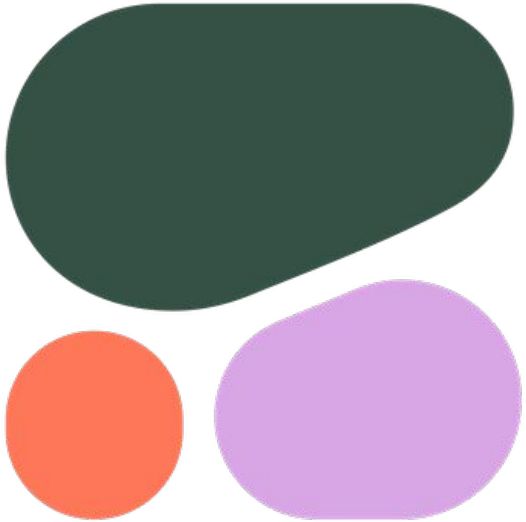
Cohere



Prepared by: Philbert Chan

Role Target: Strategy & Business Development, June 2025

Repository: GitHub

GitHub | LinkedIn | philbertcychan@gmail.com

Why Cohere Matters in the AI Race

- Cohere is positioned to serve the enterprise AI market through scalable, frontier LLMs
- Differentiation: model customization, privacy, and control
- Opportunity: Align business growth with the explosion of demand for enterprise-grade GenAI tools

2019: Cohere founded

2020: GPT-3 released (OpenAI)

2022: ChatGPT launch

2023: Cohere Command R+ released

2024: Partnerships with Oracle, McKinsey, etc.

ORACLE

McKinsey & Company

GitHub | LinkedIn | philbertcychan@gmail.com

Strategic Business Analysis: Methodology and Focus Area

- This project reverse-engineers the decision-making process of Cohere's Strategy & Business Development team
- Each module maps directly to real-world business challenges
- Analysis spans pricing, market sizing, GTM, unit economics, and competitive positioning
- Goal: simulate the scope, rigor, and strategic thinking required by Cohere

