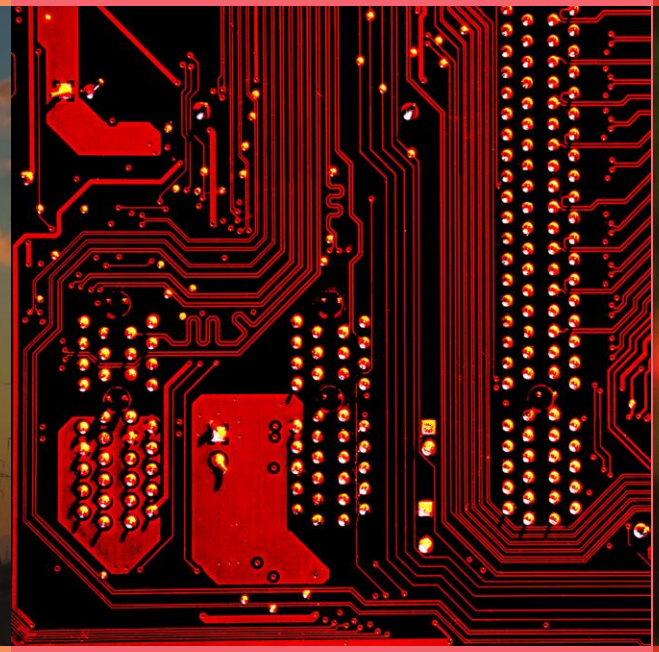
Elevating Business Value in the High-Speed World of Human+AI

FutureIT

March 12, 2024

INDUSTRIAL REVOLUTIONS



1784

1. Steam

1870

2. Electricity

1969

3. Computing

TODAY

4. Intelligence

INTERNET

MOBILE

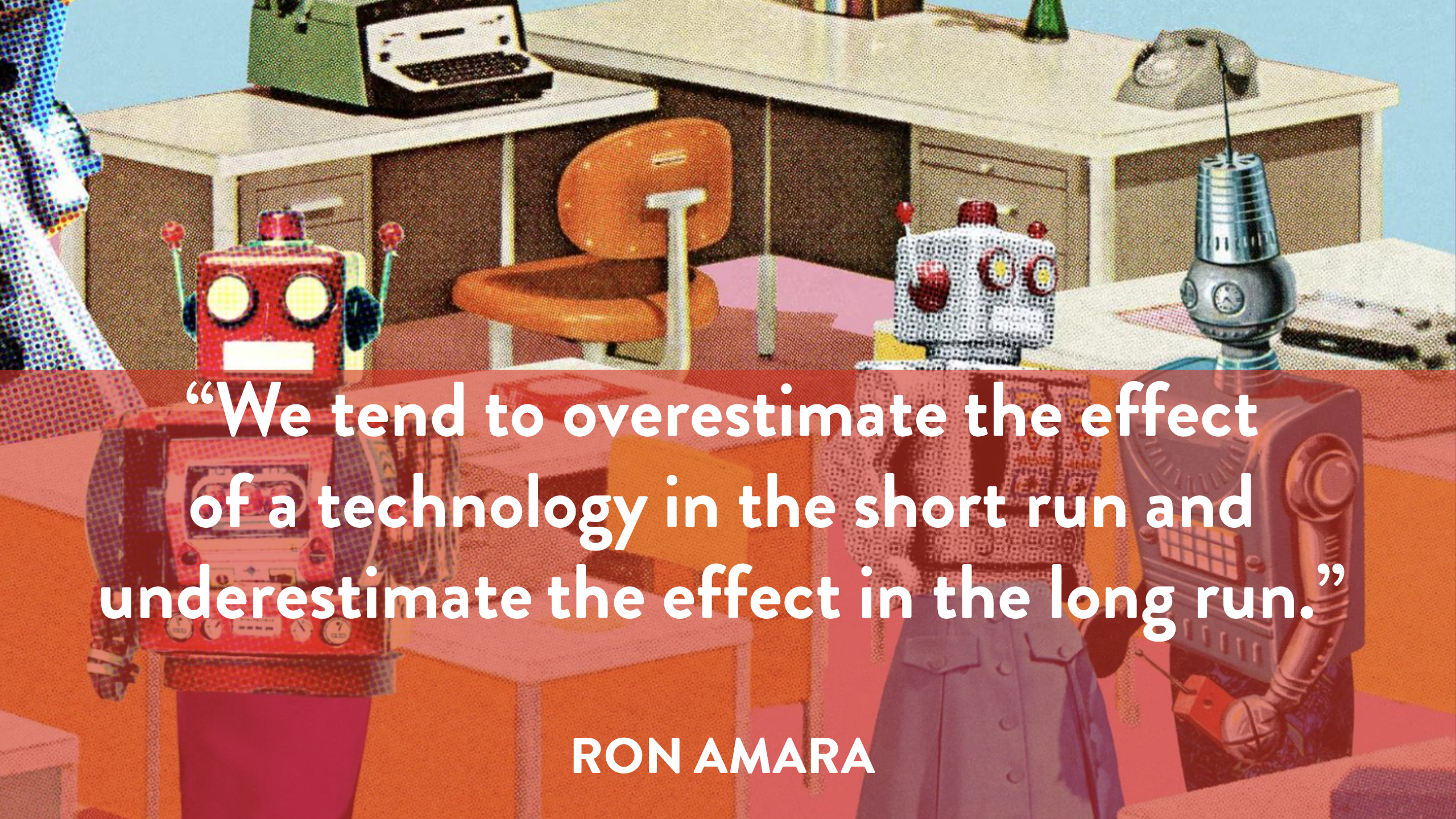
CLOUD

AI

"We can't see the future, but we can get pretty close if we're watching for the signals."

MIKE YATES

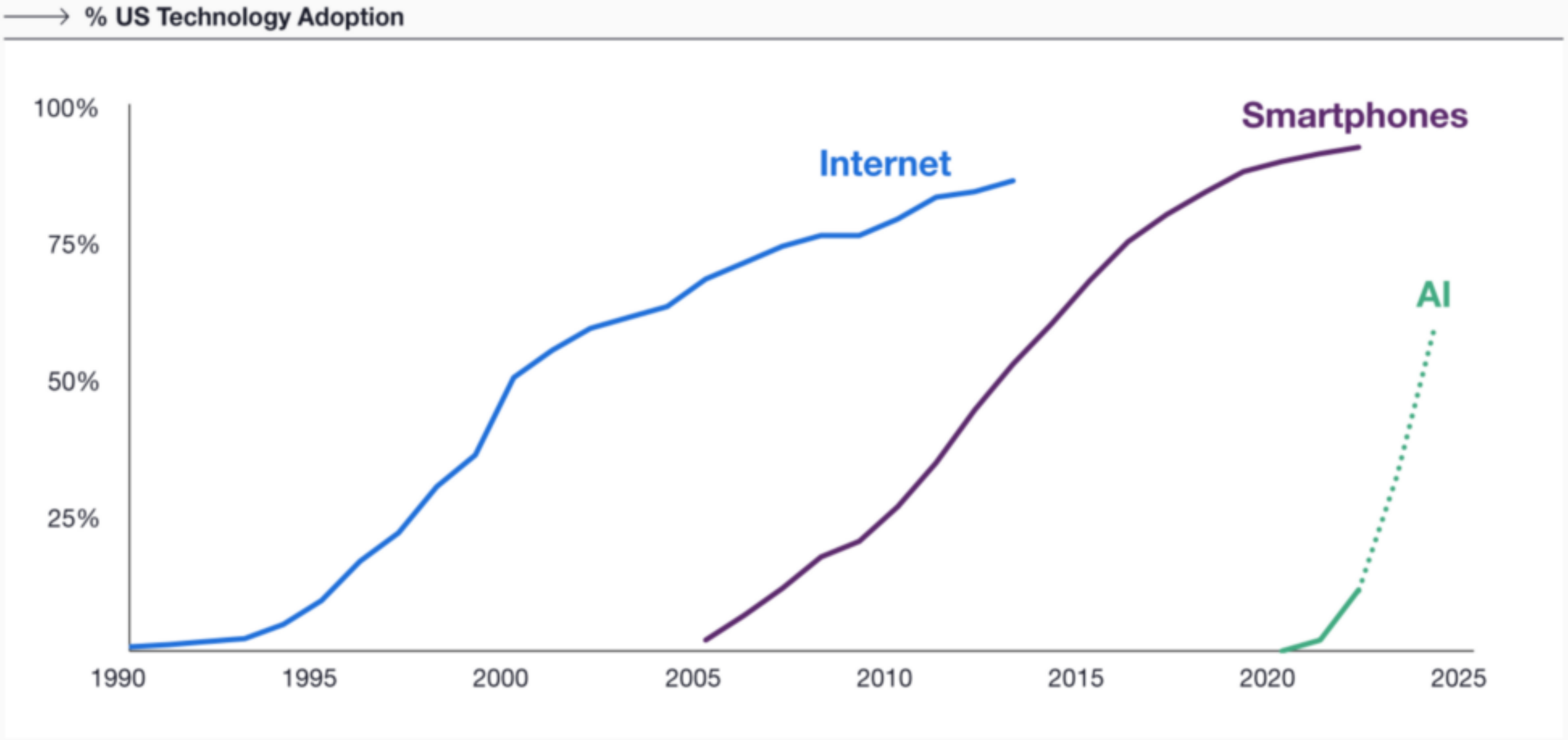
TECHNOLOGY ADOPTION



“We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run.”

RON AMARA

We're at Day 1 of AI…and riding on top of past waves

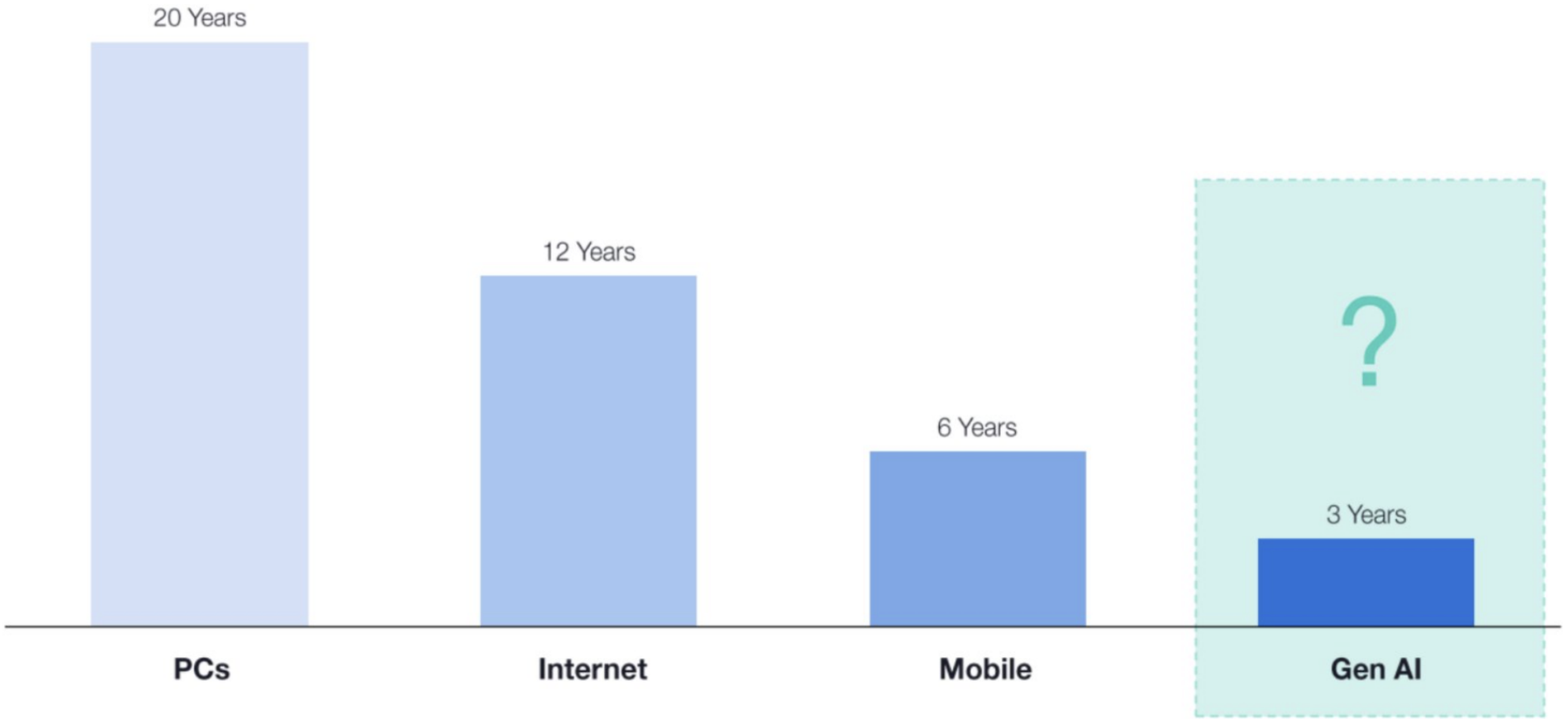


Source: World Bank as of September 2023, Statista as of September 2023, Coatue analysis and opinion as of November 2023. For illustrative purposes only. There is no guarantee that Coatue's views and projections regarding the future potential of AI are accurate or that any particular Coatue investment or fund will benefit from the AI trend. See Appendix-Disclosures for important disclosures, including regarding projections and forward-looking statements and trends.

