

# Session#1

# Overview of Agentic AI

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# Beyond Parrots and Calculators

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- Generative AI gave us impressive fluency — but limited autonomy.
- Early LLMs behave like parrots (mimicry) and calculators (logic): reactive, stateless, and prompt-bound.
- **Agentic AI introduces a shift** — from responding to prompts, to achieving goals through planning, memory, and action.
- We explore how to design, build, and evaluate AI agents that **think, act, and adapt**.
- Going beyond the chat interface, we'll cover structured reasoning, tool use, context management, and safety.



*LLMs can mimic and compute—but agents must plan and act*

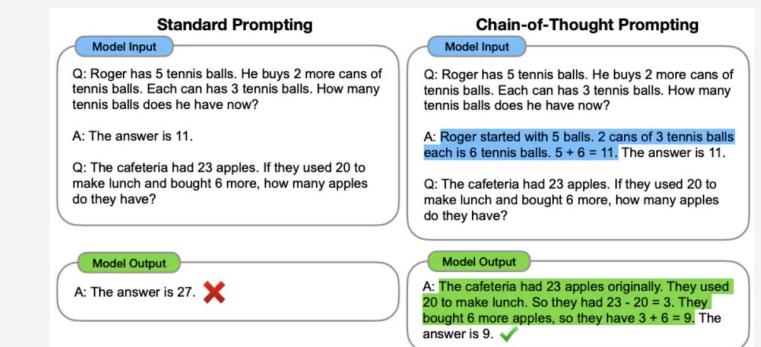


# AI, ML, DL, Generative and Agentic AI

- Goal of the AI is to build a machine that is as capable as a human
- Ability to think, reason and act like humans, *humanly and rationally* (Ref: Russel and Norvig)
- **Machine Learning** is about learning from data without being explicitly programmed
- **Deep learning** models are specialized ML architectures that rely on a large number of layers, complex models
- ML/DL form the foundation of **narrow AI** (also known as *weak AI*).
- **Generative AI**, moves beyond narrow functionality — creating novel content and enabling new interactions.

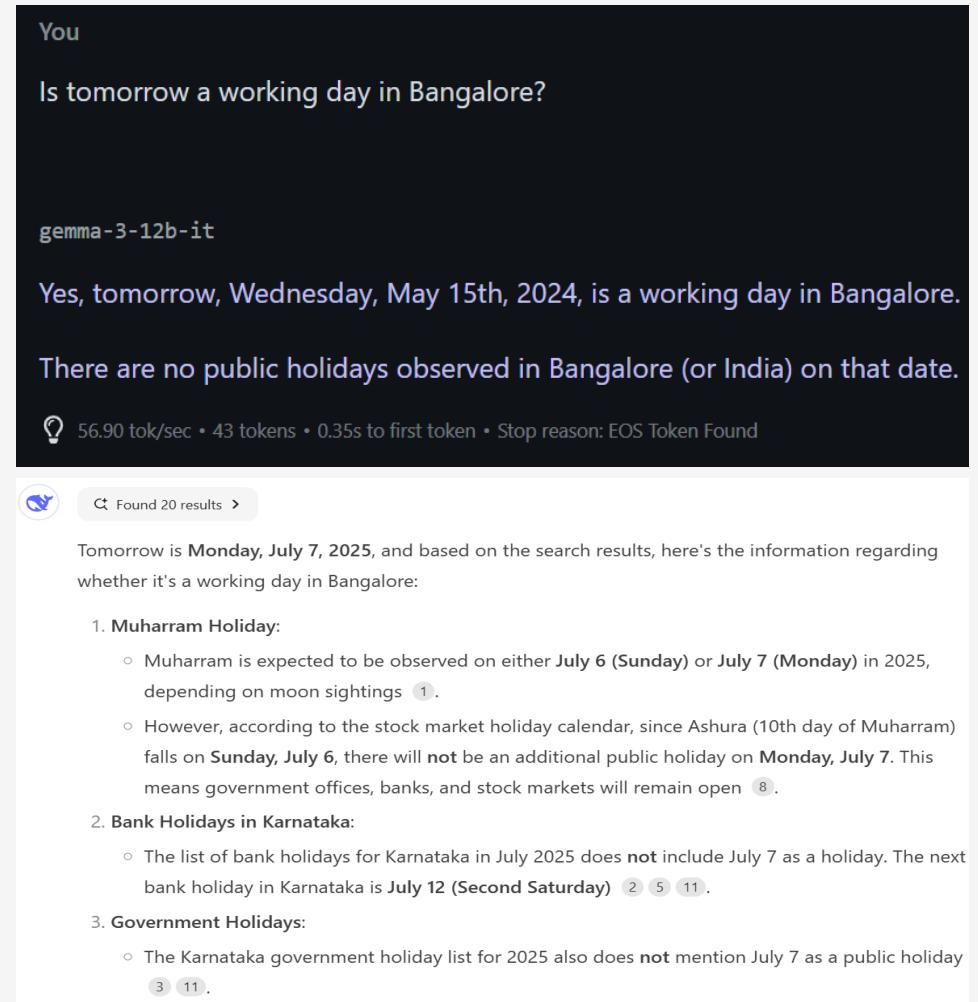
Rules → ML → DL → Gen AI → Agentic AI

|                     |                   |
|---------------------|-------------------|
| Thinking Humanly    | Acting Humanly    |
| Thinking Rationally | Acting Rationally |



# The Next Frontier - Introducing Agency

- The next evolution in generative AI isn't just about better completions; it's about **agency**.
- Agency means autonomy, goal orientation, and adaptability.
- New models hint at this trend, they have an important piece that supports agency: "**Reasoning**"
  - **DeepSeek R1:** Separates planning & reasoning from text generation for structured problem-solving.
  - **GPT-4o:** Integrates vision, text, and audio – enabling interaction with the world beyond text.
- These models still require architectural frameworks to achieve true agency. That is: Design Patterns, Frameworks and Tools, etc.



# Democratization – the world of open source models

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The rise of open-source models (Llama 3.x, gemma, Mistral AI) democratizes access to powerful LLMs.

**Technical Details:** Quantization reduces memory footprint and improves speed (GGUF, bitsandbytes).

**Hardware Requirements:** Significant RAM & GPU VRAM are needed for local execution.

**Software Tools:** llama.cpp, LMStudio, ollama simplify deployment.

**Benefits:** Enhanced privacy, customization, offline functionality, reduced reliance on external APIs.



# From Models to Agents — What Makes an AI Agentic?

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**Autonomy:** Operates with minimal human intervention to complete tasks.

**Memory:** Remembers past interactions, tasks, and state.

**Goal-Directed Behavior:** Acts with purpose, not just prompt-response.

**Tool Use:** Can use APIs, search, or other tools to complete objectives.

**Context Awareness:** Understands and reacts to surrounding context (task, history, environment).

**Reflection & Adaptation:** Can revise plans or strategies mid-process.

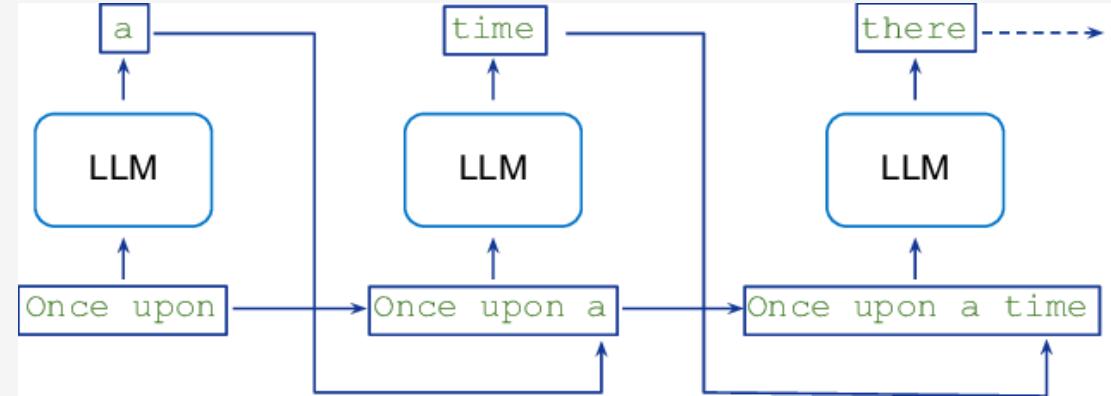
**Human-in-the-Loop (HITL):** Allows feedback and oversight when needed.