📊 Pricing Strategy

🌍 Market Sizing

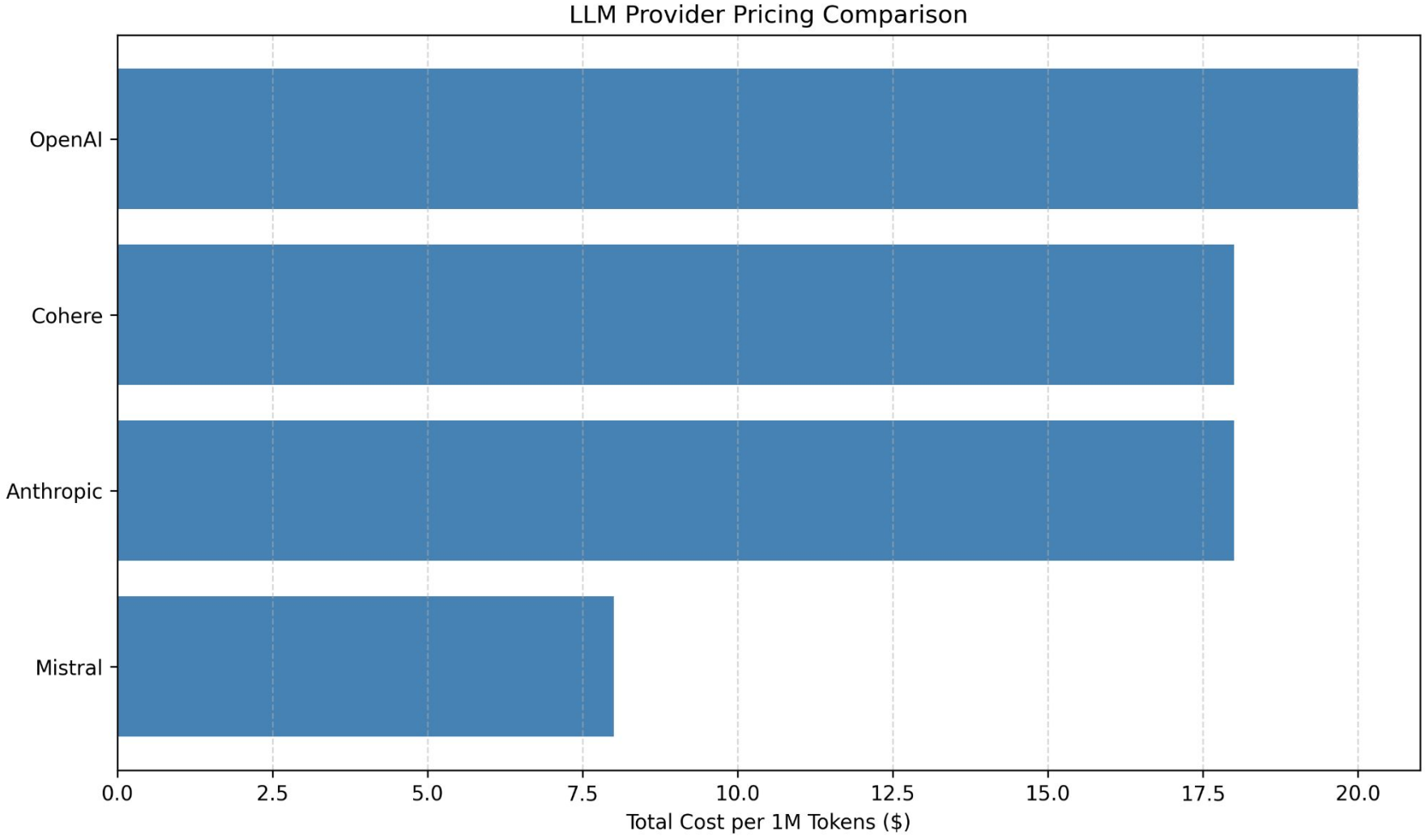
🧩 GTM Segments

💰 Unit Economics

🏁 Competitive Benchmarks

📈 Business Levers

GitHub | LinkedIn | philbertcychan@gmail.com


LLM Provider Pricing Comparison
OpenAI
Cohere
Anthropic
Mistral
0.0
2.5
5.0
7.5
10.0
12.5
15.0
17.5
20.0
Total Cost per 1M Tokens ($)

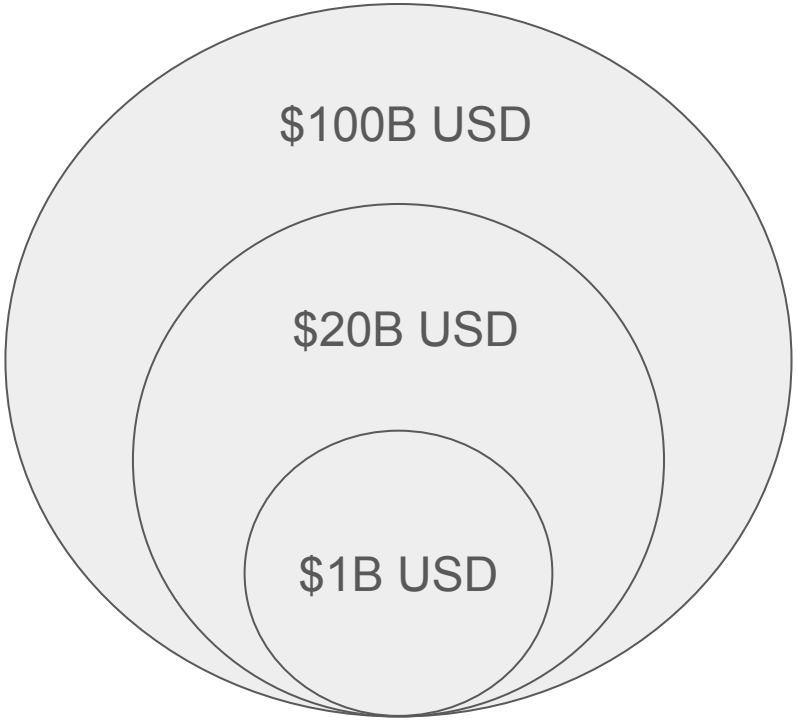
Cohere’s Pricing Position in a Competitive Landscape

- Benchmarked Cohere’s pricing tiers (Command R+) against OpenAI, Anthropic, Mistral, and others
- Compared pricing for prompt, completion, and context window sizes across key use cases
- Identified Cohere’s relative cost-efficiency and positioning for high-volume enterprise deployments
- Highlighted differentiation in fine-tuning availability and API packaging

