

THE RISE OF AI

WHY YOU SHOULD CARE

SIR 146 Luncheon

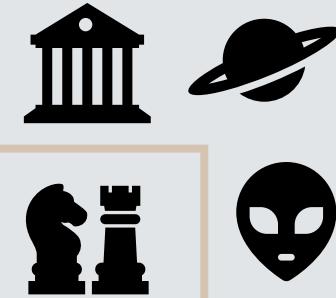
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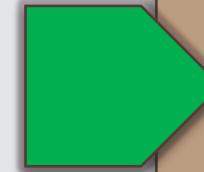
WHAT WE WILL COVER TODAY

- 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



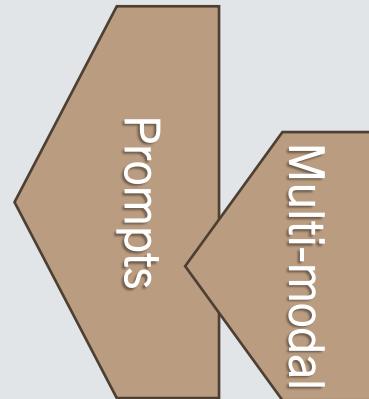
Not an Expert
Moving Too Fast
But No One Is Really

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

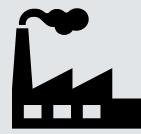


Replicating How
the Brain Works to
Make Decisions
and Create Virtual
Stuff

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	Exceeded 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

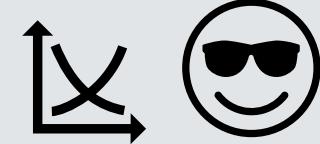
Evens the Playing
Field

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



	\$ Impact
➤ 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	

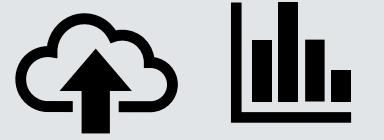
KEY RISKS



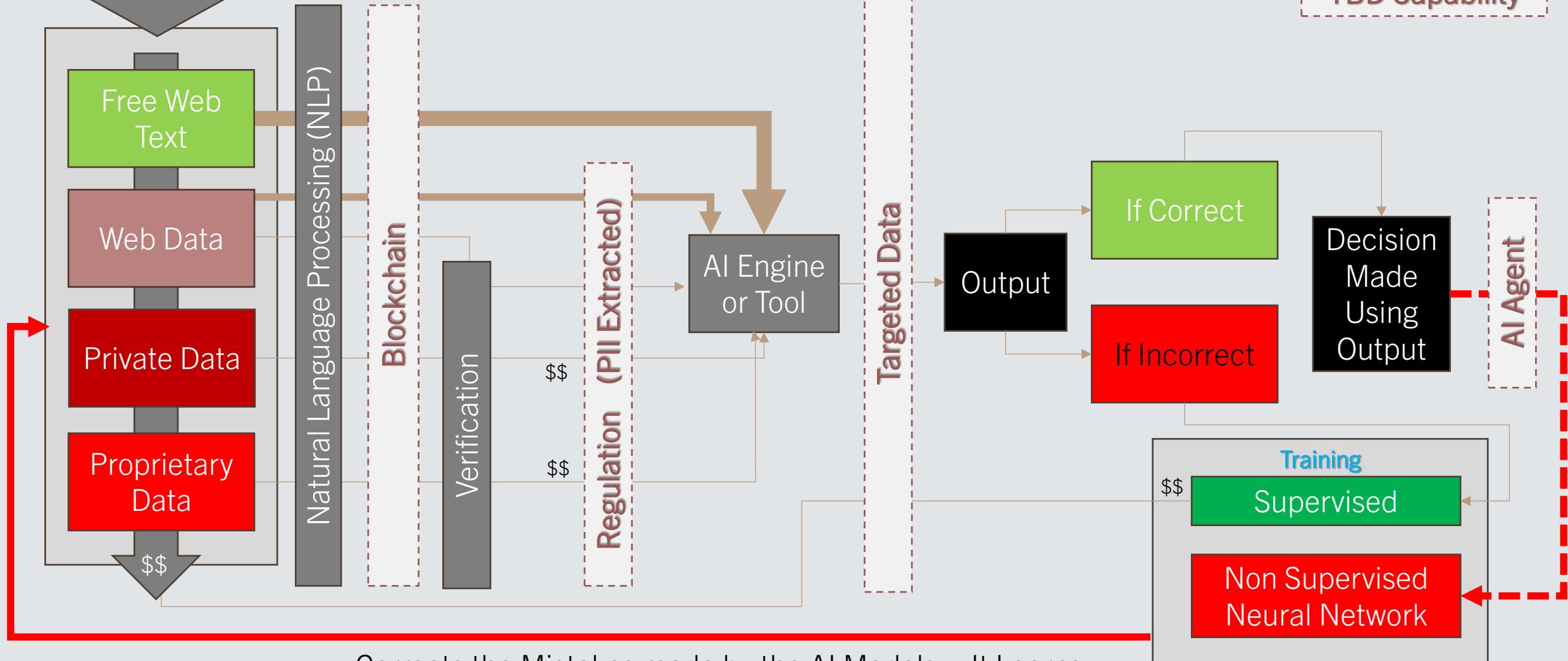
	Impact	How Easy to Fix	How Long to Fix	Cost to Fix
➤ Keeping Up With the New Developments	●	●	●	\$
➤ Hallucinations	●	●	●	\$\$
➤ Controlling the Input Data (Energy Issue)	●	●	●	\$\$
➤ Verifying Input and Output Accuracy	●	●	●	\$
➤ Stock Market Distortions (Economic Parity)	●	●	●	\$\$
➤ Controlling the 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



Text, Number,
Picture, Voice



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)