



THIS CHANGES EVERYTHING

AI AND THE FUTURE OF BUSINESS

KP Reddy

<https://shadow.vc>

A BRIEF HISTORY OF AI

Alan Turing proposed the concept of the “Imitation Game”, now known as The Turing Test.

1950

NASA rovers autonomously explore the surface of Mars. The DARPA Grand Challenge sets the stage for modern autonomous cars.

2004

CV algorithms outperform humans in recognizing and describing images.

2015

Two robot cars (VaMP) autonomously drive passengers more than 1,000 km on a 3 lane road with heavy traffic with speeds up to 130 km/h.

1994

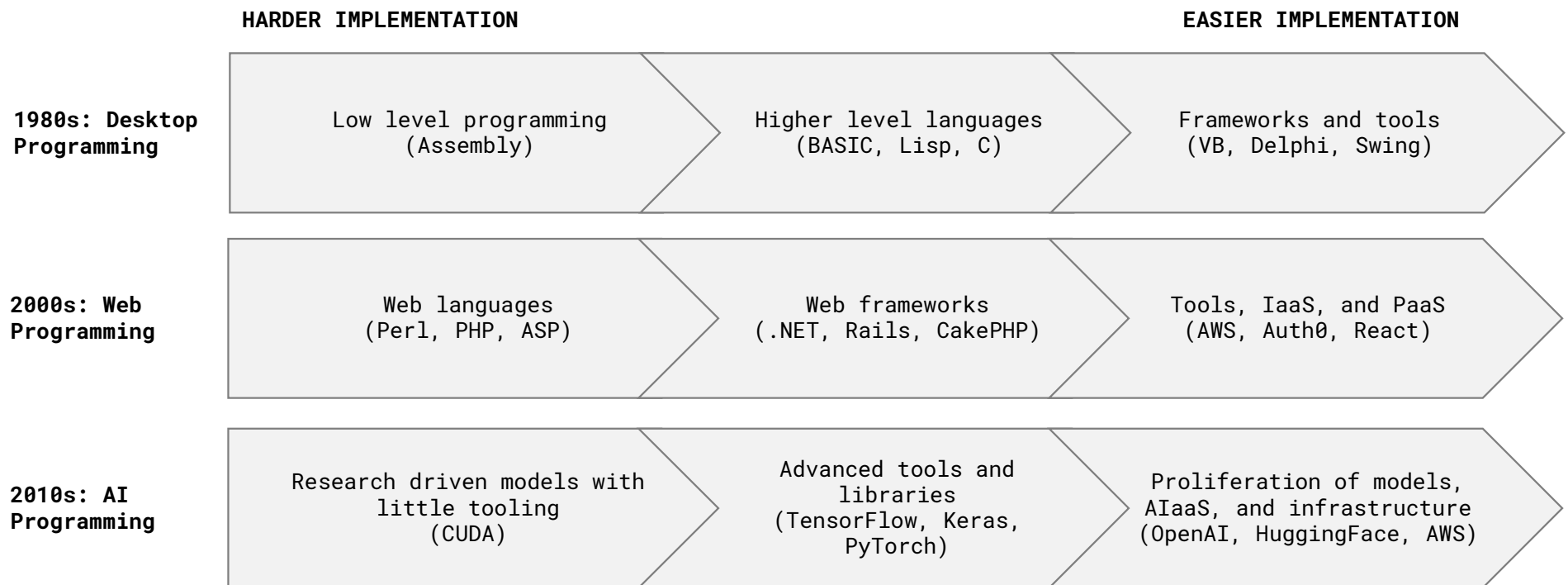
IBM Watson defeats Ken Jennings (and others) on Jeopardy!

2011

OpenAI launches ChatGPT, quickly followed by other LLM models launched by Meta, Google, and others.

2022

TECHNOLOGY PROGRESSION



AI is reaching the point in its lifecycle where it will be so easy to incorporate, having it in a product will be table stakes.