GitHub | LinkedIn | philbertcychan@gmail.com

Sizing the Market for Cohere’s Enterprise AI Offerings

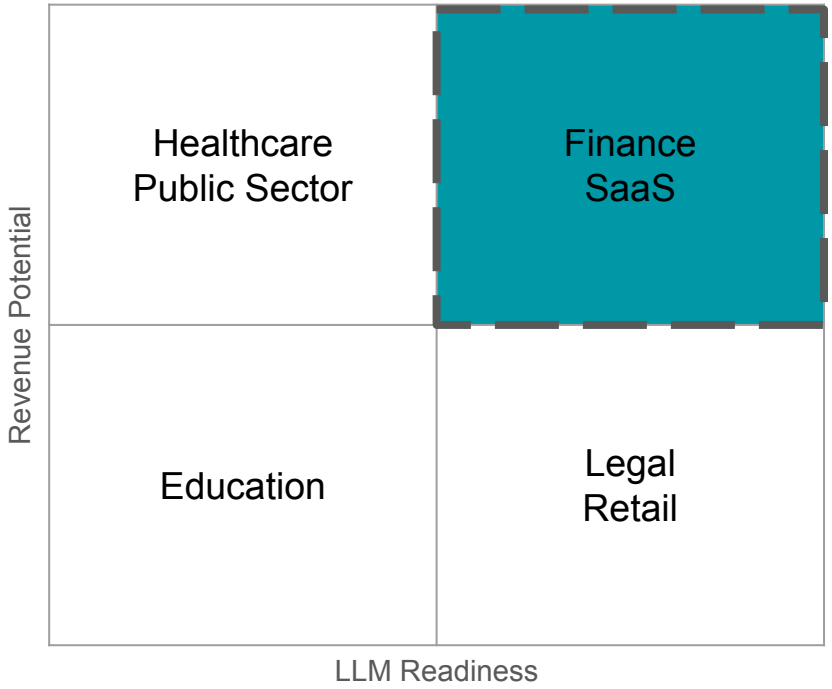
- Estimated TAM, SAM, and SOM for LLM-powered solutions in the enterprise market
- Modeled global and Canadian enterprise software spending on AI/ML applications
- Segmented opportunities by use case: customer support, knowledge management, internal copilots, etc.
- Applied bottom-up logic using average deal sizes and industry penetration rates



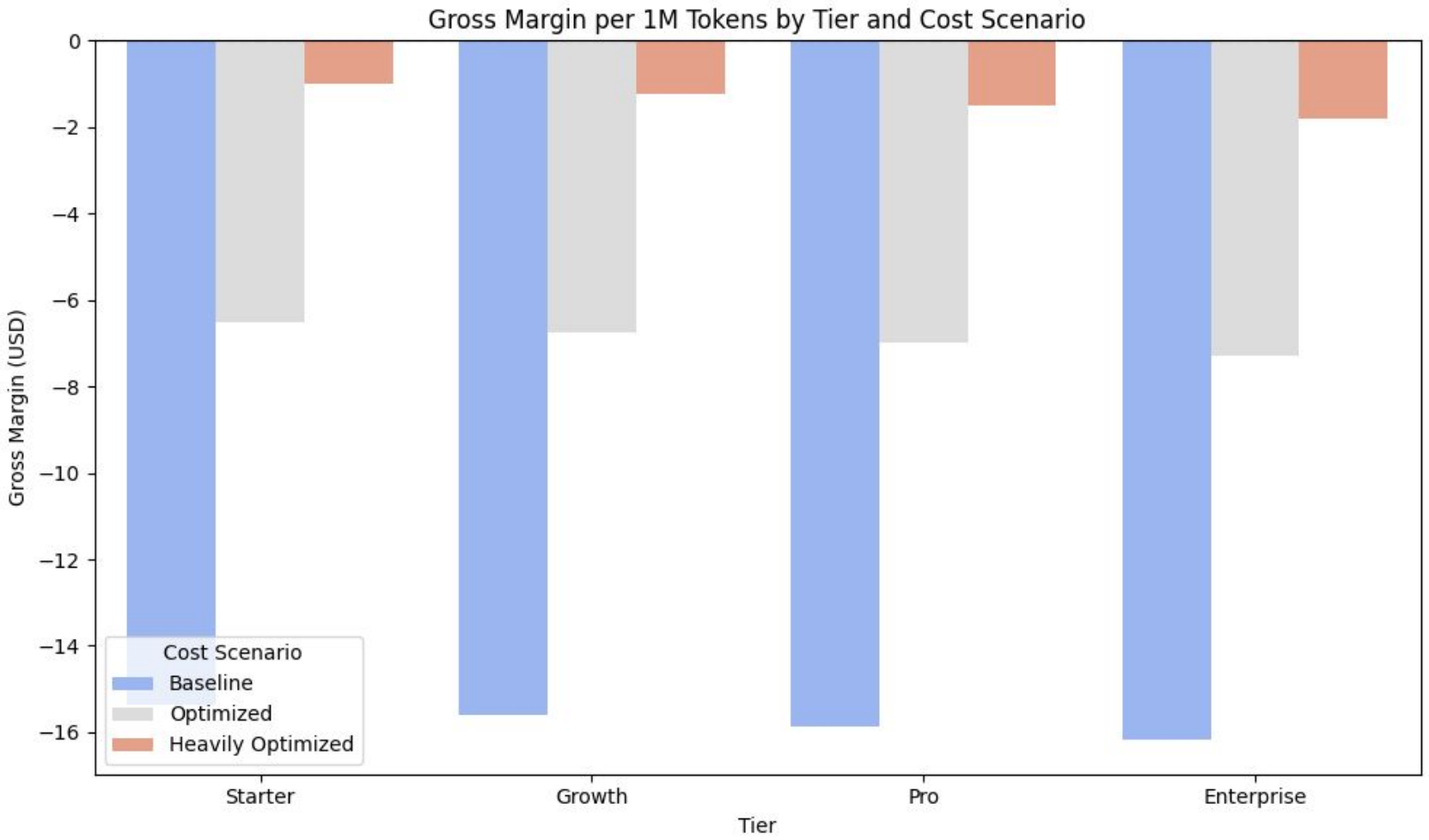
GitHub | LinkedIn | philbertcychan@gmail.com

