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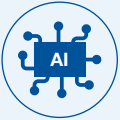
AI IMPACT ON TECHNOLOGY M&A

Lazard Technology Advisory

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Executive Summary



AI's duality

- AI is tech M&A's most potent force, attracting massive investment while also resulting in deal failures. This high-stakes duality demands extreme strategic rigor, as transformative value is offset by significant risk



Incumbents vs. startups

- The M&A market is a tug-of-war between incumbents and AI-native startups, a conflict upending traditional SaaS models. Incumbents have data and distribution; startups have talent and agility. M&A is the essential bridge combining these complementary strengths



Value narratives

- M&A success hinges on articulating a clear AI strategy, with evidence of successful narratives emerging. This lexicon defines competitive advantage – from data defensibility and human-in-the-loop systems to distribution reach and clear ROI



From models to moats

- Focus has shifted from novel AI models to sustainable value. As models commoditize, competitive advantage now lies in strategic "moats": proprietary data, unique knowledge, and deep workflow integration, not the algorithm itself



Evolved deal processes

- The M&A playbook is obsolete. Modern due diligence now scrutinizes AI maturity, data provenance, model defensibility, and governance frameworks. This deeper, often AI-powered, scrutiny is the new standard for assessing value and mitigating risk



I Importance of AI in M&A

AI Is Emerging as a Once-in-a-Generation Investment Opportunity...



“

AI is probably the most important thing humanity has ever worked on.

I think of it as something more profound than electricity or fire.”

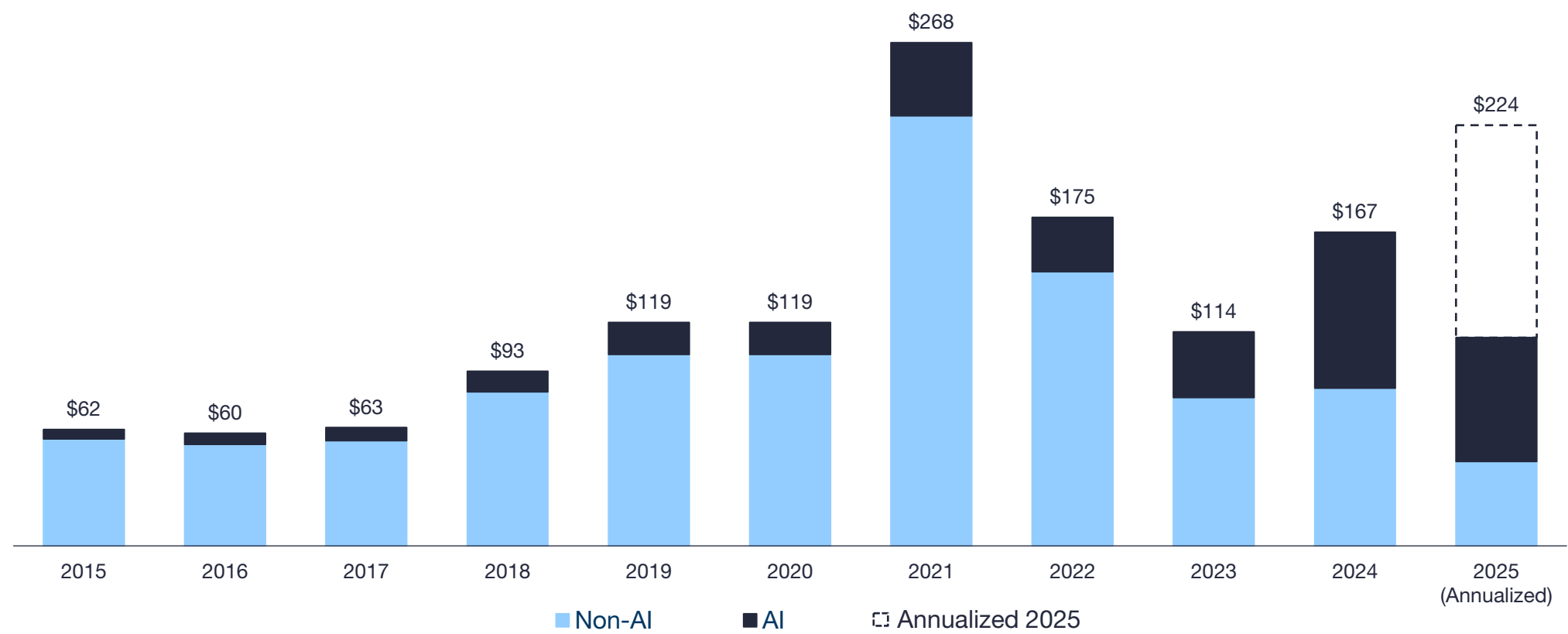
Sundar Pichai,
CEO

Google

...Driving Massive Investment Into AI-Native Businesses, Who Are Growing Rapidly...

Dollars Deployed in Venture (\$B)

Investors still have an AI FOMO problem: 57.9% of global VC dollars invested in Q1 went to AI and machine learning, the capital is even more concentrated in North America, with 70.2% of deal value going into AI and ML startups.



...Rapid Growth Is Supported By Priority Across Corporate America For AI Adoption...

AI infrastructure spending is untouchable even in the face of other cost cuts...

“Despite uncertainty in global markets, AI remains a strategic priority among business executives, investors, and government, fueling sustained investment in AI infrastructure and dealmaking with AI developers and AI-enabled companies.”

ROPES & GRAY

“The budget for AI is not being cut. The budget for other things might be cut so that the budget for AI can be increased. And so the No. 1 reason why that is the case is because the ROI is so clear.”

 NVIDIA

...AI-enabled job cutting is a priority, firms now boast about AI-powered workforce reductions...

CEOs Are Shrinking Their Workforces—and They Couldn't Be Prouder

Bosses aren't just unapologetic about staff cuts. Many are touting shrinking head counts as accomplishments in the AI era.

July 27, 2025 9:00 pm ET

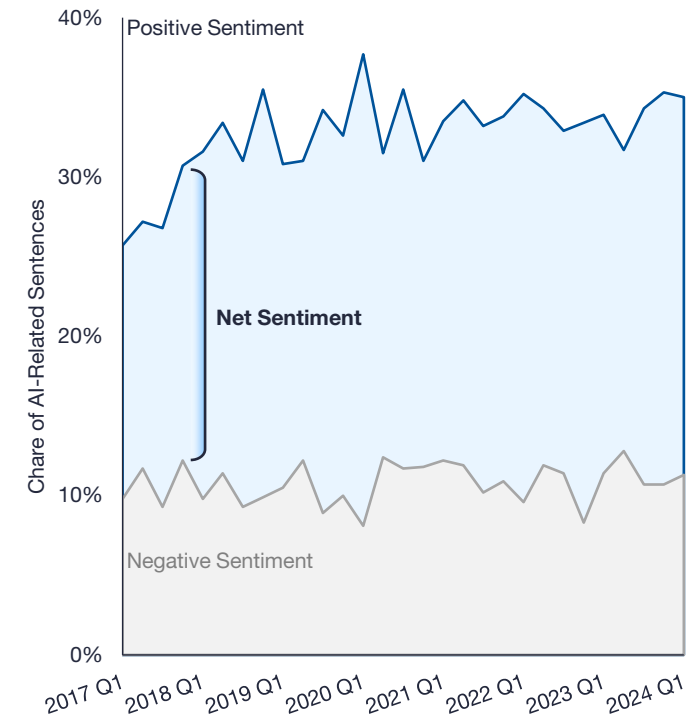
THE WALL STREET JOURNAL

...Companies seeking to frame AI as a net positive in earnings call, not always succeeding

“Public companies frequently mention generative AI on earnings calls, **citing its positive effect on the bottom line or promising results in tests.**”

 FEDERAL RESERVE BANK
of ST. LOUIS

% Share of AI-Related Sentences



...But in Technology, The Jury is Out on Whether Incumbents or New Entrants Will Win...

“

This creates an interesting tug of war dynamic. In some circumstances, startups with a singular focus can deliver a cheaper, better experience than incumbents who are grafting on features without much thought. But in other circumstances, incumbents are just too far ahead thanks to their data and distribution advantages.”

NfX

Startups



- + AI Talent
- + Nimbleness / Speed
- + AI-Native Architecture
- + No Business Model Conflict / Innovators Dilemma
- + Ability to Adapt and Create New Business Models

Incumbents



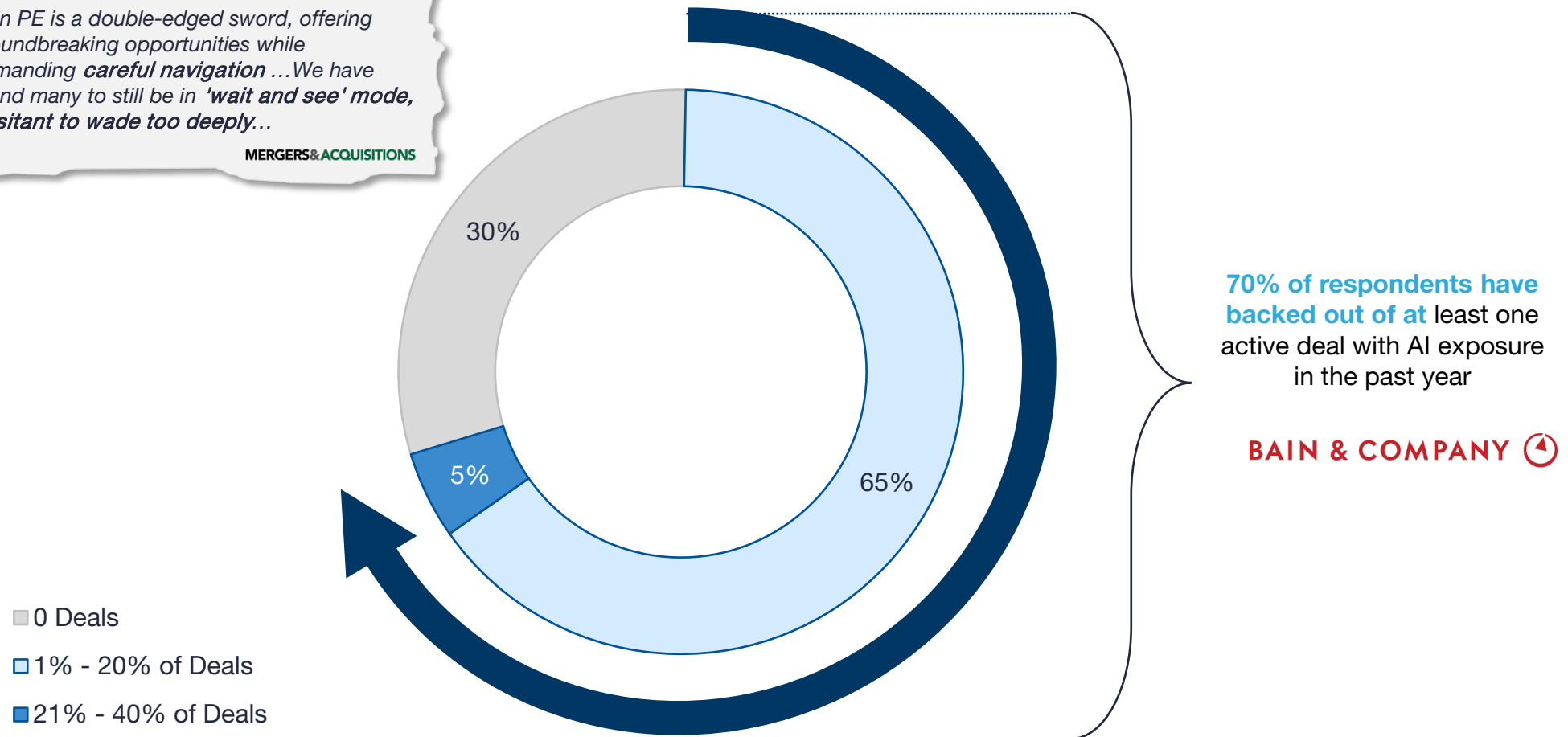
- + Data
- + Tacit Knowledge
- + Human In the Loop Expertise
- + Visibility of Workflows
- + Customer Relationships / Trust
- + Distribution

...and That Critical Question is Fast Becoming “Make or Break” for PE Investors...