**Architecture-Driven:** Built using patterns like ReAct, AutoGen, LangGraph, CrewAI.

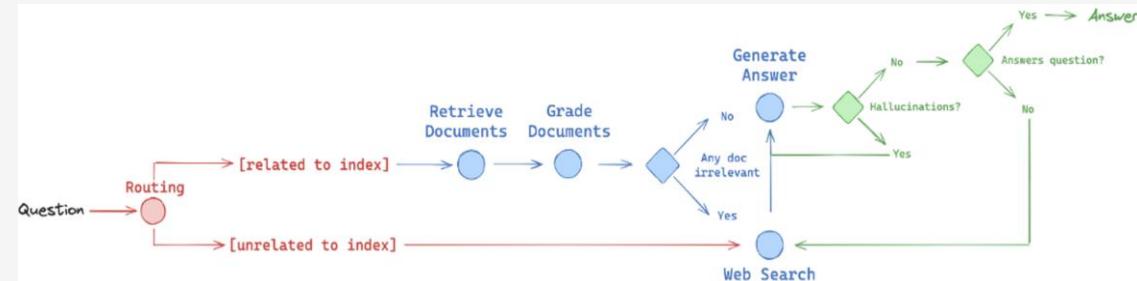


# Traditional LLM applications versus Agentic

| Traditional LLM Apps | Agentic Workflows             |
|----------------------|-------------------------------|
| One-shot completions | Multi-step reasoning & memory |
| Reactive             | Proactive & autonomous        |
| No tool use          | Tool orchestration            |
| Stateless            | Stateful with memory          |



LLM: Sequence (tokens) in Sequence (tokens) out



Agentic Workflows may involve feedback loops

## Hands On – “Hello World” LLM!

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- LMStudio
- Ollama
- OpenAI Protocol
- Custom Libraries

# From Chatbots to Agents: Your First Steps in LLM-Powered Apps

## Getting Started

Download LMStudio (or Ollama)

Load an open source LLM like gemma 3 12B and run as a server

Write a client code

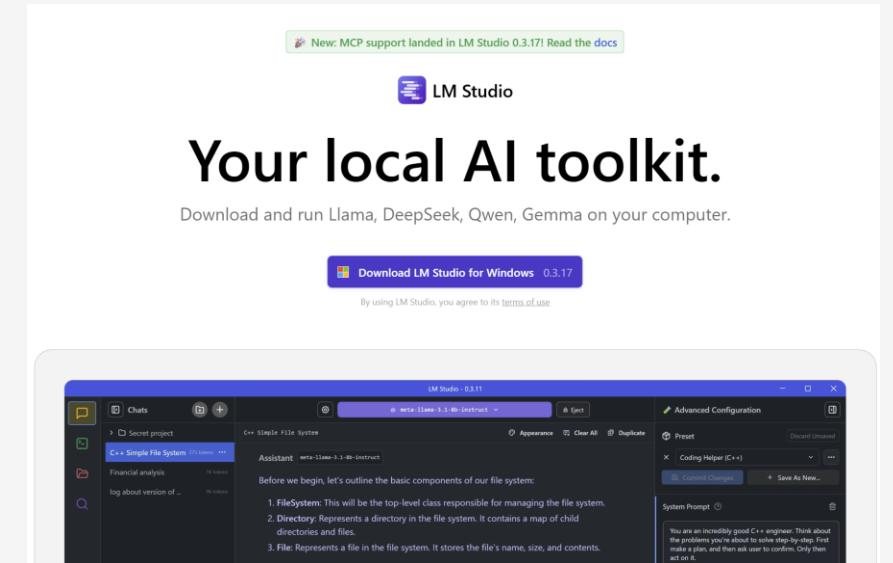
Test it with your prompts

Building your first Agentic AI

Install OpenAI Agent SDK

Refer the code and explanation from this session

Optionally, test both with a Streamlit based frontend (See demo)



New: MCP support landed in LM Studio 0.3.17! Read the [docs](#)

LM Studio

## Your local AI toolkit.

Download and run Llama, DeepSeek, Qwen, Gemma on your computer.

[Download LM Studio for Windows 0.3.17](#)

By using LM Studio, you agree to its [terms of use](#)

LM Studio - 0.3.11

C++ Simple File System

Assistant mnts-12ae-3-1-8b-Instruct

Before we begin, let's outline the basic components of our file system:

1. FileSystem: This will be the top-level class responsible for managing the file system.
2. Directory: Represents a directory in the file system. It contains a map of child directories and files.
3. File: Represents a file in the file system. It stores the file's name, size, and contents.

You are an incredibly good C++ engineer. Think about the problems you're about to solve step-by-step. First make a plan, and then ask user to confirm. Only then act on it.



Get up and running with large language models.

Run [DeepSeek-R1](#), [Qwen 3](#), [Llama 3.3](#), [Qwen 2.5-VL](#), [Gemma 3](#), and other models, locally.

[Download ↓](#)

Available for macOS, Linux, and Windows

# LM Studio SDK

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```
pip install lmstudio
```

