category	Description	Customer Service Rep	Potential Cost Savings
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No Automation	Tasks will continue to be performed by a person.	Defuse an angry customer	N/A

Pricing

Role



National Acct Team

Process



Strategic RFQ

Task



Data Preparation

Sub-Task



Match Parts

Granular

## Select a Single Pricing Process



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**Feedback Collection Pricing Adjustments** Customer Communication



Innovation and

## **Optimization**

Technology Adoption Process Improvement

Al and Machine Learning Integration

## Strategic RFQ Tasks

Return Prep & Price Review & Prepare Analyze RFQ Receive RFQ the RFQ Data Approve to Customer Receive the RFO Match customer item Agreement Profitability -Gain approval to Load prior agreement Transfer proposed prices ID's to internal Item ID's release the quote to the customer Agmt prices prices Distribute copies template Research inactive or Load prior purchase Changes requested by Agreement Profitability -Transfer customer discontinued items C Levels Return the RFQ prices Agmt prices item list to internal RFQ template Load cost values for all Load prior purchase Line Profitability quantities items Committed v. Actual Validate cost values Load list prices purchase quantities (incorrect, UOM, etc.) Load competitor prices YoY Price Change Check for inactive items Load value and Competitor Alignment Check for replacements competitor alignment for inactive items Run scenarios Assign prices - low Refresh competitor velocity items Run more scenarios prices Assign prices - high

velocity items

## Apply the Rubric to a Few Samples

Tasl	k Sam	ples

Criterion	Low	Moderate	High
Task Complexity	Routine, repetitive, clear rules	Requires judgement but straightforward	Deep expertise, judgement, creative thinking
Need for Human Involvement	No need for human intuition, empathy, ethical considerations	Benefit from human oversight & decision making	Requires human intuition, empathy, ethical considerations
Contextual Info Availability	Either not needed or is fully available to process / Al	Low context requirements and/ or most info available in data	Critical contextual info not available; human judgement is crucial
Impact of Errors	Minimal consequences, easily identified & corrected	Moderate consequences, require moderate human intervention to correct	Significant consequences, difficult / impossible / costly to correct
Frequency of Task	High frequency and / or high volume	Regular activity but not constant or high volume	Infrequently performed

Data Entry	Cust Inquiry	Strategy
Low	Moderate	High
High	Moderate	Low







## Strategic RFQ Tasks

Receive RFQ



Prepare Data



Prep & Price the RFQ



Analyze RFQ



Review & Approve



Return to Customer

Receive the bid

Distribute copies

Transfer customer item list to internal RFQ template

Match customer item ID's to internal Items ID's

Research inactive or discontinued items

Load cost values for all items

Validate cost values (incorrect, UOM, etc.)

Check for inactive items

Check for replacements for inactive items

Refresh competitor prices

Load prior agreement prices

Load prior purchase prices

Load prior purchase guantities

Load list prices

Load competitor prices

Load value and competitor alignment

Assign prices - low velocity items

Assign prices - high velocity items

Agreement Profitability - Agmt prices

Agreement Profitability - Agmt prices

Line Profitability

Committed v. Actual purchase quantities

**YoY Price Change** 

**Competitor Alignment** 

Run scenarios

Run more scenarios

Gain approval to release the quote

Changes requested by C Levels

Transfer final values to a customer template

Return the RFQ

Reclassifications

Automate

Augment

As-Is

## Rubric Pro Tip

## List of Tasks



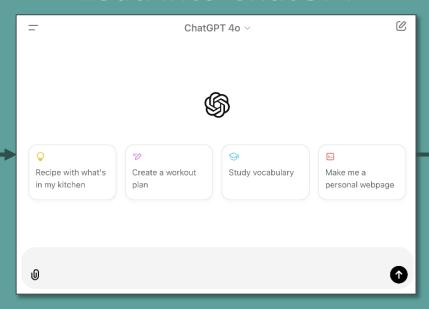
## Rubric Criteria

# Decision Matrix Criterion Automate Augment Execution) Task Complexity Low Moderate High Need for Human Involvement Availability of Contextual Information Impact of Errors Low Moderate High Moderate High Frequency of Task High Moderate Low

Objective & Context

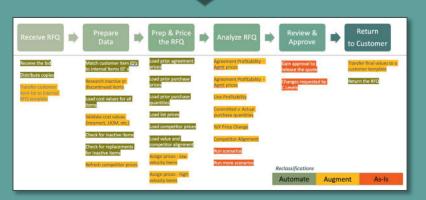


## Load into ChatGPT



## ChatGPT applies the rubric and a summary generates table

Task	Decision	Task Complexity	Human Involvement	Contextual Info Availability	Impact of Errors	Frequent
Research Inactive or Discontinued Parts	Augment	Moderate	Moderate	Moderate	Moderate	Moderate
Load Cost Values for All Parts	Automate	Law	Law	High	Low	High
Check for Replacements for Inactive Parts	Augment	Moderate	Moderate	Moderate	Moderate	Moderate
Validate Cost Values (Incorrect, UOM, etc.)	Augment	Moderate	Moderate	High	High	High
Load Previous Purchase Price	Automate	Low	Low	High	Low	High



## Strategic RFQ Tasks: Focus Tasks

Receive RFQ

Prepare Data



Prep & Price the RFQ



Analyze RFQ



Review & Approve



Return to Customer

Receive the bid

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Transfer customer item list to internal RFQ template

Match customer item ID's to internal Items ID's

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Load prior purchase quantities