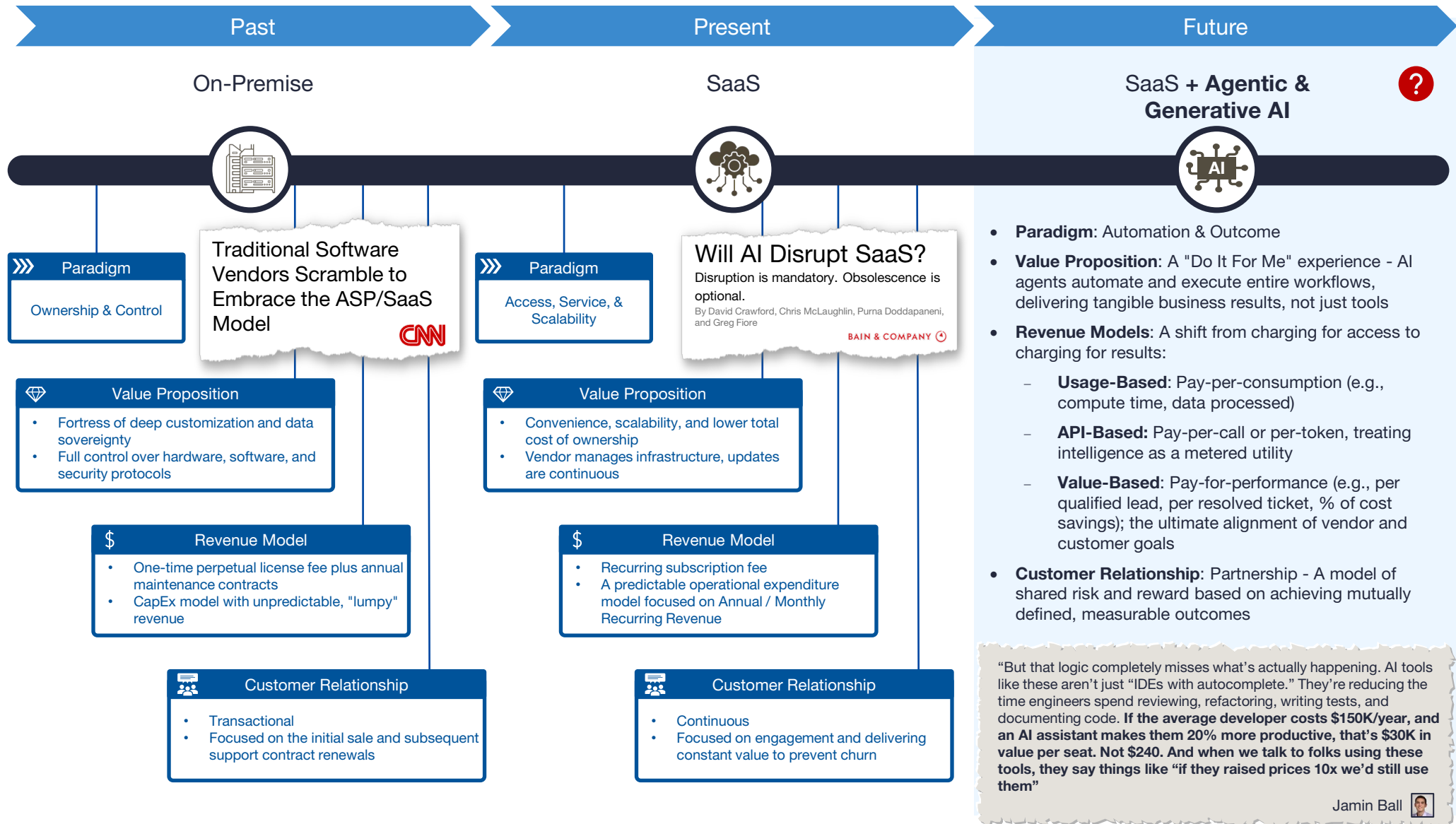
Deals Not Closing Due to AI Concerns

*AI in PE is a double-edged sword, offering groundbreaking opportunities while demanding **careful navigation** ... We have found many to still be in 'wait and see' mode, **hesitant to wade too deeply**...*

MERGERS&ACQUISITIONS



...Which is Challenging Established Business Models...



...The Bull Case for SaaS is Compelling, But...

SaaS incumbents can leverage their data and market position to adopt Agentic AI, transforming the industry by converting enterprise labor costs into a significant expansion for higher-value software

Headwinds Are Real...But Navigable

- AI-natives have some tech and cost advantages but lack the crucial data and enterprise trust needed for effective agents
- SaaS incumbents are navigating the pricing shift from seats to consumption using hybrid and value-based models

Incumbents' Advantage...Data & Distribution

- Unlike their slow reaction to the cloud, SaaS leaders are now driving the agent shift, leveraging exclusive, structured data to create a training advantage and massive distribution that is difficult to replicate

Strategy in Action...Products to Platforms

- Incumbents are aggressively innovating, pursuing strategic M&A for unique datasets, and building orchestration platforms to become the central hub for enterprise AI

A Bigger Pie...For Everyone

- The opportunity is funded by shifting labor costs (BPO, Labor) to software budgets, allowing enterprises to cut operational expenses while boosting software spending and driving significant market growth

ServiceNow to extend leading agentic AI to every employee for every corner of the business with acquisition of Moveworks




Announcing Microsoft Copilot Studio:
Customize Copilot for Microsoft 365 and build your own standalone copilots

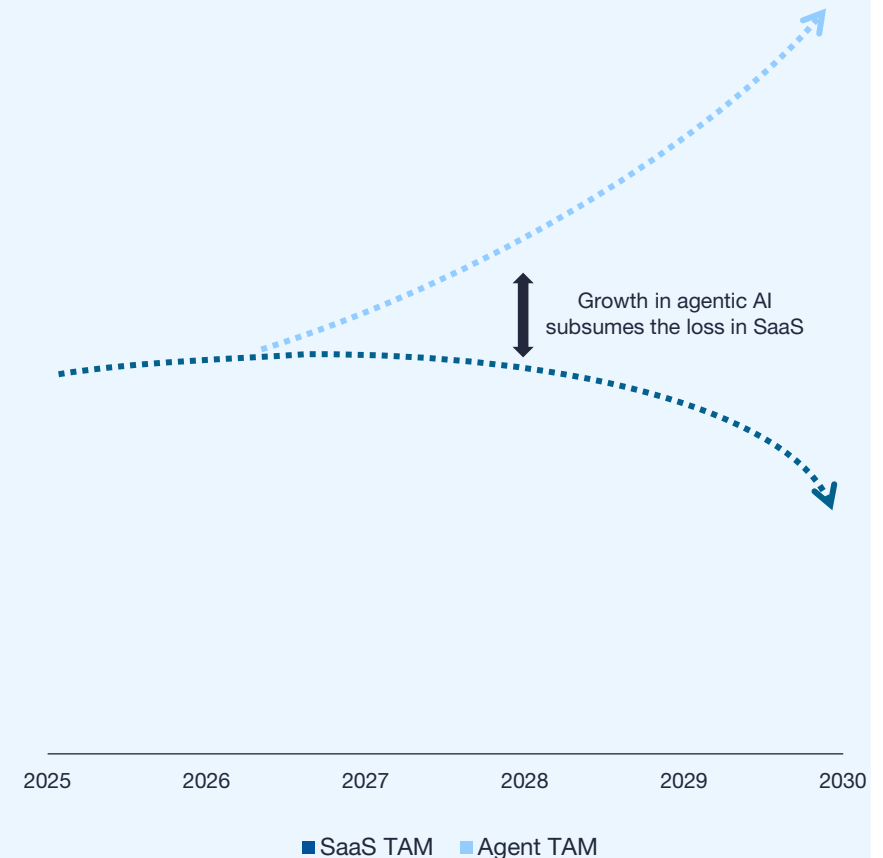


Salesforce Unveils Agentforce—What AI Was Meant to Be

September 12, 2024



Inflection in the SaaS market as the profit pool shifts towards agents, resulting in a larger combined profit pool



...Success Will Be Driven by Effective AI Messaging and Adapting Processes to AI

As deal processes become more complex in the new AI era, optimizing the workflow and ensuring clear, effective messaging is paramount to success

Successful AI Narratives for Tech Incumbents



Stored Data Assets



Human Tacit Knowledge



Human-in-the-Loop



Workflow Visibility & Embeddedness



Customer Relationships and Trust



Mission Critical, High-Stakes Industry



Distribution Leverage, Ecosystem Position



Demonstrable Revenue & Efficiency Gains and ROI

Optimizing Deal Processes for AI



Optimizing Delivery of Data



Utilizing AI Tooling



Market Studies & Tech Due Diligence in AI Environment



Messaging on Proprietary vs. Utilizing Third-Party Models



New Forms of Buy-side Due Diligence Advisors



Regulatory Considerations



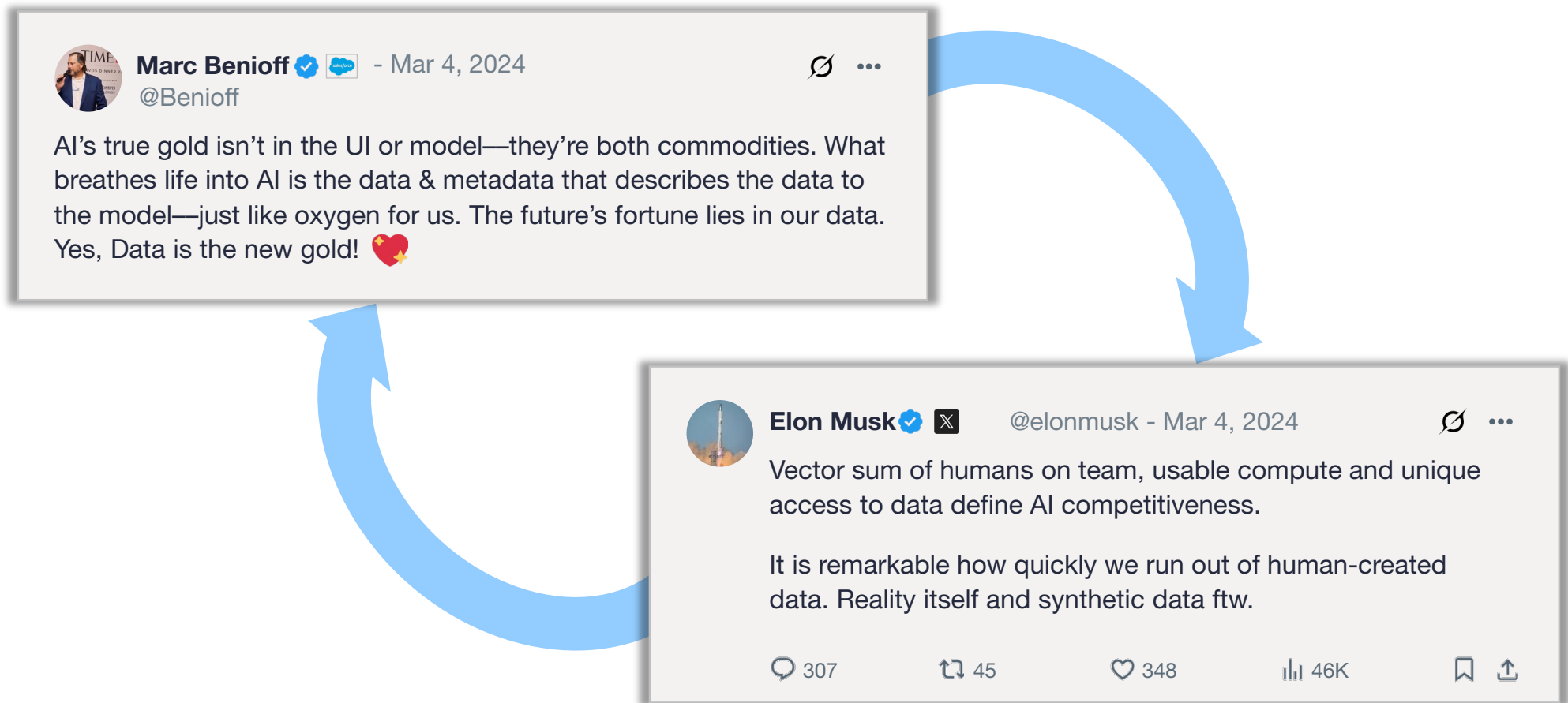
II Ways to Tell the AI Narrative Effectively