Adoption has been twice as fast with each platform shift

⟶ Halving of penetration time with new technology waves

# of years to reach 50% user penetration in the US



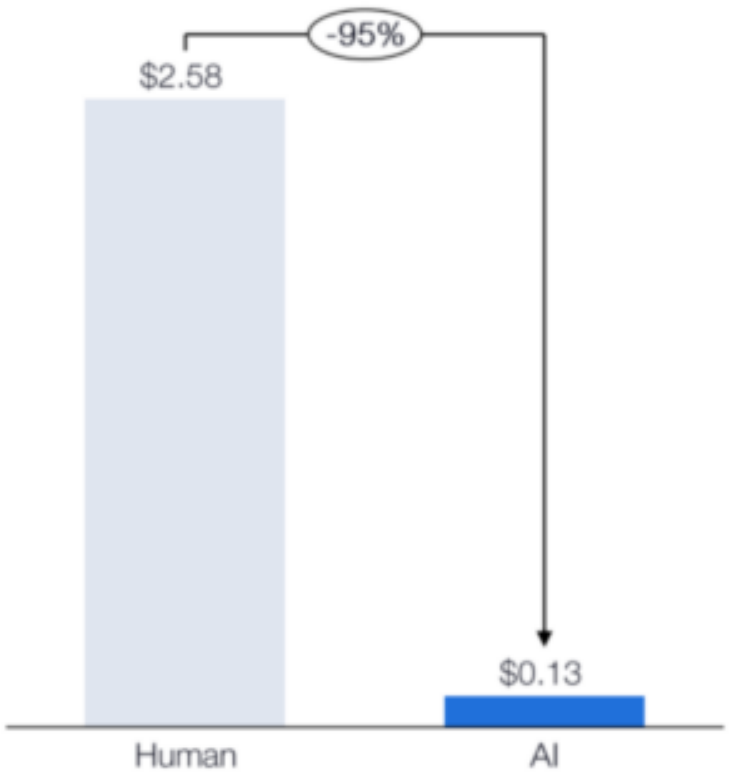
Source: Morgan Stanley Research as of September 2023. For illustrative purposes only. There is no guarantee that Coatue's views and projections regarding the future potential of AI are accurate or that any particular Coatue investment or fund will benefit from the AI trend. See Appendix-Disclosures for important disclosures, including regarding projections and forward-looking statements and trends.

Companies have seen huge efficiency gains already

Experience from one Fintech company

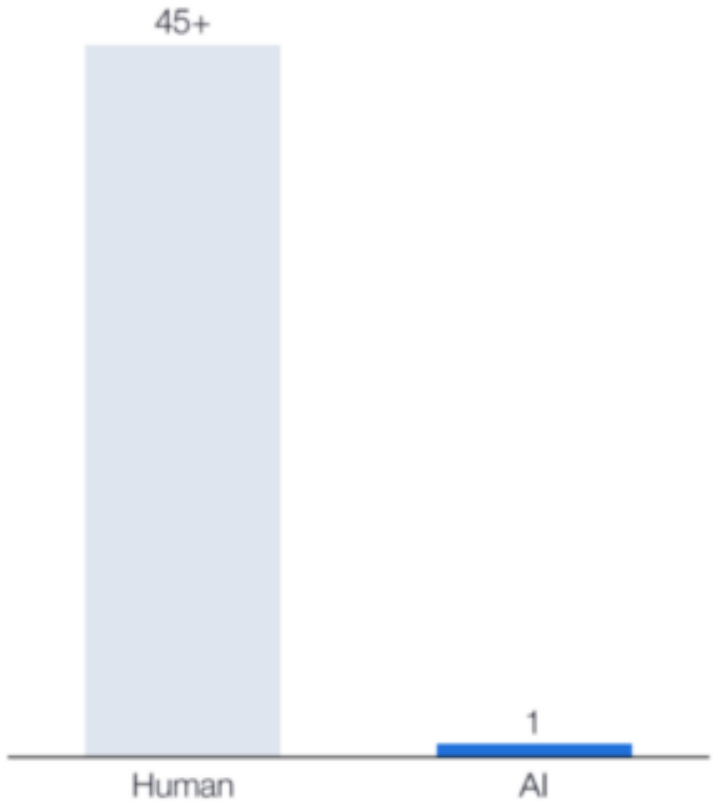
→ AI is cheaper customer support

Cost per support interaction



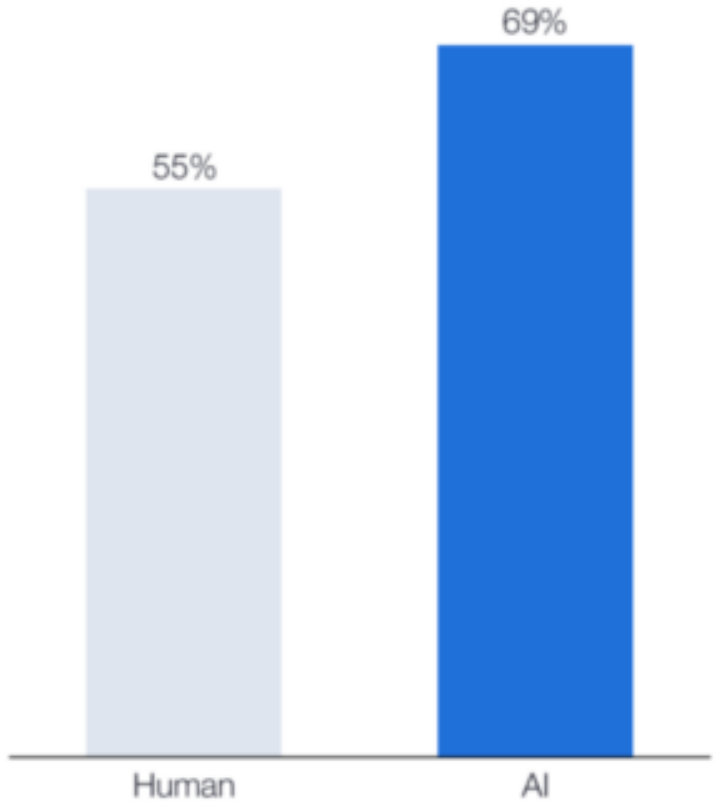
→ AI provides faster responses

Median response time (min)