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Load competitor prices

Load value and competitor alignment

Assign prices - low velocity items

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**Competitor Alignment** 

Run scenarios

Run more scenarios

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Return the RFQ

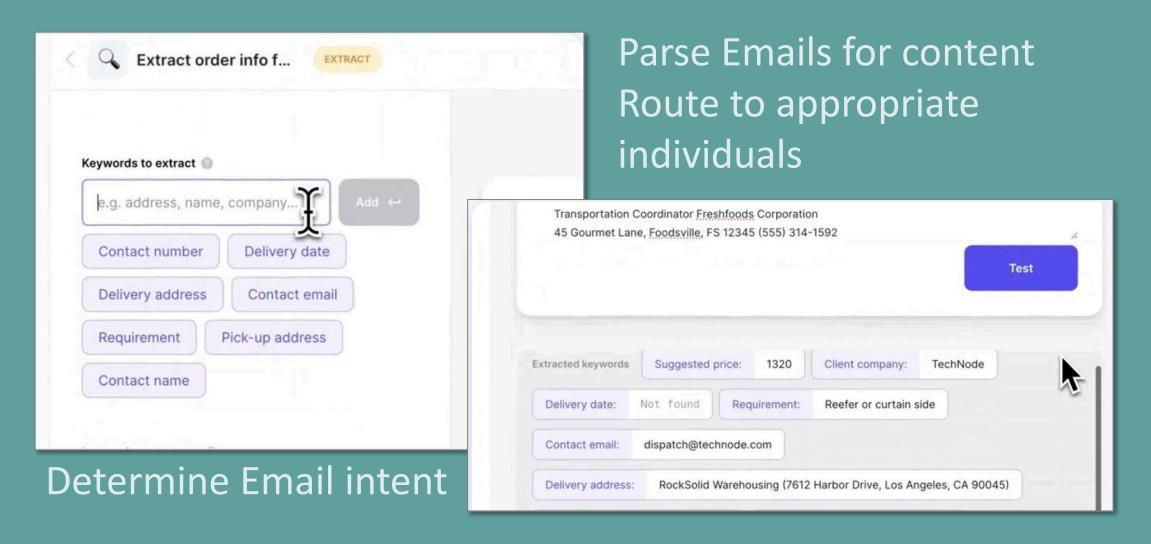
Reclassifications

Automate

Augment

As-Is

## Strategic RFQ Tasks: Email Parsing



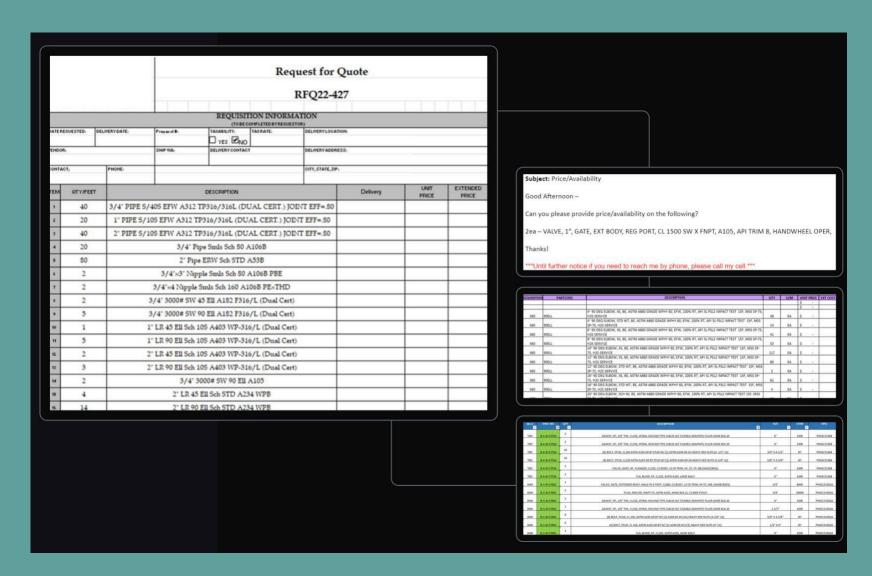
## Strategic RFQ Tasks: Part Matching

## **Matching Types**

- Exact Matching
  - "Apple" = "Apple"
  - Consistent spelling and formats
- Fuzzy Matching
  - "Aple" = "Apple"
- Semantic
  - "Fruit that keeps the doctor away" = "Apple"