Summary of AI Positioning Narratives

	Technique		Examples
Proprietary Data Assets	Data	 <p>1 Stored Data</p> <p><i>"We have unique, hard-to-replicate data that gives us a training and inference advantage"</i></p>	<p>"Our competitive advantage is our data flywheel...Our infrastructure is built to learn from this massive stream of proprietary data, making our services incrementally better for the next user. This self-reinforcing loop is what makes our lead so difficult to challenge."</p> <p>SUNDAR PICHAI, ALPHABET</p>
	Human	 <p>2 Tacit Knowledge</p> <p><i>"We have underlying, unwritten knowledge that is unable to be replicated and transformational to our solutions"</i></p>	<p>"We translated the 'sixth sense' our best logisticians have for anticipating disruptions into predictive models, creating a truly resilient supply chain AI."</p> <p>RYAN PETERSEN, FLEXPORT</p>
	Human	 <p>3 Human-in-the-Loop</p> <p><i>"We have expert humans in the loop that can optimize the AI / address tail cases that others will not be able to address"</i></p>	<p>"Our approach combines the power of AI with the expertise of our global team of threat hunters to stop attacks."</p> <p>GEORGE KURTZ, CROWDSTRIKE</p>
Brand, Customer Trust and Intimacy		 <p>4 Workflow Visibility, Complexity, & Embeddedness</p> <p><i>"We are already embedded in complex workflows, giving us the context and opportunity to automate effectively with AI"</i></p>	<p>"The magic is happening by integrating Firefly as a 'co-pilot' right within the applications that millions of creatives already know and love... We can deliver this new generative AI technology in a way that enhances, rather than disrupts, their existing workflows."</p> <p>SHANTANU NARAYEN, ADOBE</p>
		 <p>5 Customer Relationships and Trust</p> <p><i>"We have strong relationships or are the trusted intermediary giving us permission to automate or utilize AI where others can't"</i></p>	<p>"Palantir's entire business is built on being a trusted partner to organizations with highly sensitive data, like governments and intelligence agencies."</p> <p>ALEX KARP, PALANTIR</p>
		 <p>6 Mission Critical, High-Stakes Industry</p> <p><i>"We operate in a high-stakes or regulated industry where mistakes are impactful and the software / AI solutions are mission critical to the businesses success"</i></p>	<p>"Foundry enables life sciences organizations to integrate and analyze all their data in a single, secure environment. This allows them to accelerate research, improve clinical trial design, and get therapies to patients faster. The stakes couldn't be higher"</p> <p>ALEX KARP, PALANTIR</p>
		 <p>7 Distribution Leverage / Ecosystem Position</p> <p><i>"We have unique distribution scale or sit at a systems integration point"</i></p>	<p>"We have a massive distribution channel. We're not just building a new destination; we are infusing Copilot into the applications that people use every single day... The most used user interface is Office, it's Windows, it's the browser. That's our unique advantage."</p> <p>SATYA NADELLA, MICROSOFT</p>
		 <p>8 Demonstrable Revenue Generation and Cost / Risk Efficiencies</p> <p><i>"We are already showing material productivity gains for functions that matter"</i></p>	<p>"AI is already driving billions of dollars in incremental revenue for us through ads optimization and recommendations."</p> <p>MARK ZUCKERBERG, META</p>

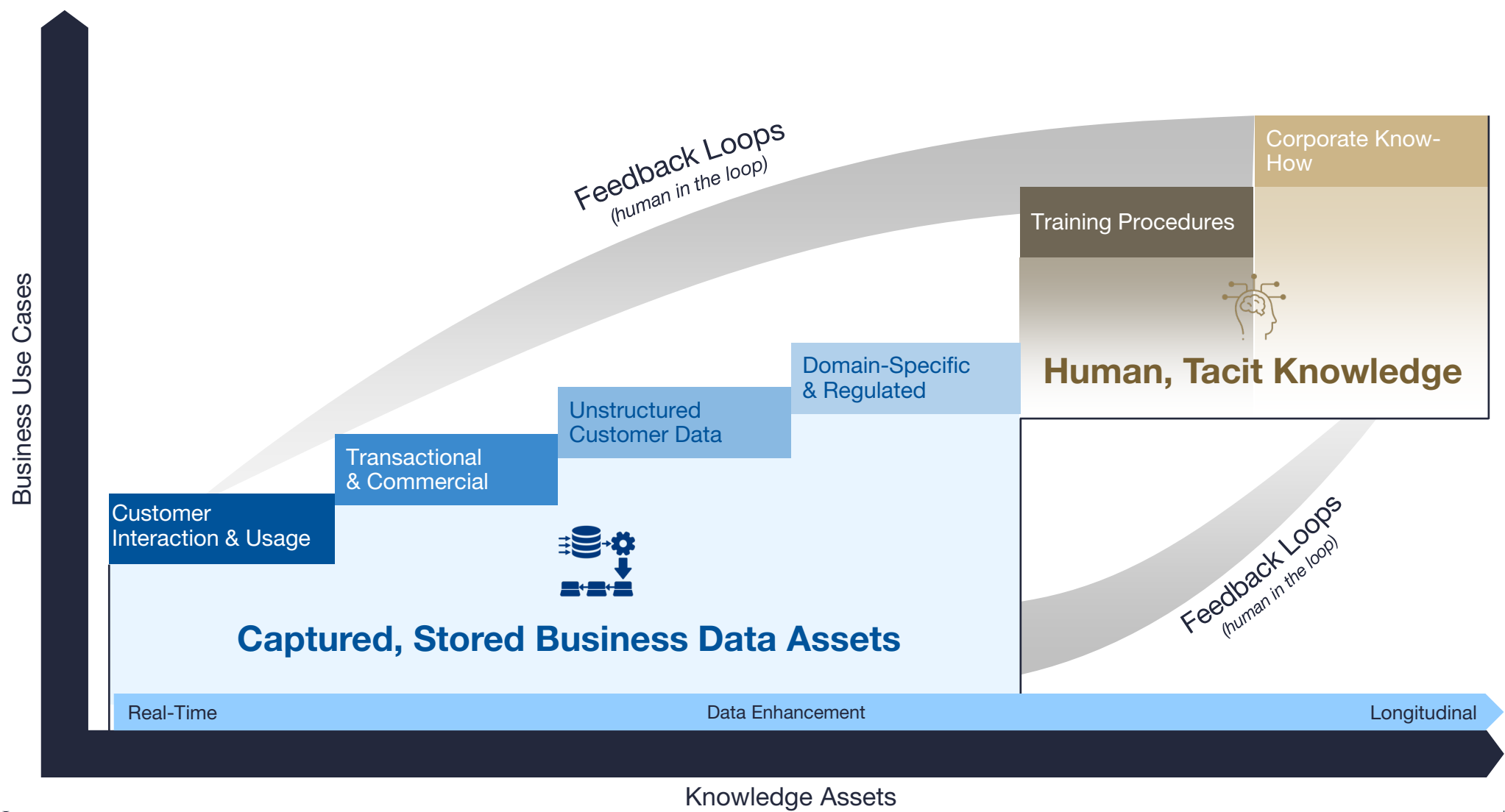
1 2 3 Proprietary Assets: “Data Is the New Gold”

“We have unique, hard-to-replicate data that gives us a training and inference advantage”



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Proprietary Assets: Data Spans Stored & Structured Data to Tacit Knowledge and Is Reinforced by Proprietary Feedback Loops

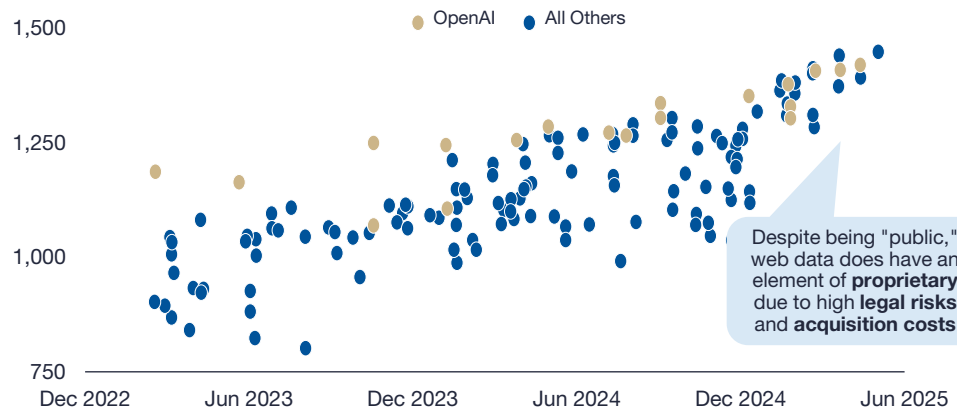


1 Proprietary Stored Data Assets: AI Models and Non-Proprietary Data Are Not Enough

Foundation Models Are Becoming Commoditized...

As AI models train on the same public data, their performance is converging, and AI is becoming a utility

Model Quality (LMArena) by Release Date



...Most of the Public Data Has Been Consumed...

"[T]he high-quality, human-created content that AI models need for training has **largely been consumed. Excluding private, proprietary sources, what remains is increasingly repetitive, low-quality, or unsuitable for training**"



Has AI scaling hit a limit?

Ideas / Newsletters / Has AI scaling hit a limit?

11.27.2024 | By: Ashu Garg

...Access to Data is Disappearing...

