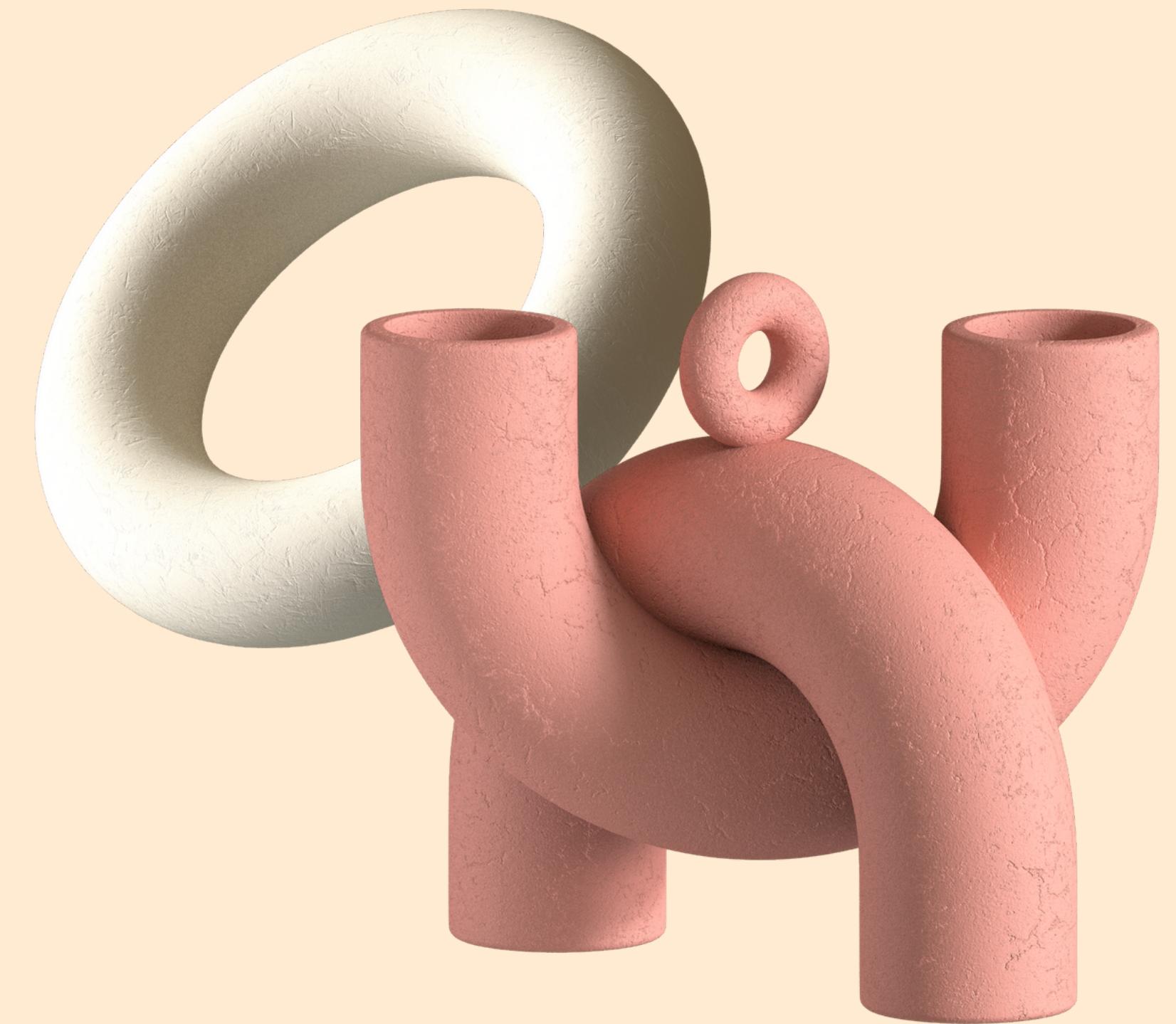
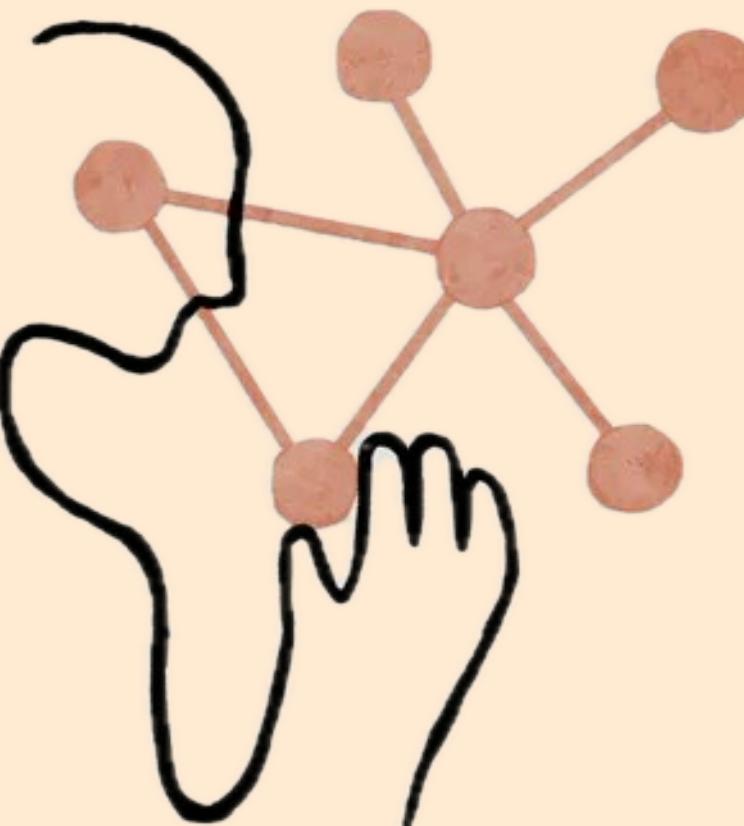


