

# **THE RISE OF AI** **WHY YOU SHOULD CARE**

SIR 146 Luncheon

1/8/26



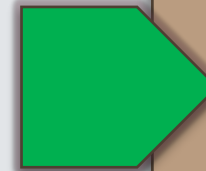
# WHAT WE WILL COVER TODAY

- What is AI
  - Why it is Unique
  - Key Enablers
  - Key Benefits for You
  - Key Risks
  - How it May Play Out (“Don’t Look Up” & “House of Dynamite” & “2001”)
  - AI Resources
- Appendix: Supporting Documents

# MY BACKGROUND THAT IS RELEVANT



- Behavioral Economics
- Data Science
- Expert Systems
- Strategy Consulting-Innovation
- Investment/Finance
- Science Fiction Fan Since Age 7



Not an Expert  
Moving Too Fast  
But No One Is Really

Focus: Why You Should Care  
So You Can Prepare Others

# WHAT IS AI



➤ Non Generative (Pre 2023) – Expert Systems

➤ Supervised & Unsupervised ML & NLP

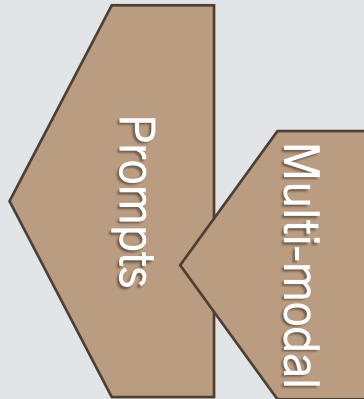
➤ Chatbots

➤ Generative AI

➤ AI Agents

➤ General AI (GAI)

➤ Neural Networks

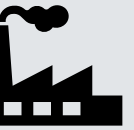


Replicating How  
the Brain Works to  
Make Decisions  
and Create Virtual  
Stuff

1958

*AI is Hardly New -- but -- Now we have a PERFECT STORM*

# WHY IT IS UNPRECEDENTED



	Time Span	Physical	Capital Needed	How Spread	Skill Migration	Cost to Deploy	Adoption Curve	Who Uses It	Learning Curve
AI	2023 - Now	Data Centers	Modest	Digital	Continuous Education	Very Low	Months not Years	Everyone	Very Low
Industrial Revolution	1840-1900	Massive Factories	Huge	Geography	Apprenticeship Migration	Very High	Decades	Developed Nations	Modest
Electrification	1900-1930	Grids Roads	High	R&D Labs	Industry Training	High	Years	Everyone	Low
Early Computer Automation	1945-1975	Mainframes	High	Industry	Industry Training	High	10+ Years	Industry Workers	Modest
PC/Internet	2018-Now	Software	Modest	Driven by Industry at First	Excedicted if Knowledge Worker	Modest	5-10 Years	PC Literate	Modest

*ChatGPT provided input for this slide*

# KEY ENABLERS



- **Lots More Data** — Mostly Free & Available Much Better NLP (Voice and Visual)
- **Massive, Fast & Cheap Computing Power**
- **Data Storage Capacity in the Cloud**
- **Less Regulation (i.e. China)**
- **Capital to Spend**
- **Risk of Being Second**

# KEY BENEFITS-GENERAL



- Better Search Results
- Writing Productivity & Creating Art
- Investment Insight to Match The Institutional Pros
- Using Complex Apps
- Easier Teaching & Learning (especially for Statistics)
- Writing Code
- **Replacing Costly Expert Advise**
- Reducing Fraud and Hacker Risk

Evens the Playing  
Field

# KEY BENEFITS-FOR YOU



## ➤ Better Medical Remedies

- ❑ Control of Your Medical Future

## ➤ Better Investment Decisions

## ➤ Advising the Kids and Grandkids on Careers

## ➤ Satisfying Your Curiosity and Staying Mentally Fit

## ➤ Being More Creative

## ➤ Supporting the Right Leaders especially on Defense Issues

# KEY BENEFITS-ECONOMICS



- Drugs will become much Cheaper to Create
- Profit Margins will Widen and Stock Values
- Becoming Well Educated will Cost Less
- Finding the Right Answer will become Cheaper
- Cost of Targeted Entertainment Will Decrease
- Identifying the Right Leaders will Become Easier
- **Cost of War Decreases & less Human Lives Lost**