The AI Scraping Fight That Could Change the Future of the Web

News publishers are building fences around their content in an effort to cut off crawlers that don't pay for content

THE WALL STREET JOURNAL

Salesforce blocks AI rivals from using Slack data

Updated June 10, 2025



The Data That Powers A.I. Is Disappearing Fast

New research from the Data Provenance Initiative has found a dramatic drop in content made available to the collections used to build artificial intelligence

The New York Times

...And Data Owners Are Enforcing Rights on Data

OBSOLETE

Anthropic Faces Potentially "Business-Ending" Copyright Lawsuit

A class action over pirated books exposes the 'responsible' AI company to penalties that could bankrupt it — and reshape the entire industry

GARRISON LOVELY
JUL 25, 2025

Thomson Reuters wins AI copyright 'fair use' ruling against one-time competitor

By Blake Brittain

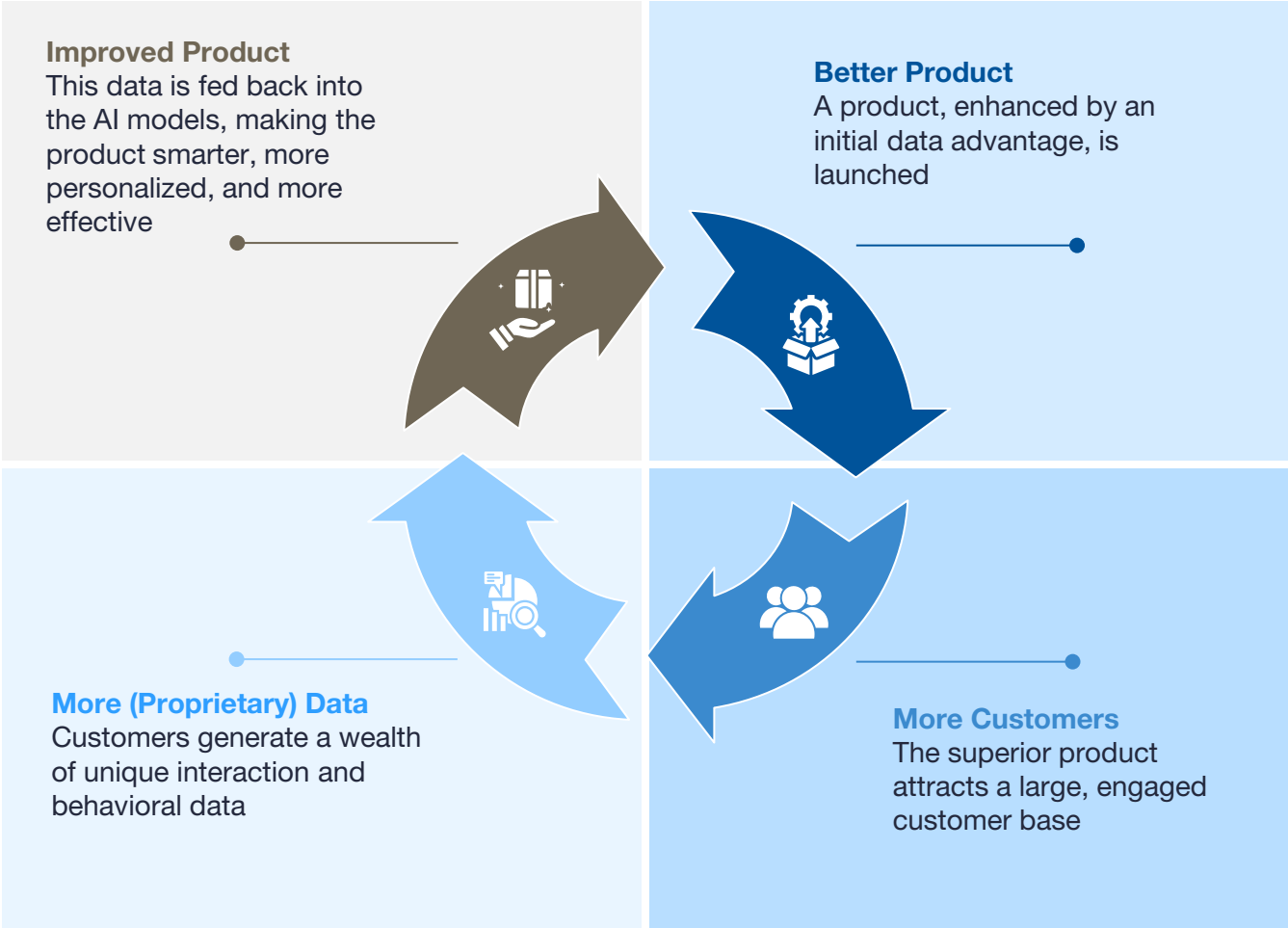
Updated February 11, 2025



1 Proprietary Stored Data Assets: The Network Effect of Data

Driving Value of Proprietary Data

In a world of commoditized models, unique data provides the defensible advantage through a hard-to-replicate virtuous cycle



The New Network Effect: How AI Transforms the Value of Enterprise Software

 **Holden Spaht** 
Managing Partner at Thoma Bravo









THE NEW NETWORK EFFECT: HOW AI TRANSFORMS THE VALUE OF ENTERPRISE SOFTWARE


This represents the essence of modern SaaS value creation: a virtuous network effect where a new customer both benefits from and enhances the collective knowledge of the system and the entire customer base. The winners will be those who build powerful network effects into their core offerings, creating value that grows exponentially as their networks expand. That's the kind of sustainable competitive advantage that has always separated good businesses from great ones.

Holden Spaht

1

Proprietary Stored Data Assets: Types of Proprietary Data

Data Type	Description & Examples	Primary Strategic Value	Defensibility Level	Key Challenges
 Customer Interaction & Usage	<ul style="list-style-type: none">Implicit signals from customer usage: clicks, scrolls, dwell time, navigation paths	<ul style="list-style-type: none">Personalization, engagement optimization, churn prediction, product improvement	<div></div> <div>Medium</div>	<ul style="list-style-type: none">Distilling clear signal from noiseSophisticated analytics and computational power
 Transactional & Commercial	<ul style="list-style-type: none">Structured business records including customer data, purchase history, pipeline data, logistics data	<ul style="list-style-type: none">Customer insights, forecasting, supply chain optimization	<div></div> <div>Medium-High</div>	<ul style="list-style-type: none">Data cleansing and standardization
 Unstructured Customer Data	<ul style="list-style-type: none">Unstructured data from customers including interactions, forum posts, community feedback, interventions	<ul style="list-style-type: none">Training models on human nuance, sentiment, and emerging trends	<div></div> <div>High</div>	<ul style="list-style-type: none">Soliciting customer feedback
 Domain-Specific/Regulated	<ul style="list-style-type: none">Highly specialized, expensive, difficult-to-obtain and regulated data; explain ability often a key component	<ul style="list-style-type: none">Creating best-in-class vertical solutions with high accuracy and unlocking new markets	<div></div> <div>Very High</div>	<ul style="list-style-type: none">High cost of acquisitionDeep domain expertise requiredNavigating complex legal / ethical / regulatory hurdles









Longitudinal / Outcome
(vs. Real-Time)

Enhances any data type and provides irreproducible advantage







1

Proprietary Stored Data Assets: Features of Valuable Data

Data Accessibility & Uniqueness	Data Provenance and Rights	Data Compliance
		
 Hard to Replicate	 Legally Defensible	 Regulatory & Ethical
<ul style="list-style-type: none">Unique, proprietary datasets provide a competitive moat that models alone don't, but must be accessible	<ul style="list-style-type: none">Legally-sound data ensures compliance and mitigates risk in an evolving regulatory landscape	<ul style="list-style-type: none">Adherence to legal frameworks (GDPR, CCPA) and ethical standards mitigates risk and builds trust
<div><p>"Those companies that view data as a strategic asset are the ones that will survive and thrive"</p><p><i>Bernard Marr, Data Strategist</i></p></div>	<div><p>"If the target's data was collected without proper consent ... that means inheriting the risk of multi-million dollar fines"</p><p>K&L GATES</p></div>	<div><p>"A robust data compliance framework is the foundation of that trust, enabling organizations to not only meet regulatory requirements but also to build the customer confidence required to innovate and grow responsibly with AI."</p><p>Deloitte.</p></div>
<div><div>1</div>Source proprietary operational data</div> <div><div>2</div>Combine diverse datasets for differentiated insights</div> <div><div>3</div>Make data accessible via cloud APIs</div>	<div><div>1</div>Track full data lineage</div> <div><div>2</div>Embed metadata</div> <div><div>3</div>Maintain immutable audit trail</div>	<div><div>1</div>Apply data masking and anonymization</div> <div><div>2</div>Enforce strict access controls</div> <div><div>3</div>Conduct regular audits</div>

1

Proprietary Stored Data Assets: Transforming Data and Making It Useful

Data Quality	Data Protection	Data Cleansing & Structuring
		
 Clean and Structured	 Secure & Resilient	 Foundation & Insight
<ul style="list-style-type: none">High-quality data enables superior model fine-tuning and more accurate, relevant AI outputs	<ul style="list-style-type: none">Essential data protection safeguards assets from threats and loss, preventing reputational damage and building critical trust with customers/partners	<ul style="list-style-type: none">Cleansing and structuring data is essential for successful AI and analytics, preventing skewed results and ensuring accurate model training
<div><p>“An acquirer's thesis may depend on applying AI to a target's data, but [models] are unforgiving...you must assess if you are buying a true AI-ready asset or a massive data-cleansing problem...”</p><p>McKinsey & Company</p></div>	<div><p>“If you connect with other AI platforms, make sure your terms stop them from learning from your data and cutting you out. The aim: Become the best source of truth for a key process or data set.”</p><p>BAIN & COMPANY</p></div>	<div><p>“Data is the new oil. It's valuable, but if unrefined, it cannot really be used. It has to be changed into gas, plastic, chemicals, etc. to create a valuable entity that drives profitable activity; so must data be broken down, analyzed for it to have value”</p><p>Clive Humby, Data Science Innovator</p></div>
<div><div>1</div>Structure, cleanse, and label raw data</div> <div><div>2</div>Utilize standard data formats</div> <div><div>3</div>Implement governance and validation</div>	<div><div>1</div>Encrypt all data, at rest and in transit</div> <div><div>2</div>Use role-based access control and MFA</div> <div><div>3</div>Perform audits, vulnerability scans, and pen-tests</div>	<div><div>1</div>Automate data pipelines for profiling, validation, deduplication, and normalization</div> <div><div>2</div>Master Data Management /single source of truth</div> <div><div>3</div>Enrich datasets with third-party data and new features</div>

1 Proprietary Stored Data Assets: Effective Messaging

intuit

S&P Global



Financial Technology	Financial Information & Ratings	Electric Vehicles									
<p>Data and AI are our durable advantage</p> <p>Early investments in data and AI capabilities are paying off</p> <table border="1"> <tr> <td>Scale of clean data</td><td>95 Petabytes of data in the data lake</td><td>60B Machine learning predictions per day</td></tr> <tr> <td>Data and AI infrastructure investments to maintain customer attributes</td><td>60K Tax and financial attributes per consumer</td><td>580K Customer/financial attributes per SMB</td></tr> <tr> <td>Dynamic usage of large language models (LLMs)</td><td>10+ LLM models available to developers</td><td>12M Total peak monthly Intuit Assist interactions</td></tr> </table> <p>Durable advantage has led to innovation like Intuit Assist, available to 30M+ consumers and 1M small and mid-market businesses</p>	Scale of clean data	95 Petabytes of data in the data lake	60B Machine learning predictions per day	Data and AI infrastructure investments to maintain customer attributes	60K Tax and financial attributes per consumer	580K Customer/financial attributes per SMB	Dynamic usage of large language models (LLMs)	10+ LLM models available to developers	12M Total peak monthly Intuit Assist interactions	<p>“At S&P Global, we have a strategic vision of the importance of AI to our industry and the world going forward as we believe that AI will quickly become embedded in everything we do... Fortunately, S&P Global starts with some of the most powerful proprietary datasets in the world sourced from all 5 divisions. Our proprietary data layer is a key differentiator that we believe sets us apart...”</p> <p>DOUGLAS PETERSON, S&P GLOBAL INC. – SPECIAL ADVISOR & DIRECTOR</p>	<p>“The thing that's a powerful, sustainable advantage for us is the fleet. Nobody has the fleet... It's just a massive data advantage. It's like Google has a massive advantage in search, because people use it”</p> <p>ELON MUSK, TESLA – PRESIDENT, CEO CORE TECHNOLOGY</p> <p>Artificial Intelligence Software and Hardware</p> <p>We believe that our approach to autonomy – a vision-only architecture with end-to-end neural networks trained on billions of examples of real-world data – will result in a scalable and safe deployment across diverse geographies and use cases. This was validated in the launch of FSD (Supervised)² in China, which was achieved without access to country-specific training data. Model 3, Model Y and Cybertruck now drive autonomously – without human supervision – from the production line to the outbound logistics lot at our U.S. factories. We remain on track for pilot launch of Robotaxi in Austin by June and builds of Optimus on our Fremont pilot production line in 2025, with wider deployment of bots doing useful work across our factories.</p>
Scale of clean data	95 Petabytes of data in the data lake	60B Machine learning predictions per day									
Data and AI infrastructure investments to maintain customer attributes	60K Tax and financial attributes per consumer	580K Customer/financial attributes per SMB									
Dynamic usage of large language models (LLMs)	10+ LLM models available to developers	12M Total peak monthly Intuit Assist interactions									