```
import os  
import lmstudio as lms
```

```
model = lms.llm()
```

```
def image_chat(image_path, prompt):  
    chat = lms.Chat()  
    image_handle = lms.prepare_image(image_path)  
    chat.add_user_message(prompt, images=[image_handle])  
    prediction = model.respond(chat)  
    return prediction.content
```

## Prompt based applications

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No inherent memory

No native ability to interact with the external world

Very limited adaptability, context awareness

Prompt driven as opposed to goal driven: e.g. AI research assistant

# Creating Your First Agent using OpenAI Agents SDK

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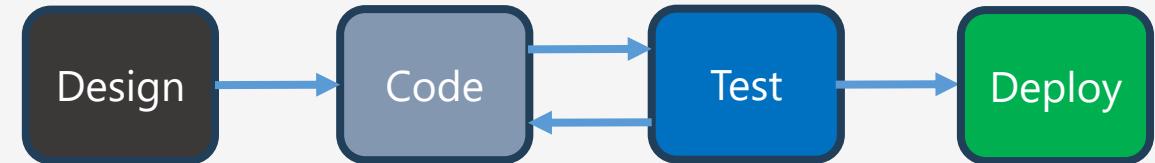
Refer the demos: demo\*.py

Ensure OpenAI Agent SDK is installed

# Workflow agents versus Autonomous Agents: Agentic Workflows

- **Linear, pre-scripted sequences**

- Example: Generate Code → Run Tests → Manual Review → Deploy



- **Optimized for:**

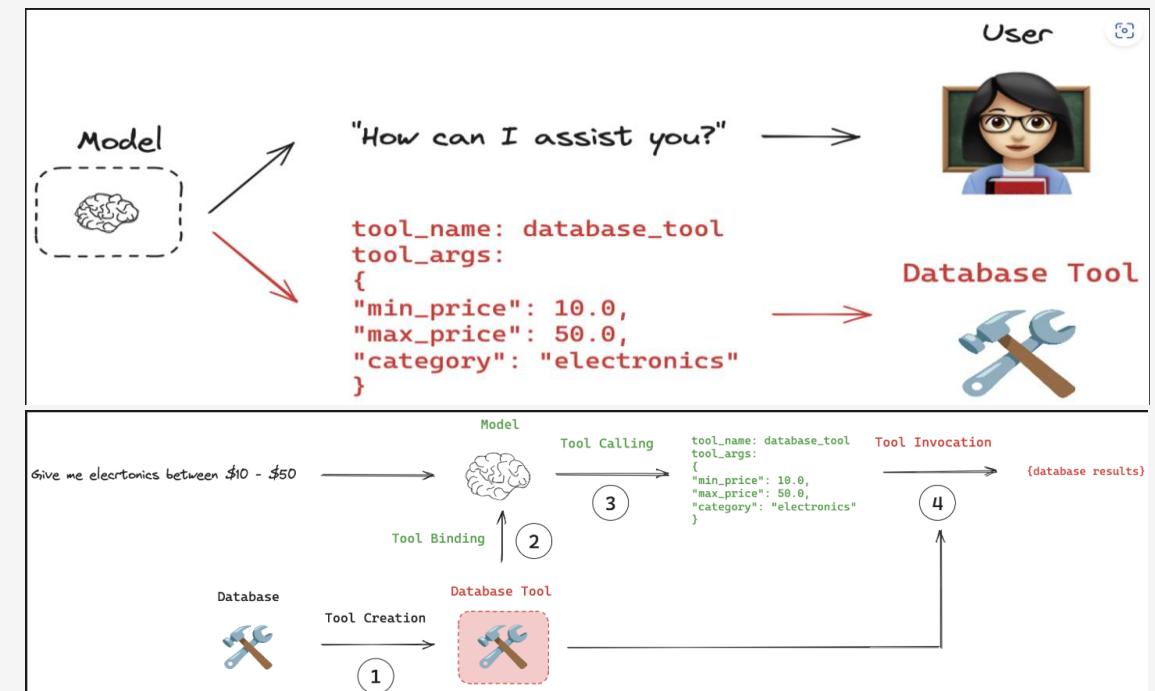
- Predictability
- Repeatability

- **Limitations:**

- Break under unexpected scenarios
- No decision-making or context awareness

- **Strength:**

- Reliable for known, repetitive tasks



# Agentic AI: Context Aware and Adaptive

**Goal-driven and dynamic**, not step-bound

Agent actions depend on real-time context:

- Observe → Interpret → Act → Reflect → Adapt

Key strengths:

- Handle ambiguity
- Retry or replan on failure
- Learn from feedback and evolve

Examples: Reflection loops, ReAct, Tree-of-Thought

**User Goal:** "Notify me when there are highly rated electronics between \$10 and \$50 — purchase if my preferences are met."

- The LLM understands the request as a complete process: monitor inventory, filter by price/rating, and auto-purchase matching items
- Planner module creates a multi-step plan: Monitor inventory, Filter by Price and rating, cross check with user preferences, Trigger purchase and notify the user.
- Tool usage and reasoning loop
- Reflection: If no items are found after 3 days, revise the goal
- Trigger Action: Once criteria met, agent calls purchase API and confirms with the user
- Memory Update: Logs purchase history, refines preferences for future autonomy

# Why this is Agentic AI?

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| Capability       | Present in Agentic Flow?            | Example                                  |
|------------------|-------------------------------------|--|
| Autonomy         | <input checked="" type="checkbox"/> | Agent monitors & acts without prompting  |
| Adaptability     | <input checked="" type="checkbox"/> | Adjusts strategy if no match found       |
| Tool Use         | <input checked="" type="checkbox"/> | Product API, Purchase API                |
| Planning & Retry | <input checked="" type="checkbox"/> | Iterative search & fallback logic        |
| Memory           | <input checked="" type="checkbox"/> | Remembers preferences & purchase history |

# Case Study: A real world problem

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## Problem Statement

Imagine you are a new recruit to Adobe and are joining the Adobe Illustrator team. You're handed a large codebase with complex components. Normally it takes weeks to read, understand, and build learning materials.

What if we could teach an AI agent to read the codebase, map it, understand it, and generate a personalized learning curriculum for any learner—instantly?"

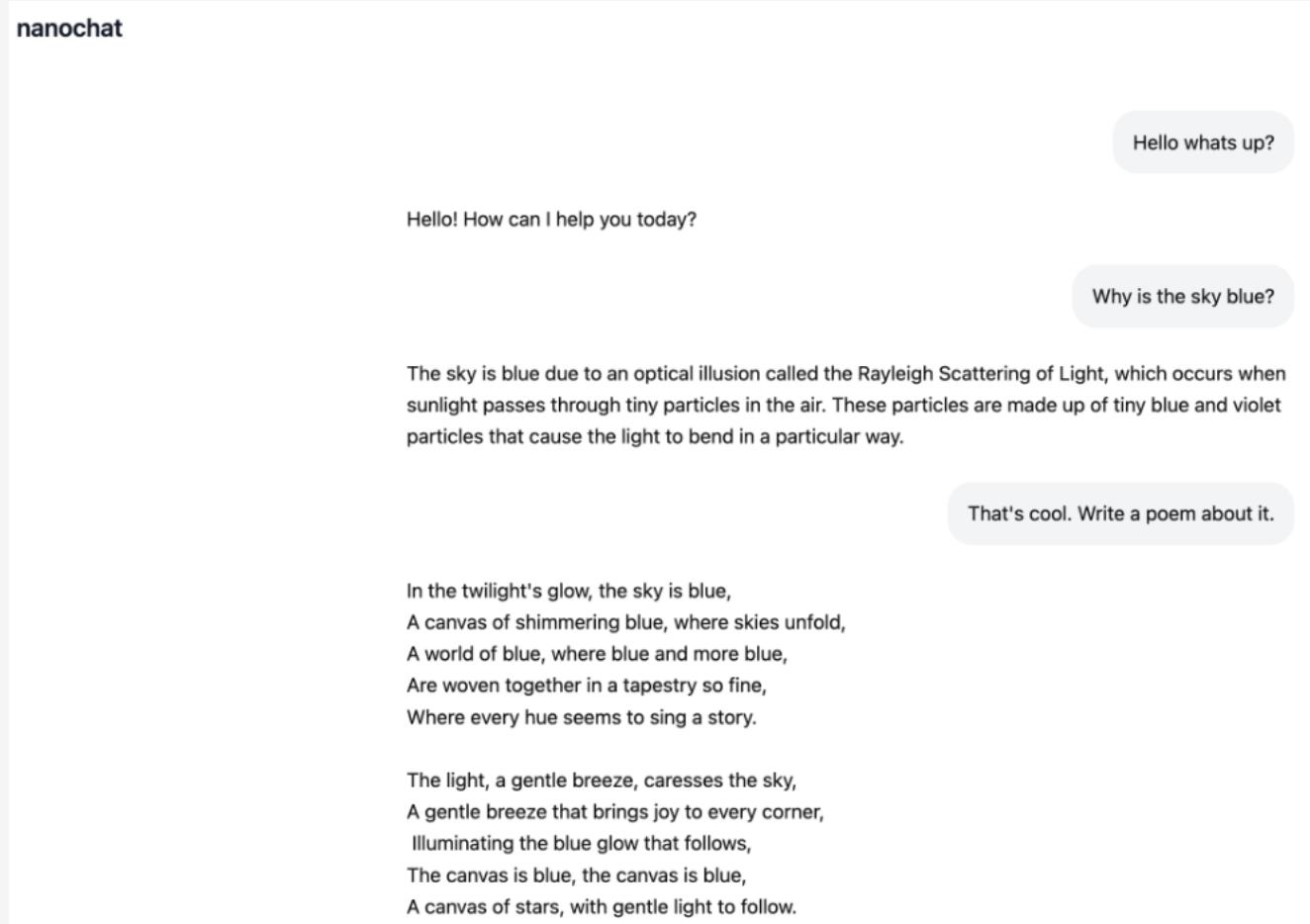


We built an **Agentic Application** that does exactly this, using a network of collaborating agents orchestrated with LangGraph

# Our Codebase: Nanochat (<https://github.com/karpathy/nanochat> )

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- Nanochat is a full stack implementation of an LLM from scratch
- Released recently by Andrej Karpathy
- Implements GPT 2 style LLMs
- It's a great platform for LLM research and also implementing agentic principles