→ AI makes customers happier

Median customer satisfaction

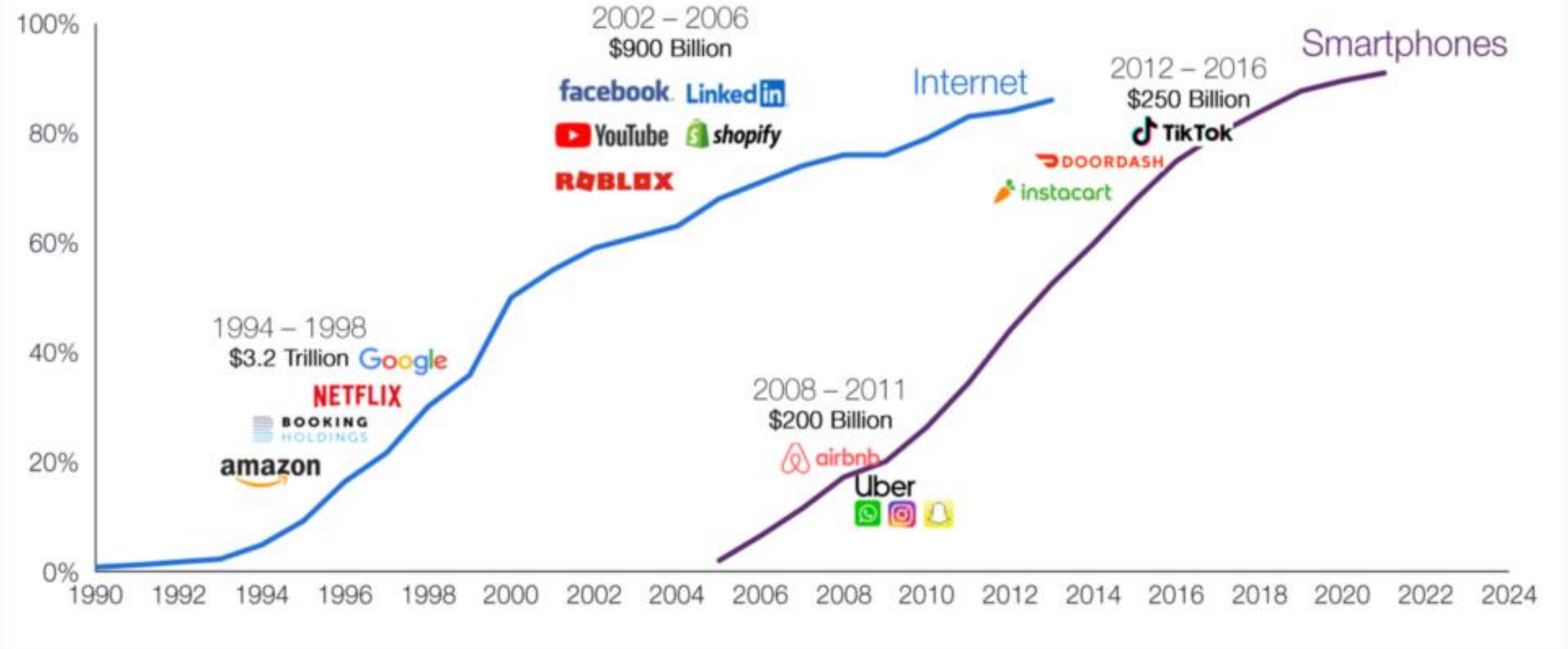


COATUE

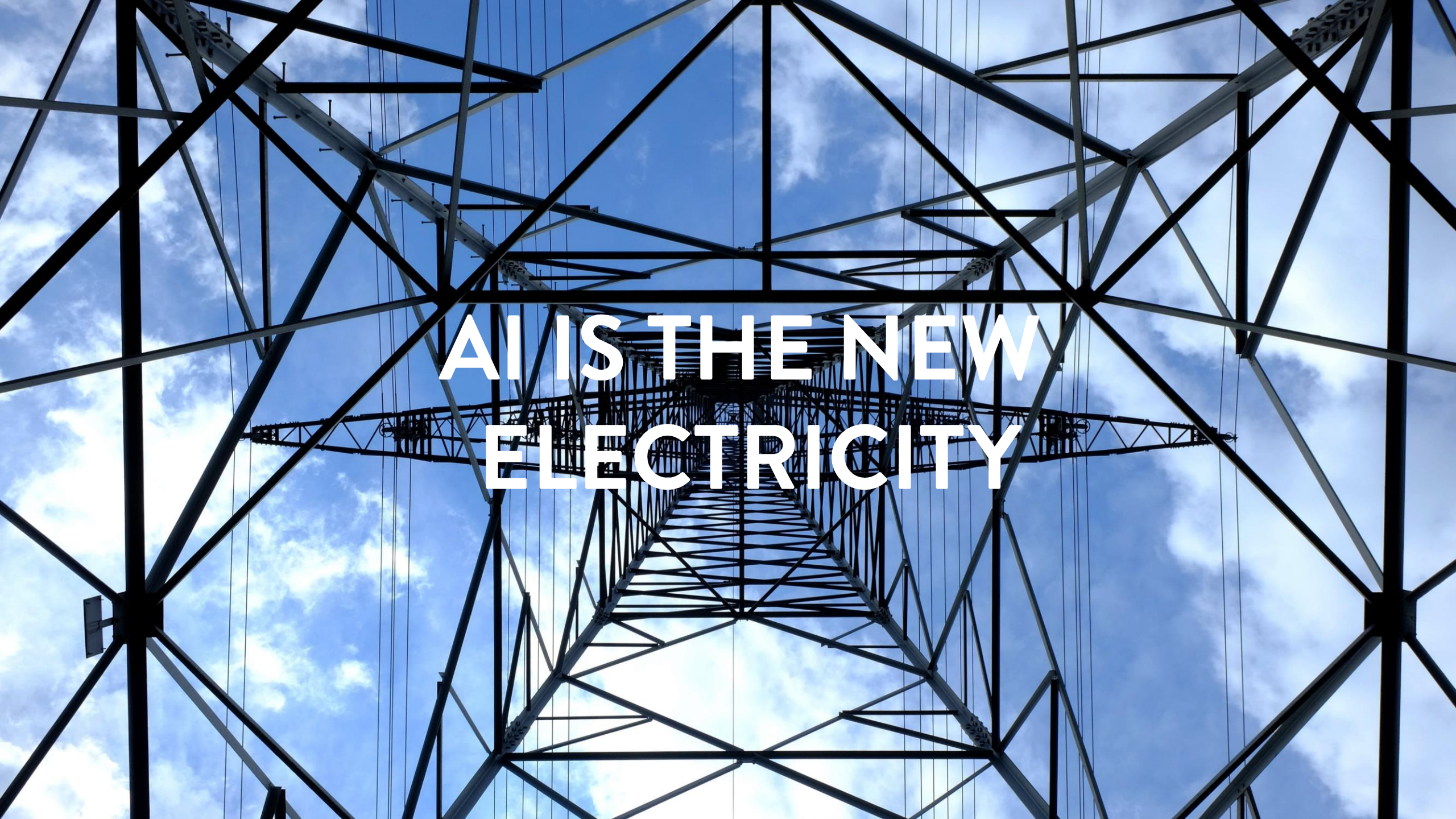
Source: Based on one company's internal assessment data – not representative of all companies or guarantee other companies would achieve similar results. Customer satisfaction calculated by number of employees rating the interaction a 4 or 5 out of 5. Data compares against top 8 human employees, based on number of tickets participated in. Coatue analysis and opinion as of November 2023. For illustrative purposes only. There is no guarantee that Coatue's views and projections regarding the future potential of AI are accurate or that any particular Coatue investment or fund will benefit from the AI trend. See Appendix-Disclosures for important disclosures, including regarding projections and forward-looking statements and trends.

Massive apps created on both sides of S-Curves of prev. cycles

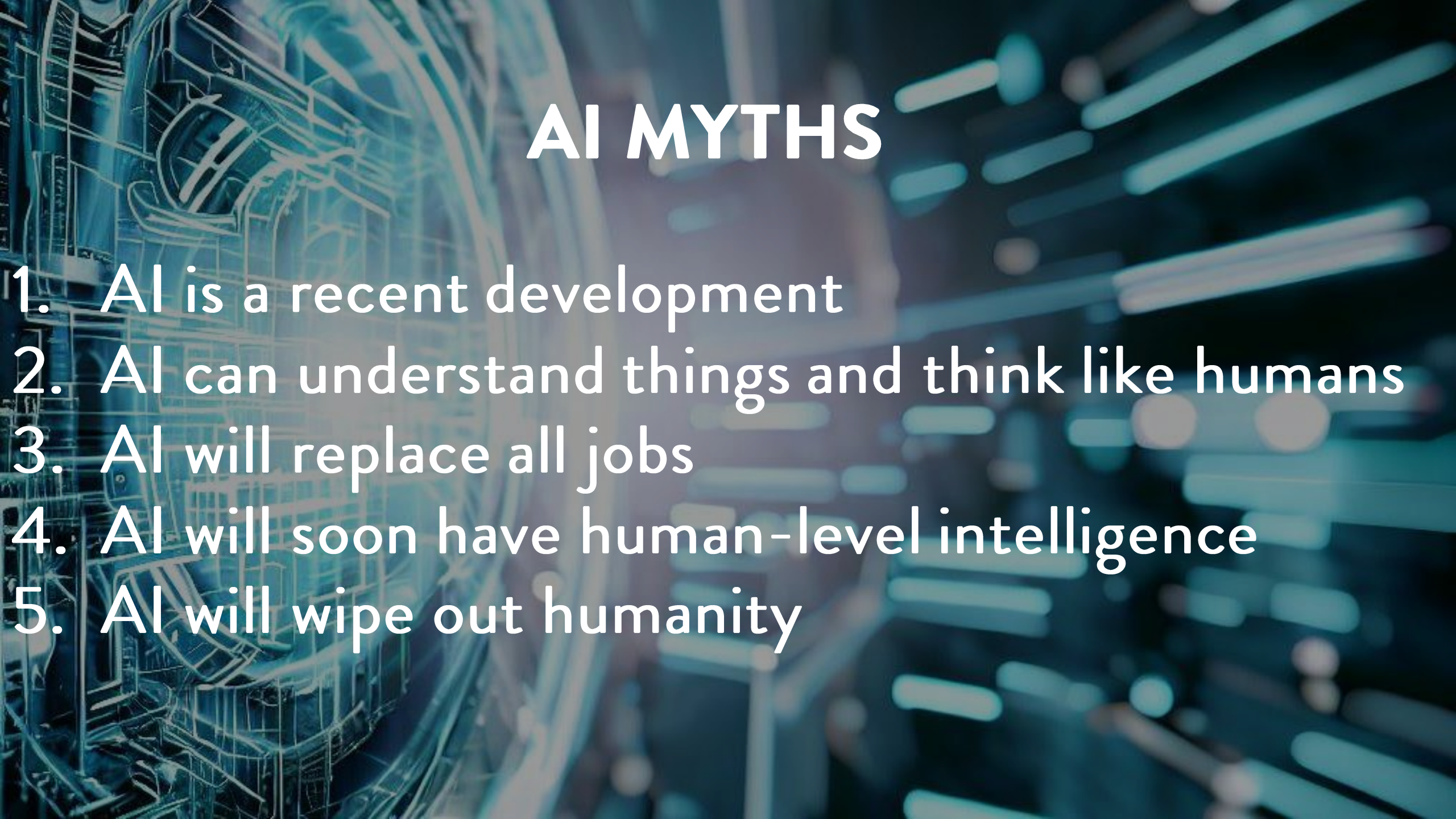
→ Application tech companies founded and US market cap along S-Curves



Source: Capital IQ, World Bank as of September 2023, Statista as of September 2023, Coatue opinion and analysis as of November 2023. For illustrative purposes only. There is no guarantee that Coatue's views and projections regarding the future potential of AI are accurate or that any particular Coatue investment or fund will benefit from the AI trend. Logos listed above as examples of the applicable AI company type; do not necessarily represent Coatue investments. See Appendix-Disclosures for important disclosures, including regarding projections and forward-looking statements and trends.


AI IS THE NEW
ELECTRICITY

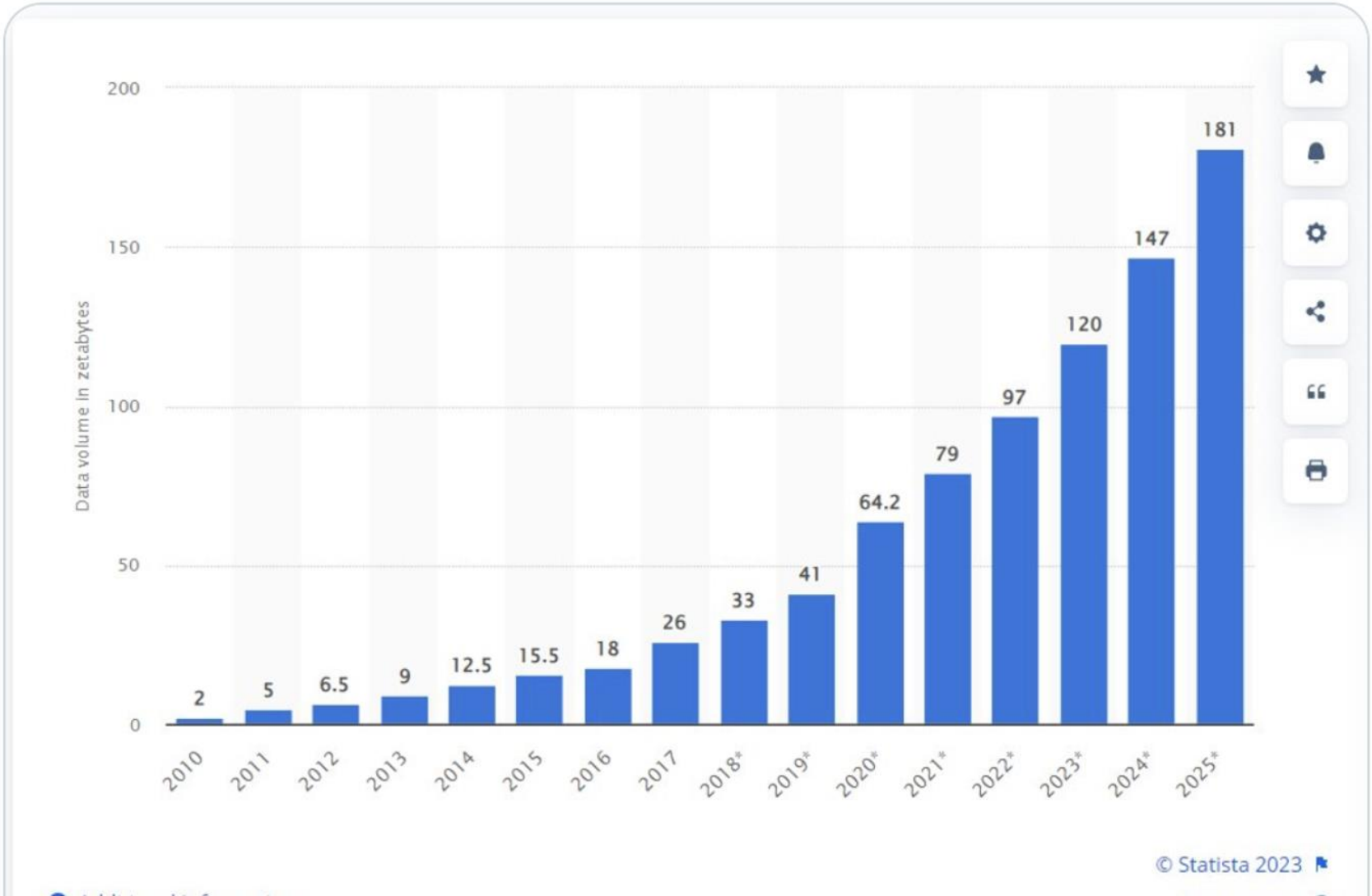
“AI is a force multiplier on technological progress because it is an enabler of other technologies and powers the evolution of business, government, and society.”
FUTURE TODAY INSTITUTE