ANTHROP\IC: AI WARS

Brought to you by Team 3

Chetan Talikoti, Jaidev Jayakumar, Rishabh
Baid, Sanika Ratnaparkhi, Simi Okpeseysi &
Sriprada Biduru



AGENDA

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- 01 EXECUTIVE SUMMARY**
 - 02 ESTABLISHING THE SEASCAPE**
 - 03 UNDERSTANDING EXTERNAL FACTORS**
 - 04 COMPETITOR ANALYSIS**
 - 05 PLANNING SCENARIOS**
 - 06 CHANGING THE STRATEGIC RESPONSE**
 - 07 RECOMMENDATIONS & NEXT STEPS**
-

Executive Summary

- Anthropic should build tools to fight competition, enter into a blue ocean, and progress towards advanced AI capabilities
- Various external drivers have the potential to steer the company towards an uncertain future
- Governments' stances globally & AI's acceptance socially will shape the sector's future.
- Recent fluctuations in AI consumption and increasing global demand for AI regulations add to future uncertainty.
- Possibility of the decline in the AI hype AND tighter regulations ARE the major CRITICAL uncertainties FACING THE INDUSTRY
- The role of anthropic's incumbents and ADJACENTs is going to be pivotal for anthropic's growth
- Anthropic should strategically partner with heavy weights to become a Global Incumbent
- Anthropic's ethical AI faces acquisition threats yet has opportunities through openness and specialization
- Anthropic should lead with integrity to build trust in the AI community, while navigating the opportunities in current seascape
- Anthropic needs to ensure ethical standards amidst safety concerns while responding to commercial urgency and competition
- Players within the AI space operate on 4 distinct tiers & Anthropic should focus on building capabilities in each layer.
- To move from adaptive to visionary Anthropic should strategically extend, defend and diversify
- Anthropic should compete with incumbents at every level this year & prepare for future innovation
- Anthropic should venture into a blue ocean by becoming an ai consulting business in next 3 years
- Anthropic should prepare to jump the next S-curve wave and progress towards advanced ai use cases
- The 3 horizon strategy ensures Anthropic can seize all opportunities in the AI landscape

ANTHROPIC SHOULD BUILD TOOLS TO FIGHT COMPETITION, ENTER INTO A BLUE OCEAN, AND PROGRESS TOWARDS ADVANCED AI CAPABILITIES



Anthropic takes on OpenAI

- Rapidly match and exceed ChatGPTs capabilities
- Prioritize safety, security and responsible AI capabilities
- Diversify funding sources beyond Google/Amazon
- Open source selective components to spur adoption



Anthropic starts the AI Consulting business

- Develop industry specific LLMs
- Provide full stack AI consulting and implementation service
- Position Anthropic as the ethical AI advisors for enterprises



Anthropic plays in every AI vertical

- Establish an internal R&D division
- Pursue partnerships and acquire chip manufacturers
- Leverage chip capabilities to provide integrated AI cloud services