Core Data Asset	<ul style="list-style-type: none"> 40+ years of consumer & SMB financial data (tax, accounting, spending) 	<ul style="list-style-type: none"> Proprietary credit ratings, financial data (Compustat), and market indices (S&P 500) 	<ul style="list-style-type: none"> Billions of real-world driving data miles collected from its fleet of over 6mm vehicles
Value Creation Mechanism	<ul style="list-style-type: none"> AI-driven expert platform (GenOS) providing personalized insights, automation, and recommendations across an integrated product ecosystem (QuickBooks, TurboTax) 	<ul style="list-style-type: none"> Data is embedded as an industry standard ("currency") in contracts, regulations, and investment workflows, creating high switching costs and pricing power 	<ul style="list-style-type: none"> Data continuously improves FSD neural networks, allowing OTA updates to enhance vehicle safety and performance, creating a more capable fleet through a network effect

2 Human, Tacit Knowledge: Embedded Human Expertise as a Key Defensible Asset

“We have underlying, unwritten knowledge that is unable to be replicated and transformational to our solutions”

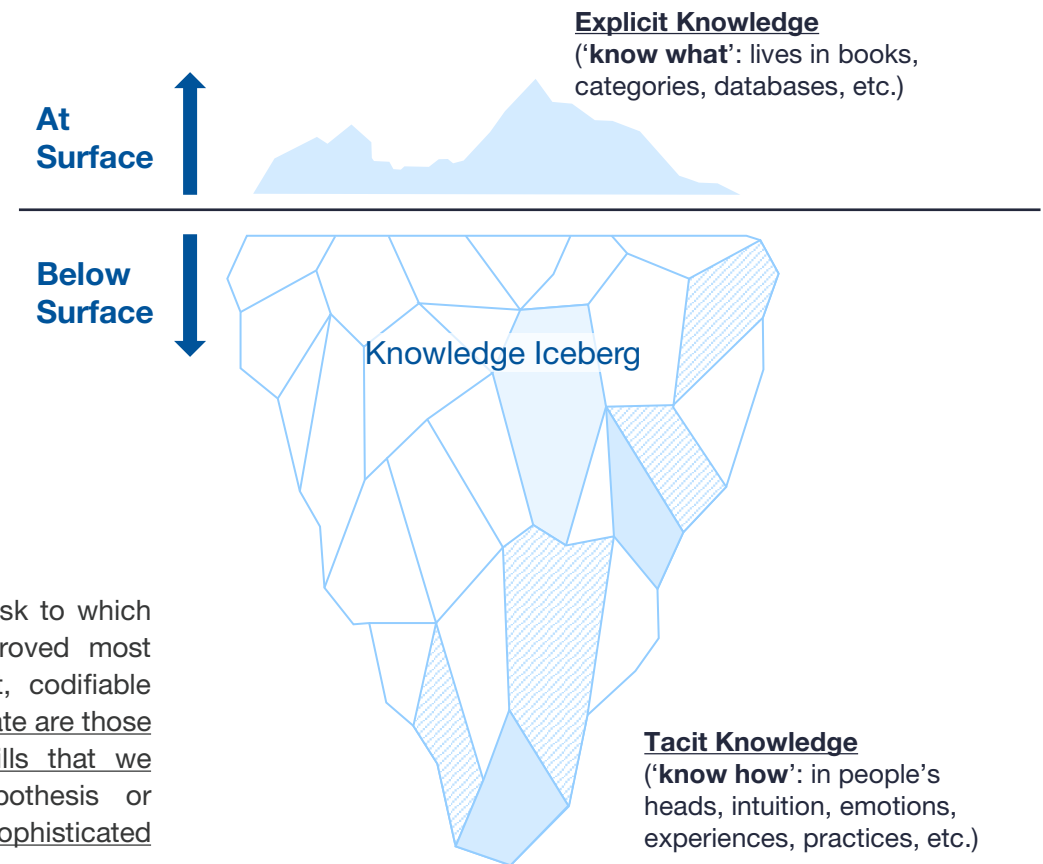
Unlocking Tacit Knowledge Has Been Challenging

A company's most valuable asset can often be the intuitive, unwritten expertise of its employees, which has historically been impossible to capture and scale















Given their ubiquity, it is tempting to infer that there is no task to which computers are not suited. [...] Human tasks that have proved most amenable to computerization are those that follow explicit, codifiable procedures. [...] Tasks that have proved most vexing to automate are those that demand flexibility, judgment and common sense—skills that we understand only tacitly—for example, developing a hypothesis or organizing a closet. In these tasks, computers are often less sophisticated than preschool-age children.

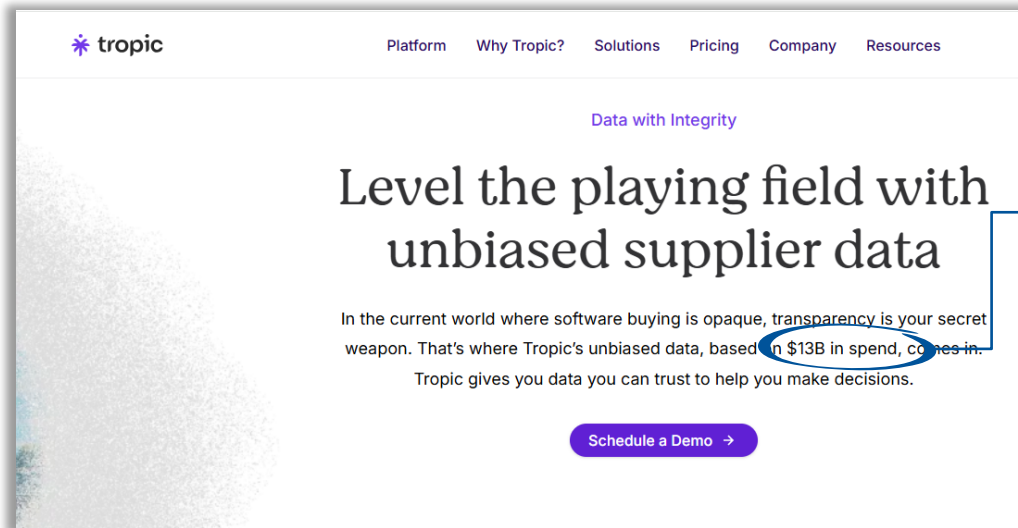
DAVID AUTOR, MIT



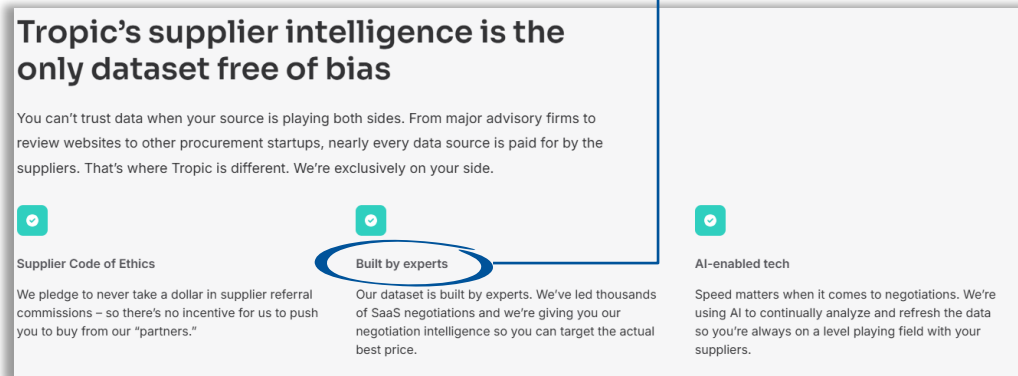
2 Human, Tacit Knowledge: Making the Human-AI Value Useful

Knowledge Capture	Knowledge Structuring	Integration & Augmentation	Governance & Security
			
 Intuition Captured	 AI-Ready Expertise	 Intelligence Amplified	 Intellectual Moat
<ul style="list-style-type: none"> Codifying the unwritten, intuitive expertise creates a unique asset that AI can learn from and amplify 	<ul style="list-style-type: none"> Structuring tacit knowledge into frameworks and models makes it digestible and usable for AI systems 	<ul style="list-style-type: none"> Integrating human expertise with AI creates a feedback loop where both human and AI are augmented 	<ul style="list-style-type: none"> Protecting codified expertise is paramount, represents the most defensible competitive advantage
<p>"The most valuable insights aren't in a database; they're in the minds of your experts. The challenge is getting them out."</p> <p></p>	<p>"Raw expertise is like crude oil. It's incredibly valuable, but it must be refined before it can power anything."</p> <p></p>	<p>"These systems will be most effective when trained with human domain knowledge in an industry context"</p> <p>Ginni Rometty, </p>	<p>"Once you've turned your team's unique wisdom into a digital asset, it becomes your most valuable secret—and your biggest target."</p> <p></p>
<ol style="list-style-type: none"> Implement expert interviews/workshops Use 'digital twin' simulations Capture rationale alongside actions 	<ol style="list-style-type: none"> Develop ontologies & knowledge graphs Convert insights into features Create 'decision-tree' libraries 	<ol style="list-style-type: none"> Build 'HITL' AI validation systems Use expert knowledge to fine-tune and prompt foundation models Create AI-powered tools that surface relevant knowledge in real-time 	<ol style="list-style-type: none"> Create strict usage and access controls Anonymize sources to allow sharing Conduct audits on usage and access

2 Human, Tacit Knowledge: Effective Messaging



- Raw, tacit knowledge is anonymized, structured, and codified into a machine-learnable format that uncovers patterns
- Foundational dataset from the nuances of every interaction



- Every detail and human interaction is captured, turning implicit to explicit:
 - Quotes & Redlines
 - Communication Tactics
 - Vendor Behaviors
 - Negotiation Levers

- Tropic successfully captured a massive dataset compiled over years of **human-led negotiations**
- **Expert negotiation skills are often tacit** – intuitive, unwritten, and hard to transfer
- This tacit knowledge is a critical asset but is **difficult to scale across an organization**
- **Every negotiation outcome is fed back into the AI engine**, making it smarter and more effective for the next deal