## **Semantic Matching**

- Meaning and context
- Side benefit of AI revolution
- Match based on concept



**Excel Plug-in and Indep.** 

$(x) \longrightarrow (x) \times (x)$ Semantic Similarity Score					
_ A	С	F	н	K	L
Item No.	Semantic Similarity Score	Original Description	ref Description	Atrribute  Match Coul	Matched Attributes
7292GKT	0.93	72" X 9 Ga X 2" Galvanized C/L Wire K&T	GAW 2X9GAX72 KT	6	Product Line (GAW), Description (GAW 2X9GAX72 KT), Mes
48115238GKK	0.92	48" X 11.5 Ga X 2-3/8" Galvanized C/L Wire K&K	GAW 2-3/8X11-1/2GAX48 KK	6	Product Line (GAW), Description (GAW 2-3/8X11-1/2GAX4
9692GKT	0.93	96" X 9 Ga X 2" Galvanized C/L Wire K&T	GAW 2X9GAX96 KT	6	Product Line (GAW), Description (GAW 2X9GAX96 KT), Mes
7292BLKE095	0.93	72" X 9Ga X 2" Black C/L Wire Extruded KT (095)	EX 2X9GAX72 KT BK	7	Product Line (EX), Description (EX 2X9GAX72 KT BK), Mesh
60115238GKK	0.92	60" X 11.5 Ga X 2-3/8" Galvanized C/L Wire K&K	GAW 2-3/8X11-1/2GAX60 KK	6	Product Line (GAW), Description (GAW 2-3/8X11-1/2GAX6
12092GKT	0.93	120" X 9 Ga X 2" Galvanized C/L Wire K&T	GAW 2X9GAX120 KT	6	Product Line (GAW), Description (GAW 2X9GAX120 KT), Me
7282BLKE120	0.93	72" X 8Ga X 2" Black KT C/L Wire Extruded (120)	EX 2X8GAX72 KT BK	7	Product Line (EX), Description (EX 2X8GAX72 KT BK), Mesh
4892GKK	0.94	48" X 9 Ga X 2" Galvanized C/L Wire K&K -	GAW 2X9GAX48 KK	6	Product Line (GAW), Description (GAW 2X9GAX48 KK), Mes
4882BLKE120	0.93	48" X 8Ga X 2" Black KK C/L Wire Extruded (120)	EX 2X8GAX48 KK BK	7	Product Line (EX), Description (EX 2X8GAX48 KK BK), Mesh
1 9692BLKE105	0.93	96" X 9Ga X 2" Black C/L KT Wire Extruded (095)	EX 2X9GAX96 KT BK	7	Product Line (EX), Description (EX 2X9GAX96 KT BK), Mesh
2 7282BLKFB145	0.93	72" X 8Ga X 2" Black C/L Fusion Bonded Wire KT (145)	FB 2X8GAX72 KT BK	7	Product Line (FB), Description (FB 2X8GAX72 KT BK), Mesh
72115238PGKK	0.94	72" X 11.5Ga X 2 3/8" Pre-Galv C/L CLIII Wire K&K	GBW 2-3/8X11-1/2GAX72 KK	6	Product Line (GBW), Description (GBW 2-3/8X11-1/2GAX7
9682BLKE120	0.94	96" X 8Ga X 2" Black KT C/L Wire Extruded (120)	EX 2X8GAX96 KT BK	7	Product Line (EX), Description (EX 2X8GAX96 KT BK), Mesh
6082BLKE120	0.92	60" X 8Ga X 2" Black KK C/L Wire Extruded (120)	EX 2X8GAX60 KK BK	7	Product Line (EX), Description (EX 2X8GAX60 KK BK), Mesh
7 6092GKK	0.94	60" X 9 Ga X 2" Galvanized C/L Wire K&K	GAW 2X9GAX60 KK	6	Product Line (GAW), Description (GAW 2X9GAX60 KK), Mes
72125238PGKK	0.94	72" X 12.5Ga X 2-3/8" Pre-Galv C/LWire K&K	GBW 2-3/8X12-1/2GAX72 KK	6	Product Line (GBW), Description (GBW 2-3/8X12-1/2GAX7
1 14492GKT	0.94	144" X 9 Ga X 2" Galvanized C/L Wire K&T	GAW 2X9GAX144 KT	6	Product Line (GAW), Description (GAW 2X9GAX144 KT), Me
2 12092BLKE095	0.92	120" X 9 Ga X 2" Black Extruded C/L KT (.095Core)	EX 2X9GAX120 KT BK	7	Product Line (EX), Description (EX 2X9GAX120 KT BK), Mesl
3 7292GKK	0.94	72" X 9 Ga X 2" Galvanized C/L Wire K&K	GAW 2X9GAX72 KK	6	Product Line (GAW), Description (GAW 2X9GAX72 KK), Mes
4 8492BLKE095		84" 9Ga 2" Black Extruded C/L KT (.095Core)	EX 2X9GAX84 KT BK	7	Product Line (EX), Description (EX 2X9GAX84 KT BK), Mesh
84115214GKT	0.92	84" X 11.5 Ga X 2-1/4" Galv. C/L Wire K&T	GAW 2-1/4X11-1/2GAX84 KT	6	Product Line (GAW), Description (GAW 2-1/4X11-1/2GAX8
9692GKK	0.93	96" X 9 Ga X 2" Galvanized C/L Wire K&K	GAW 2X9GAX96 KK	6	Product Line (GAW), Description (GAW 2X9GAX96 KK), Mes
9 14492BLKE095	0.93	144" X 9 Ga X 2" Black Extruded KT C/L(.095Core)	EX 2X9GAX144 KT BK	7	Product Line (EX), Description (EX 2X9GAX144 KT BK), Mesl
1 55115214GKK		55" X 11.5 Ga X 2-1/4" Galvanized C/L Wire K&K	GAW 2-1/4X11-1/2GAX55 KK	6	Product Line (GAW), Description (GAW 2-1/4X11-1/2GAX5
2 67115214GKK		67" X 11.5Ga X 2-1/4" Galvanized C/L Wire K&K	GAW 2-1/4X11-1/2GAX67 KK	6	Product Line (GAW), Description (GAW 2-1/4X11-1/2GAX6
7282BLKE120KK		72" X 8Ga X 2" Black KK C/L Wire Extruded (120)	EX 2X8GAX72 KK BK	7	Product Line (EX), Description (EX 2X8GAX72 KK BK), Mesh
9682BLKE120KK		96" X 8Ga X 2" Black KK C/L Wire Extruded (120)	EX 2X8GAX96 KK BK	7	Product Line (EX), Description (EX 2X8GAX96 KK BK), Mesh
7292BLKE095KK		72" X 9Ga X 2" Black C/L Wire Extruded KK (095)	EX 2X9GAX72 KK BK	7	Product Line (EX), Description (EX 2X9GAX72 KK BK), Mesh
7 6092BLKE095		60" X 9Ga X 2" Black C/L Wire Extruded (095)	EX 2X9GAX60 KK BK	5	Product Line (EX), Mesh Size (2), Gauge (9GA), Height (60),
4882BLKFB145		48" X 8Ga X 2" Black C/L Fusion Bonded Wire(145)	FB 2X8GAX48 TT BK	5	Product Line (FB), Mesh Size (2), Gauge (8GA), Height (48),



# Start Your Hype Cycle Engines! Here Come Autonomous Agents

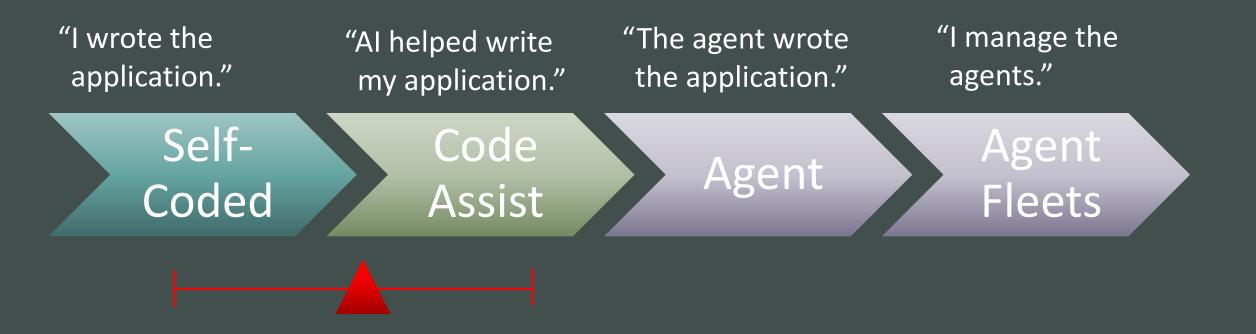
Spectrum of SW Developers

Majority of SW Developers

## Autonomous Software Agents: Today

"The future of autonomous agents looks like everybody

becoming a manager." - Yohei, the creator of BabyAGI



## Autonomous Agents (The Essentials)







MAKE DECISIONS & TAKE ACTIONS



DEVELOP WORK-AROUND SOLUTIONS



SHORT TERM & LONG
TERM MEMORY

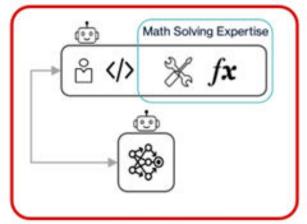


MANAGE TASKS & SUB-TASKS

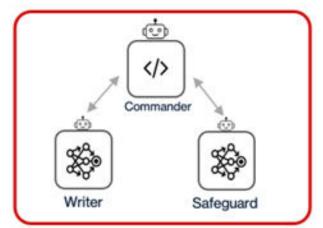
## Autonomous Agents

"What would you do with a company of 10,000 workers toiling day-and-night yet who you only need to pay \$1M per year?