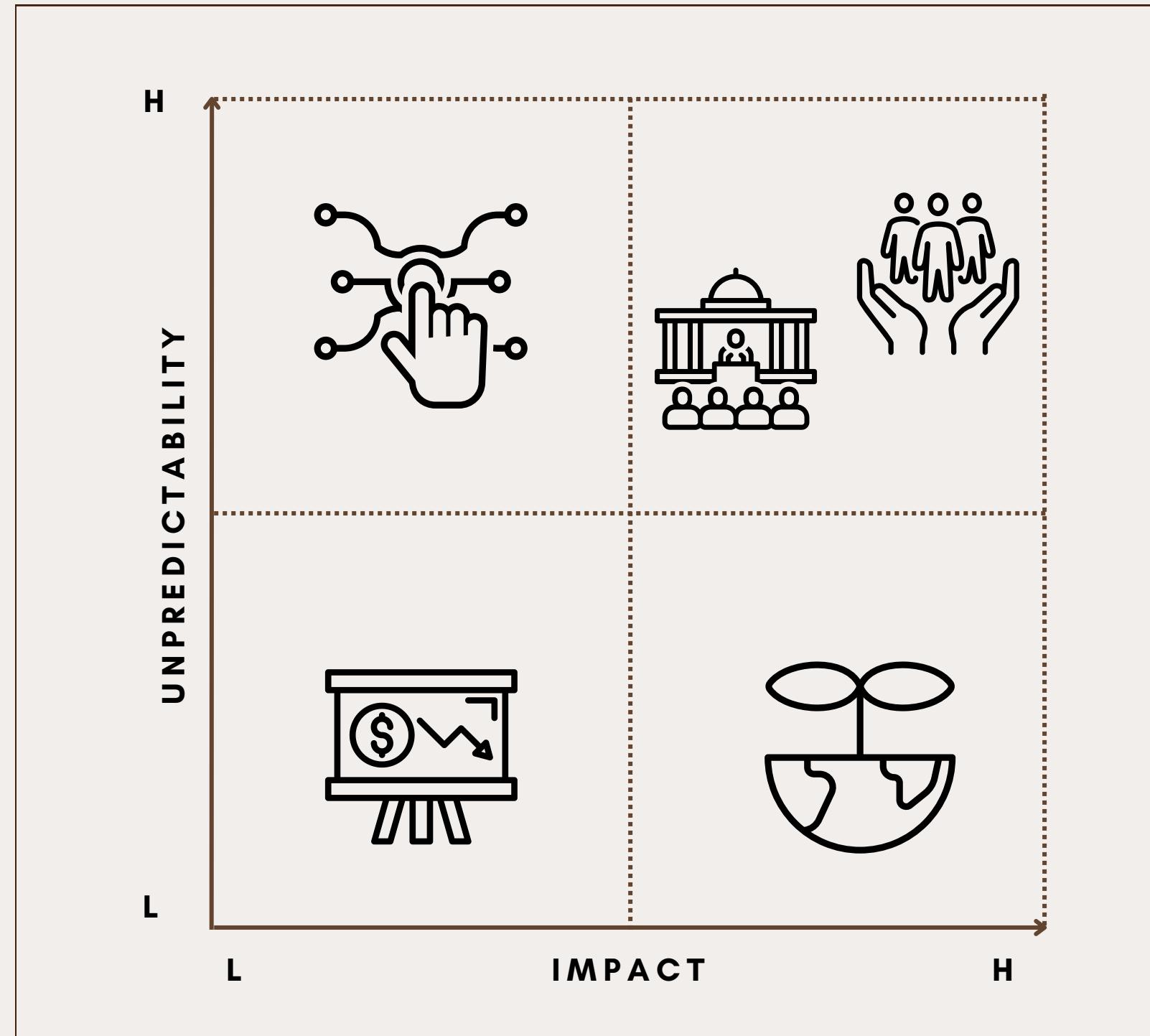
VARIOUS EXTERNAL DRIVERS HAVE THE POTENTIAL TO STEER THE COMPANY TOWARDS AN UNCERTAIN FUTURE

S	T	E	E	P
Societal	Technological	Economical	Environmental	Political
<ul style="list-style-type: none">• There is a lot of debate on the ethical risk vs the benefits and however it is becoming more culturally acceptable.• AI has grown in popularity over the years giving breath to companies like open AI and Anthropic.	<ul style="list-style-type: none">• Safety and security concerns of AI systems, as well as the potential for AI systems to be hacked or manipulated.• Ethical concerns surrounding AI, such as the potential for bias, discrimination, and displacement.	<ul style="list-style-type: none">• The global AI market is valued at over \$136 billion.• The AI industry value is projected to increase by over 13x over the next 7 years.• The US AI market is forecast to reach \$299.64 billion by 2026.	<ul style="list-style-type: none">• AI systems are energy intensive to train and operate which contribute to greenhouse gas emissions.• AI systems often require specialized hardware, such as GPUs which typically lead to e-waste.	<ul style="list-style-type: none">• Various countries and organizations have began looking into regulating AI.• The EU is discussing addressing concerns such as; safety, privacy, and bias.• The US government invested \$3.5 billion in AI research and development in 2022.

GOVERNMENTS' STANCES GLOBALLY & AI'S ACCEPTANCE SOCIALLY WILL SHAPE THE SECTOR'S FUTURE.

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RECENT FLUCTUATIONS IN AI CONSUMPTION AND INCREASING GLOBAL DEMAND FOR AI REGULATIONS ADD TO FUTURE UNCERTAINTY.



