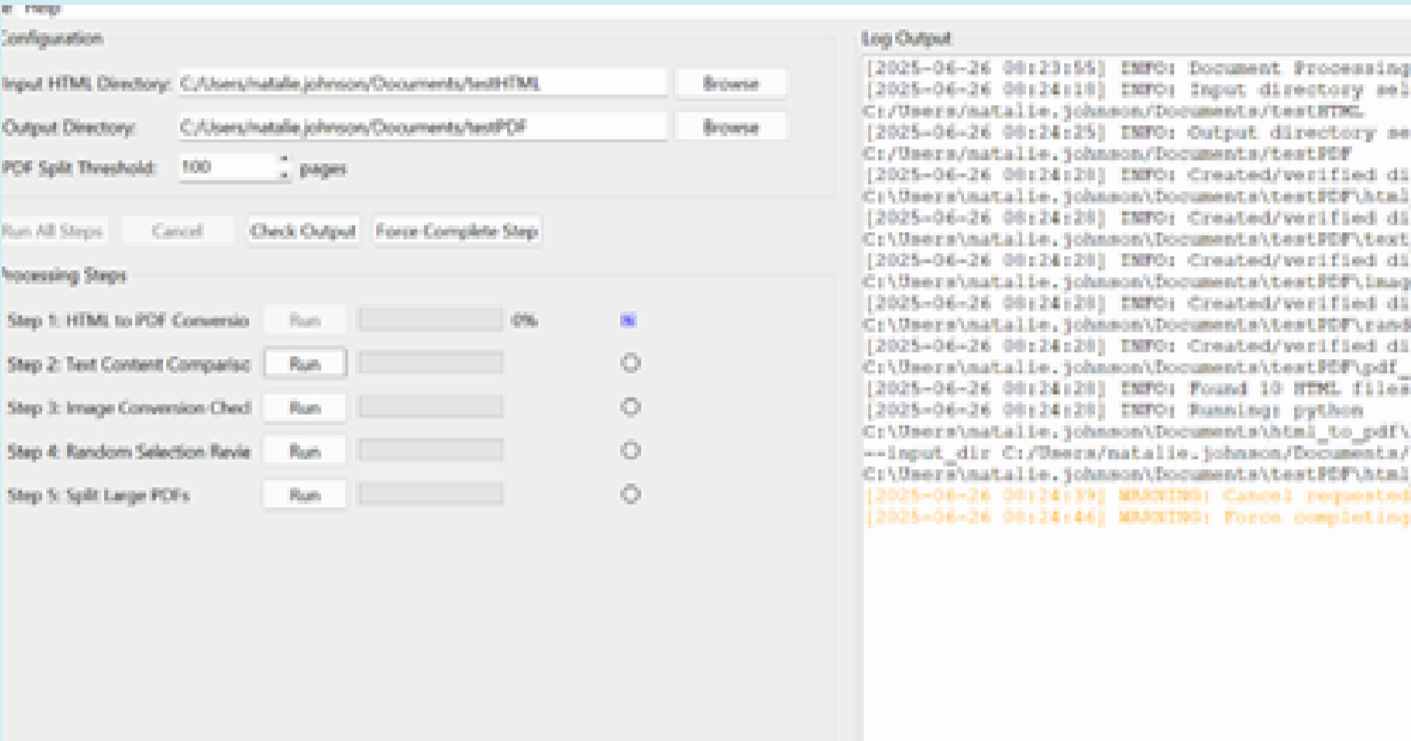


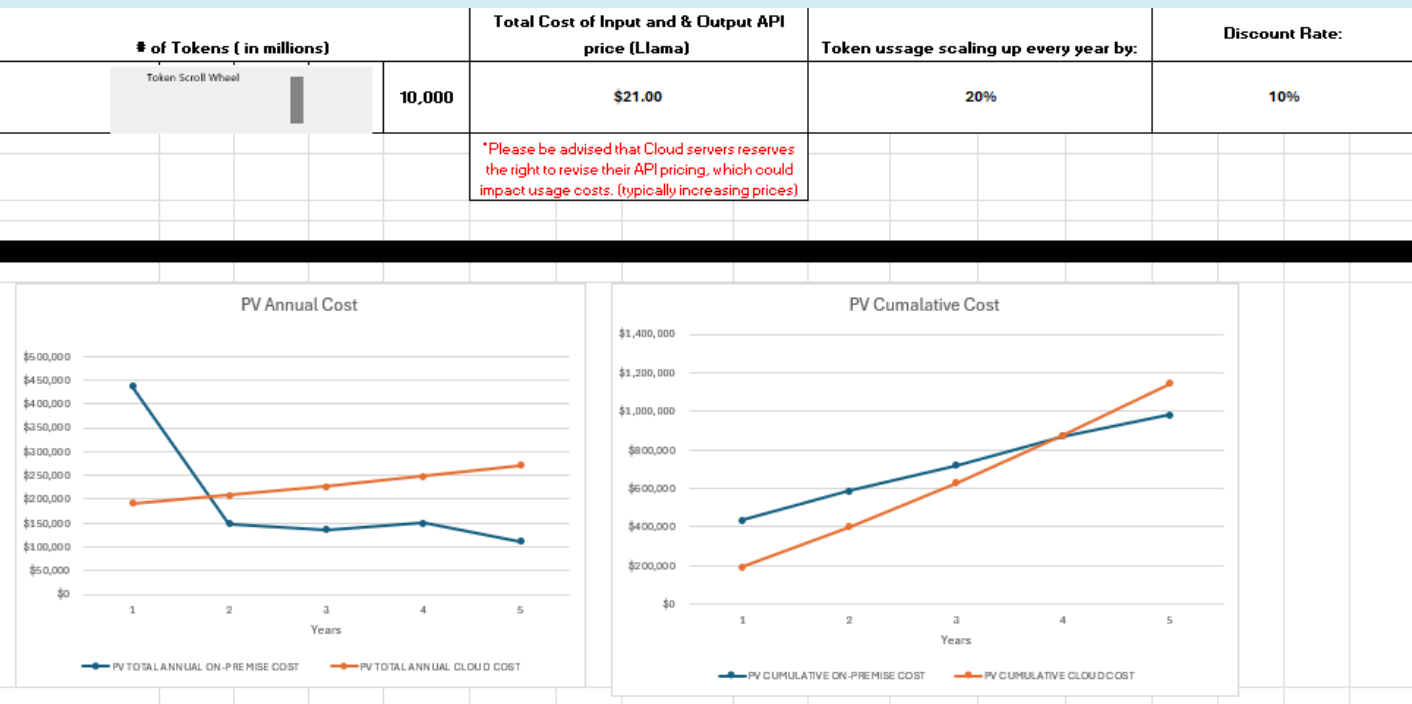
What is
Retrieval
Augmented
Generation?

Combines LLM with an
external knowledge base
(ex. TDC) to provide
more accurate answers