AI MYTHS

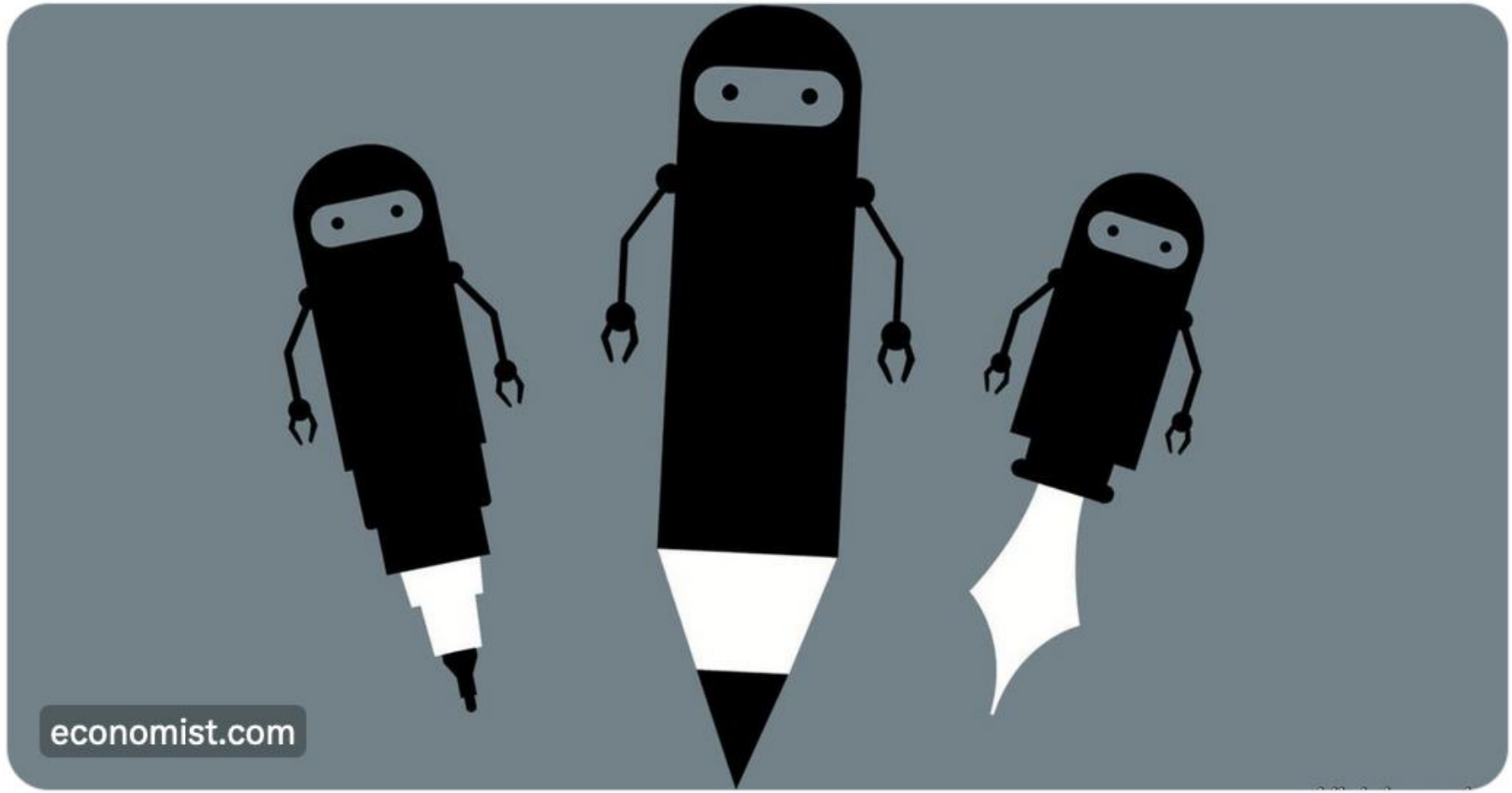
1. AI is a recent development
2. AI can understand things and think like humans
3. AI will replace all jobs
4. AI will soon have human-level intelligence
5. AI will wipe out humanity

GLOBAL DATA GENERATION
2010: 2 zettabytes
2025: 180 zettabytes



The Economist
@TheEconomist

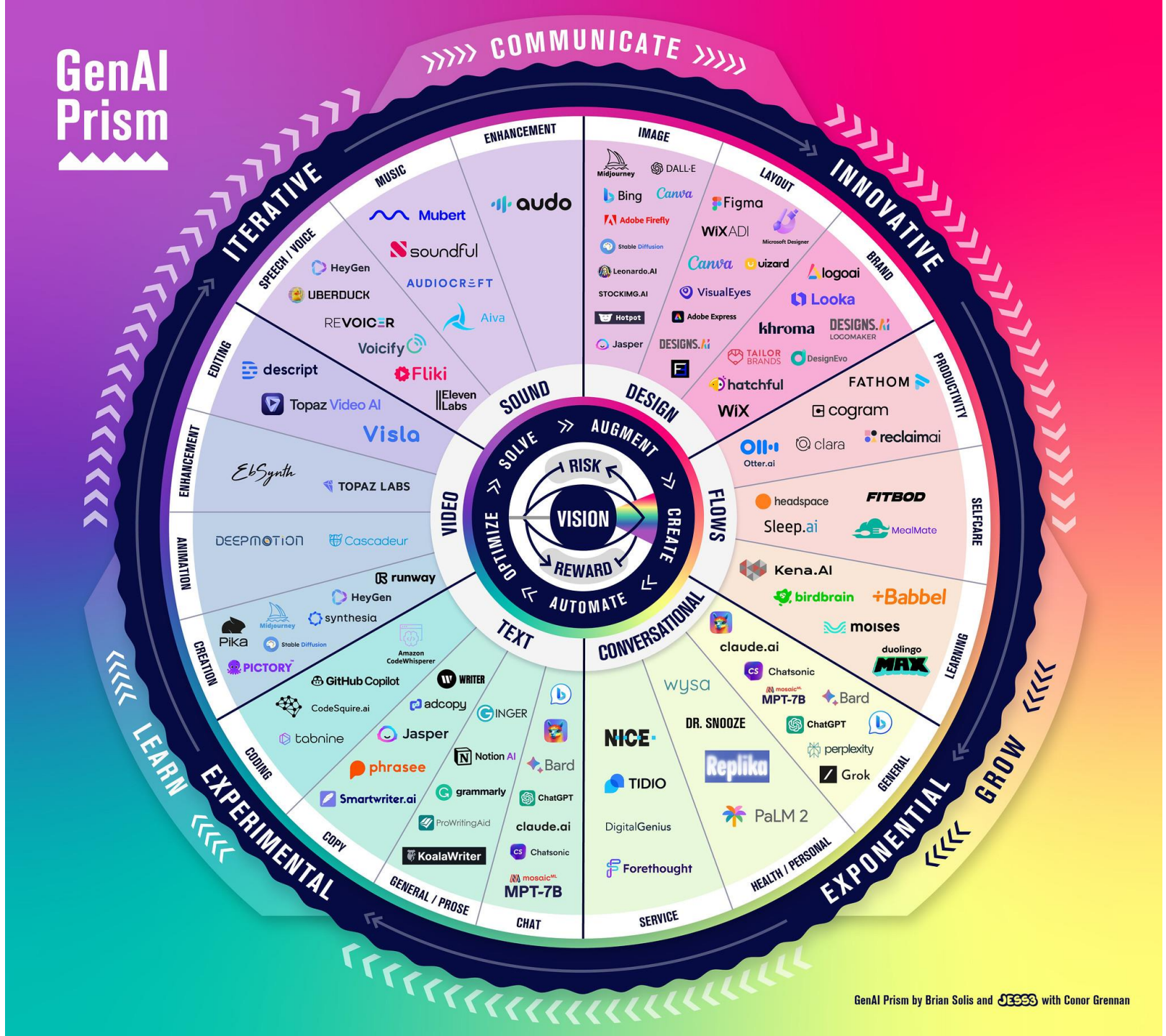
The word of the year for 2023 is ChatGPT