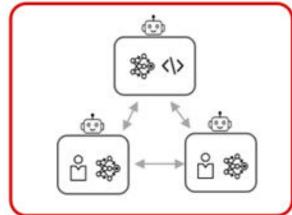
You should start considering it because that day is not so far off."
- Sam Altman, CEO of OpenAl



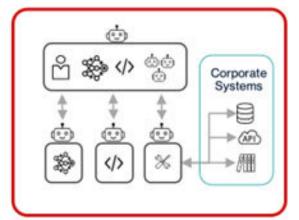
Math Solving



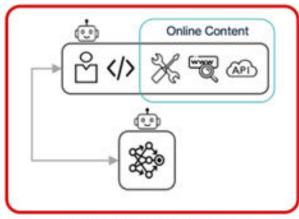
Multi-agent coding



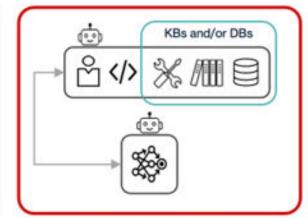
Conversational interactions



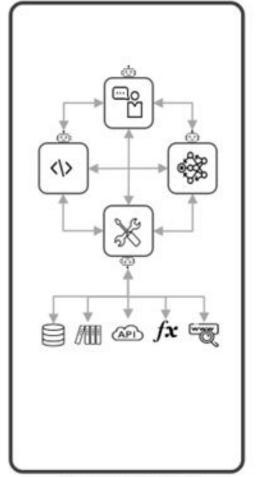
**Business Process Automation** 



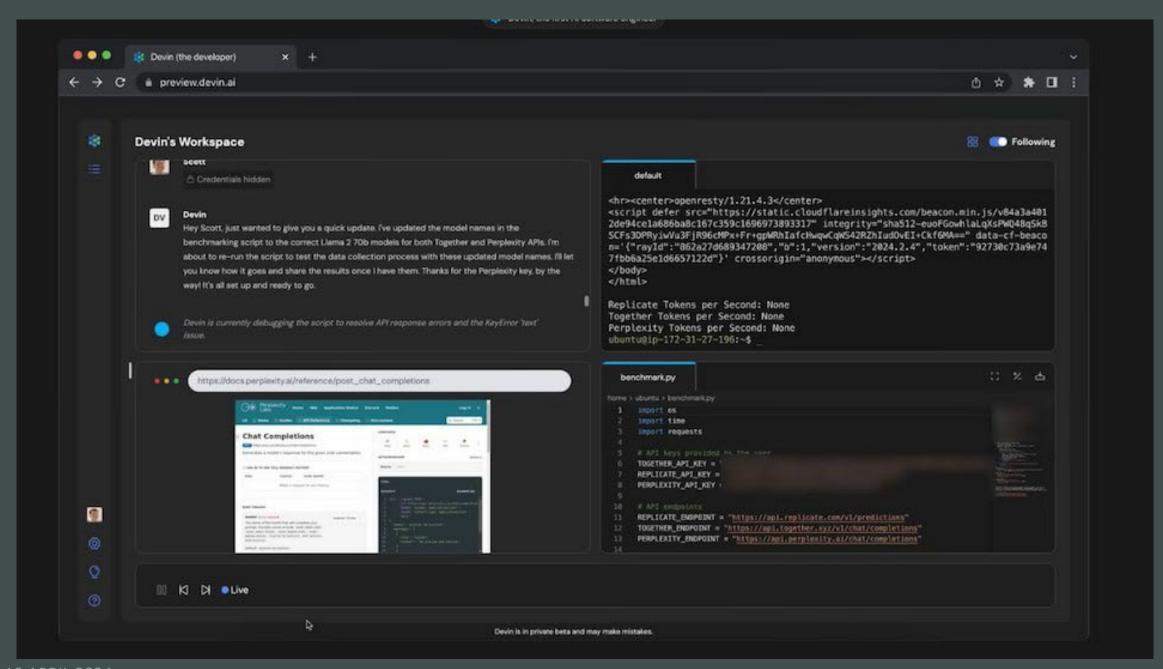
Online Decision Making



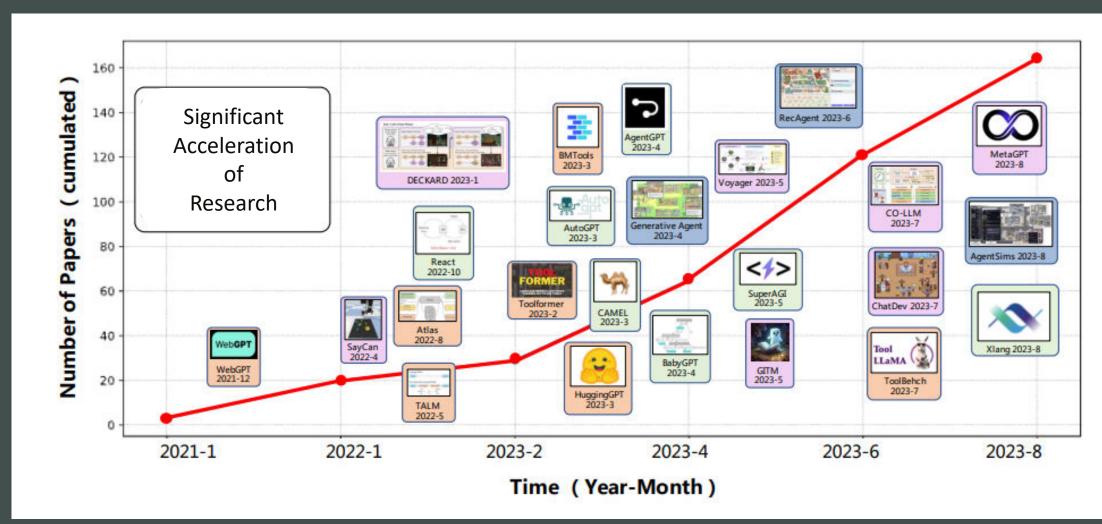
Retrieval-augmented Generation



Custom Use-case

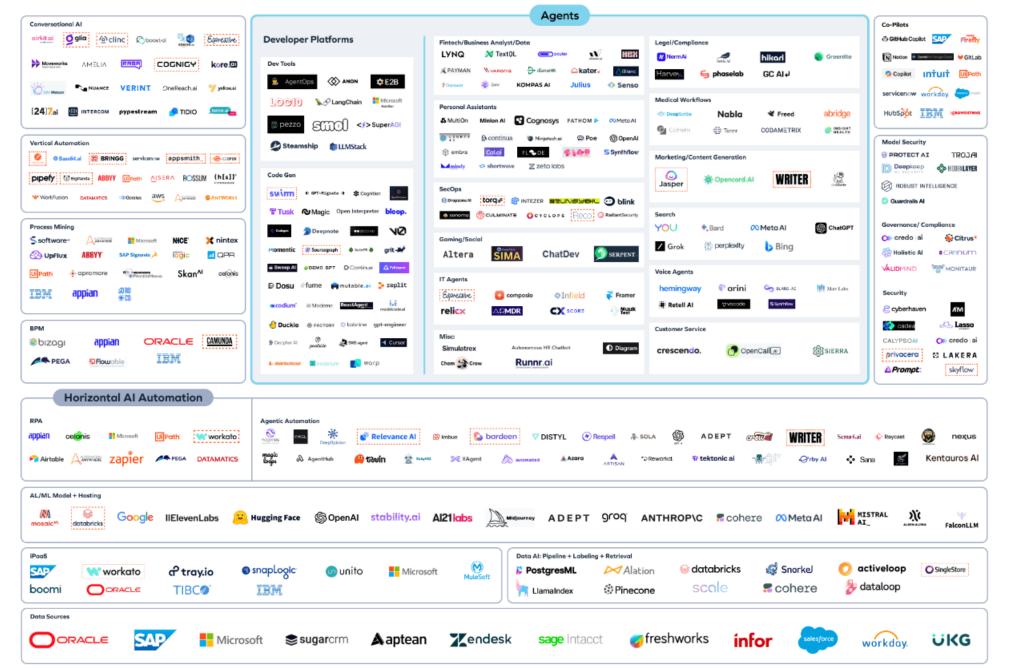


## Significant Acceleration of Research



## Al Automation Market Map





## Venture Capital Funding Plans

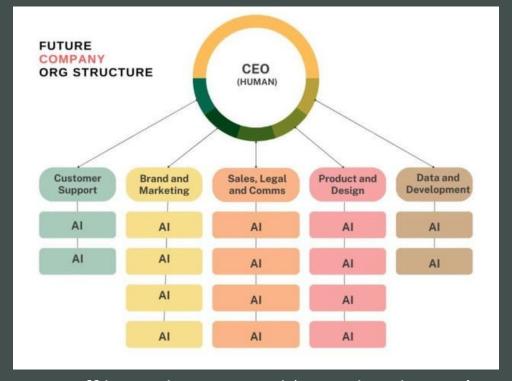
## PHASE I Sell Arms to the Combatants



- Lightly modified organizational structure & roles
- Some digital functions enhanced w. Al products
- Typical communication patterns
- Adoption is linear

PHASE II

New Species of Corporate Creature



- Staff limited to CEO and 'Neural Architects'
- All digital functions performed by Agents
- Highly efficient internal communication
- Adoption is gated by functionality, not industry norms

## Investing in the Opportunity



## Total Addressable Market (TAM)

A portion (or all) of the salary of every knowledge worker on the planet

## Potential Impact: Agent-First Companies

To Be Determined...

PC Era	Microsoft, Apple 1.0, Oracle, SAP, Intel, Dell		
Internet	Consumer: Amazon, Google, Facebook, AOL, Netscape		
	Enterprise: Cisco, Salesforce, Amazon AWS, Microsoft Azure		
Mobile	Apple 2.0 (iPhone), Uber, WhatsApp, Instagram		
AI: Foundational	OpenAI, Anthropic, Mistral, nVidia, Grok		

AI: Agents

## Martec's Law

Technology changes exponentially (fast), yet organizations change logarithmically (slow). How do we manage that?

## REVOLUTIONARY

Eventually, organizations must "reset" to a new technological baseline — but such transitions are extremely disruptive.

To sell to the incumbents or to circumvent them?

reset trajectory

organizational change

an organization can be "reset" by a reorganization, a spin-off, or by being destroyed — reallocating its resources to new and more technologically modern organizations