\$ Impact



# KEY RISKS



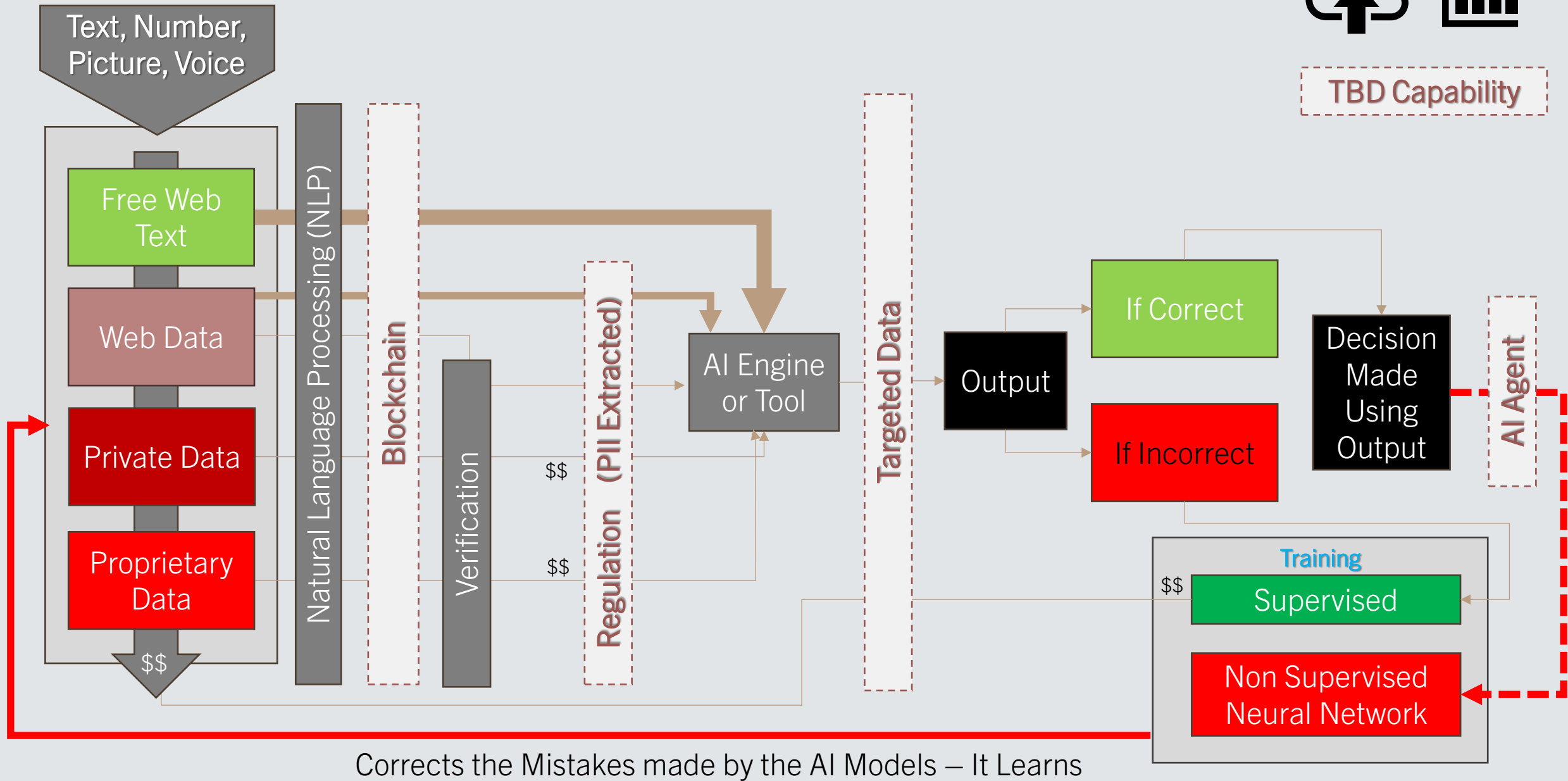
	<i>Impact</i>	<i>How Easy to Fix</i>	<i>How Long to Fix</i>	<i>Cost to Fix</i>
➤ Keeping Up With the New Developments	●	●	●	\$
➤ Hallucinations	●	●	●	\$\$
➤ Controlling the Input Data (Energy Issue)	●	●	●	\$\$
➤ Verifying Input and Output Accuracy	●	●	●	\$
➤ Stock Market Distortions (Economic Parity)	●	●	●	\$\$
➤ Controlling the Bad Actors	●	●	●	\$\$\$\$
➤ Avoiding War driven by the Little Guys	●	●	●	\$\$\$\$\$
➤ Picking an Enduring Viable Career Path	●	●	●	\$\$

➤ Realizing Increased Productivity to Justify the Investment

# WHY DATA ARE SO IMPORTANT



TBD Capability



# HOW IT PLAYS OUT – ECONOMIC RECKONING

## *Predicted Driver*

- Quantum Computing
- Water & Energy Innovation
- Customized Drugs
- Data Verifier/Integrator
- Stock Market Strength
- Misguided Regulation
- True AI Agents evolve
- Information Worker Losses

## *Possible Outcomes*

- Disrupted Marketing
- Mandatory Reengineering
- Rise of “B” powers = WAR
- Small Smart Companies
- Internet Disruption
- Trade Wars (to protect the have nots)
- Hollywood Reinvented
- Longer/Healthier Lives



# AI RESOURCES & DATA SOURCES



## ➤ Best Tools (Changes Weekly)

- \$20/month gets tools that support their output with sources
- Use more than one and debate with it
- Make sure it remembers previous queries
- Recognize some tools are better at visuals and others at research
- ChatGPT is often at the top but Perplexity and Google can be better week to week
- Ask your doctor if they use it and how; and use it before you see them

## ➤ Peter Diamantis Moonshots Podcast

## ➤ WSJ (an article a day/good graphics). Same for the NYTimes

## ➤ Economist (great summaries of trends)

## ➤ McKinsey Strategic Updates (daily)