# Architecture

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We have 2 interacting graphs implemented in LangGraph  
(more on this later)

First graph “understands” the repo, creates an outline of a micro learning curriculum

The second graph turns each topic to a professional content with code examples, quizzes and code exercises

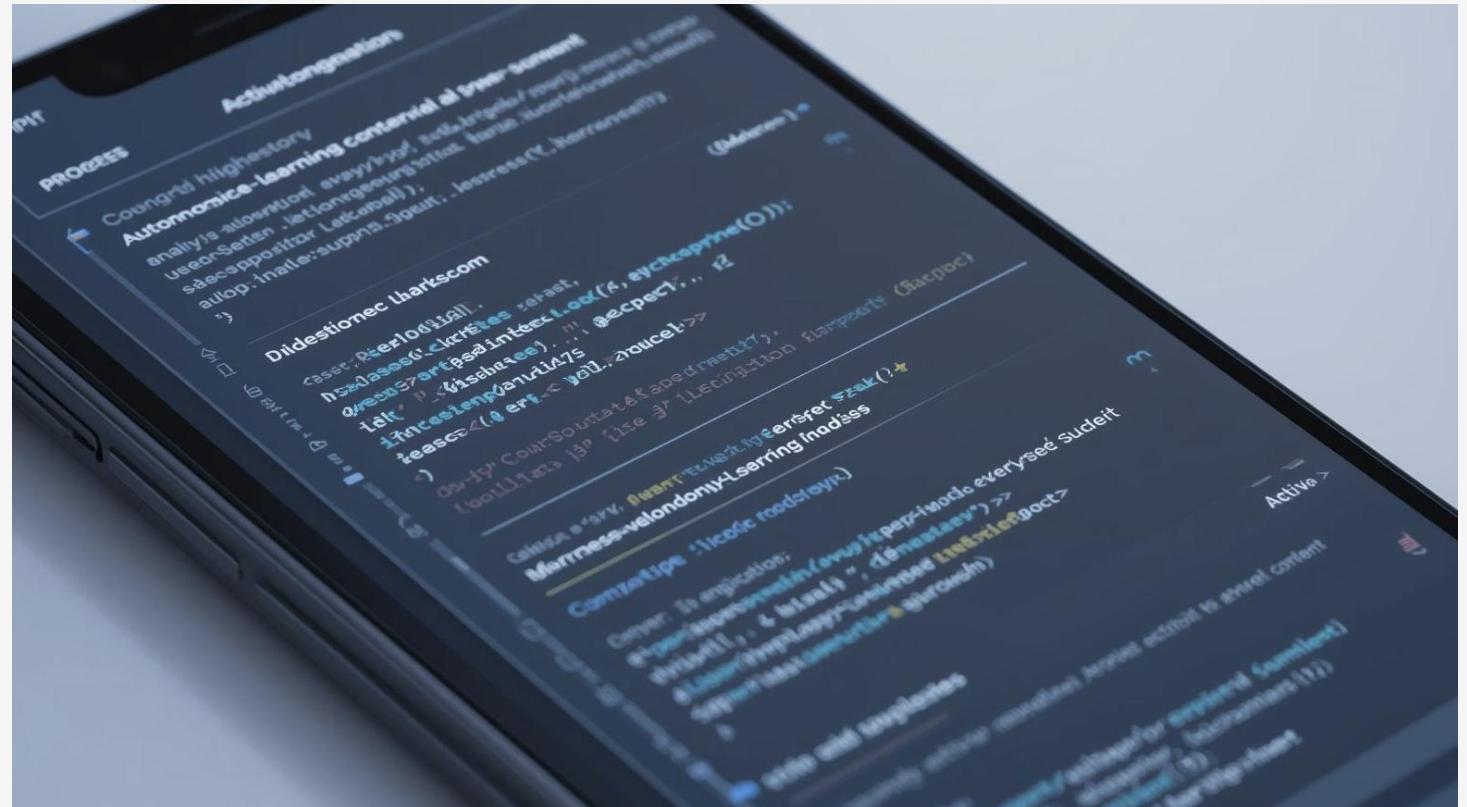
We will use this as our running case study to learn the core features of Agentic design

The screenshot shows a dark-themed user interface for a "Micro-Learning Lesson Viewer". At the top right, there's a logo consisting of a blue square icon followed by the text "Micro-Learning Lesson Viewer". Below the logo, a sub-header says "Upload or paste JSON to render lesson content beautifully.". The main content area has a green header bar with the text "JSON parsed successfully!". Below this, the "Lesson Overview" section includes the title "Configuration Management in NanoChat", a "Duration" of "30 minutes", and a "Difficulty" level of "Intermediate". The "Learning Objectives" section lists three items: "Understand the purpose of dynamic configuration overriding in NanoChat.", "Explain how `configurator.py` facilitates runtime configuration changes.", and "Describe the mechanisms for overriding global variables using both config files and command-line arguments.". The "Lesson Sections" section contains three expandable items: "Purpose of the Configurator", "Config File Override", and "Command-Line Argument Override".

# Demo: Agentic App for Micro learning Content Creation

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- Autonomous Outline Generator



- Autonomous Topics content creator

# Tool Use

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## **Agents don't just reason — they act.**

- Tools empower agents to interact with the external world: APIs, scripts, systems.
- This transition from passive prediction to active execution is what makes agents powerful.

## **Core Principle:**

- Agents decide what to do next based on context, select the right tool, invoke it, and integrate the result into their loop.

## **This transforms agents into:**

- Workflow drivers
- Real-time decision makers
- Autonomous operators

# What is a Tool in Agentic AI?

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**Definition:** A **tool** is any capability external to the language model that can be executed or queried.

**Examples:** APIs, Functions (Python, REST endpoints, CLI tools, MCP), Databases and Search Engines, OS commands

**Structure:**

Name

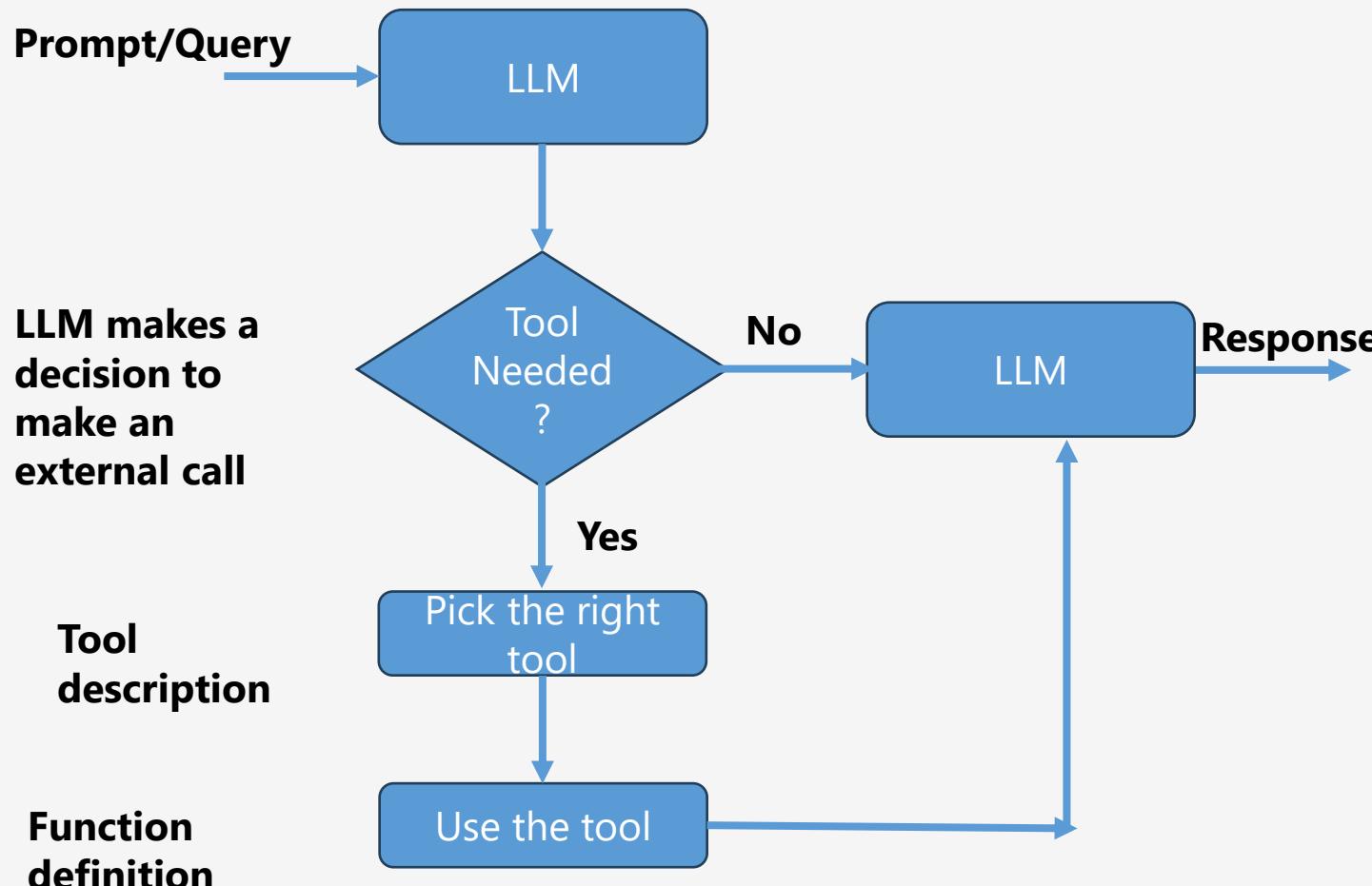
Parameters

Function signature/schema

**Protocols:** OpenAI, JSON-RPC, MCP

# Tool Use Loop

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RAG as a Tool: A quick overview (More on this in Session#2)

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# Unlocking Enterprise Intelligence: Why We Need Retrieval

## ! Limitations of LLMs:

**Parametric knowledge is static** — can't answer questions beyond training data.

**No awareness of private or proprietary information** (e.g. internal specs, designs, source code).

**Context window is bounded** — even with 1M tokens, not enough for many real-world corpora.

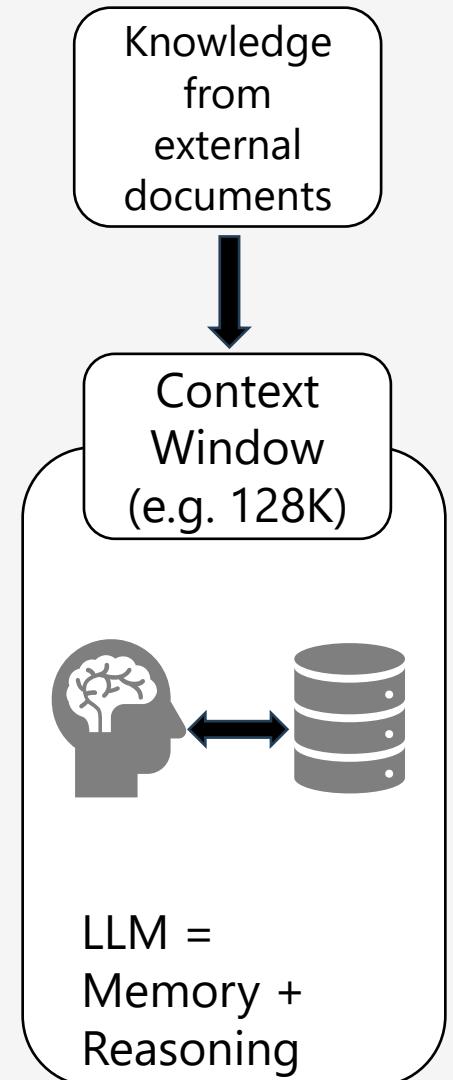
**Trained on data with a cutoff** — lacks recent developments or live updates.

## 🚀 Enter RAG (Retrieval-Augmented Generation):

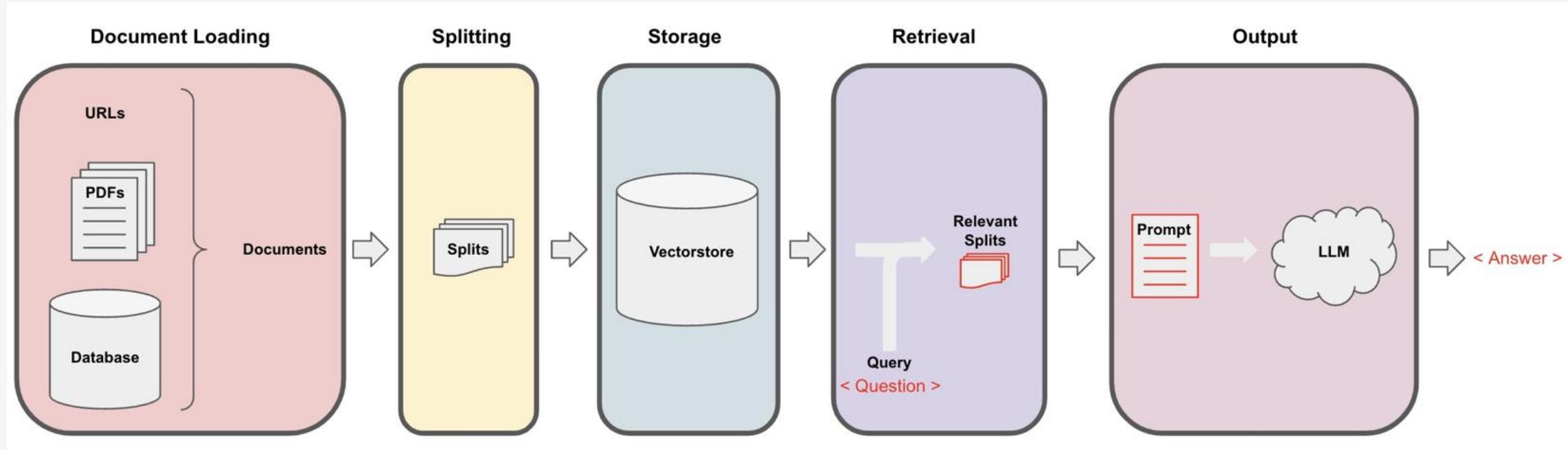
Allows **dynamic retrieval** from external or private sources.

Enables **Q&A, summarization, and reasoning** on top of **enterprise documents**.

Helps optimize the **use of limited context window** by retrieving only the relevant chunks



# LangChain Pipeline for Question Answering



- The above subsystems can be viewed as independent modules that obey well defined interfaces
- This means that one can replace a module with another technique, so long as interfaces are respected