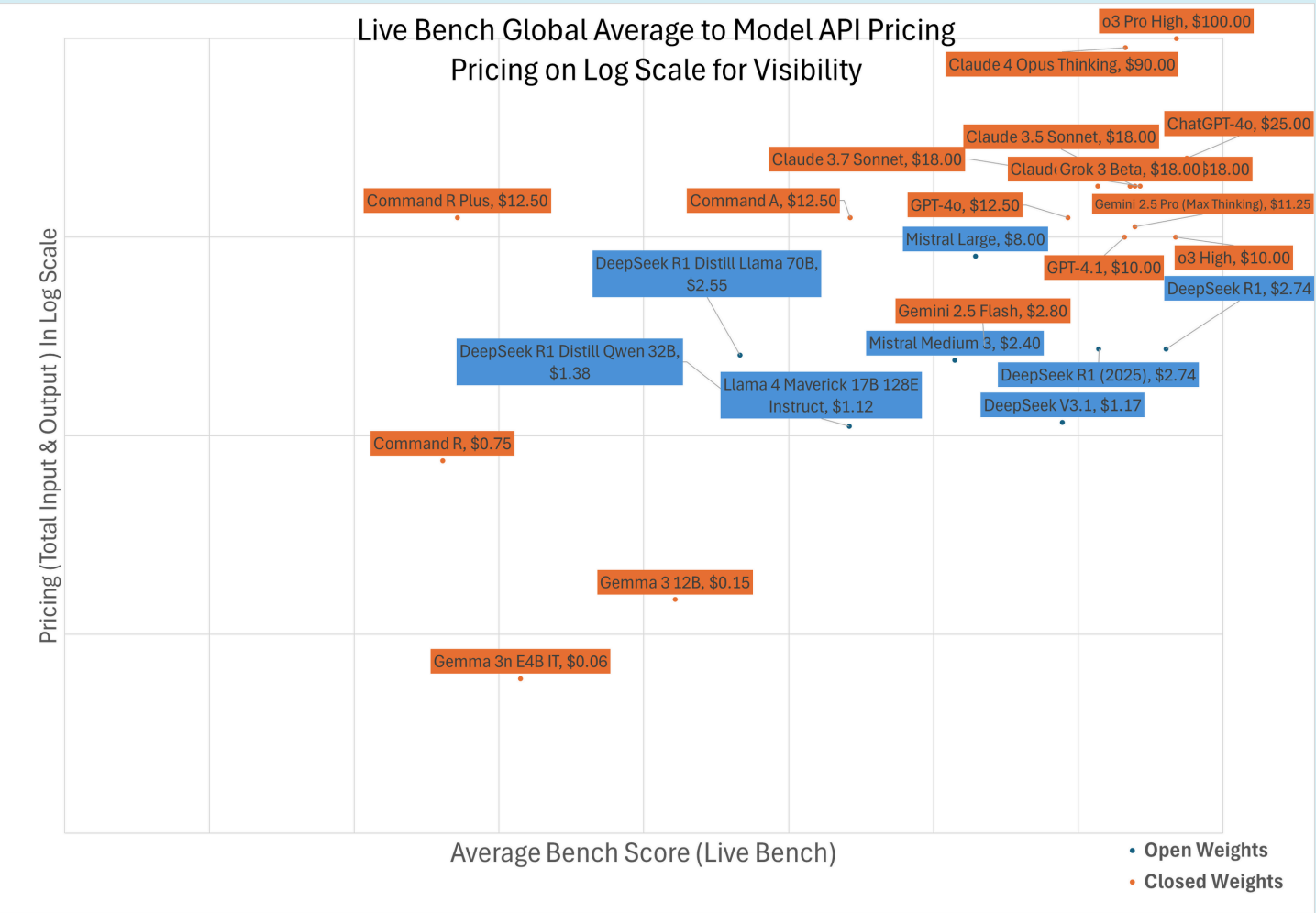
RAG HTML → PDF
gui app



These are
clickable!



*Filtered Out Compressed & Chinese Models



Economics of Gen AI

Large Language Model Cost Efficiency Analysis:
Hardware and Software Trends (2023-2025)

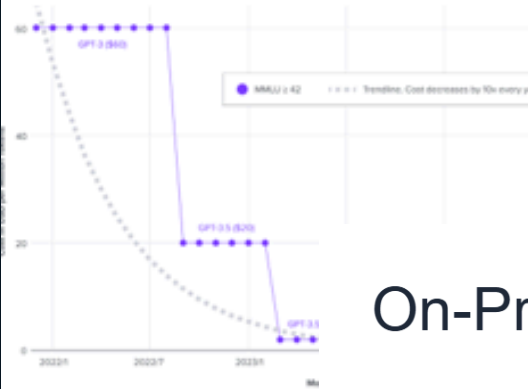
Parts of this report are generated. I have taken measures to ask people around the office the accuracy of the data and to evaluate where I have limited expertise.

Executive Summary

Industry analysis suggests that the cost of large language model (LLM) inference has declined substantially over the past two years, with estimates indicating 5-10x annual cost reductions for equivalent performance benchmarks. This trend appears driven by convergent improvements in GPU architectures, memory systems, software optimizations, and competitive market dynamics. However, the sustainability of these dramatic cost reductions faces potential constraints from supply chain limitations, manufacturing yields, and physical scaling challenges that warrant careful consideration in strategic planning.