TECHNOLOGY'S IMPACT ON THE ENTERPRISE

- Word Processing, Spreadsheets, & Desktop Computers
- Blackberry & Mobility
- Companies like SAP and Oracle shifted from being accounting programs to ERP (Enterprise Resource Planning) software

“This Changes Everything”

OPTIMIZE. OPTIMIZE. OPTIMIZE.

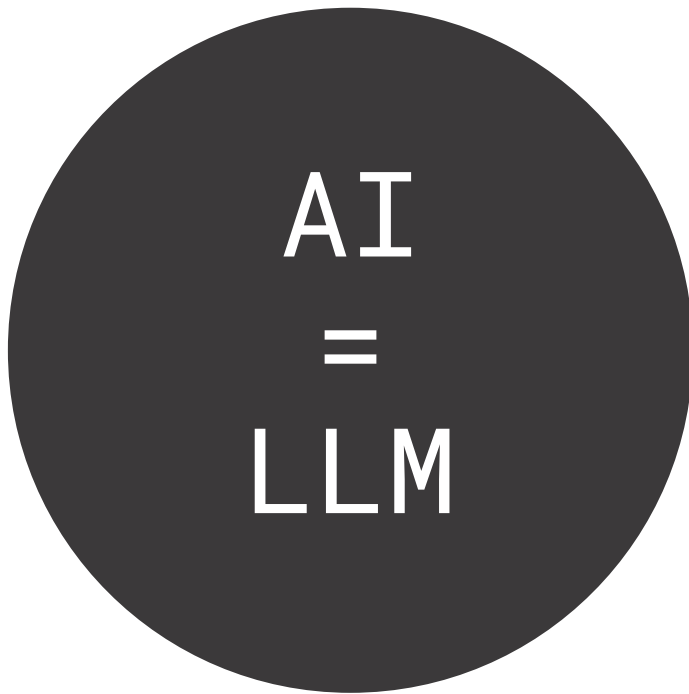
- Deming is rolling in his grave
- KPIs, OKRs... Measure everything and optimizing people
- Job descriptions look like instructions for robots
- Scaling large companies through de-skilling

NOW WE HAVE AI

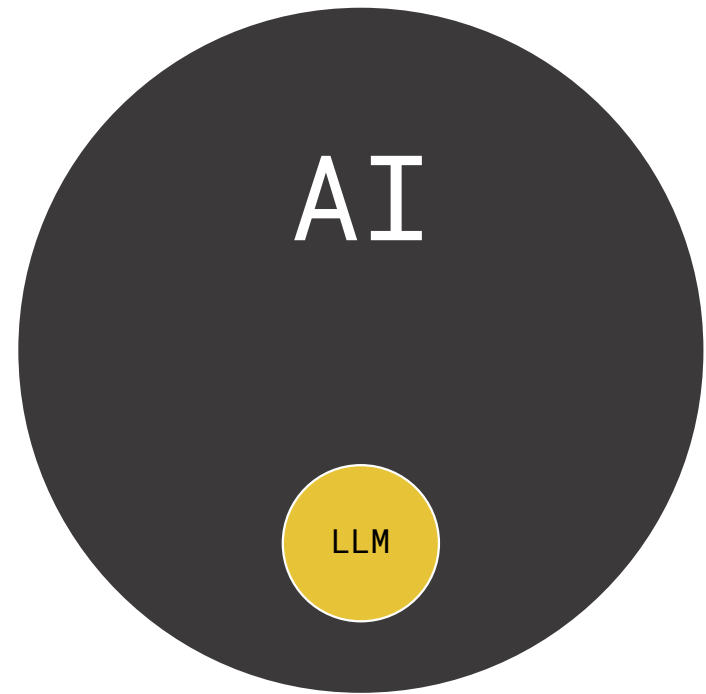
- Moneyball
- AI is replacing the tedious tasks
- AI is replacing positions that are the most optimized
- AI is eliminating middle management

"This Will Change Everything"

BUT WHAT IS AI, ACTUALLY?