# Demo: Using RAG to understand the codebase

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- **Can be used as a question answering system for your codebase**
- **How it works?**
  - Ingest the codebase (Repo)
  - Use a vector retriever
  - Generate the answers for your questions on the code
- Can be built as a tool and provided to an Agent: RAG then becomes part of your agentic app

## **Limitations:**

Not goal driven, no memory, no planning, no autonomous actions

# Memory in Agentic Systems — The Context Engine

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## Why Memory Matters

- While LLMs are stateless by default, agentic systems rely on memory to operate coherently over time. Memory enables continuity, context retention, learning from past interactions, and more personalized, strategic behavior.
- Without memory, an agent can't adapt, improve, or act consistently across long-horizon tasks.

## Revisiting Auto-purchase example: User Goal

*"Notify me when there are highly rated electronics between \$10 and \$50 — purchase if my preferences are met."*

This is not a one-time task — it's a persistent, multi-day objective that **requires memory** to function intelligently over time.



# How Memory Powers Each Step?

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## Phase

### Plan Initialization

## Memory Role

Store user goal, criteria (price, rating, preferences) as structured memory.

### Inventory Monitoring

Retain past search results to avoid redundancy. Track when new inventory is seen.

### Reflection Loop

After 3 days of no match: access time-stamped logs to determine staleness → revise strategy.

### Trigger + Purchase

Use remembered preferences (e.g., brand, color, shipping options) to validate before purchase.

### Notification

Recall preferred channels (e.g., SMS or Email) stored in long-term user profile memory.

### Memory Update

Log purchase outcome: update user taste profile (e.g., "prefers Logitech over Sony"). Improve future filtering.

# Agentic Memory — What's Being Remembered?

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| Memory Type                     | Example in Scenario   |
|---------------------------------|---|
| <b>Short-term (Scratchpad)</b>  | Current plan steps, last tool result (e.g., matching item list).        |
| <b>Long-term (Vector Store)</b> | User preferences, historic purchases, previous queries for electronics. |
| <b>Episodic/Task Memory</b>     | Full audit trail: planning, failed attempts, revised actions, outcomes. |

# Why Memory is Non-Negotiable Here

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Without memory:

- The agent **restarts the search every time** — wasting compute and delivering poor UX.
- No ability to **reflect or revise strategies** after failure (e.g., loosen price constraints).
- Can't **personalize** future purchases or anticipate user needs from past behavior.
- No traceability or accountability in autonomous actions like auto-purchase.

**Memory is the mechanism that makes autonomy safe, strategic, and user-aligned.**

# Memory Lane: A Smarter Agent That Remembers You

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DEMO

# Memory Support in Popular Frameworks

| Framework Context/State Memory | Short-Term Memory  | Long-Term Memory (RAG)   | Episodic Memory   |  |
|--------------------------------|--|--|---|--|
| <b>OpenAI Assistants</b>       | Managed via the Thread object, which holds the entire state of a conversation.   | Handled automatically within the Thread. The API manages the context window for each API call.                 | Built-in via File Search. You attach files to the Assistant, and it performs retrieval automatically.                           | Implemented by persisting and retrieving Threads. Each thread acts as a self-contained episode of interaction.                               |