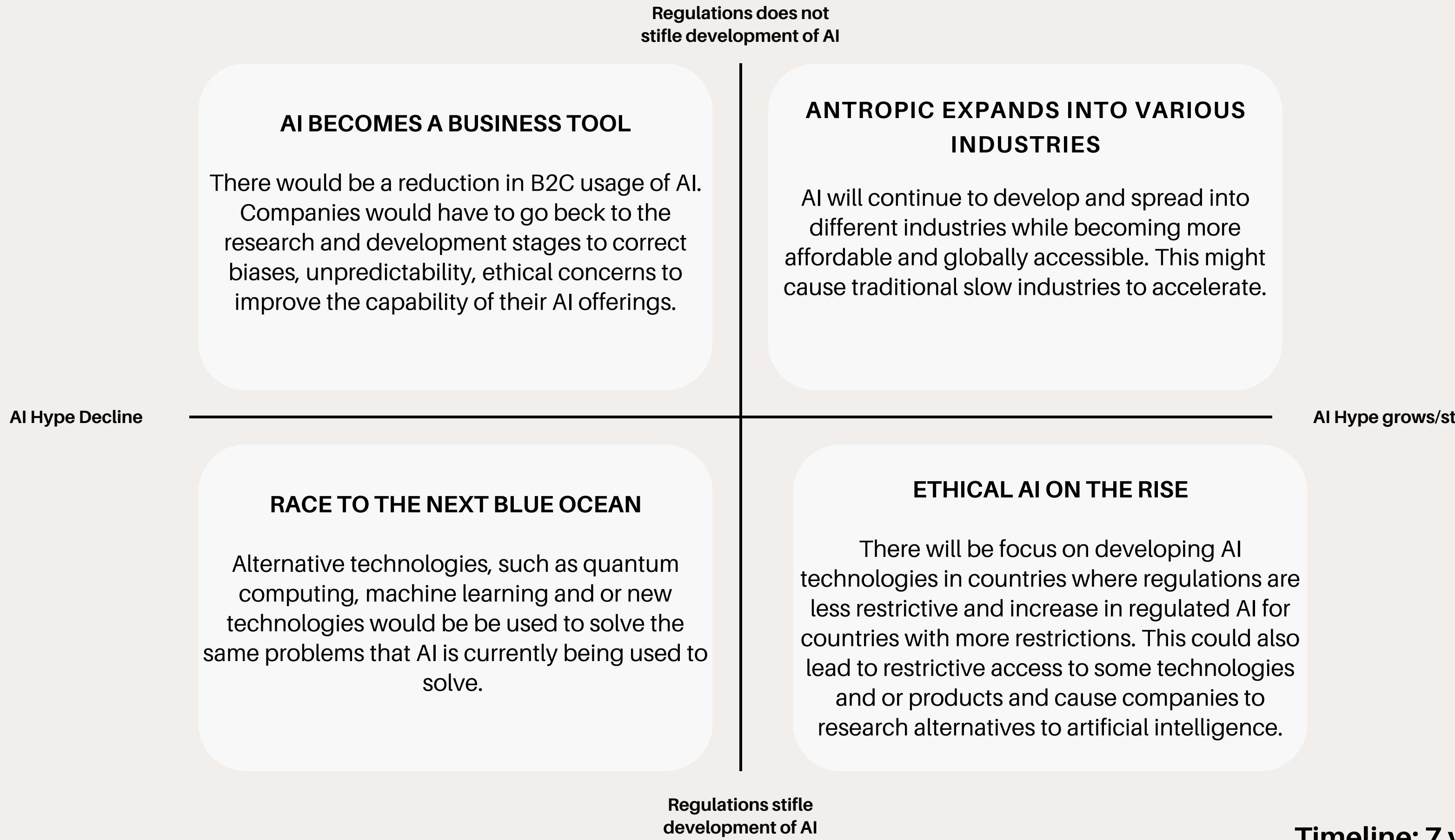
AI HYPE DECLINE - SOCIETAL

- Ethical biases and inaccuracies.
- Under-promising and over-delivering
- Worldwide desktop and mobile website visits on ChatGPT decreased by 3.2% to 1.43 billion in August, following approximately 10% drops from each of the previous two months.