time

by Scott Brinker (@chiefmartec)

slow

## Al Reference Materials

#### **Newsletters**

- Ethan Mollick, Wharton Professor, One Useful Thing
- Azeem Azhar, Tech Communicator, <u>Exponential View</u>
- Benedict Evans, Tech Analyst formerly from A16Z

## YouTube: News on Product Releases

- Wes Roth: Product & industry analysis
- The Al Advantage: Product releases & tutorials
- Matt Wolfe: Product releases
- Matthew Berman: Product releases & tutorials
- <u>David Shapiro</u>: Societal analysis, product releases

#### YouTube: Educational & Research Releases

- <u>Two Minute Papers</u>: Quick review of recent papers.
- <u>Yannic Kilcher</u>: Paper summary & analysis
- Andrej Karpathy: Former Tesla & OpenAl scientist.

#### **My Top Recommendations**

- 1. Newsletter. Ethan Mollick's One Useful Thing
- 2. Newsletter. Azeem Azhar's, Exponential View
- 3. Product Releases. Matt Wolfe's YouTube channel
- 4. Book. Ethan Mollick's Co-Intelligence

#### **Interviews & Podcasts**

- Lex Fridman: Excellent guests
- <u>Dwarkesh Patel</u>: Excellent tech guests

## **Corporate Research Blogs**

- DeepMind: Google's London AI team
- Google Al Blog: The Mothership
- OpenAI: Research
- Anthropic: Excellent understandability research

#### Books

- Ethan Mollick, <u>Co-Intelligence</u>
- Mustafa Suleyman, <u>The Coming Wave</u>
- Max Tegmark, <u>Life 3.0</u>

# Thank You

## **Artificial Intelligence Strategy Consulting**

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# Al Strategy Advisors' Offerings: Executive Team

## **Executive Alignment**

- Objective: Ensure the senior management and key technical teams share a common outlook and goals.
- Participants: Executive team, board of directors, and IT teams
- Method: Al overview and case study orientation

## Al Roadmap

- Objective: Develop a timeline and investment level of Al projects.
- Participants: Executive team. Commonly colead with the CIO.
- Method: Identify & prioritize areas of opportunity by assessing the ROI, technology / provider maturity, and level of effort / challenge to successfully implement.