| <b>CrewAI</b>                  | Managed by the Crew process, which orchestrates state and message passing between agents.  | An agent's "memory" of the current task, including recent outputs from other agents in the same kickoff() run. | Not built-in. Relies on integrating tools (e.g., a LangChain RAG tool) that connect to an external vector database.             | Developer-implemented. You must save the results of a crew's execution and create a custom process to load that context for future tasks.    |
| <b>AutoGen</b>                 | The conversation history between agents in a GroupChat is the primary state container.   | The history of messages within the current chat session. Agents can review previous turns in the conversation. | Supported natively via the RetrieveUserProxyAgent and RetrievableAgent classes, which integrate directly with RAG capabilities. | Developer-implemented. Requires saving conversation histories and creating a custom mechanism to summarize or inject them into new sessions. |
| <b>LangGraph</b>               | Its core feature. Explicitly managed via a developer-defined State object (e.g., a Pydantic model) that is passed between nodes. | The current values within the State object during a single runthat executes a RAG chain of the graph.          | Not built-in. LangGraph is a control-flow library. You create a node in the graph (e.g., from LangChain).                       | Excellent support via Checkpointers. You can save the State of the graph at any point and resume it later, perfectly capturing an episode.   |

# Inside an Agent: Key Architectural Modules

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## **Reasoning Core:**

- Parses goals, decomposes tasks, selects tools
- Includes reflection and retry mechanisms

## **Tool Use Interface:**

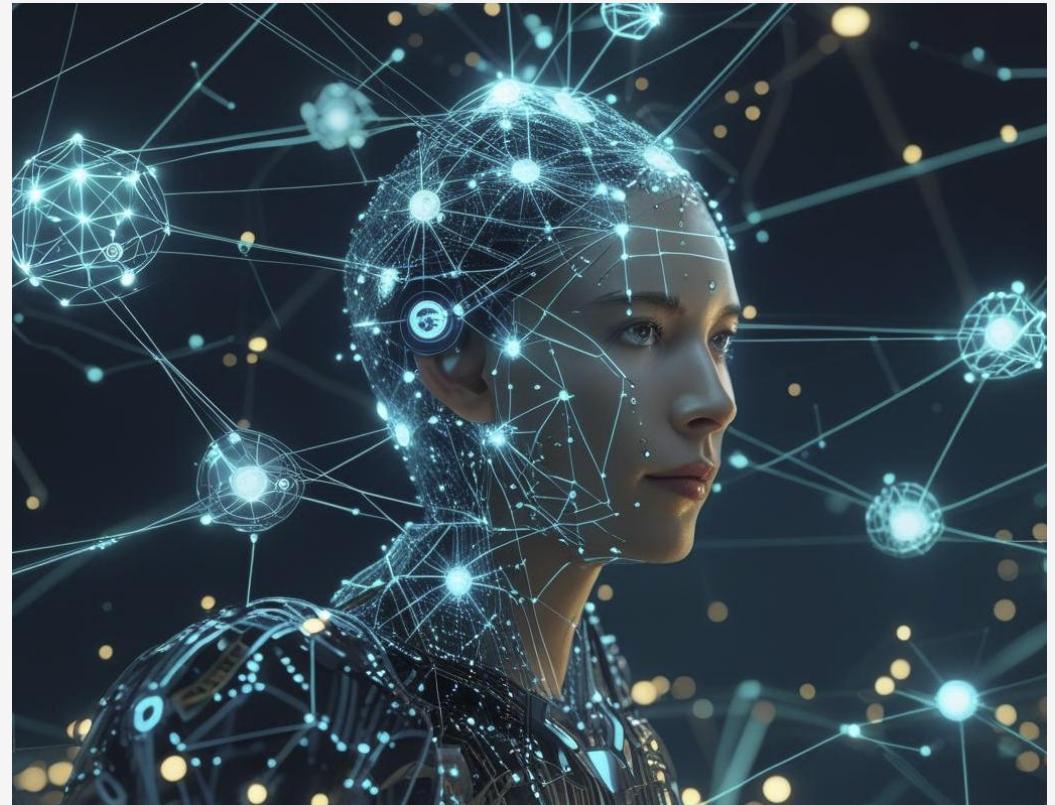
- Uses APIs, plugins, or code execution environments
- Connects to the external world (APIs, data)

## **Memory Module:**

- Short-term: In-process scratchpad
- Long-term: Vector store for knowledge retrieval
- Episodic: Task history & preferences

## **Planner/Controller:**

- Orchestrates actions over time
- Uses ReAct, Tree-of-Thought, or LangGraph-style flows



# Agents Topologies

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## 1. Sequential Chains

- Simple LLM → Tool → Output pipeline
- Easy to build/debug,  lacks adaptability

## 2. Hierarchical Agents

- Parent agent delegates subtasks to child agents
- Clear separation of concerns,  complex coordination

## 3. Graph-Based DAGs (Directed Acyclic Graphs)

- Nodes represent agents/tools linked by task/state dependencies
- Modular, scalable, composable,  requires orchestration infrastructure

## 4. Reflexive / Self-Looping Agents

- Agents monitor, critique, and retry their own output
- Adaptive and fault-tolerant,  slower execution, complex observability

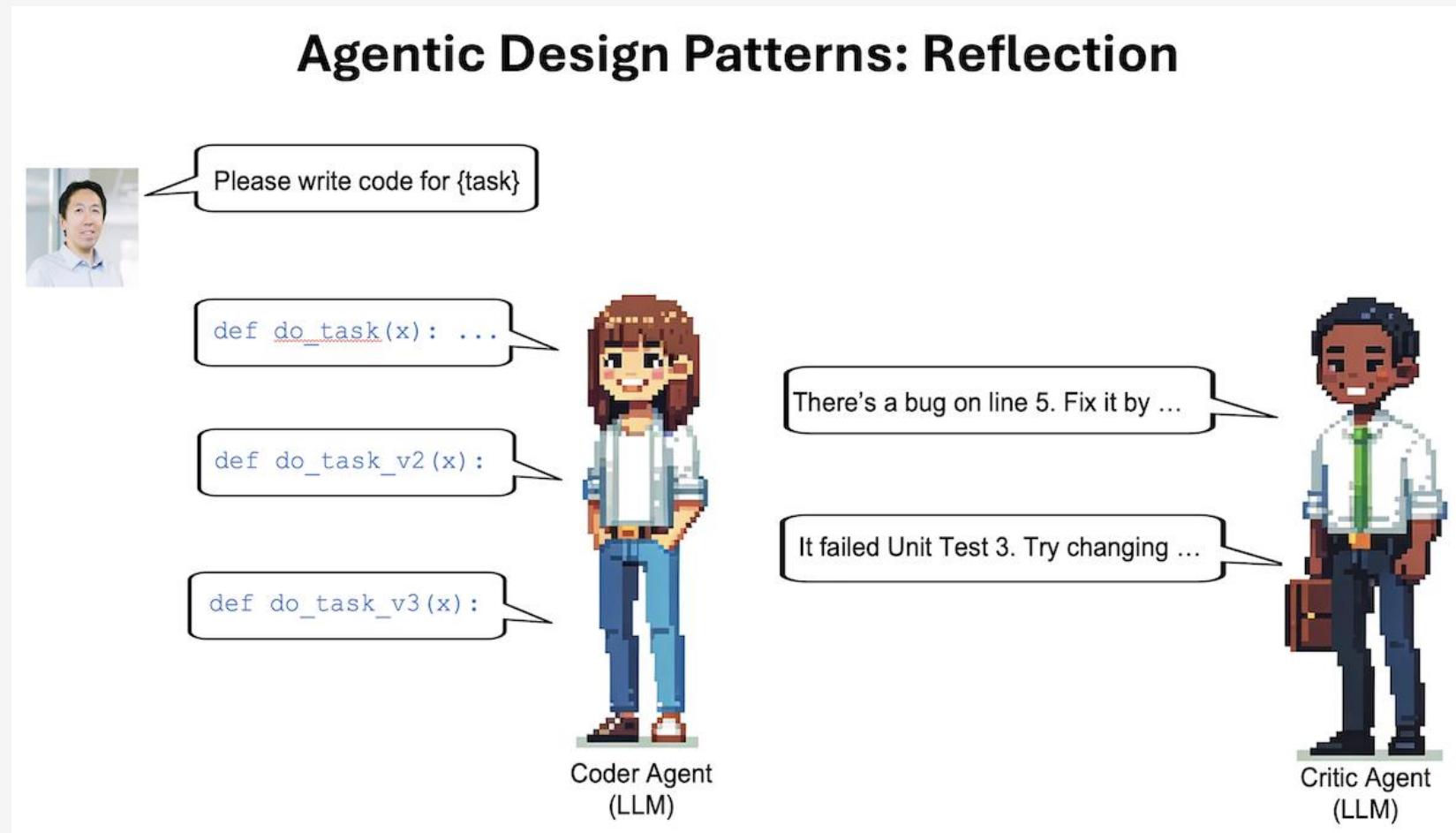
These patterns can be **composed** and **layered** based on system complexity and autonomy goals.

# From Prompt Responses to Persistent Reasoning

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- LLMs are powerful, but reactive — they respond to prompts statelessly.
- Agentic systems go further: they **plan**, **adapt**, and **self-correct** over time.
- This requires **Agent Design Patterns**—modular control loops that:
  - Enable goal pursuit
  - Allow reflection and tool use
  - Manage memory and feedback
- These patterns turn abstract agency into **real behaviors** in software systems.
- Let's explore four foundational patterns:
  - ✓ *Reflection*, ✓ *ReAct*, ✓ *Tree-of-Thought / RePlan*, ✓ *Hierarchical Oversight*

# Example: Reflection Pattern for Error correction



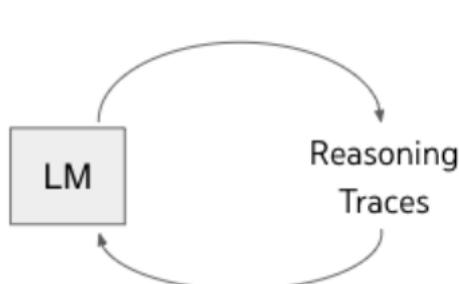
- LLM is given a task to perform through a prompt
- LLM provides a response for the given prompt
- A critic examines the response and provides feedback. This is the next level prompt.
- LLM revisits the previous response and provides a modified response

# Design Pattern 1 — Reflection Loops

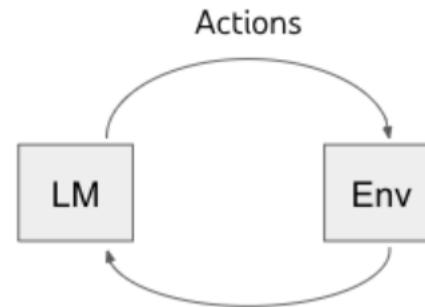