- Know the fair price **before** negotiations start
- Step-by-step negotiation strategies tailored to specific vendors, **suggesting the most effective tactics based on past interactions**
- AI assistant for contract analysis, redline generation, and optimal communication suggestions

3 Human-in-the-Loop: Human Impact on AI and Data Unlock

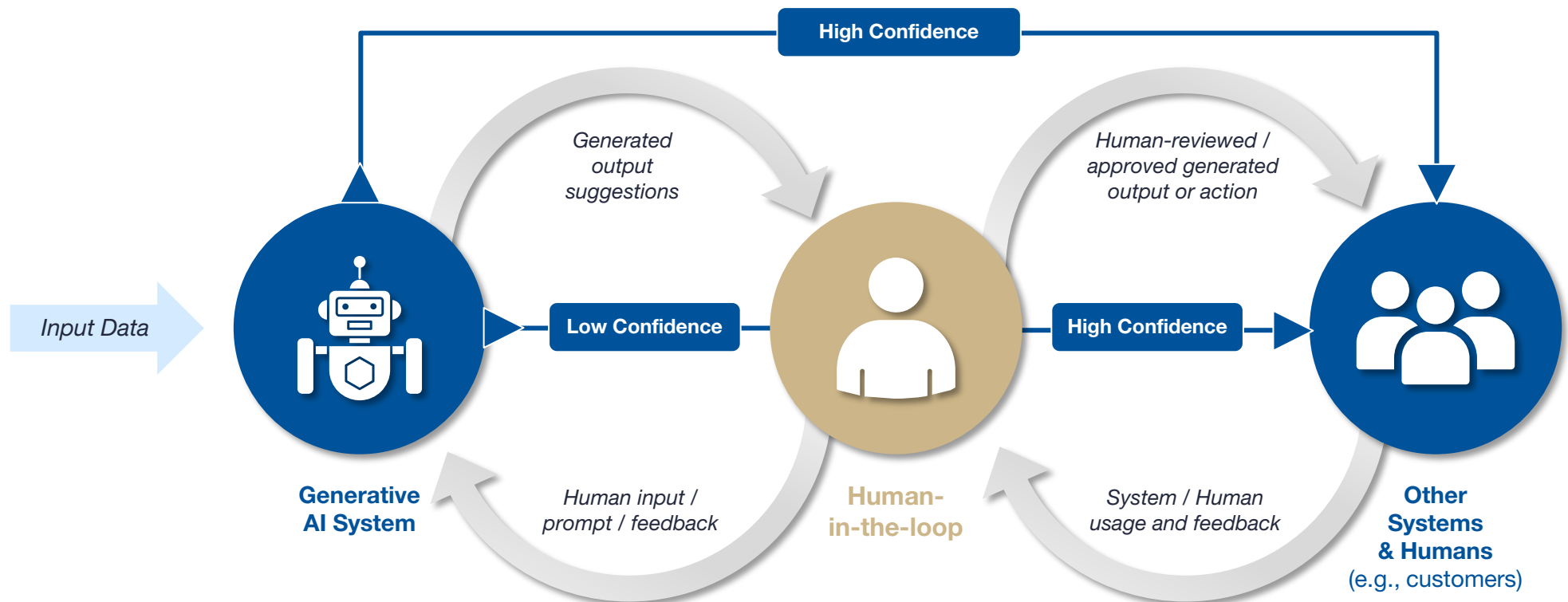
“We have expert humans in the loop that can optimize the AI / address tail cases that others will not be able to address”

Embedded Human Trust

- A deliberate strategy to augment productivity and ensure AI reliability
- Involving humans builds the trust needed to overcome critical barriers

“You have to know what to do when it is ambiguous, when it is uncertain. So that bringing clarity is super, super important.”

Satya Nadella, Microsoft











3 Human-in-the-Loop: Opportunity to Transition to AI-Future



And many of these new products don't start as "pure AI" either. They often begin as **human-in-the-loop services with a thin AI wrapper. A contract review tool that quietly has lawyers behind the scenes. A customer support bot that escalates to a human more than you'd expect. **But that's a feature, not a bug! It's just the initial wedge. You start with a human to build trust, gather data, and prove value. Then over time, the AI takes over (as it gets smarter and gains more trust).** What looked like a service at first becomes software at scale."**

Jamin Ball

3 Human-in-the-Loop: De-Risking AI with Human Expertise

Performance Amplification	Confidence Thresholding	Continuous Learning / Feedback Loop	Trust & Accountability
			
 Superior Accuracy & Quality	 Established Limits	 Dynamic Model Improvement	 Explainable & Defensible
<ul style="list-style-type: none"> Using human intelligence to handle edge cases, resolve ambiguity, and correct AI outputs 	<ul style="list-style-type: none"> Process of establishing thresholds and AI passing a task to a human if confidence in its own answer is too low 	<ul style="list-style-type: none"> Leveraging human interactions as high-quality training data, creating a flywheel where the AI improves with use 	<ul style="list-style-type: none"> Human accountability for system outputs builds customer trust through transparency and explainability
<p>“Our strategy is to use AI to automate the 80% of work that involves data gathering and analysis.. freeing them from painstaking research and allowing them to focus on the 20% that clients truly value: strategic thinking, creative problem-solving, and deep relationship building.”</p> <p>BCG BOSTON CONSULTING GROUP</p>	<p>“...Models must be fair, transparent, and robust. But the framework's anchor is human oversight—the capacity for meaningful human review and intervention at critical points... especially when the stakes are high.”</p> <p>Deloitte</p>	<p>“Every time one of our stylists helps a customer choose the right outfit, that interaction creates a new, highly valuable data point. This human-generated data is our most precious asset...Our business is a continuous learning loop between human expertise and machine intelligence.”</p> <p>STITCH FIX</p>	<p>“...Before a company wagers on an AI's output, leaders need to know two things: is this based on the right data, and can we explain the 'why' behind the recommendation? Without clear answers, which require human accountability in the system's design, you won't get adoption.”</p> <p>salesforce</p>
<ol style="list-style-type: none"> 1 Route low-confidence AI to humans 2 Humans refine or rank AI options 3 AI drafts, humans finalize 	<ol style="list-style-type: none"> 1 Set thresholds from past AI accuracy 2 Use stricter hurdles for risky decisions 3 Adjust thresholds based on feedback 	<ol style="list-style-type: none"> 1 Request human labels for some data 2 Humans provide corrections 3 Use feedback to fine-tune AI models 	<ol style="list-style-type: none"> 1 Frame AI as assistant to human expert 2 AI suggests; a human reviews 3 Establish human responsibility

3 Human-in-the-Loop: Effective Messaging



Machinify

New Mountain Capital to acquire AI company Machinify to form \$5B medical payments powerhouse

By **Heather Landi**, Jan 10, 2025

"AI is one capability of a suite of tools that we are leveraging. **We are not abandoning the importance of human intervention.** We are using technology to move upstream in the payments process to prevent errors from occurring in the first place. **We are coupling technology with human expertise.** This will always be our model," he [David Pierre] said.



New Mountain Capital acquired Machinify because its "Human-in-the-Loop" AI model creates a strong competitive advantage by combining technology with essential human expertise to navigate the complexities of healthcare payments

- BlackLine's AI strategy automates routine accounts receivable tasks, transforming employees into "exception handlers" who focus on resolving complex issues that require human judgment

BlackLine Recognized in Report on Top AI Use Cases for Accounts Receivable Automation in 2025

LOS ANGELES – April 9, 2025

"Our vision is to bring autonomous finance to every company in the world," said Jeremy Ung, Chief Technology Officer at BlackLine. **"That means using AI not just to automate tasks, but to elevate human judgment—so people become exception handlers and reviewers, while AI handles the heavy lifting..."**

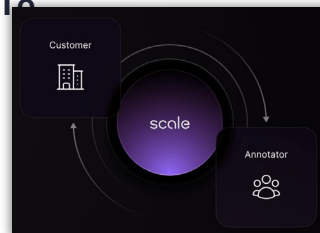


Meta / scale

Meta Invests \$14 Billion In Scale AI To Strengthen Model Training

By **Janakiram MSV**, Jun 23, 2025, 01:03am EDT

The integration provides Meta with several technical advantages. Scale AI's data engine processes multiple modalities, including text, images, video and audio, through both automated systems and **human oversight**. The platform features **quality assurance mechanisms that utilize statistical sampling to identify edge cases, resulting in a substantial reduction in revision cycles.**



Scale AI operates a "Human-in-the-Loop" data engine, where a global workforce provides crucial training feedback like RLHF, a capability that attracted major partners such as Meta



Brand, Customer Trust and Intimacy: [Creating Long-Term Winners](#)

“

The long-term winners in the AI era will be the companies that **own the user... The real moat is the customer relationship and the integration into workflows, which gives incumbents the best platform to deploy AI** and the proprietary data to make it better.”



4 Workflow Visibility & Embeddedness: Process Advantage

Horizontal Applications

“We are already embedded in complex workflows, giving us the context and opportunity to automate effectively with AI”

Remaining Embedded in the AI Era

- Workflow software and tech-enabled services are foundational to critical processes, offering unparalleled visibility into core operations
- An incumbent’s advantage stems from solutions providing a single, cohesive view of operations—a capability that fragmented AI point solutions cannot match
- Incumbents have a limited strategic window to enhance their platforms with AI, capitalizing on their existing operational visibility before AI-native startups can establish a foothold.

“

There’s a huge difference between an amazing demo of a transformative technology and something that a big complicated company holding other people’s business can use. You can rarely go to a law firm and sell them an API key to GCP’s translation or sentiment analysis: **you need to wrap it in control, security, versioning, management, client privilege, and a whole bunch of other things** that only legal software companies know about (there’s a graveyard of machine learning companies that learned this in the last decade). Companies generally can’t buy ‘technology’. Everlaw doesn’t sell translation, and People.ai doesn’t sell sentiment analysis - **they sell tools and products, and often the AI is only one part of that.**”

Benedict Evans – AI and the Automation of Work

4 Workflow Visibility & Embeddedness: Unpacking Narratives

Horizontal Applications

Workflows Create a Structural Moat...But Must Be Effectively Narrated



AI agents pose an existential threat to established workflow companies, as they will soon be able to auto-generate the tools that took years to build, effectively making custom application development free and accessible to anyone

Conflicting Narratives

While adopting AI is non-negotiable, mission-critical workflows can leverage their defensive advantages, including embedded visibility into multi-step, complex customer workflows, to transform AI from a potential threat into a compounding strength



While AI can now automate many coding tasks — making raw code increasingly a commodity — this shift places greater emphasis and value on everything else other than raw code that a modern software company provides to an enterprise customer. **We might at one point stop calling such companies “software” companies altogether since what they're really selling is the ability to unpack complex business problems and design continuously evolving digital solutions empowered by AI.**