## **Workforce Planning**

- Objective: Determine whether roles and skills need to be added to the organization to support Al initiatives.
- Participants: IT Leadership and Human Resources
- Method: Assess the current team's capability to successfully deliver on the roadmap objectives. Provide role definitions, job descriptions, and recruiter contacts.

#### **Vendor Assessment**

- Objective: Provide tool vendors and technical professional service that will offer the best chance at project success.
- Participants: IT leadership.
- Method: Once a roadmap is established, identify & vet the vendors best suited to the respective use cases and industry.

# Al Strategy Advisors' Offerings: Departmental

#### **Al Overview**

- Objective: Ensure the senior management and key technical teams share a common outlook and goals.
- Participants:

   Executive team,
   board of directors,
   and IT teams
- Method: Al overview and case study orientation

#### **Team Enablement**

- Objective: Use commonly available, inexpensive AI tools, such as ChatGPT, to boost productivity.
- Participants:
   Department /
   function directors,
   managers, and high
   potential individual
   contributors.
- Method: ChatGPT training at departmental level.

## **Pricing**

- Objective:

   Introduce and
   provide enablement
   on modern Al Pricing

   Tools and capabilities.
- Participants:

   Operations and Sales department,
   Stakeholders.
- Method: Learning by doing, leverage sample client data.

## Design

- **Objective**: Leverage internal data, align, drive an outcome.
- Participants:
   Multiple Disciplines,
   non-management.
- Method: Facilitate collaborative decision-making across multiple working sessions, create and evaluate a prototype POC.

#### **Software Dev**

- Objective:
   Streamline or
   otherwise support
   the delivery of
   production code.
- Participants:
   Multiple Disciplines,
   non-management.
- Method: Facilitate a series of activities that identify pain points and inefficiencies, leverage applicable AI tools to address issues.

## BROOKS HAMILTON



HAMILTON AI STRATEGY ADVISORS

## Today

- Founded Hamilton AI Strategy Advisors to craft AI Go-To-Market strategies for industrial economy companies.
- Writes and speaks in the US and Europe on artificial intelligence strategies and best practices for AI adoption and implementation in B2B companies.
- With a deep understanding of both AI technology and business operations, Brooks and his team enable organizations to successfully navigate the rapidly evolving AI landscape.

#### **Prior Work**

- Former VP of Professional Services at Zilliant.
- Leadership role in Product Management.
- Spearheaded Product Management at several Austin-based startups.



# Managing Your Career

## Labor Market Perspective











It is the RESULTS of your analysis that drive value, NOT your mastery of the TOOLS

- Review the VALUE you bring to your organization and your Competitive Differentiation
- Pursue Training
- Consider which of your skills will be valuable and durable through the AI transition

## A Personal Perspective





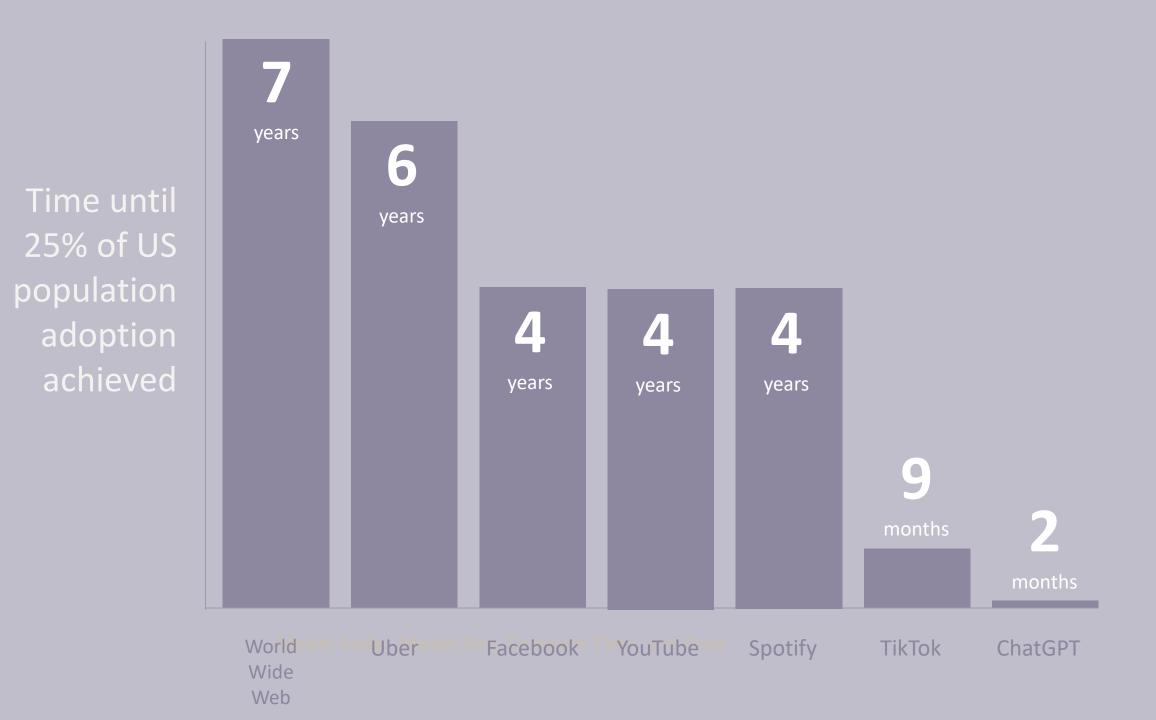






- Al adoption should make your job better, not worse
- Al adoption should allow you to focus on your job's rewarding aspects
- Al adoption should empower you to make decisions, create insight, and build relationships rather than be excited about Excel's next release
- All adoption should <u>not</u> and does not abdicate responsibility

Now get out there and go be a HERO!



Al

Study of AI productivity by Harvard, Warwick, and MIT universities

# Enhanced Productivity

76 Boston Consulting Group (BCG) Consultants in the study

Consultants using ChatGPT-4 substantially outperformed the control group – typically by 40%

# Study Findings

#### Output

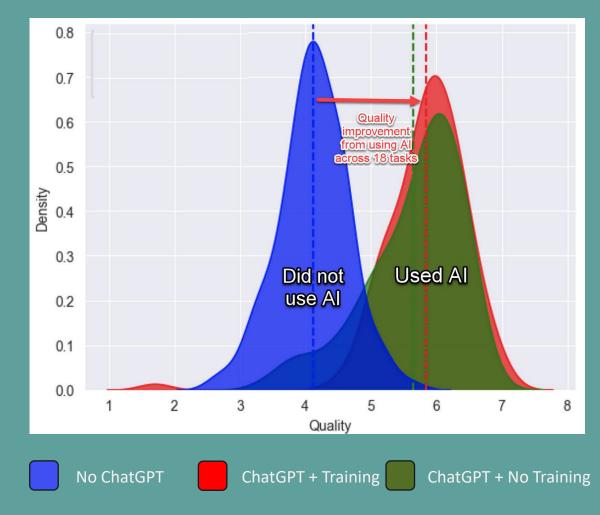
Finished 12% more tasks

## Speed

Completed tasks 25% more quickly

## Quality

Produced 40% higher quality results



# Autonomous Software Agent

### **Company**

Cognition AI (\$21M funding)

#### Context

First commercial-grade autonomous agent that can code software. Creates tasks, code, test, and documentation.