Perception

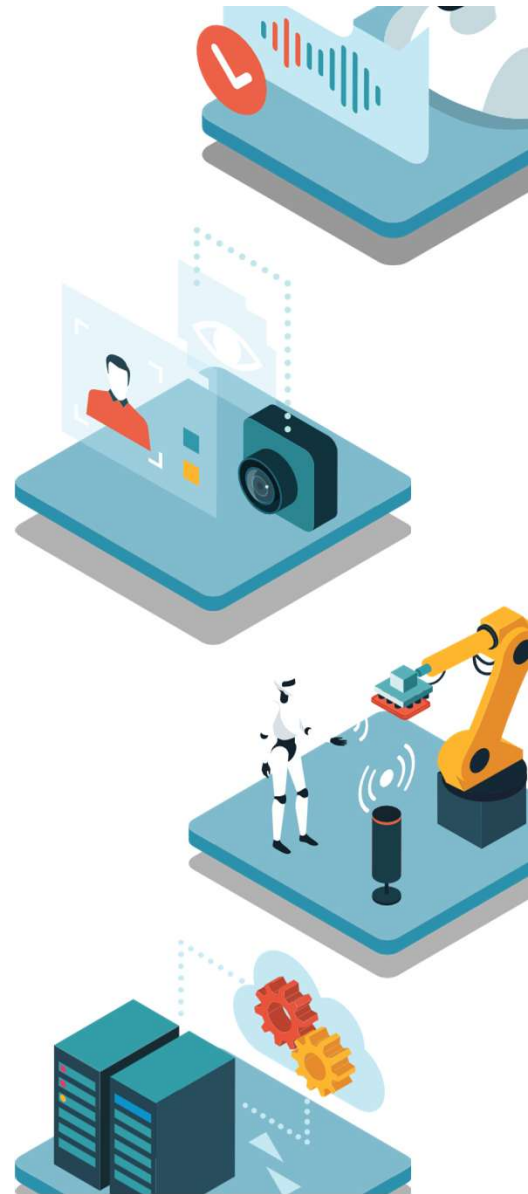


Reality

BUT WHAT IS AI, ACTUALLY?

We use the term “AI” as a catch all for many different areas of study that each have unique challenges and applications. A few examples include:

- Machine Learning
- Natural Language Processing
- Computer Vision
- Expert Systems
- Robotics and Autonomous Motion
- Large Language Model



AI FOR **AEC**

A few categories and examples of startups in each using AI to alleviate pain points in construction, engineering, and real estate.

01

LOCATION INTELLIGENCE

LocalLogic, Cherre, PlacerAI

02

DESIGN/PRECONSTRUCTION

Airworks, CoDesign, TestFit, Hypar, WorkorderAI

03

AUTONOMOUS FIELD ROBOTS

Okibo, BotBuilt, Dusty Robotics, BuiltRobotics, AUAR

04

PROGRESS MONITORING

Track3D, OpenSpace, StructionSite

05

SAFETY

Invigilo, Third Eye

06

INSPECTION AND MANAGEMENT

Aren, T2D2, Occuspace, Fluix, Magic Door

BUILD

AUAR: On-site robots that frame houses faster and cheaper without hard-to-find skilled labor.





MANAGEMENT

MagicDoor: AI to make a property manager 20x more efficient.

AI-DRIVEN MAINTENANCE

General Notes AI Runbook **Communications**

AM **Garbage Disposal Not Working** ✎

Your message is being sent out as English

AM

Aaliyah Mante 12:46 PM

sure



AI 12:46

Great, let me know what you find with the circuit breaker.

AM

Aaliyah Mante 12:46 PM

Looks like that was the problem, it's working now!

New message

AI 12:46

I'm glad that the issue has been resolved by resetting the circuit breaker. If you experience any more issues, please don't hesitate to reach out. Have a great day, Aaliyah. I'll close this maintenance request now.