Holden Spaht, Management Partner at Thoma Bravo



4 Workflow Visibility & Embeddedness: Creating Engagement & Usage


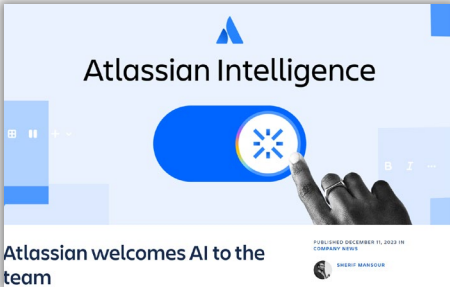

Horizontal Applications

Foundational Transparency	Embedded Intelligence	The Acceleration Moat	Amplified Human Expertise
Visible & Trusted Workflows	Augmented & Accepted AI	Defensible, Self-Improving Systems	Strategic & Empowered Talent
<ul style="list-style-type: none"> Full visibility into work builds the trust required to successfully scale intelligent automation 	<ul style="list-style-type: none"> Embedding AI co-pilots into trusted workflows to boost adoption and accelerates processes 	<ul style="list-style-type: none"> Learning workflows generate proprietary data, creating a virtuous cycle of improvement 	<ul style="list-style-type: none"> Freeing experts from low-value tasks to focus on high-value work creates a strategic workforce advantage
<p>“A business process is no longer a set of static lines and boxes drawn on a whiteboard. It’s a living, breathing entity that can now be fully instrumented. Achieving this end-to-end visibility is the prerequisite to intelligent automation, as it allows you to anchor your efforts in reality, not assumptions.”</p> <p></p>	<p>“The most successful AI applications aren’t separate destinations; they are woven into the fabric of the tools people already use. By embedding intelligence as a suggestion or an automated next step within a trusted workflow, you eliminate the friction of adoption. The goal is for the user to not even think of it as ‘using AI’ — it’s just the workflow getting smarter.”</p> <p></p>	<p>“Einstein makes hundreds of billions of predictions...Every time a salesperson updates an opportunity or a service agent closes a case on our platform, that signal makes our AI smarter...The immense scale of this workflow data, captured across millions of users, creates an intelligence feedback loop that is our most powerful competitive advantage.”</p> <p></p>	<p>“AI will not replace the doctor, the lawyer, or the strategist. But the professional who uses AI will replace the professional who does not. Our focus is on creating technology that acts as a co-pilot, handling the rote work to free up professionals to exercise critical judgment and creativity, which are, and will remain, uniquely human.”</p> <p></p>
<ol style="list-style-type: none"> 1 Use process mining and task capture to create a "digital twin" 2 Catalogue all workflow variations to identify best practices 	<ol style="list-style-type: none"> 1 Deploy AI-powered suggestions and data entry automation 2 Implement "next-best-action" recommendations within existing tools 	<ol style="list-style-type: none"> 1 Feed all human-in-the-loop interactions back into model training 2 Use A/B testing to continuously refine workflow automations 	<ol style="list-style-type: none"> 1 Redesign roles around strategic decision-making 2 Invest in continuous reskilling for human-AI collaboration

4

Workflow Visibility & Embeddedness: Effective Messaging

Horizontal Applications

	<div>servicenow</div>	<div>ATLASSIAN</div>	<div>coupa</div>
<div>Embedded Workflow</div>	<div>Enterprise Service Management:</div> <ul style="list-style-type: none">A unified platform for automating IT, HR, customer service, and security workflows; “platform of platforms”	<div>Software Development & IT Ops:</div> <ul style="list-style-type: none">A suite of tools for managing agile development, IT operations, and project management for technical and business teams	<div>Business Spend Management:</div> <ul style="list-style-type: none">A comprehensive platform unifying all spend activities, including procurement, invoicing, and supply chain
<div>AI Acceleration / Strategy</div>	<div><p>ServiceNow Enters the AI Race with Now Intelligence</p><ul style="list-style-type: none">Embeds AI into workflows for automated ticket routing, virtual agents, incident summarization, and code assistance</div>	<div><p>Atlassian Intelligence</p><p>Atlassian welcomes AI to the team</p><ul style="list-style-type: none">AI integration accelerates workflows through document summarization, test plan generation, and natural language queries</div>	<div><p>Coupa Navi™ AI Agents</p><ul style="list-style-type: none">Uses AI agents, trained on over \$8T in spend data, to automate and optimize spend processes with prescriptive insights</div>
<div>Leadership Commentary</div>	<div><p>“This is a moment for the history books, a true paradigm shift. Generative AI is the single most important catalyst for the digital transformation of enterprise.”</p><p>BILL MCDERMOTT, CEO</p></div>	<div><p>“We’re not just bolting on AI; we’re deeply integrating it to enrich and accelerate every stage of the software development lifecycle and IT service management.”</p><p>MIKE CANNON-BROOKES, CO-CEO</p></div>	<div><p>“We’re building the network that will power the future of global trade – fueled by our community-generated AI of over \$8T in data spend.”</p><p>LEAGH TURNER, CEO</p></div>

5 Customer Relationships and Trust: *The Incumbent Advantage*

Vertical

Horizontal

“We have strong relationships or are the trusted intermediary giving us permission to automate or utilize AI where others can’t”

“













...But specialist vendors aren’t standing still. If anything, they’re absorbing AI faster embedding copilots, automating workflows, and fine-tuning models on proprietary industry data. These platforms already have **the workflows, the trust, and the structured data that AI thrives on**. That gives them a head start in deploying domain-specific intelligence AI that doesn’t just summarize a meeting, but flags regulatory risks, optimizes pricing in real time, or drafts FDA-compliant documentation. In many cases, **their incumbency becomes their advantage**: they can roll out AI as a feature, not a product, and monetize it without changing the buying motion. The question isn’t whether platforms or specialists win it’s who can abstract the right layer, own the interface, and capture the logic of work itself. In the AI era, monetization won’t just follow usage – it will follow attention, context, and control.”

BOND

5 Customer Relationships and Trust: Creating Customer-centric Moats

Vertical

Horizontal

Deep Domain Expertise	Trusted Relationships	Permission-Based Automation	Proprietary Insight Moat
			
 Become Source of Truth	 Be Essential Partner	 Automate Critical Workflows	 Achieve Data Dominance
<ul style="list-style-type: none"> Embedding specialized knowledge in solutions to handle standard challenges in complex industries 	<ul style="list-style-type: none"> Use platform expertise to build trust and become essential for client decisions 	<ul style="list-style-type: none"> Leverage trust to automate workflows, creating deep integration and high switching costs 	<ul style="list-style-type: none"> Data from trusted workflows creates an insight flywheel, improving the platform and its moat
<p>"Our platform is built from the ground up with an understanding of the complex, regulated processes from clinical trials to regulatory submissions. By embedding this deep domain knowledge into our code, our software becomes the system of record and the trusted standard for our customers."</p> <p></p>	<p>"You have the possibility to choose what you would like the confidence threshold to be - how sure does the AI agent need to be in order to send an Intent reply? We set the confidence threshold for the AI agent to 60, and we find that most of our users have the threshold set somewhere between 50% and 70% as the sweet spot..."</p> <p></p>	<p>"You can't automate what you don't trust...our clients give us permission to automate critical compliance and reporting workflows only because they have absolute trust in the underlying data and logic of our platform. That trust, earned over years, is what allows us to embed ourselves deeper into their operations than any generic automation tool could."</p> <p></p>	<p>"The value of our platform compounds... We can then provide our customers with anonymized, aggregated insights and benchmarks they can't get anywhere else. This data, generated as a byproduct of our core trusted workflow, creates a powerful and self-reinforcing competitive advantage."</p> <p></p>
<ol style="list-style-type: none"> 1 Embed regulatory logic and expert rules directly into software features 2 Publish industry research and benchmarks based on platform data 	<ol style="list-style-type: none"> 1 Provide high-touch, expert support and consulting services 2 Use the platform to proactively guide clients through industry changes 	<ol style="list-style-type: none"> 1 Automate high-stakes calculations, compliance checks, or decisions 2 Provide auditable logs for all automated actions 	<ol style="list-style-type: none"> 1 Analyze workflow data to create exclusive industry intelligence 2 Use proprietary data to train predictive AI models no one else can build

5 Customer Relationships and Trust: Effective Messaging

Vertical

Horizontal



- Veeva's industry knowledge is applied to customer data, creating a defensible flywheel
- This feedback loop, where the system improves with use, is nearly impossible for new entrants to replicate

"Unlike general software vendors, Veeva integrates industry-specific metadata schemas, compliance workflows, and data validation rules directly into its platform...Veeva addresses these challenges by providing a unified cloud platform that consolidates sales, marketing, clinical, and regulatory workflows into a single SaaS ecosystem."

Peter Gassner, Founder & CEO

"Our customers depend on Veeva applications for some of their most critical industry-specific processes from clinical to commercial. They want to use AI to improve productivity and ultimately get treatments to patients faster. Adding Veeva AI to our core applications will help make AI simple, secure, and compliant for life sciences companies of all sizes."

Peter Gassner, Founder & CEO

Veeva's strategy is to embed AI directly into the applications customers already use, rather than offering a separate, general-purpose AI

"GenAI is a new computing paradigm that will significantly increase productivity for knowledge workers. Core applications give you structured data, business rules and workflow...GenAI brings the more human-like ability to derive answers and insights from ambiguous situations that deal with language, context, and broad-based knowledge. Core applications and GenAI working seamlessly together will bring significant productivity gains."

Peter Gassner, Founder & CEO

6 Mission Critical, High-Stakes Industry: [Anatomy of a Mission-Critical Moat in the AI Era](#)

Vertical Applications

“We operate in a high-stakes or regulated industry where mistakes are impactful, and the software / AI solutions are mission critical to the businesses success”

Becoming Indispensable in the AI Era

- **Trust & Regulation:** Built on verifiable trust, platforms can transform regulatory complexity into a competitive shield that filters out others
- **Workflow Integration:** As a operational nervous system, the embedded AI delivers measurable results (e.g., 34% faster treatment) that make the solution indispensable
- **Switching Costs:** The AI's deep integration creates powerful lock-in for customers, for whom switching would cause unacceptable operational disruption and the loss of custom workflows and data

Mission-Critical And Expert Systems: The Next Wave Of AI



Ethan Batraski



“

AI systems that can't deliver reliable results aren't just inefficient; they're a liability. Even small mistakes or inaccuracies can have serious consequences in high-stakes, mission-critical situations, particularly in industries such as banking or healthcare.”

WORLD
ECONOMIC
FORUM

6 Mission Critical, High-Stakes Industry: Effective Messaging

Vertical Applications



TRUSTED MISSION AI

COMPANY

MARKETS

CAPABILITIES

INSIGHTS

CAREERS

Investors

Newsroom

Employees

Suppliers

Global

Contact

Aviation

Defense

Energy & Industry

Government

Healthcare

Homeland

Intelligence

Science

Space

GenAI brings soldiers answers they need in critical moments

With more than two decades of experience in AI, Leidos is now leveraging emerging GenAI technologies to turn established Army Doctrine documents into GenAI-powered tools.

AI-Driven Software Development for Critical Government Missions

Leidos and Sourcegraph deliver AI-powered software development solutions for critical government missions, including support for customers operating in classified environments.

How Leidos drives productivity with Moveworks at federal scale with generative AI

Leidos and Moveworks, a leading generative AI assistant platform, partner to transform IT support services and enhance the employee experience for government customers.

7 Distribution Leverage / Ecosystem Position: Trust at Scale

“We have unique distribution scale or sit at a systems integration point”

While AI models May Become a Commodity, Direct Access to Customers is a Rare and Powerful Moat

- An established, trusted customer relationship is the most significant, hard-to-replicate defense against AI disruption
- Distribution is a strategic fortress, not just a sales channel, allowing incumbents to deploy AI faster and more effectively

“

There's an assumption that startups will struggle to make headway in AI... **for big companies like Adobe, innovation is just an API integration away.”**

BENCHMARK

“

In sports, they say 'defense wins championships.'
And on the internet, distribution wins championships.”