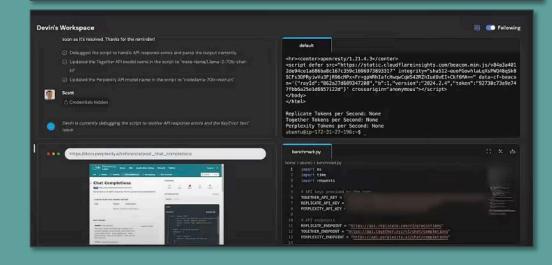
## **Implication**

Al can code low to medium complexity functions. Direct threat to offshore software firms (\$130B) at \$9/hour.

#### Link

**Devin the Software Agent** 

Current Focus: Research the API documentation for Replicate, Together, and Perplexity. Research the API documentation for Replicate, Together, and Perplexity to understand their request formats and parameters. Write a Python script that constructs and sends HTTP requests to each API with the same prompt and parameters. Implement response time measurement and accuracy assessment within the script to benchmark each API's performance. Test the script to ensure it works correctly and gathers the necessary data from each API. Analyze the collected data to compare the performance of the three APIs. Document the script and the benchmarking process, including any dependencies or environment setup needed. Report the findings back to the user with the collected data and any relevant visualizations or



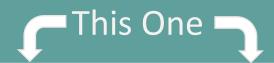
# Strategic Account RFQ

### **Basic RFQ**

- Handled by Inside Sales / eComm
- Few items
- Low \$ value
- Little to no configuration

# Configured Quote

- Handled by Inside Sales / eComm
- Requires review
- ComplexConfiguration



## **Strategic Bid**

- Dedicated team
- Long duration
- Many lines
- Strategic customer
- Significant % revenue

# The Disclaimer: Data Privacy Models for Al Usage

Only use a language model if it is approved by your IT organization and its use adheres to your corporate data security and privacy policies.

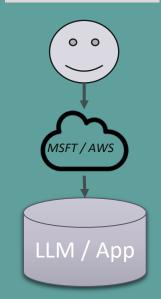
Even when using a 3<sup>rd</sup> party approved application, ensure that sensitive information is anonymized or handled according to privacy standards to prevent misuse.

#### Public



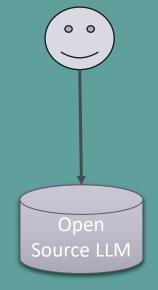
- Access publicly available LLM e.g. ChatGPT
- RecommendTeam version
- Pool efforts and data privacy
- Common

#### Dedicated



- Applications and models hosted on trusted cloud provider
- Improved data privacy
- Expensive
- Not common

#### On Premise



- Applications and models hosted on-site
- Best data privacy protection
- Expensive
- Time consuming to create
- Uncommon today

# Strategic RFQ Tasks: Price Optimization

# Understandability

Model resembles Sales thinking Transparency of each decision Consistency

## > Model Accuracy

Build the 'most accurate' model
Use features that lack business relevance
Inability of auditing decisions

## Data + Guidance

Data driven
Use information outside of model's "view"
Value judgement or objective change

## > Data Only

Repeat past sins

## Clearest Business Logic

Limit overall increases / decreases Limit incremental increases / decreases Good / Better / Best product alignment

## > Coolest Technology

Non-deterministic behavior i.e. "Surprise!"