Strategic GTM Plan for Enterprise Adoption

- Identified key enterprise customer segments with high LLM readiness (e.g. finance, legal, SaaS)
- Proposed use-case-driven GTM: internal copilots, RAG for support, content summarization
- Recommended hybrid GTM motion: direct sales + partnerships with cloud vendors and SI firms
- Outlined early beachhead strategy for Canadian and Middle Eastern markets



GitHub | LinkedIn | philbertcychan@gmail.com



GitHub | LinkedIn | philbertcychan@gmail.com

Path to Scalable Profitability

- Core unit: tokens served per customer → modeled revenue per million tokens across tiers
- Cost drivers: inference costs, support/infra overhead, customer acquisition
- Identified margin thresholds by tier (e.g. Starter vs. Enterprise)
- Simulated impact of improved model efficiency (e.g. quantization, batching) on margin uplift
- Proposed usage-based vs. flat-rate pricing models for different segments

GitHub | LinkedIn | philbertcychan@gmail.com

Risks on the Path to Scale — and How to De-risk Them

Risk	Mitigation Strategy
🏗️ High infra costs at scale	Continued model optimization (quantization, distillation); GPU allocation discipline
🕰️ Enterprise sales cycles are long	Target faster-closing verticals (SaaS, FinTech); land-and-expand motion
🧱 Platform dependence (e.g. OpenAI/Anthropic dominance)	Double down on open ecosystem + privacy positioning
👋 Churn from low usage users	Add "sticky" UX features (dashboards, analytics, auto-feedback loops)
⚖️ Regulatory headwinds	Prioritize Sovereign AI, compliance certifications, privacy-first tooling

GitHub | LinkedIn | philbertcychan@gmail.com

Strategic Summary & Value I Can Add

🔑 Key Takeaways

- Cohere is well-positioned to lead in the enterprise foundation model race
- Pricing, market segmentation, and GTM opportunities remain partially untapped
- Strategic margin expansion will rely on efficiency and segment-tier alignment
- Long-term defensibility = ecosystem plays + product differentiation + regulatory trust

👋 Why Me

- Built this full case study in <72h from public signals — strong bias to action
- Analytical rigor + strategic storytelling — backed by data, not just narrative
- Technical, product-aware, commercially sharp — willing to learn fast, build faster
- Ready to contribute to Cohere's mission of scaling intelligence to serve humanity

GitHub | LinkedIn | philbertcychan@gmail.com