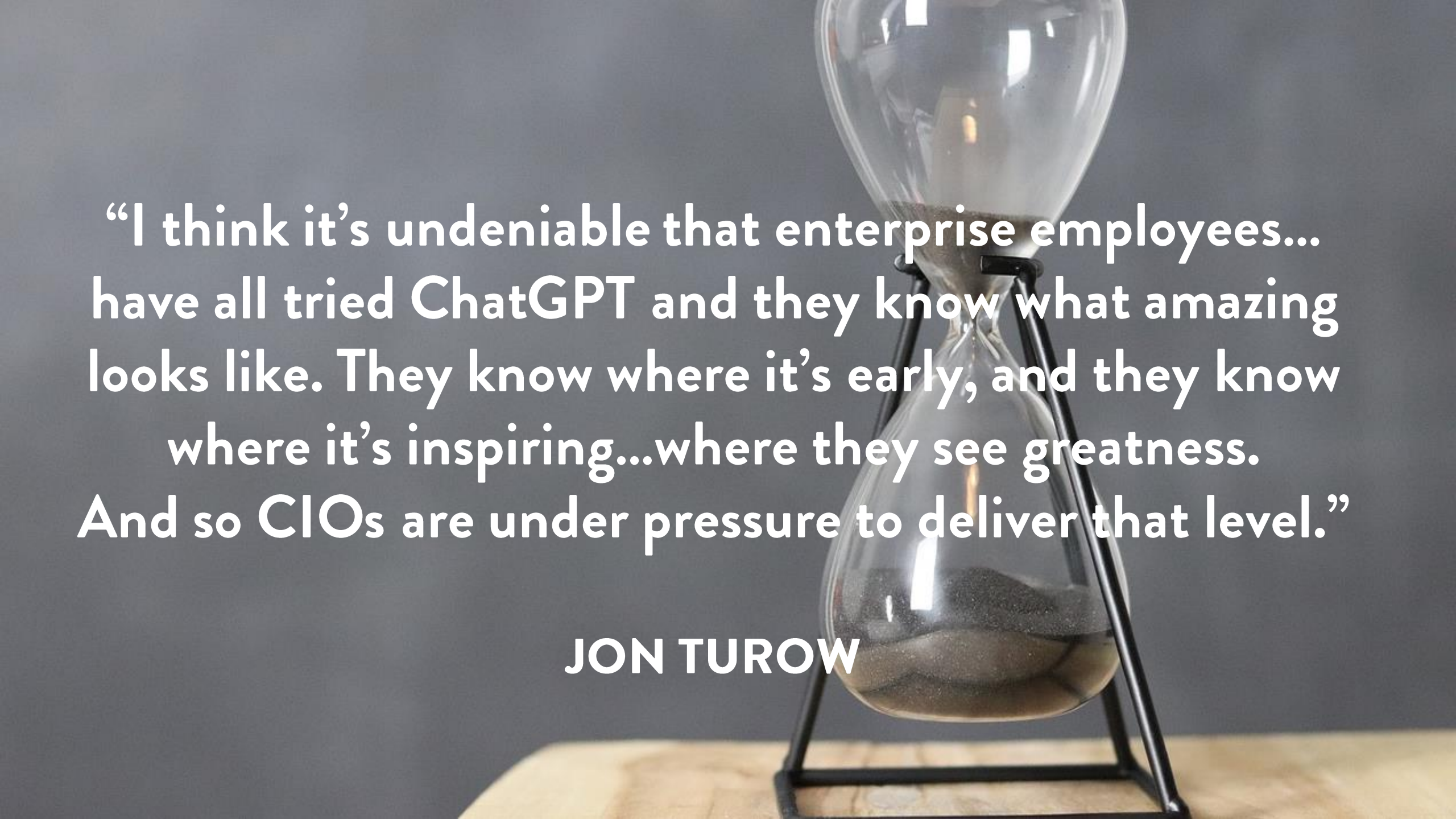


9:03 PM · Dec 11, 2023 · **69.4K** Views

GENERATIVE AI MODELS

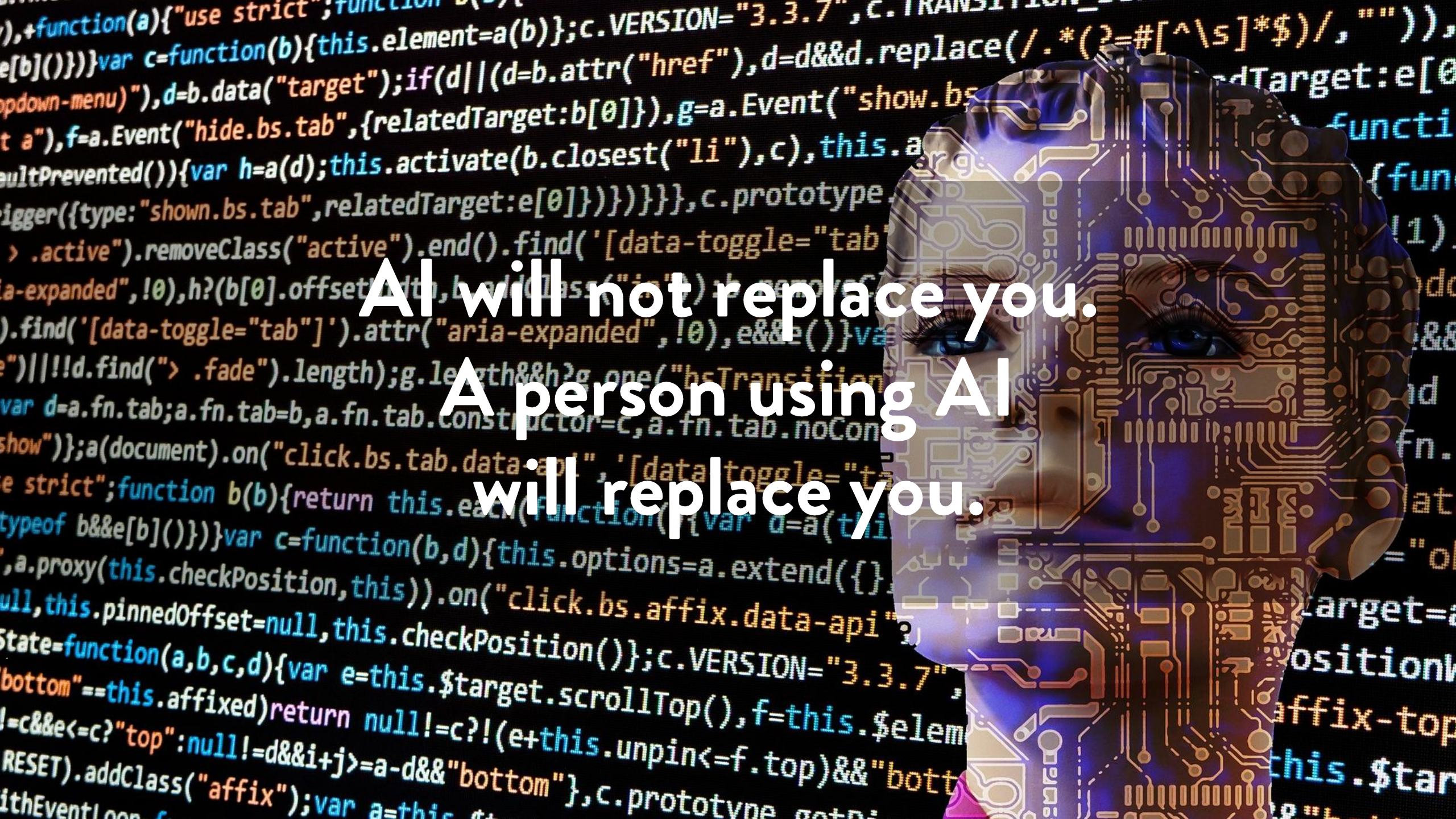
- **ChatGPT** (Open AI)
- **Gemini** (Google)
- **Copilot** (Microsoft)
- **Claude** (Anthropic)
- **Perplexity**


GenAI Prism
COMMUNICATE
INNOVATIVE
EXPONENTIAL
GROW
EXPERIMENTAL
LEARN
ITERATIVE
IMAGE
LAYOUT
BRAND
PRODUCTIVITY
SELFCARE
LEARNING
GENERAL
HEALTH / PERSONAL
SERVICE
CHAT
GENERAL / PROSE
COPY
CODING
CREATION
ANIMATION
ENHANCEMENT
EDITING
SPEECH / VOICE
MUSIC
ENHANCEMENT
DESIGN
FLOWS
CONVERSATIONAL
TEXT
VIDEO
SOUND
AUGMENT
CREATE
AUTOMATE
OPTIMIZE
SOLVE
RISK
VISION
REWARD
Midjourney
DALL·E
Bing
Canva
Adobe Firefly
Stable Diffusion
Leonardo.AI
STOCKIMG.AI
Hotpot
Jasper
DESIGNS.AI
Figma
WIXADI
Microsoft Designer
Canva
vizard
VisualEyes
Adobe Express
logoai
Looka
khroma
DESIGNS.AI LOGOMAKER
TAILOR BRANDS
DesignEvo
hatchful
WIX
FATHOM
cogram
Otter.ai
clara
reclaimai
headspace
FITBOD
Sleep.ai
MealMate
Kena.AI
birdbrain
+Babbel
moises
duolingo MAX
claude.ai
Chatsonic
MPT-7B
Bard
ChatGPT
perplexity
Grok
wysa
DR. SNOOZE
Replika
NICE
TIDIO
DigitalGenius
Forethought
PaLM 2
audo
Mubert
soundful
AUDIOCRAFT
Aiva
HeyGen
UBERDUCK
REVOICER
Voicify
Fliki
Eleven Labs
descript
Topaz Video AI
Visla
EbSynth
TOPAZ LABS
DEEPMOTION
Cascadeur
runway
HeyGen
synthesia
Midjourney
Pika
Stable Diffusion
PICTORY
Amazon CodeWhisperer
GitHub Copilot
CodeSquire.ai
tabnine
WRITER
adcopy
Jasper
phrasee
Smartwriter.ai
INGER
Notion AI
grammarly
ProWritingAid
KoalaWriter
Bard
ChatGPT
claude.ai
Chatsonic
mosaicML MPT-7B
GenAI Prism by Brian Solis and JESS3 with Conor Grennan


“I think it’s undeniable that enterprise employees... have all tried ChatGPT and they know what amazing looks like. They know where it’s early, and they know where it’s inspiring...where they see greatness. And so CIOs are under pressure to deliver that level.”
JON TUROW

It's Wednesday at 4 pm. Can I park at this spot right now? Tell me in 1 line.

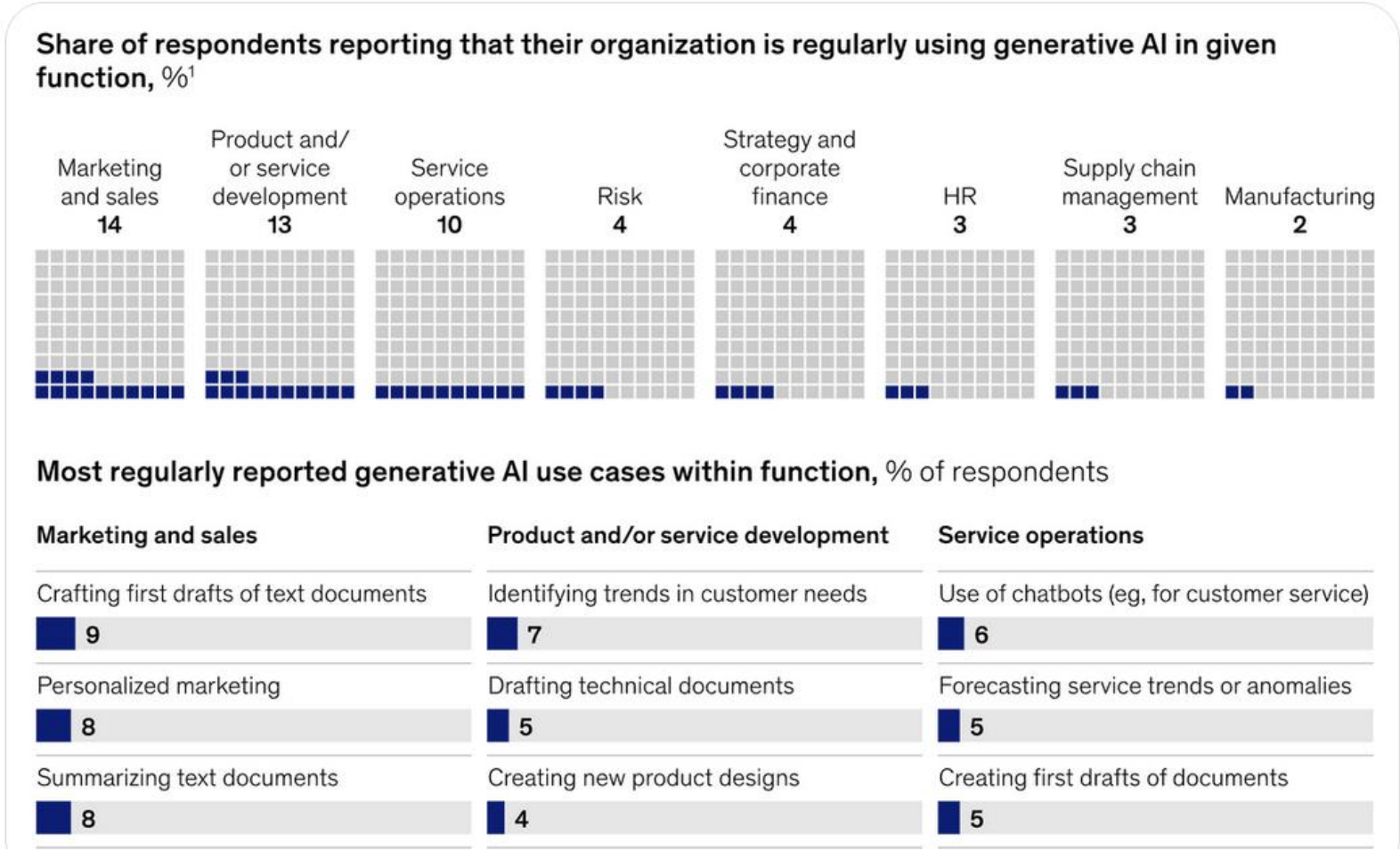
Yes, you can park for up to 1 hour starting at 4 pm.