TENANT COMMUNICATION

← Communications

Dashboard

Chats

Announcements

Archive messages

01 - 72085 Reilly Islands 5

At: Dear Tenant, This is a no

Home - 594 Macejkovic F... 10

At: Dear Tenant, This is a no

Home - 155 Helmer Corner 1

At: Dear Tenant, This is a no

Home - 155 Helmer Corner 1

At: Dear Tenant, This is a no

Home - 769 Clara Freeway 1

At: Dear Tenant, This is a no

Home - 594 Macejkovic F... 2

At: Dear Tenant, This is a no

Home - 47410 Erdman Ra... 1

At: Dear Tenant, This is a no

Home - 594 Macejkovic F... 10

At: Dear Tenant, This is a no

Home - 594 Macejkovic F... 2

At: Dear Tenant, This is a no

Home - 594 Macejkovic F... 2

At: Dear Tenant, This is a no

▼ Tenant chat 944 Unread

Tenant Amie MacGyver

At: Your lease ends on Aug

Sarah Gale

This is a new chat

Archive Messages

AM Tenant Amie MacGyver

Your message is being sent out as English

AI 01/08/2025 at 2:01 PM

Dear Tenant,
This is a notification that a lease payment of \$1200.00 has been received. Your lease balance is now paid in full for 042 Napoleon Island, 27, West Giovanni, NY 73831.

AI 01/08/2025 at 2:03 PM

Dear Tenant,
This is a notification that a lease payment of \$1200.00 has been received. Your lease balance is now paid in full for 042 Napoleon Island, 27, West Giovanni, NY 73831.

AI 01/08/2025 at 2:47 PM

Your portal password has been changed to "gzjvm6", your username is "amie.macgyver@integridoor-
demo.com", you can access the tenant portal via [https://integritypropertymanagementwithmagedoor-
demo.com/tenant/auth/login](https://integritypropertymanagementwithmagedoor-
demo.com/tenant/auth/login).

AM Amie MacGyver 9:30 AM

When does my lease end?

AI rewrite

AI 9:30 AM

Your lease ends on August 30, 2025.

Use AI to polish your message

Magic it

Type Something...

Email Text message

MANAGEMENT

FLUIX: Run a data center using AI to reduce operational power by 60%.

Server Usage

75%

+19%

AVG. PUE

1.43

-5%

Expenses

June
(Projected)