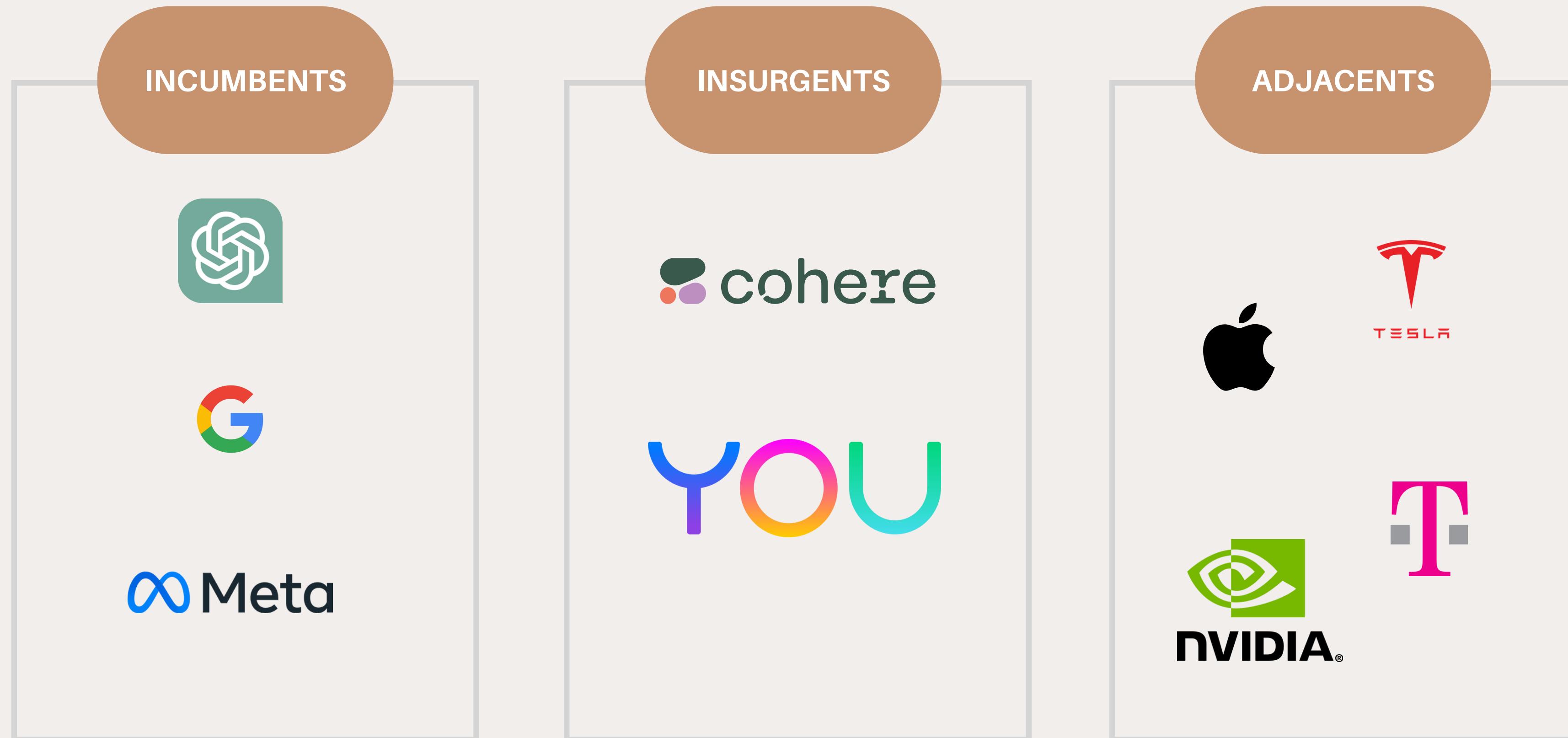
REGULATIONS STIFLING GROWTH - POLITICAL

- As of March 2023, there are over 60 countries that have introduced or adopted AI-specific regulations.
- The majority of AI regulations are focused on privacy and data protection.
- There is a growing trend towards developing international standards for AI regulations.

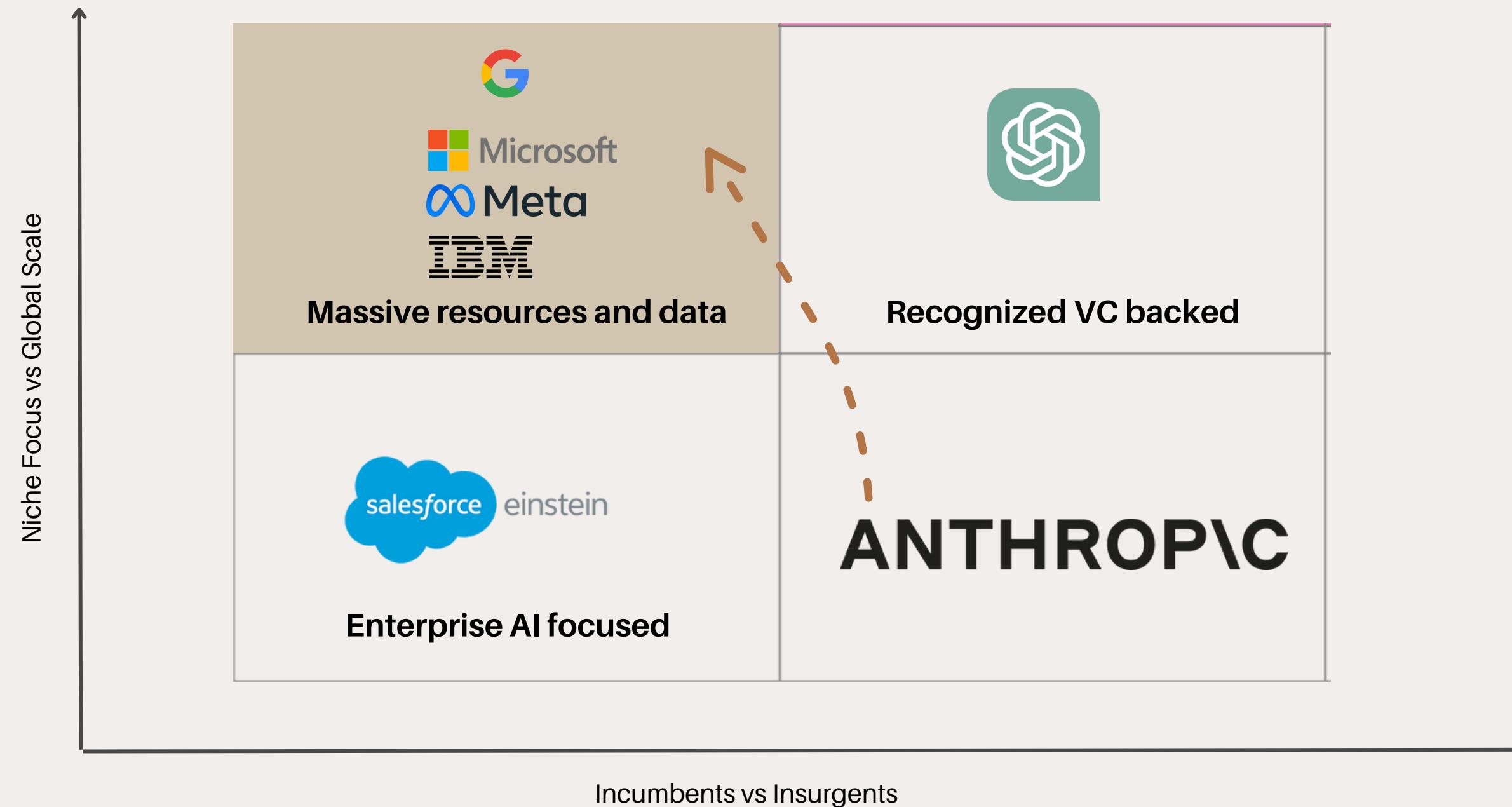
POSSIBILITY OF THE DECLINE IN THE AI HYPE AND TIGHTER REGULATIONS ARE THE MAJOR CRITICAL UNCERTAINTIES FACING THE INDUSTRY