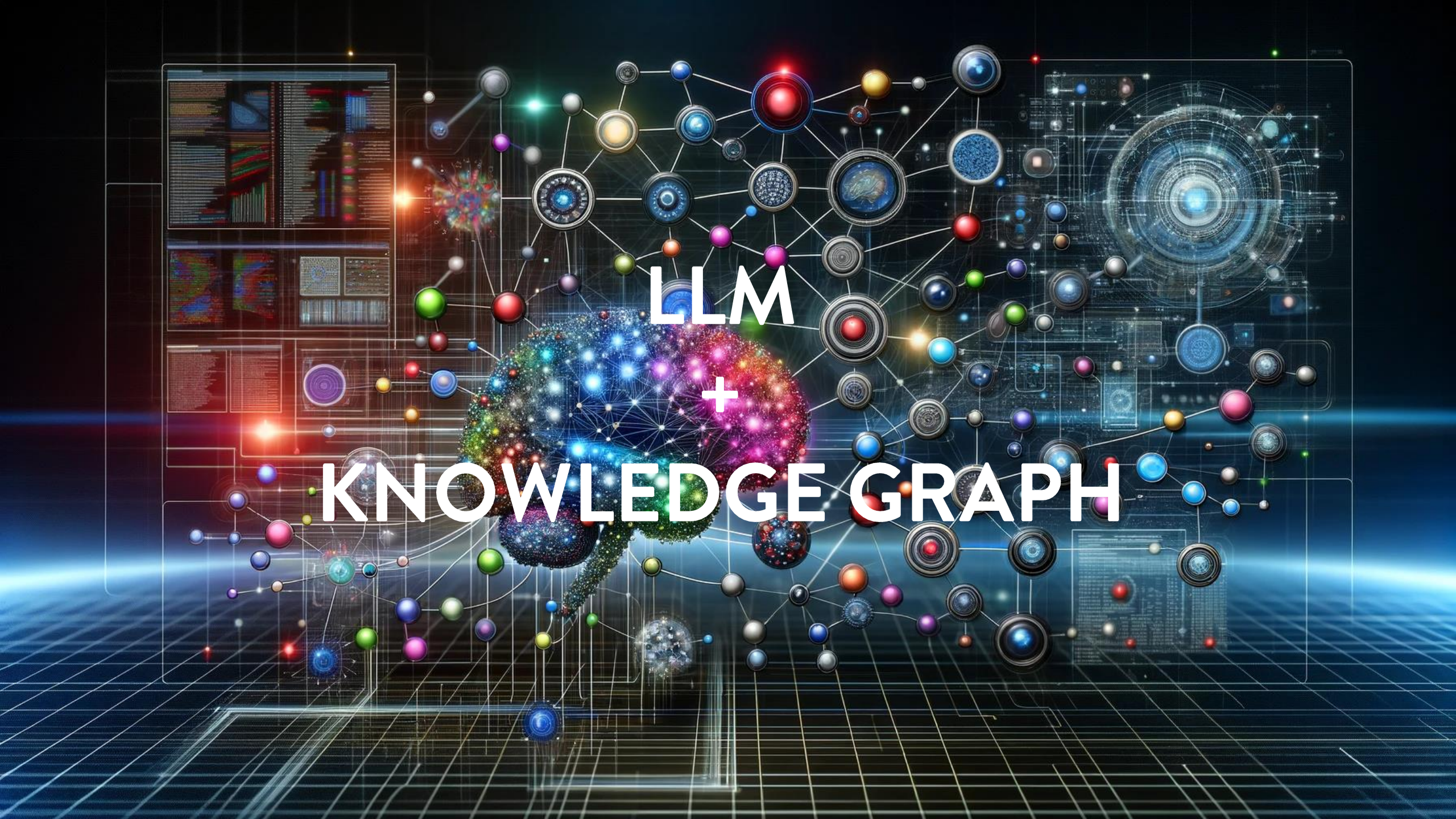

AI will not replace you.
A person using AI
will replace you.

MOST COMMON USES OF GEN AI

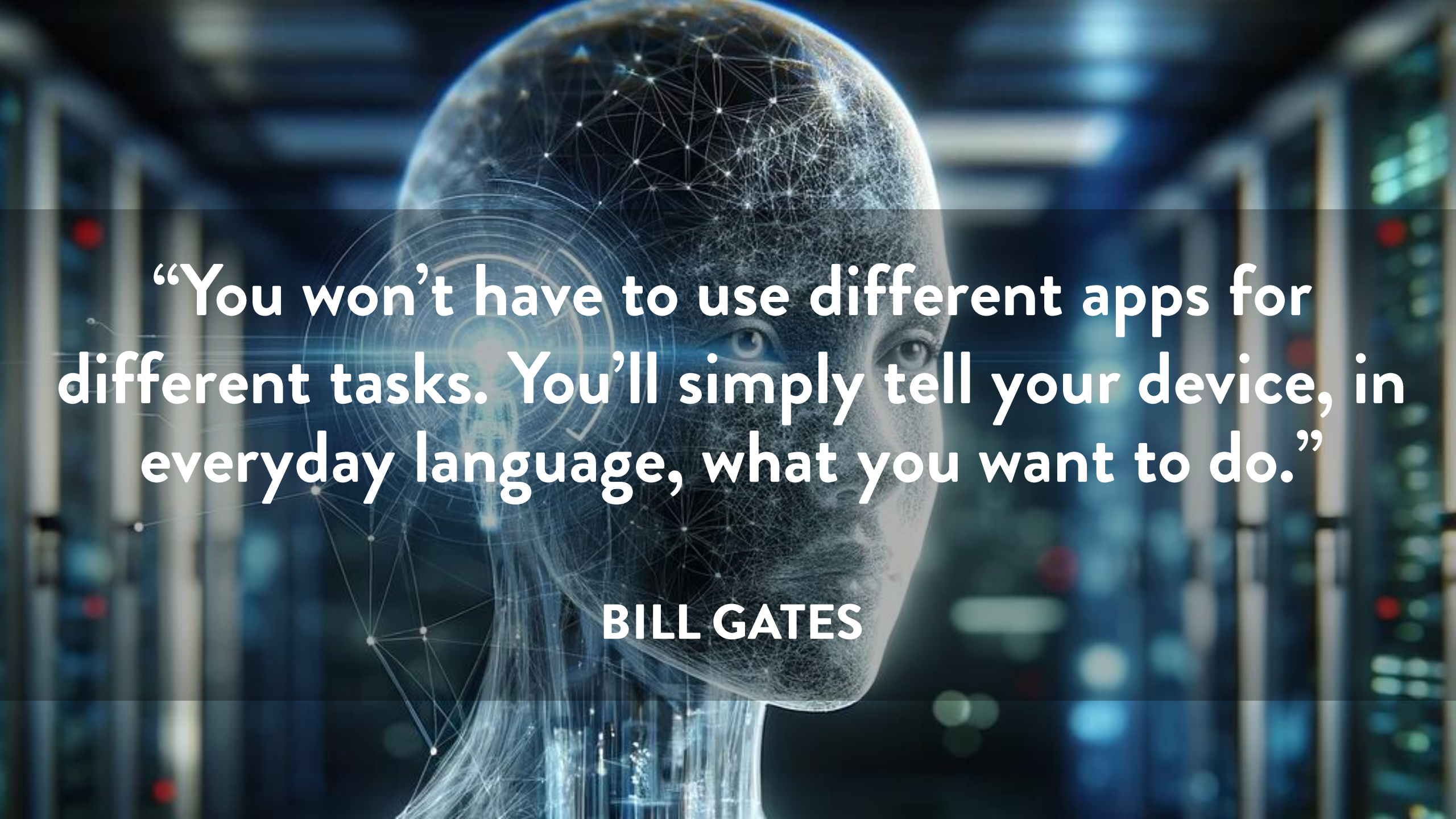
McKinsey 2023 Generative AI Survey

The most commonly reported uses of generative AI tools are in marketing and sales, product and service development, and service operations.




LLM
+
KNOWLEDGE GRAPH

INTELLIGENT AGENT


“You won’t have to use different apps for different tasks. You’ll simply tell your device, in everyday language, what you want to do.”
BILL GATES

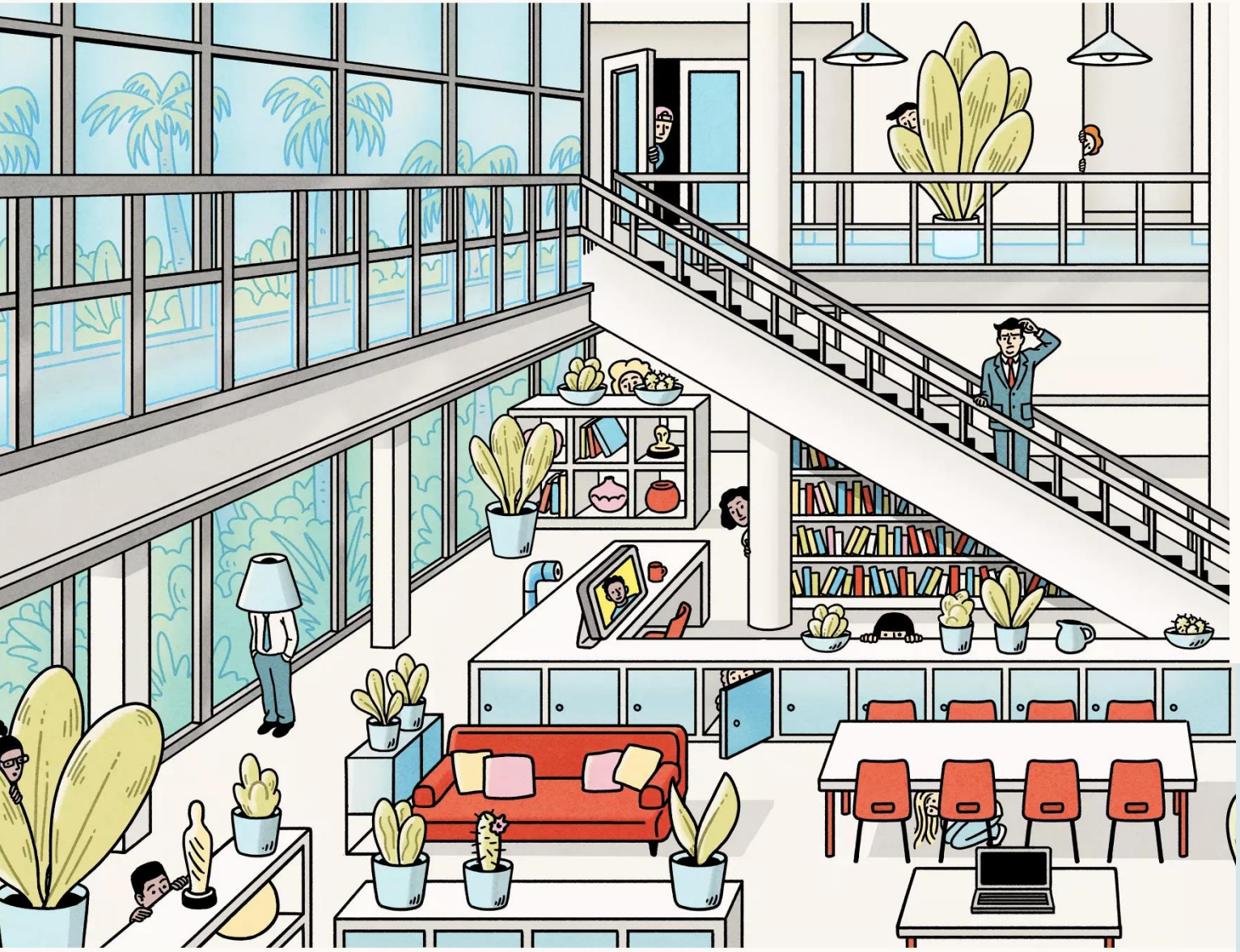
“AI is whatever hasn’t been done yet.”
LARRY TESLER

THE NEW WORKFORCE

DISTRIBUTED WORK

Los Angeles Times
BUSINESS

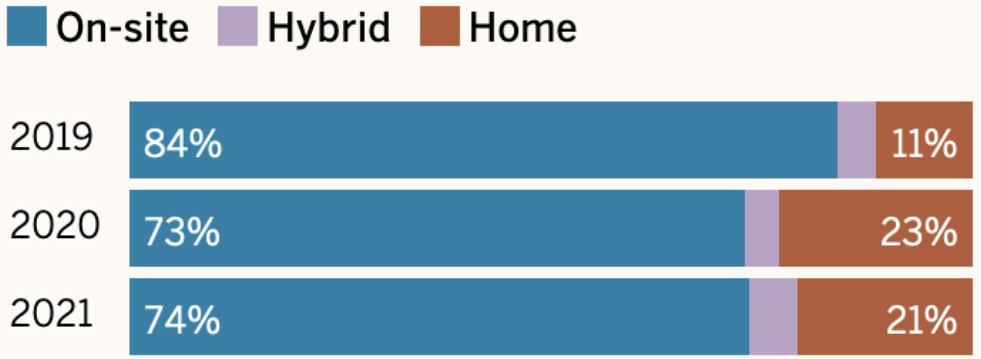
Quiet quitting. RTO. Coffee badging. What this new vocabulary says about your workplace



(Andrew Rea / For The Times)

Americans gradually returned to in-person or hybrid work in 2021

The percentage of employed people working in a hybrid arrangement increased from 4% in 2020 to 6% in 2021.