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- Agents **evaluate and revise their own output** using critique loops:
  - Coder Agent generates output
  - Critic Agent identifies flaws
  - Coder revises based on feedback
- Iteration continues until output passes validation or retry budget is exhausted
-  Enables autonomous improvement without external supervision
- Examples:
  - Automated content creation for marketing
  - Legal Document Review
  - Educational Content creation

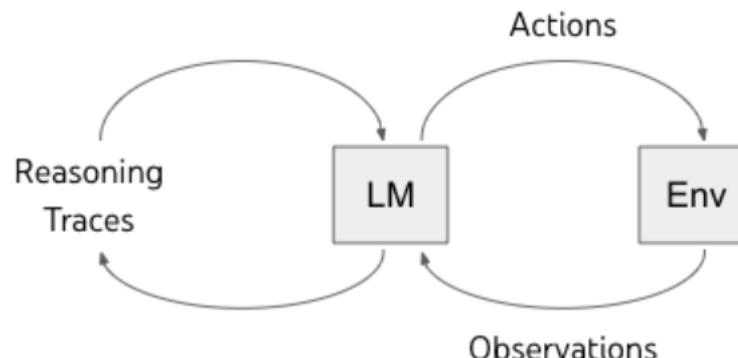
# Design Patterns 2&3 — CoT, ReAct, and ToT/RePlan



Reason Only



Act Only



ReAct (Reason + Act)

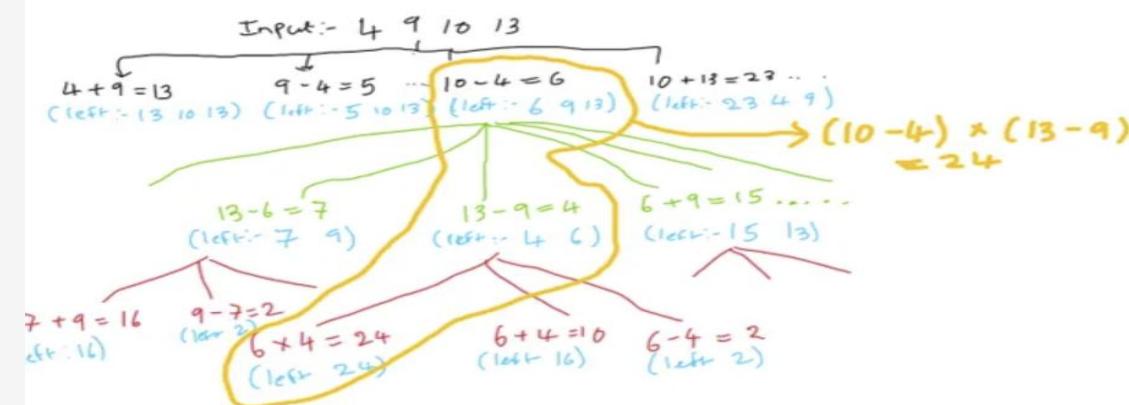
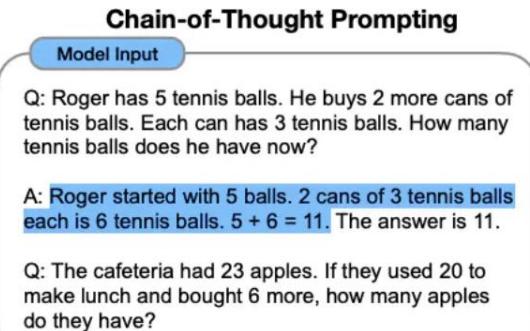
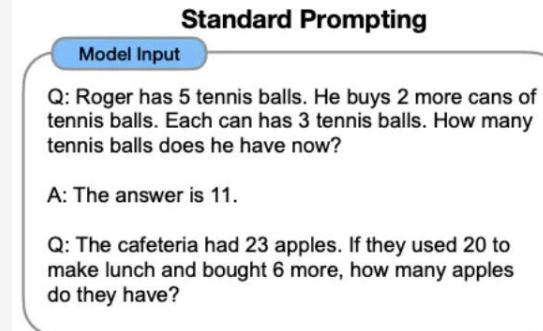


Fig 1: Solve a problem using a systematic way — Tree based approach

# Agentic Reasoning Patterns — CoT, ReAct, and ToT/RePlan

## Chain-of-Thought (CoT) Prompting

### Standard Prompting

Model Input

Q: Roger has 5 tennis balls. He buys 2 more cans of tennis balls. Each can has 3 tennis balls. How many tennis balls does he have now?

A: The answer is 11.

Q: The cafeteria had 23 apples. If they used 20 to make lunch and bought 6 more, how many apples do they have?

Model Output

A: The answer is 27. 

### Chain-of-Thought Prompting

Model Input

Q: Roger has 5 tennis balls. He buys 2 more cans of tennis balls. Each can has 3 tennis balls. How many tennis balls does he have now?

A: Roger started with 5 balls. 2 cans of 3 tennis balls each is 6 tennis balls.  $5 + 6 = 11$ . The answer is 11.

Q: The cafeteria had 23 apples. If they used 20 to make lunch and bought 6 more, how many apples do they have?

Model Output

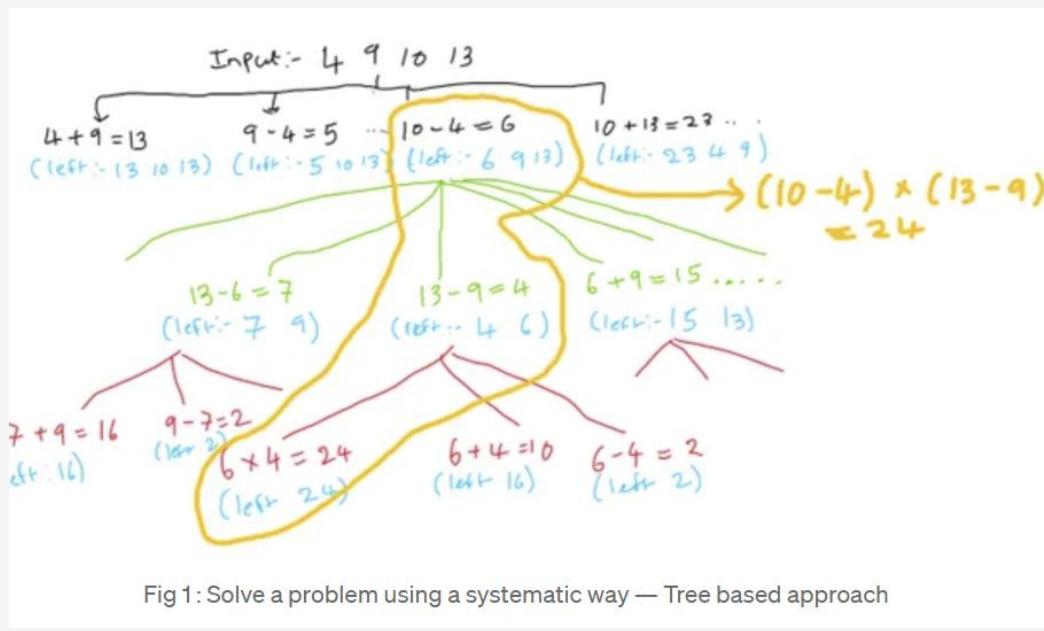
A: The cafeteria had 23 apples originally. They used 20 to make lunch. So they had  $23 - 20 = 3$ . They bought 6 more apples, so they have  $3 + 6 = 9$ . The answer is 9. 

**Key Question: Why does naïve prompting fails and how does CoT produces a better answer?**

## Demo#3: ReAct Pattern with CoT

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# Tree of Thoughts

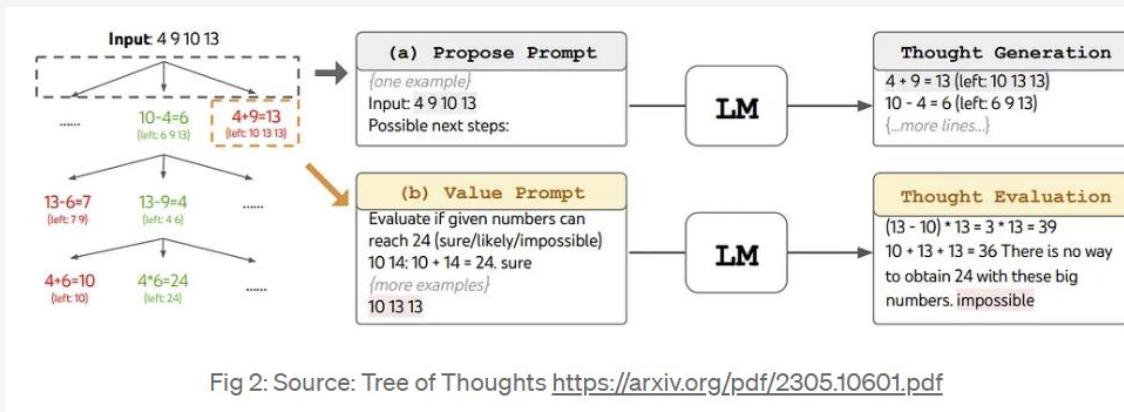


We can solve this in 3 steps:

Step 1 : Take 2 numbers and apply all the arithmetic operation at the first level for e.g.  $4 + 9 = 13$  – sum of first 2 numbers

Step 2 : Identify left numbers as we need to use each number once. Once first 2 numbers are used we left with (left 13 10 13)

Step 3 : Continue to build the tree till we receive final sum.



# Tree of Thought

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## Tree-of-Thought (ToT) / RePlan

- Explores **multiple reasoning branches** in parallel
- Scores and selects optimal paths
- RePlan adapts plans dynamically:
  - Switches tools, goals, or strategies after failure
- Ideal for ambiguous or open-ended tasks (e.g., creative generation, strategic operations)

**Agentic Reasoning:**  
From Thought Traces to Strategic Planning



# ReAct Approach

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1. An environment that takes a text action (out of a set of potential actions which can change based on the environment's internal state) and returns a text observation.
2. An output parser framework that stops the agent from generating text once it has written a valid action, executes that action in the environment, and returns the observation (appends it to the text generated so far and prompts the LLM with that).
3. Human-generated examples of intermixed thoughts, actions, and observations in the environment to use for few-shot learning.

# Design Pattern#4 – Hierarchical Oversight in Multiagent Systems

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- Mimics team dynamics using **role-specialized agents**:
  - Planner → breaks down goals
  - Coder → implements logic
  - Evaluator → validates outputs
  - Memory → tracks state/context
- Improves **modularity, parallelism, and task delegation**
- Scales well for enterprise-grade systems

**Example Stack (AutoGen / CrewAI):**