THE ROLE OF ANTHROPIC'S INCUMBENTS AND ADJACENTS IS GOING TO BE PIVOTAL FOR ANTHROPIC'S GROWTH



ANTHROPIC SHOULD STRATEGICALLY PARTNER WITH HEAVYWEIGHTS TO BECOME A GLOBAL INCUMBENT



ANTHROPIC'S ETHICAL AI FACES ACQUISITION THREATS YET HAS OPPORTUNITIES THROUGH OPENNESS AND SPECIALIZATION

 Drivers	 Opportunities	 Threats	 Strategic Response
<ul style="list-style-type: none">Anthropic has included the Security aspect into their AI model so the answer prompts are unbiasedAnthropic has 100K token capabilities which allows users to upload large data in prompts	<ul style="list-style-type: none">Anthropic can build tailored LLM's for specific industriesAnthropic can make some components open source to attract developer community and strengthen their Security system	<ul style="list-style-type: none">Big Players like Amazon and Google would try to acquire themOpen AI is already ahead in this technology Anthropic needs to play catchup	<ul style="list-style-type: none">Explore creative licensing models - open source components while monetizing premium featuresDouble down on safety and ethics as a core differentiator.Expand capabilities of Claude to new domains beyond chatbots

ANTHROPIC SHOULD LEAD WITH INTEGRITY TO BUILD TRUST IN THE AI COMMUNITY, WHILE NAVIGATING THE OPPORTUNITIES IN CURRENT SEASCAPE

Lead the Responsible AI movement

Establishing the brand as safety-first AI providers

Set ethical AI standards across the industry

01



03



Forge Strategic partnerships while protecting independent leadership

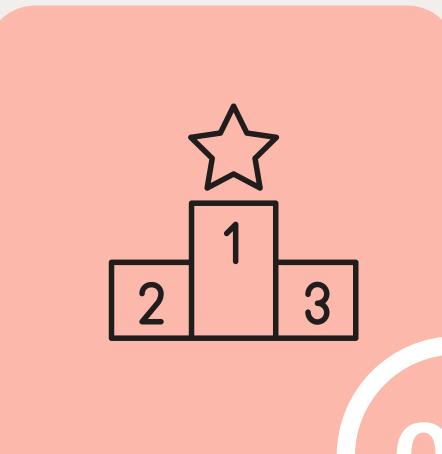
Collaborate and diversify investments, reducing over-reliance on tech firms

Maintain control over vision and values

02



04



Develop Differentiated AI Capabilities

Pursue integrated hardware and software expertise in different industry verticals

Become the Go-to solutions providers for enterprise

Anthropic as the trusted advisor for Enterprise AI
First mover advantage in supplying customized LLMs

ANTHROPIC NEEDS TO ENSURE ETHICAL STANDARDS AMIDST SAFETY CONCERNS WHILE RESPONDING TO COMMERCIAL URGENCY AND COMPETITION

Navigating Competitive Landscape



- Formidable rival in ChatGPT/OpenAI with head start
- Intensifying "AI Wars" between tech giants like Google, Amazon, Microsoft
- Emerging competitors from startups and international firms

Managing External Expectations



- Pressure to quickly match ChatGPT capabilities
- Calls to open source components to gain adoption
- Demands from investors to rapidly monetize models