Survey includes employed civilians 15 years or older.

U.S. Census Bureau, 2020-2022 Survey of Income and Program Participation

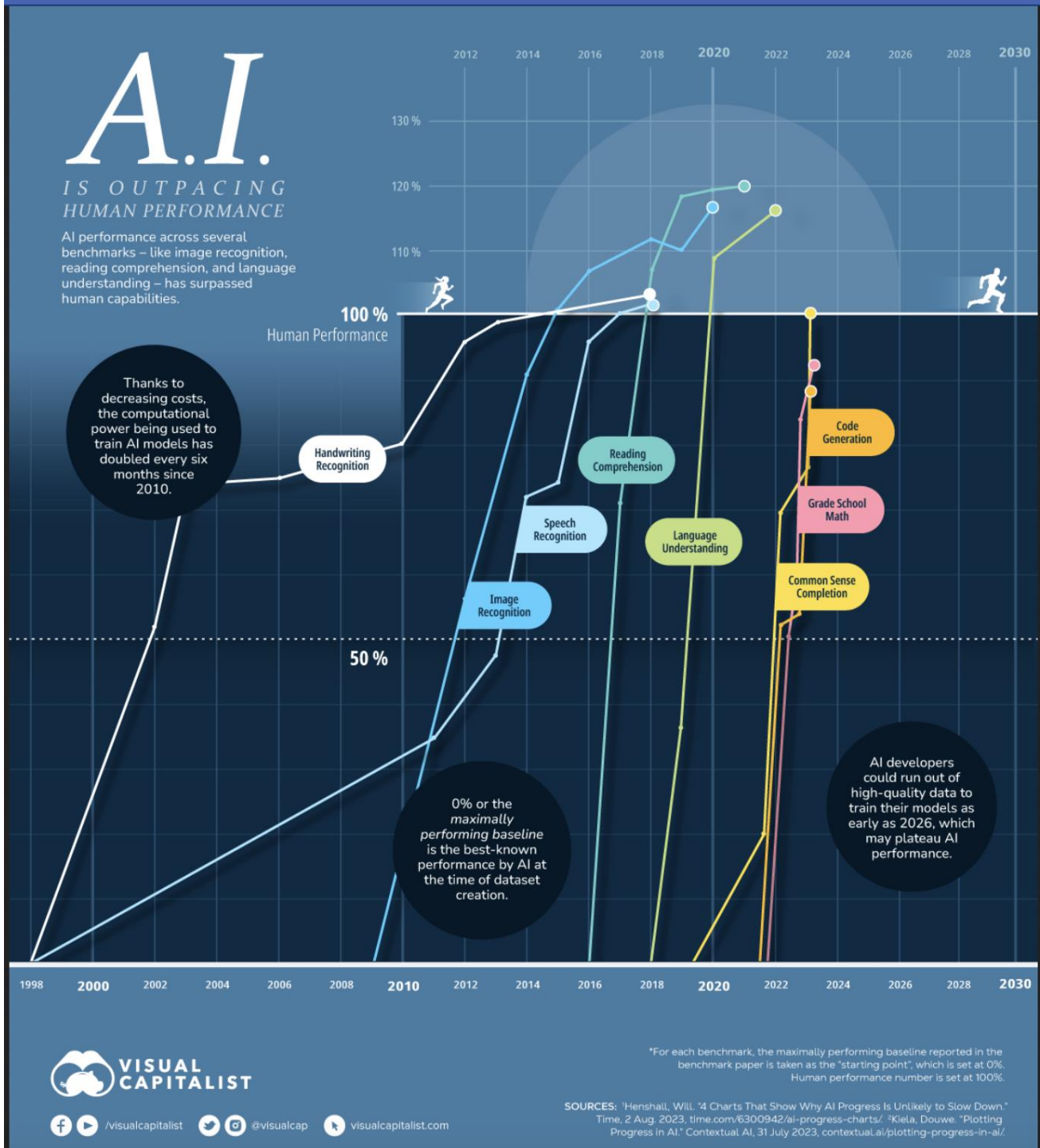
LOS ANGELES TIMES

Coffee badge

verb

: to go into the office to prove to managers you were there and satisfy in-office mandates, but leaving shortly afterward

AI vs. Humans: Which Performs Certain Skills Better?



ARTIFICIAL INTELLIGENCE

40% of global workforce need to be reskilled in next 3 years due to AI, IBM study finds

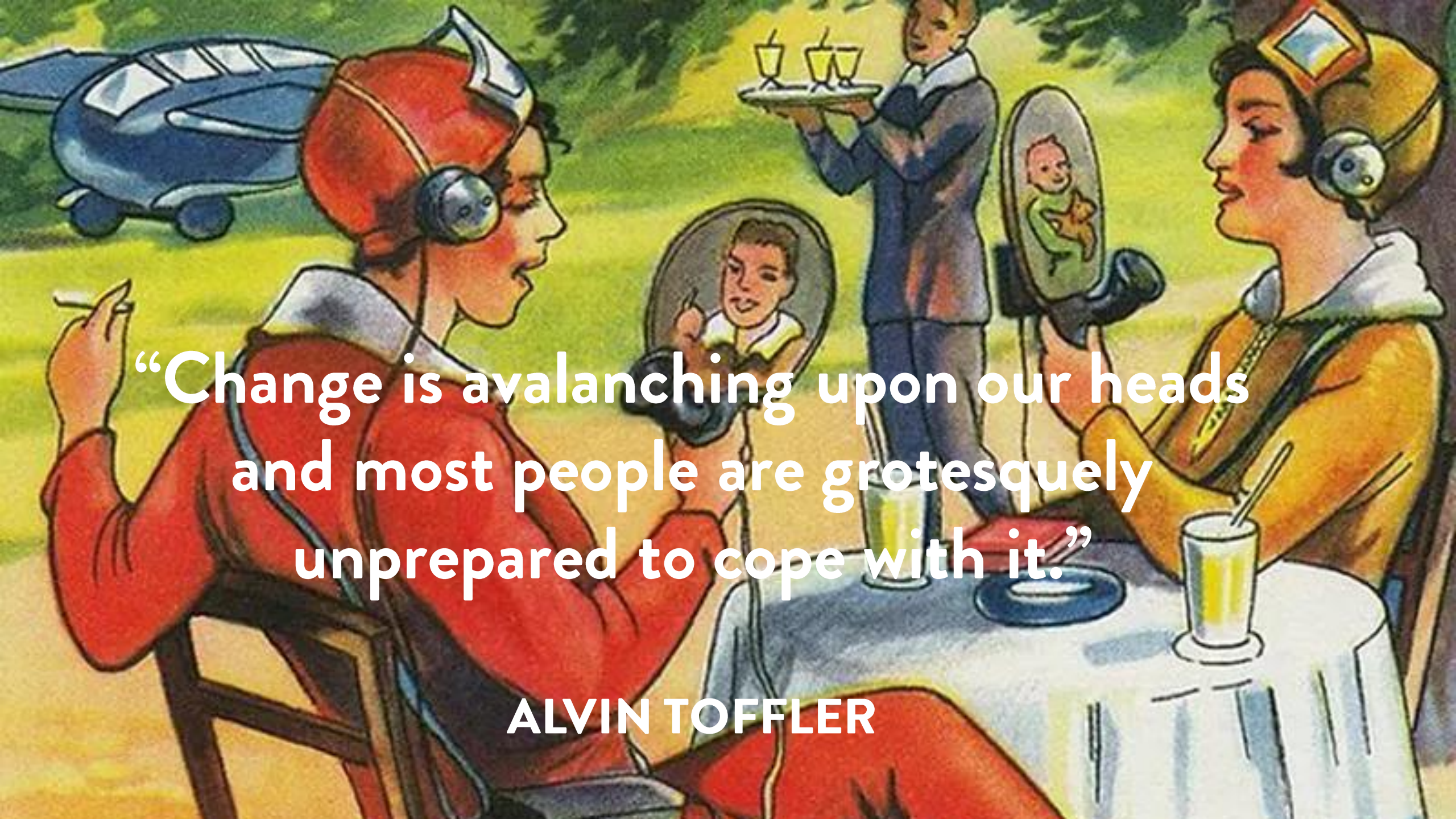
IBM research found that 83% of executives say generative AI will reinvent the way their organization works.

The FUTURE OF WORK
is AI-human collaboration

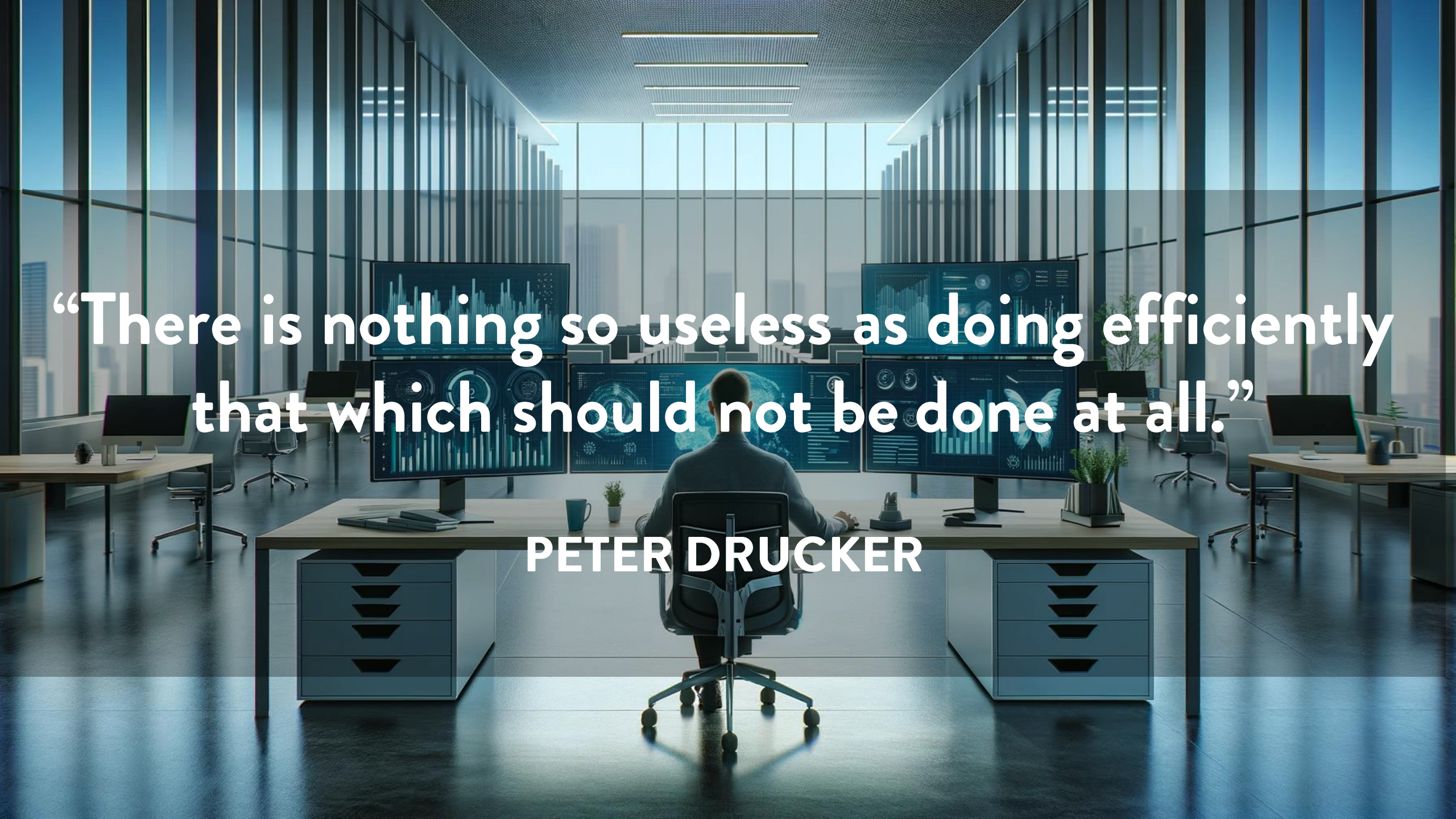
Klarna froze hiring because of AI. Now it says its chatbot does the work of 700 full-time staff