\$1754

+19%

LIVE PUE



COM3

Temperature:
17°C

COM4

Temperature:
26°C

COM5

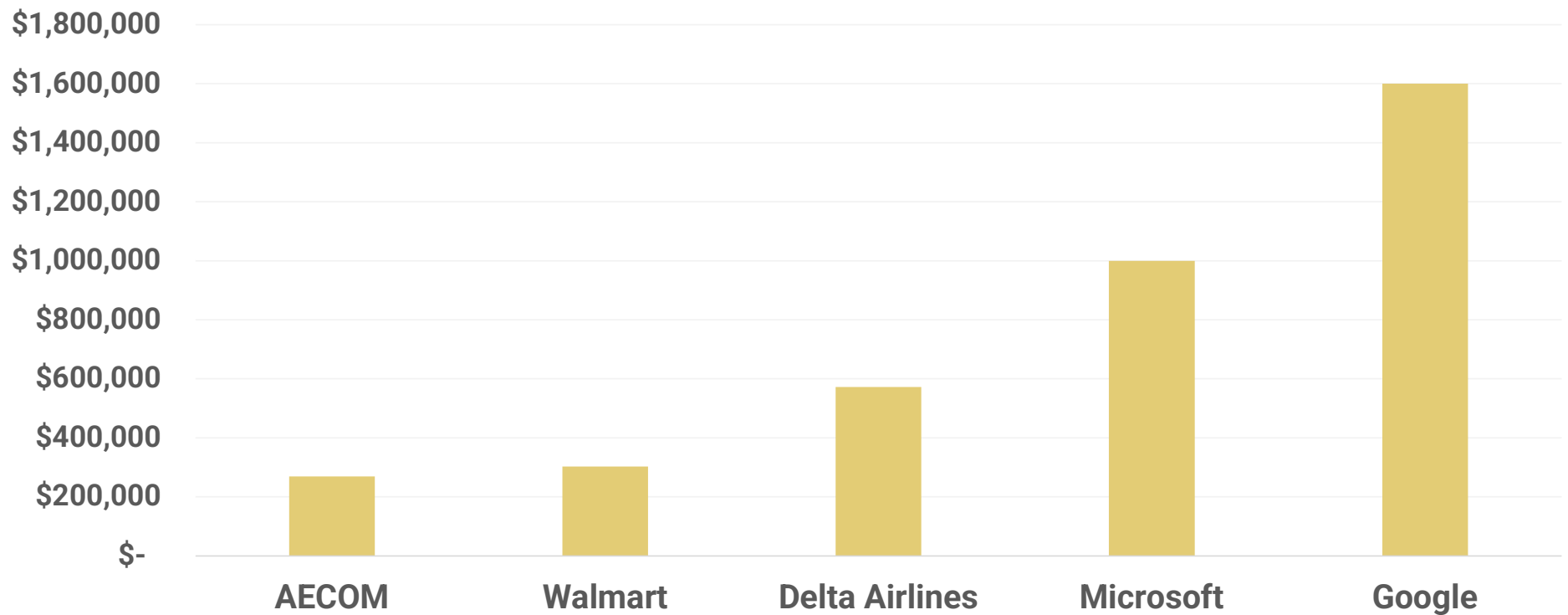
Temperature:
20°C



WHERE ARE WE HEADING?

- The gap between idea and execution continues to shrink
- AI can execute most operational work in a company
- Middle managers expected to develop new skills and competencies or be eliminated
- Building a new competency = 2x Cost + 2x Time
(AI and other technologies are changing this)
- Creative skills not easily replicated by AI/automation will become significantly more sought after

GROSS REVENUE PER EMPLOYEE



A DECISION MUST BE MADE



THE CHOICE



Intangible Enterprise



Monolithic Corporation

From the book "Creating the Intangible Enterprise" by KP Reddy

MONOLITHIC CORPORATION

- Staying in the same business and growing
- Less layers of management and overhead
- Near term profitability
- Competing on price gets easier

HOWEVER...

- Monolithic corporations struggle to innovate
- Established processes, structures, and routines that resist change
- Employees comfortable with status quo and resistant to adopting new ideas/approaches
- Laggard industries tend to be risk-averse
- Overcoming this resistance requires a cultural shift
- Measurement of everything except for what matters
- Short-term performance goals

The screenshot shows the top of a Yahoo Finance article. At the top, there's a navigation bar with the Yahoo Finance logo, a 'Sign in' button, and a search bar. Below this, the article title is prominently displayed in bold black text. Under the title, it says 'Zacks Equity Research' and 'Wed, May 31, 2023 • 3 min read'. There are also share and comment icons. A section titled 'In This Article:' features a pill-shaped button for 'IBM +1.35%'. The main text of the article begins with 'International Business Machines Corporation IBM is likely to halt the hiring process as it reportedly aims to replace around 8,000 jobs, with AI primarily replacing back-office functionalities in the'.

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▲ ZACKS

IBM to Retrench About 8,000 Jobs to Move Toward AI Automation

Zacks Equity Research
Wed, May 31, 2023 • 3 min read

In This Article:

IBM +1.35%

International Business Machines Corporation IBM is likely to halt the hiring process as it reportedly aims to replace around 8,000 jobs, with AI primarily replacing back-office functionalities in the

INTANGIBLE ENTERPRISE

- Create new products/services swiftly
- Highly creative and focused on the customer
- Determined to be sticky
- High multiple enterprise value
- Less management, more leadership
- Brand ethos aligned with a vision
- Value vs. expense mentality

HOWEVER...

- It's hard
- Requires building capabilities that may not exist
- Every functional group is affected
- Long-term focus
- Shift in culture & its importance
- Requires dedicated resources including funding, talent & time

TOP TRAITS OF AN INTANGIBLE ORGANIZATION

- Distinct and brand driven
- Customer experience
- Market leadership
- Cultural alchemy
- Rapid development of new products/services
- Asymmetric business models
- Market curiosity beyond current markets
- Infinite service delivery index/distribution
- The new metrics: fewer but more meaningful
- Fearless of failure



Q&A



Sign up for our
email list



Email KP:
kp@shadow.vc



*Amazon: Creating the
Intangible Enterprise*