Maintaining Independent Identity



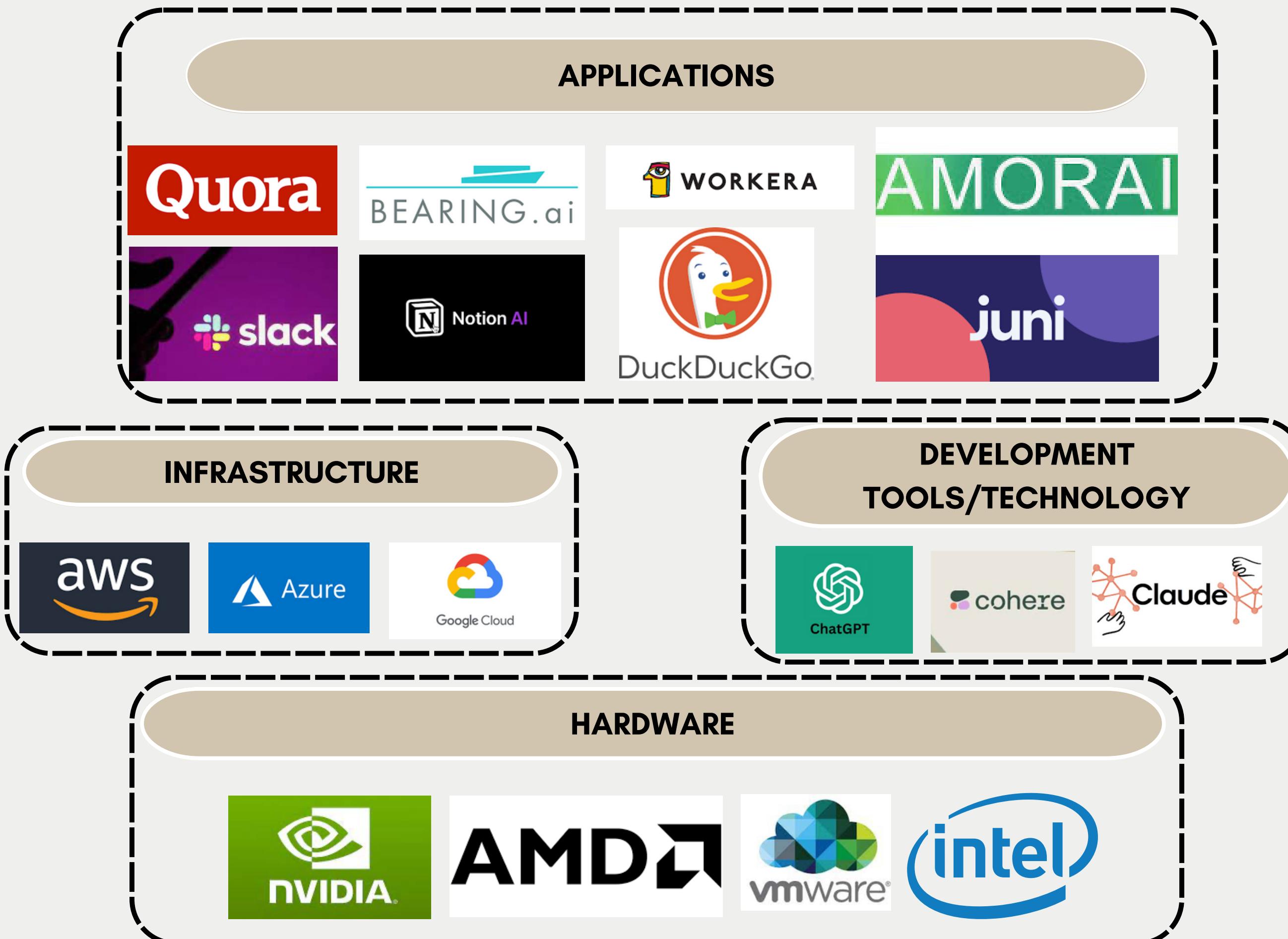
- Reliance on funding from tech giants creates influence pressures
- Risk of acquisitions from larger competitors
- Need to resist compromising ethics for profits