```
planner = Agent(role="Planner", llm=...,  
tools=[TaskComposer])  
coder = Agent(role="Coder", tools=[Codegen, Linter])  
tester = Agent(role="QA", tools=[UnitTestRunner])
```

- Agents communicate via message-passing, shared memory, or orchestration layers

# Key Design Patterns - Summary

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| Pattern                | Description                          | Best For                              | Benefits                                  |
|------------------------|--------------------------------------|---------------------------------------|---|
| Reflection             | Self-critique and revision           | Code generation, writing, analysis    | Improved quality, adaptability            |
| ReAct                  | Reasoning + tool use in a loop       | API-driven tasks, retrieval agents    | Transparency, traceability, actionability |
| Tree-of-Thought        | Branching exploration and evaluation | Planning, creativity, problem solving | Creative diversity, deeper reasoning      |
| RePlan                 | Dynamic replanning after failure     | Resilient, real-world applications    | Robustness, feedback-driven improvement   |
| Hierarchical Oversight | Multi-role task decomposition        | Multi-agent systems, long workflows   | Scalability, specialization, modularity   |

# Guard Rails: Why do they matter in Agentic AI?

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**Agentic systems** operate with greater autonomy than traditional software.

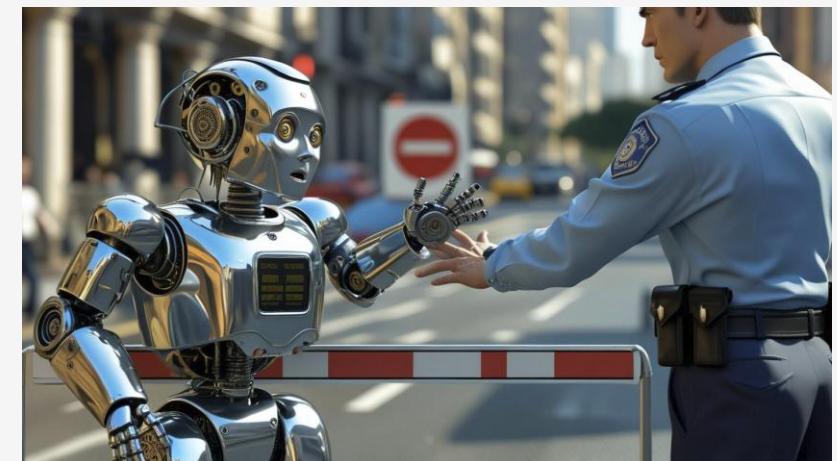
While this unlocks flexibility and proactivity, it also introduces **risk**:

- They may take unintended actions.
- Generate hallucinations.
- Exceed their operational boundaries.
- Misuse tools or APIs.

**Guard rails** are the set of constraints and checks that ensure:

- **Safety**: Prevent harmful or undesired behavior.
- **Control**: Ensure compliance with goals, rules, or policies.
- **Transparency**: Make decisions auditable, aligned with user expectations.

*Without guard rails, autonomy becomes unpredictability.*



# Types of Guardrails in Agentic Systems

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| Category             | Description  | Example  |
|----------------------|--|--|
| Action Filters       | Limit or block specific tool/API invocations               | Prevent sending emails to unknown recipients   |
| Output Constraints   | Enforce structure, style, or safety in LLM responses       | Strip PII from generated content               |
| Goal Bounding        | Constrain agent reasoning to stay within the user's intent | Don't book travel unless explicitly requested  |
| Validation Hooks     | Add human-in-the-loop or automated checks                  | Require approval before financial transactions |
| Rate / Budget Limits | Prevent overuse of compute, retries, or third-party APIs   | Max 3 retries or \$10 API budget per task      |
| Execution Sandboxing | Contain tools in safe, scoped environments                 | Run code in secure VM or Docker container      |

# Guardrails in Agentic AI: Example

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## **Scenario: The Data Privacy Leak That Was Prevented before occurrence**

- **Sample Customer Profile:** Large enterprise, highly sensitive about **data confidentiality**.
- **Solution Built:** Agentic AI system using multi-agent orchestration, powered by MCP.

## **Architecture Highlights:**

- Unified access to structured and unstructured data.
- Frontend accepts natural language queries.
- Agents/tools query backend sources and LLM generates final responses.

# Guardrail Strategies

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## Lessons Learned: Guardrail Strategies

### 1. Output Sanitization Layer

1. Post-process all LLM responses to **re-obfuscate** real values before rendering.

### 2. Semantic Redaction

1. Use NER or pattern-matching to detect and scrub **sensitive fields** (product codes, client names).

### 3. Environment-Based Execution

Dev/Demo vs Production modes should alter:

- Tool access
- Memory persistence
- Data sources

### 4. Audit Logs and Warnings

- Include logging for **data traceability**.
- Alert if output includes **certain tags/values** (e.g., known real SKUs).

### 5. Memory Hygiene

- Ensure session memory does not persist **real context** across interactions if it originated from fake inputs.

# Implementing Guard Rails — Techniques & Tools

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## Implementation Methods

- Tool permission schemas (allowed\_tools, role based access)
- LLM prompt templates with embedded constraints
- Output post-processing filters (regex, classifiers)
- Planning-time validators (before tool execution)
- Runtime monitors (audit logs, kill switches)

## Example Stack Support

- **LangChain:** Tool permission & callback handlers
- **OpenAI Function calling:** Strict parameter schemas
- **OpenAI Agent SDK:** Input Guardrails and Output Guardrails
- **AutoGen:** Control over agent roles and tool access

## Guardrails

### OpenAI Agent SDK

Guardrails run *in parallel* to your agents, enabling you to do checks and validations of user input. For example, imagine you have an agent that uses a very smart (and hence slow/expensive) model to help with customer requests. You wouldn't want malicious users to ask the model to help them with their math homework. So, you can run a guardrail with a fast/cheap model. If the guardrail detects malicious usage, it can immediately raise an error, which stops the expensive model from running and saves you time/money.

There are two kinds of guardrails:

1. Input guardrails run on the initial user input
2. Output guardrails run on the final agent output

## Example:

### Without Guardrails:

Prompt: You are the worst AI ever

Response: Sorry to hear that, how can I improve?

### With Guardrails:

Prompt: You are the worst AI ever

Response: Sorry, I can't assist you with that.

# Agents Debugging: Challenges

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- **Agentic AI ≠ Prompt + Response:** Traditional print-debugging is not enough — we need agent-aware observability.
- **Agentic Systems involve:** Multiple agents, Loops, Tool invocations, Memory updates, Reasoning across time
- **Critical challenges include:**
  - Non linear execution paths
  - Autonomous decisions without human traceability
  - Internal state (e.g., plans, thoughts, goals) is often implicit
  - Tool calls and environment effects may fail silently or unpredictably
  - Long-horizon tasks create compounding error

# What to Observe When Debugging Agents?

| Debugging Layer     | What to Look For  | Example Tool/Strategy                         |
|---------------------|---|---|
| Thought & Reasoning | Illogical steps, hallucinations, broken chains of thought | Log internal Thought → Action → Observation   |
| Tool Invocation     | Wrong/malformed inputs, misuse, failure to retry          | Trace API logs / use simulated tools          |
| Memory Access       | Incorrect recall, outdated state                          | Visualize memory read/write history           |
| Planning Failures   | Missing subtasks, loops, premature terminations           | Inspect subgoal graphs / intermediate plans   |
| Reflection / Retry  | Redundant retries, ignored critiques                      | Enable replay with commentary traces          |
| Output Validation   | Incorrect or unsafe final response                        | Add schema checks or human-in-the-loop review |

# Best Practices and Tools

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## Best Practices

 **Trace Logs:** Capture and visualize full agent execution tree.

 **Thought/Action Logging:** Display ReAct steps with timestamps.

 **Replayability:** Re-run sessions with same seed & context.

 **Fail-Safe Defaults:** Design agents to gracefully fail or escalate.

 **Human-in-the-Loop:** For critical workflows or testing edge cases.

## Tools

 **LangSmith (LangChain)** – Observability dashboard, traces, metrics

 **AutoGen Traces** – Role-based message logs, interaction graph

 **OpenDevin & CrewAI** – Offer structured task tracking & reflection logging

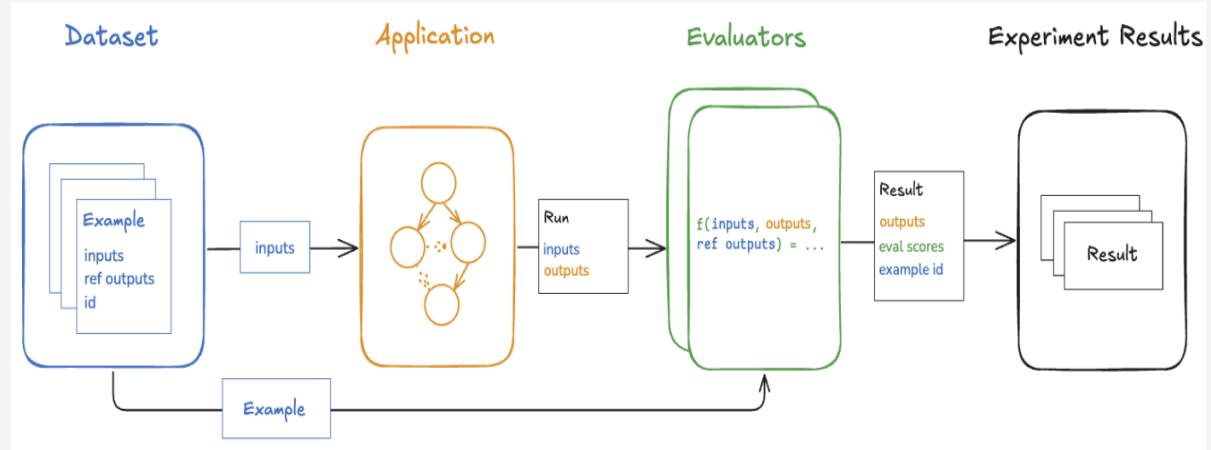
 **Custom Dev Tools** – e.g., Jupyter-based interactive runs, logging middleware

 **OpenAI SDK Traces** - Built-in tracing for every step (tool calls, thoughts, retries, outputs).

# Agentic AI Evaluation

## Why evaluation matters:

- 🎯 **Validate effectiveness** of goals and subtask completion
- 🧪 **Detect regressions** in reasoning, planning, or tool use
- ⚖️ **Compare strategies** (e.g., ReAct vs. Reflection vs. RePlan)
- 🛡️ **Ensure safe, reliable autonomy** in high-stakes settings

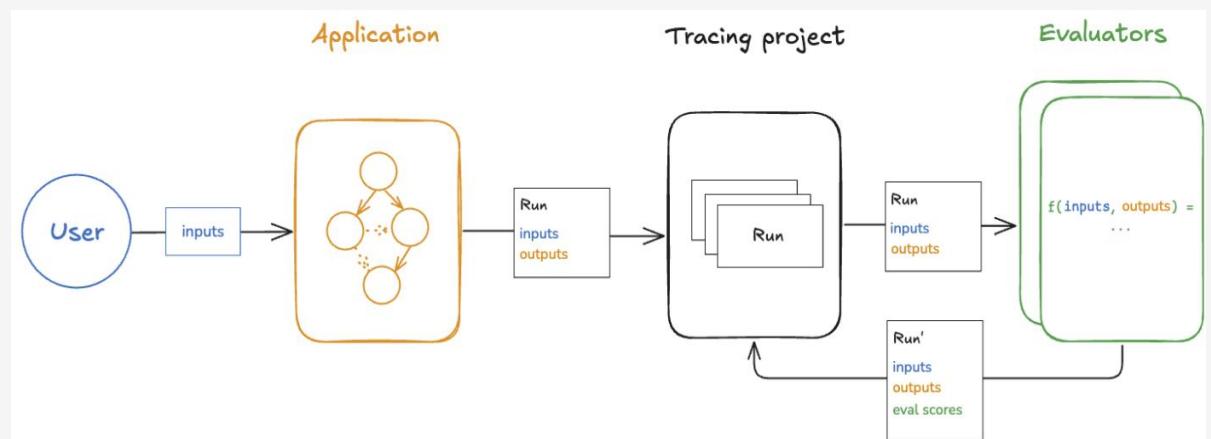


## Challenges:

No ground-truth for open-ended tasks

Performance varies across time and context

Need holistic evaluation: reasoning + behavior + outcome



# Evaluation Dimensions

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| Dimension  | Description   |
|--|---|
|  <b>Goal Completion</b>   | Did the agent successfully fulfill the high-level objective?          |
|  <b>Step Accuracy</b>     | Were intermediate reasoning/tool steps correct and necessary?         |
|  <b>Efficiency</b>        | How many steps/actions/tools were needed? Could it be shorter/faster? |
|  <b>Reasoning Quality</b> | Were thoughts logical, grounded, and well-structured?                 |
|  <b>Robustness</b>       | Did the agent recover from tool errors, missing data, or failures?    |
|  <b>Adaptability</b>    | Did the agent revise plans or switch strategies when needed?          |
|  <b>User Alignment</b>  | Was the output aligned with user preferences or instructions?         |

# Tools for Agent Evaluation

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| Tool / Method   | Purpose   |
|---|---|
|  <b>OpenAI Traces</b>          | Visual debugging + sequence auditing via trace metadata             |
|  <b>LangSmith (LangChain)</b>  | Custom eval chains, human-in-the-loop scoring, agent trace diffs    |
|  <b>AutoGen AgentEval</b>      | Evaluates goal/task alignment or compares multiple outputs          |
|  <b>Golden Task Sets</b>       | Pre-defined tasks for benchmarked comparison across agents/versions |
|  <b>Feedback loops</b>       | Capture user feedback into memory + preference tuning               |
|  <b>RLHF / Human Ratings</b> | Train reward models or use for ranking/quality control              |

# Closing Remarks

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## Key Takeaways

- **Agentic AI** moves beyond chat — it enables intelligent workflows with planning, decision-making, and action.
- Agents can **safely orchestrate** tools, systems, and data to solve complex business problems.
- Guardrails aren't optional — they are essential for **trust, compliance, and governance**.
- Tools use is a key capability of Agents, we look at RAG as a tool in the next session
- Next: Model Context Protocol (MCP) integrates tools with Agents seamlessly