Gavin Baker,
Managing Partner
at Atreides

“

In the age of AI, proprietary data is a moat, but the mechanism to generate that proprietary data at scale is an even bigger one. **That mechanism is your distribution and user engagement. If you have a product that millions of people are already using, you have a flywheel that a new competitor simply can't replicate.”**

Reid Hoffman,
Co-founder of LinkedIn & Partner at Greylock

7 Distribution Leverage/ Ecosystem Position: Mechanism to Distribute

Immediate Go-to-Market Scale	Deep Integration & High Switching Costs	Proprietary Data Flywheel	The Trust Advantage
			
<input checked="" type="checkbox"/> Leverage Existing Customer Base	<input checked="" type="checkbox"/> Lock-In Customers	<input checked="" type="checkbox"/> Create a Self-Improving System	<input checked="" type="checkbox"/> Use Trust as a Differentiator
<ul style="list-style-type: none"> Incumbents bypass enormous acquisition costs by deploying AI directly to massive customer bases 	<ul style="list-style-type: none"> Deep integration into critical workflows creates high switching costs, locking in customers 	<ul style="list-style-type: none"> Scale creates a hard-to-replicate virtuous cycle: More Customers → More Data → Smarter AI → Better Product 	<ul style="list-style-type: none"> Uncertainty in AI ethics and security drives customers to partners they already trust with critical data
<p>"Our biggest advantage is we have a billion existing users... The great thing about having this distribution is that we can build a new experience like Threads, and in five days, 100 million people can be using it. You can't do that from scratch."</p> <p></p>	<p>"Our value is not just one product... it's the seamless workflow across the entire Creative Cloud. When a project moves effortlessly from Illustrator to After Effects to Premiere Pro, that deep integration becomes indispensable to a creative professional's daily work. The ecosystem itself is the product, and that creates a powerful and durable bond with our creative community."</p> <p></p>	<p>"One of the most powerful competitive advantages is a data network effect. This happens when your product, as a side effect of its normal use, generates data that makes the product itself better... This is not a 'cold start' problem you can solve with money. It's a flywheel that, once it starts spinning, gets faster and faster, creating a widening moat."</p> <p></p>	<p>"In the new world of generative AI, trust is the new currency. Enterprises are not going to bet their company's most valuable data on an unproven startup. They're going to turn to the partners they already have a security and data-privacy relationship with...decades of experience handling sensitive corporate data is now a primary competitive advantage."</p> <p></p>
<ol style="list-style-type: none"> Deploy AI features via in-cloud updates Utilize existing channels for awareness Drive adoption with free trials 	<ol style="list-style-type: none"> Embed AI into critical workflow steps Create data interdependencies Offer bundled pricing 	<ol style="list-style-type: none"> Capture data from all interactions Build a pipeline to retrain models Use AI to personalize the UX 	<ol style="list-style-type: none"> Publish clear principles and policies Provide security and data usage terms Offer enterprise support and SLAs

7 Distribution Leverage/ Ecosystem Position: Effective Messaging

Incumbents Have Massive Global Customers ... Opportunity as a Distribution Paradigm for AI

Tech Incumbents = Optimizing Product Distribution to Roll Out AI

While ChatGPT Has 800MM+ Users Via Its Website & App...

...Tech Incumbents Have Billions of Global Users on Devices & Platforms With Ongoing AI Product Rollouts

	Google 4.9B Search Users, 3B+ Android Users, 1.5B AI Overviews Users & 1B+ Assistant Devices
	Meta Users* 3.4B+
	Apple Devices** 2.35B
	TikTok Users*** 1B+
	Microsoft 1B LinkedIn Members & 400MM+ Office 365 Paid Seats
	Spotify Users 678MM
	Amazon 600MM+ Alexa Devices & 200MM+ Prime Subscribers
	X Users 500MM+
	Canva Users 230MM+

*Meta includes Facebook, Instagram, WhatsApp, & Messenger. **Apple includes iPhones, iPads, Macs, & other Apple devices worldwide. ***As of 2021; no more recent company data available. Note: Some figures are estimates based off past company disclosures & web traffic / purchase history analytics. Different companies may define 'users' differently based on frequency. Source: Statcounter (2/25), Google (5/25), Meta 10Q (4/25), Apple (1/25), TikTok (7/21), LinkedIn (5/25), Microsoft (1/24), Spotify (5/25), Amazon (2/25 & 10/24), Elon Musk via X (7/23), Canva (4/25), OpenAI disclosures (4/25), Wikimedia Commons

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AI – Tech Incumbents = Broad & Steady Product / Feature Rollouts

199

Tech Incumbent AI Rollouts = Spotify – AI DJ (2/23)

Spotify AI DJ – 2/23-5/25, per Spotify

Tech Incumbent AI Rollouts = Microsoft – Copilot (2/23)

Microsoft Copilot – 8/23-12/24, per Microsoft

Tech Incumbent AI Rollouts = Meta AI (9/23)

Meta Platforms: Meta AI – 11/23-4/25, per Meta Platforms

Tech Incumbent AI Rollouts = Google – Gemini & AI Overviews (12/23)

Alphabet: Gemini & AI Overviews – 3/25-5/25, per Alphabet & Business Insider

8 Demonstrable Revenue Generation and Cost/Risk Efficiencies: Engine for Growth

“We are already showing material productivity gains for functions that matter”

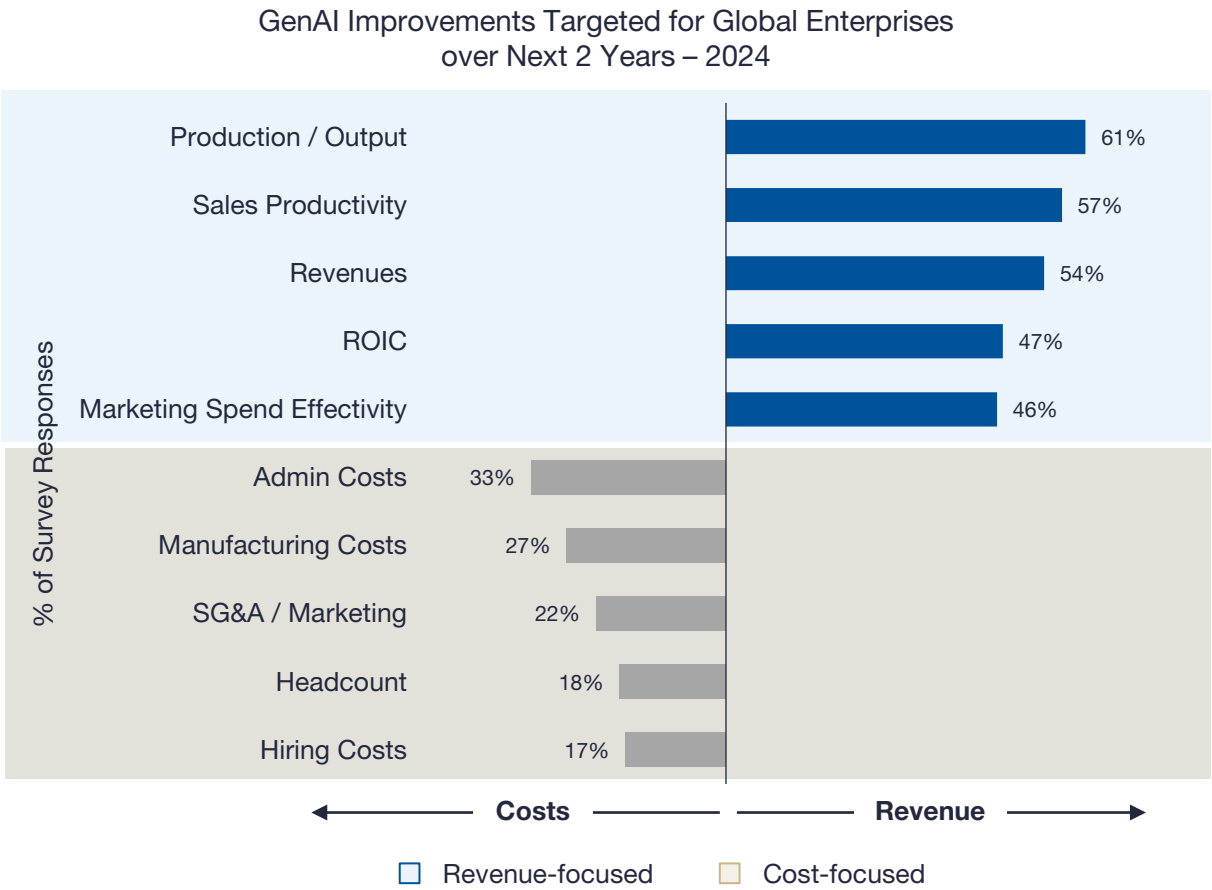
AI Engine for Growth (& Survival)

- AI is a core driver of business strategy, delivering significant returns
- Companies slow to adopt AI risk being left behind in a rapidly evolving market













AI will not replace humans, but those who use AI will replace those who don't.

GINNI ROMETTY, FORMER CEO - IBM

Enterprise AI Focus – Global Enterprises = Growth & Revenue...Not Only Cost Reduction



8 Demonstrable Revenue Generation and Cost/Risk Efficiencies: From Potential to Profit

Revenue Growth & Innovation	Operational Efficiency & Productivity	Cost Optimization & Management	Risk Mitigation & Governance
			
 Increase revenue	 Improve processes, empower employees	 Lower operational costs, optimize resources	 Manage risks
<ul style="list-style-type: none"> Use AI to deepen customer insight, personalize experiences, improve selling models, and deliver more product 	<ul style="list-style-type: none"> Use AI to automate repetitive tasks, optimize complex workflows, and empower employees 	<ul style="list-style-type: none"> AI to identify financial inefficiencies, predict resource needs, and minimize waste across the entire value chain 	<ul style="list-style-type: none"> AI to detect anomalies, ensure compliance, and strengthen security in complex environments
<p>“Generative AI will be the biggest growth driver in the history of enterprise software. We are embedding it across our platform to help our customers drive their own transformation and revenue growth.”</p> <p></p>	<p>“Copilot is the most profound productivity transformation of our time. It’s about empowering every employee in the organization to focus on the work that is uniquely human.”</p> <p></p>	<p>“Our investments in AI are not just for the user-facing products; they are critical for running our infrastructure more efficiently, which translates to significant cost savings at our scale.”</p> <p></p>	<p>“We’re using AI and machine learning to analyze more than 125 billion transactions a day to detect and prevent fraud before it can affect our customers.”</p> <p></p>
<ol style="list-style-type: none"> Personalized product recs Dynamic pricing optimization AI-native feature/service development Deliver more product 	<ol style="list-style-type: none"> Automation of back-office tasks AI assistants AI-powered CX automation 	<ol style="list-style-type: none"> Optimization of cloud spend Analysis to identify savings potential Intelligent optimization 	<ol style="list-style-type: none"> Fraud detection & cyber threat analysis Automated compliance monitoring AI-driven stress testing

8 Demonstrable Revenue Generation and Cost/Risk Efficiencies: Effective Messaging



The Recommendation Engine

Amazon's pioneering use of AI in its recommendation system is a masterclass in revenue generation. By analyzing customer behavior, the system presents personalized product suggestions that are highly relevant to the individual shopper

35%

of total sales are attributed to its AI-powered recommendations



AI-Powered Sales Coaching

Using GongAI's platform, Diligent analyzed transcripts of its best sales reps to build an AI coach. This tool boosted sales call success and helped reps meet quotas significantly faster

7.4%

boost in sales call success



Internal Productivity

By deploying its own AI tools internally, Microsoft has achieved massive productivity gains in areas like software engineering, sales, and customer service, leading to substantial operational savings

\$500M+

saved in 2024 due to widespread AI adoption



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