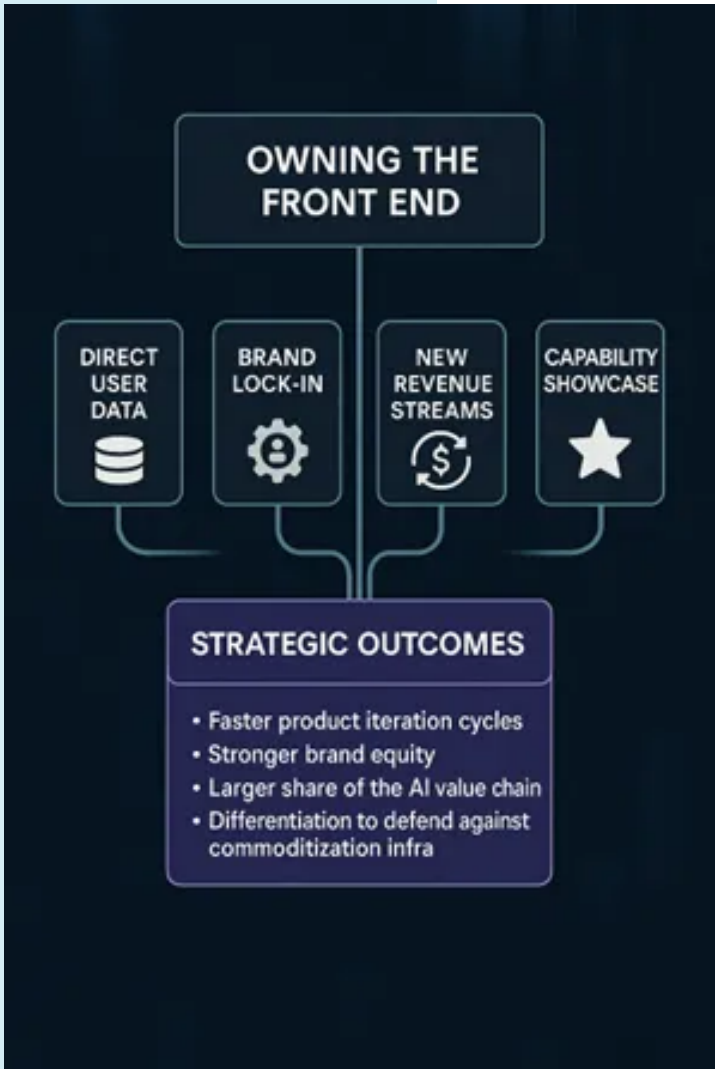
Early indicators show that models achieving GPT-3-level performance (MMLU score ~42) may have seen pricing fall from approximately \$60 per million tokens in late 2021 to under \$0.10 per million tokens by late 2023, representing a cost reduction of 500-1000x over this period. While this trend has significant implications for adoption, decision-makers should consider quality variations, use case specificity, and the challenges of evaluating these metrics.

Cost of the Cheapest LLM with a Minimum MMLU Score of 42



https://a16z.com/llmfiat/

These are
clickable!



On-Premise vs. Cloud Decision
Helper

Welcome! This tool will help you decide whether an on-premise self-hosting solution or a cloud service is better suited for your project's generative AI needs.

For each statement, rate how much you agree with it for your specific needs on a scale of 1 to 10.

Start Assessment

Using Labeled Data

Reward-Based,
graded output

Vocab I've
Learned

- Costs of Generative AI
- On-Premise (Open Weight) vs Cloud Service (Closed Weight)
- 5 Year CapEx for on-Prem vs. Cloud Server Hosting
- Case for Newer (more Expensive) Models

- SFT: Supervised Fine Tuning
- RFT: Reinforcement Fine Tuning
- Mixed Precision: Combining number precisions for faster computation
- Hill Climbing: read here
- NRE Assessment: non-recurring engineering cost
- POC: Proof of Concept