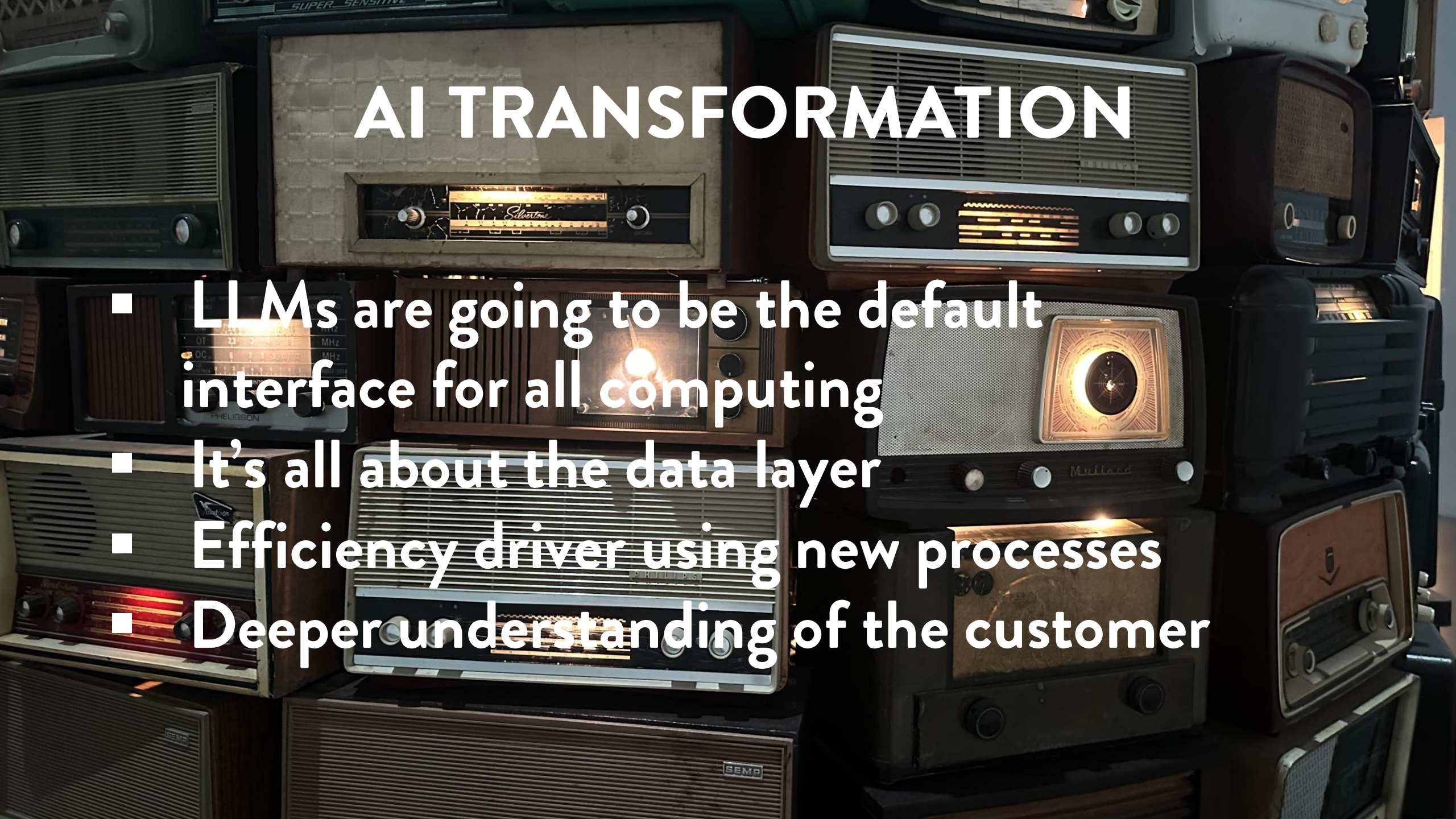
New York, NY – February 27, 2024 – Klarna today announced its AI assistant powered by OpenAI. Now live globally for 1 month, the numbers speak for themselves:

- The AI assistant has had **2.3 million conversations, two-thirds of Klarna's customer service chats**
- It is doing the equivalent work of **700 full-time agents**
- It is on par with human agents in regard to customer satisfaction score
- It is more accurate in errand resolution, **leading to a 25% drop in repeat inquiries**
- Customers now **resolve their errands in less than 2 mins compared to 11 mins previously**
- It's available in **23 markets, 24/7** and communicates in more than **35 languages**
- It's estimated to drive a **$40 million USD in profit** improvement to Klarna in 2024


“Change is avalanching upon our heads
and most people are grotesquely
unprepared to cope with it.”
ALVIN TOFFLER

WHAT DOES ALL THIS MEAN FOR YOU?


“There is nothing so useless as doing efficiently that which should not be done at all.”
PETER DRUCKER



AI TRANSFORMATION

- LLMs are going to be the default interface for all computing
- It's all about the data layer
- Efficiency driver using new processes
- Deeper understanding of the customer

WHY GEN AI?

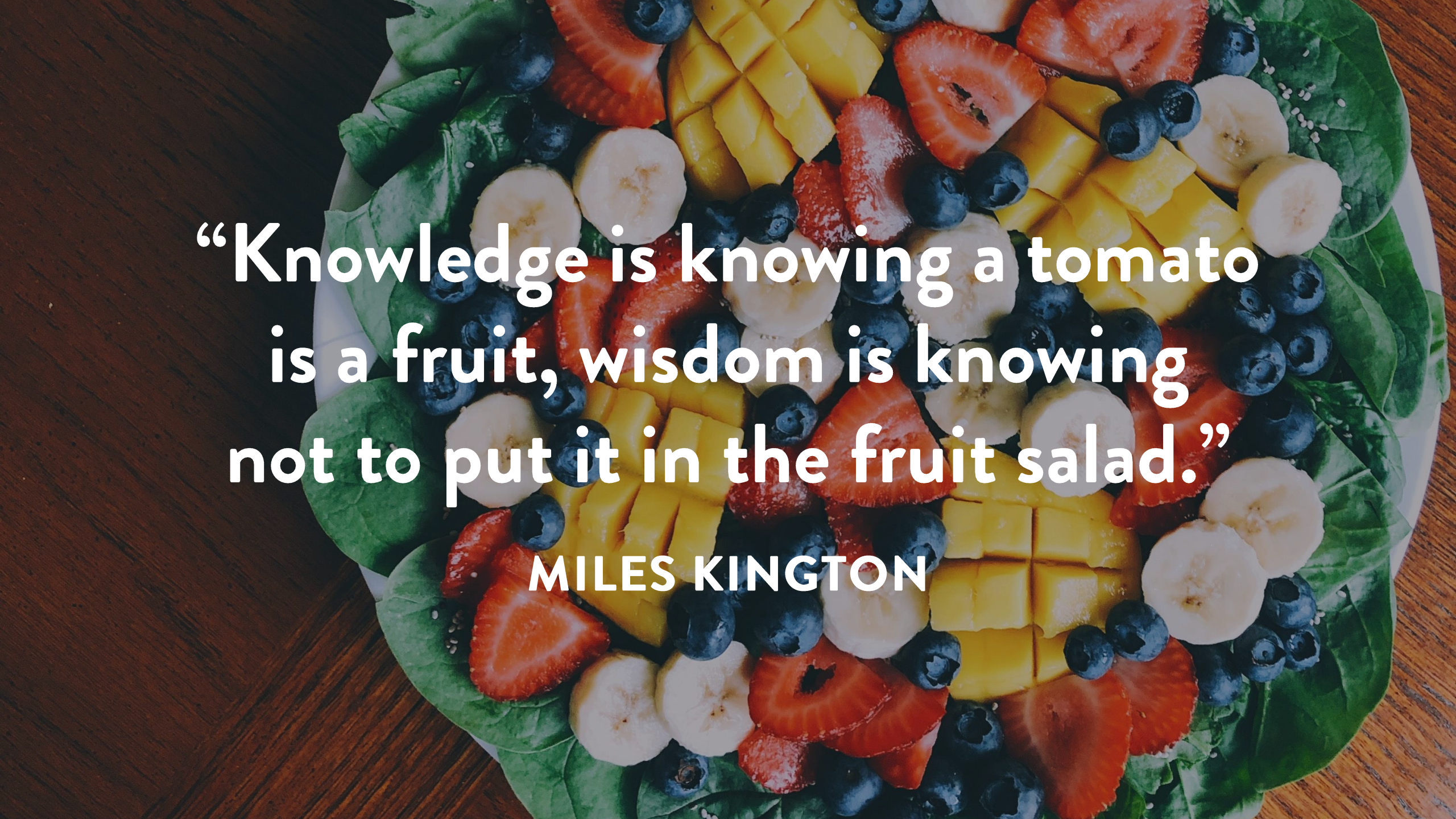
- Automate mundane work while optimizing human talent
- Optimize business processes end-to-end
- Deliver hyper-personalized customer experiences
- Accelerate innovation and new product development

IT'S STILL EARLY DAYS

FOOD FOR THOUGHT

- ✓ Don't just "bolt on" AI - integrate it holistically
- ✓ Focus on augmenting people first (education and training) before full automation - balance automation with human judgment
- ✓ Develop responsible AI practices for ethics, bias, fairness, transparency
- ✓ Build a culture of experimentation and learning

THE OPPORTUNITY


“Knowledge is knowing a tomato
is a fruit, wisdom is knowing
not to put it in the fruit salad.”
MILES KINGTON

The HARD part
is the HUMAN part

Humans provide creativity, strategy,
emotional intelligence
AI brings speed, scale, pattern recognition

HUMAN + AI

CURIOSITY
CREATIVITY
COMPASSION
COLLABORATION
CONNECTION
AI

Don’t let the past get
in the way of the future.

ANAT BARON

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