# When you Should have a Human in the Loop



Involves a major corporate process



Impacts the customer journey



Value judgement involving intuition, empathy, or ethics

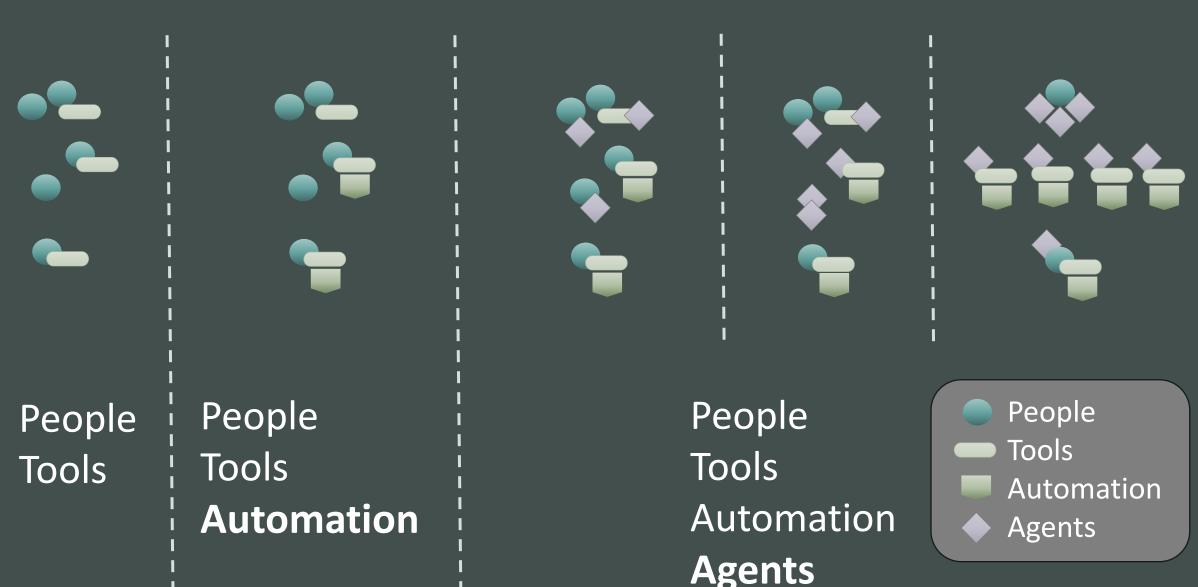


Information to which the AI does not have access



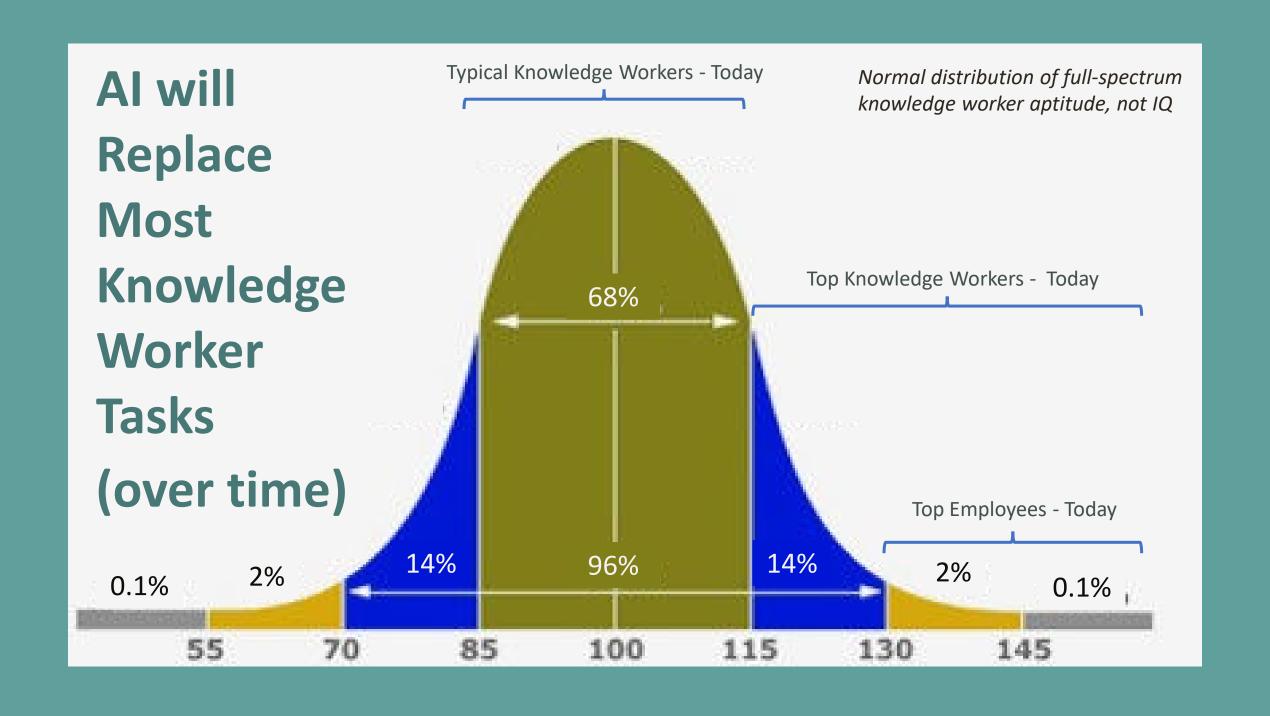
Trust-building between two people or organizations.

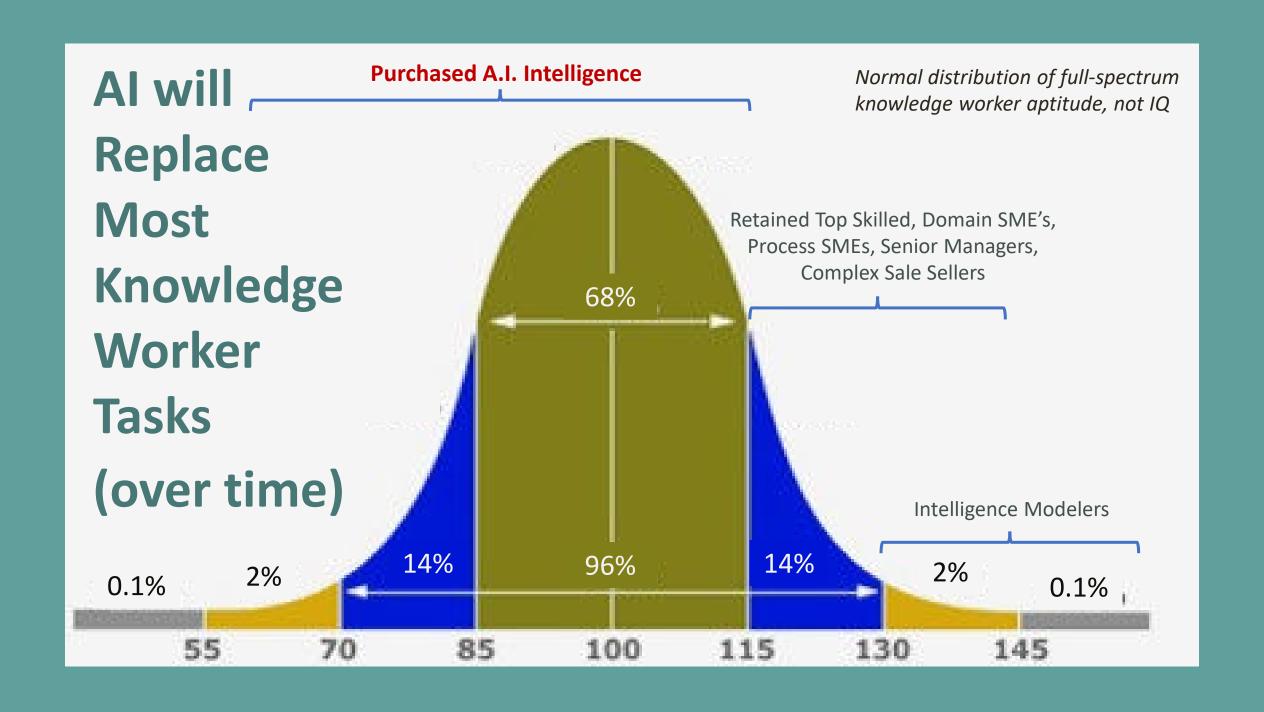
# What is the Best Mix of People, Agents, and Tools?











# Model One Ring to rule them all!



Probably not....



# Software Agents: Unlocking the Technology Tree

- Company founders are natively familiar with software development.
- Large market: \$290B\*
- Significant margin opportunity
  - Offshore Level 1: \$40 / hr
  - Software Agent: \$4 /hr
- Unregulated industry





Civilization III - Tech Tree

Creating Software Agents is a Tech Tree unlock

- Increases velocity of developing software agents
- Speeds development of agents for other industries
- Agent foundries churning out agents.