Scaling Responsibly

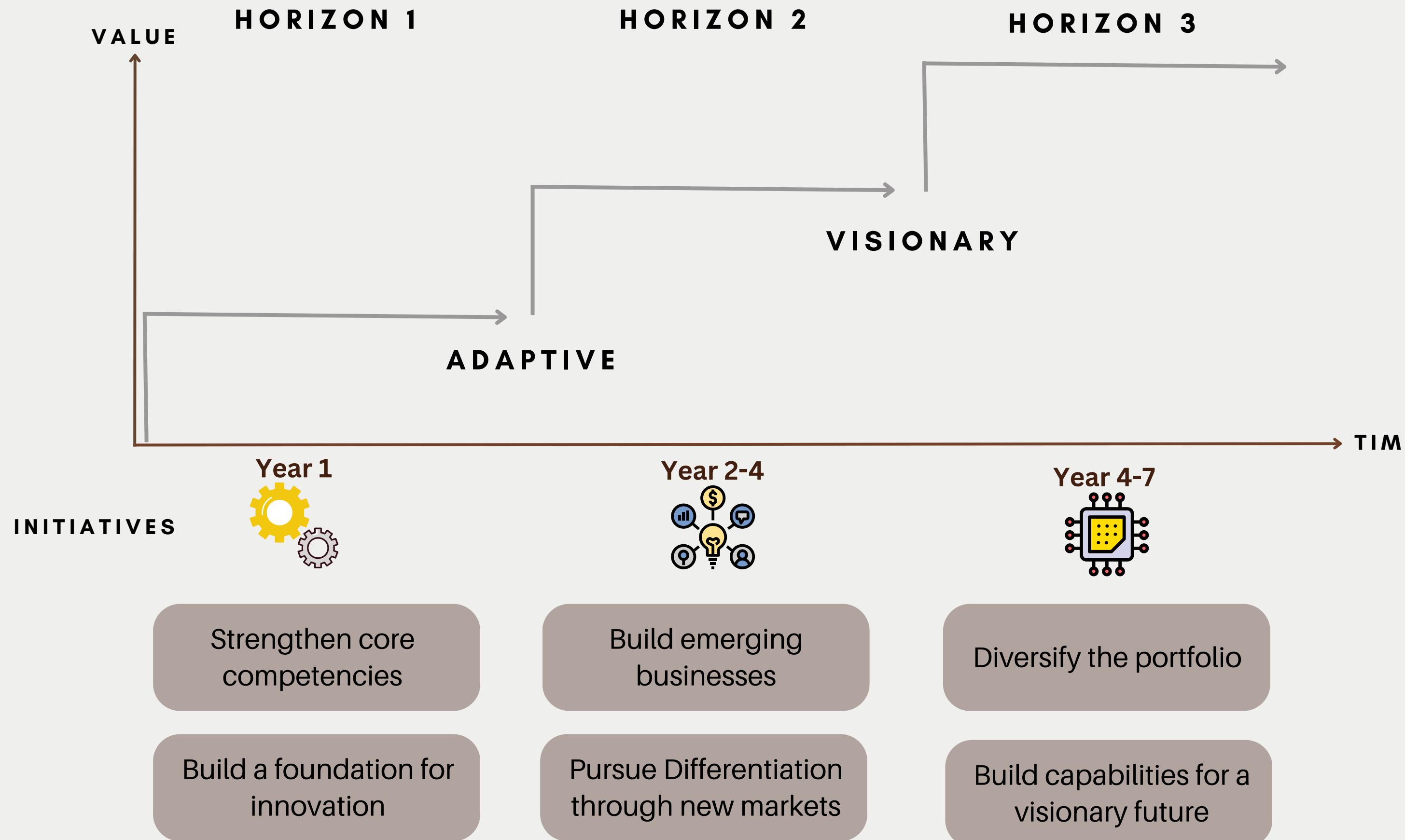


- Safety and bias issues magnify with wider deployment
- Explainability and transparency become more complex
- Urgency to commercially launch vs. taking ethical precautions

PLAYERS WITHIN THE AI SPACE OPERATE ON 4 DISTINCT TIERS & ANTHROPIC SHOULD FOCUS ON BUILDING CAPABILITIES IN EACH LAYER.



TO MOVE FROM ADAPTIVE TO VISIONARY ANTHROPIC SHOULD STRATEGICALLY EXTEND, DEFEND AND DIVERSIFY



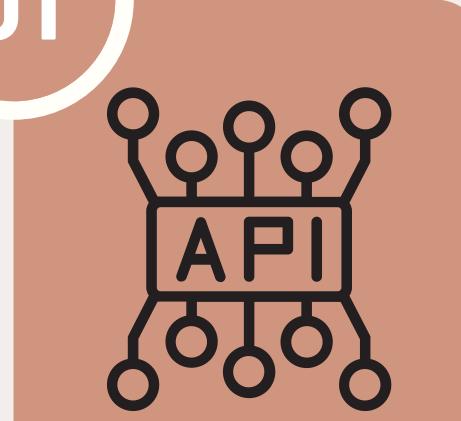
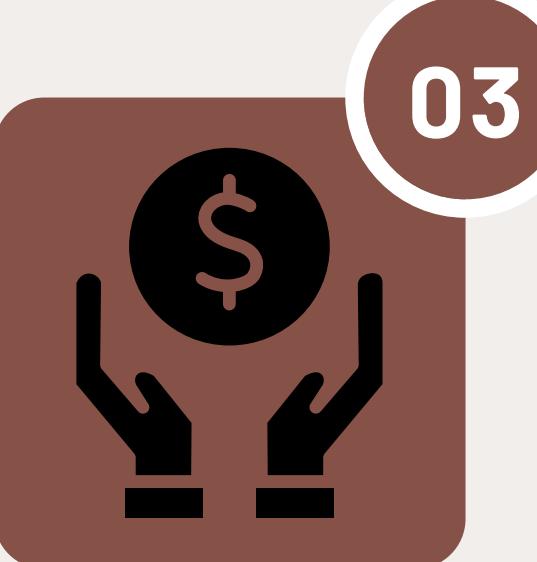
ANTHROPIC SHOULD COMPETE WITH INCUMBENTS AT EVERY LEVEL THIS YEAR & PREPARE FOR FUTURE INNOVATION

Claude provides Comprehensive Features

APIs and Plugins
Language Interoperability
Focus on SMBs

Enhances Security Features

Eliminating Bias, Data Encryption,
User Consent, Regulation/Compliance
Checks

- 01 
- 02 
- 03 
- 04 

Diversifies Investments

Actively seeks investments from diversified investors.

Engages with Dev Community

Open-source parts of their model or older versions of their model to attract developer community interest.

Eliminate

- Traditional AI chatbots
- Data Bias
- No implementation support from AI firms

Reduce

- Limited access to AI expertise in the Industry
- Complexity to personalize LLM's

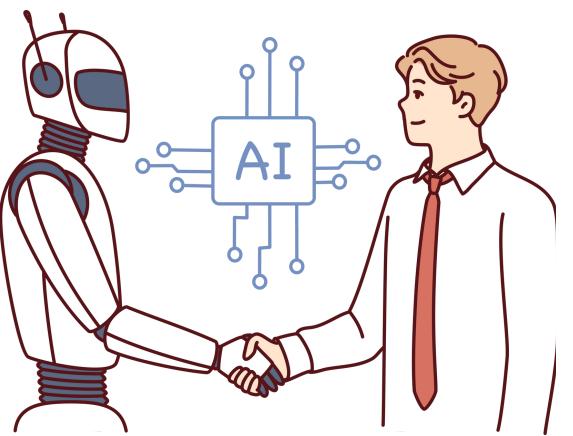
- Client Engagement
- LLM's which meet industry-specific standards

- Personalized LLM's trained on industry-specific data
- Value-added consulting services

Raise

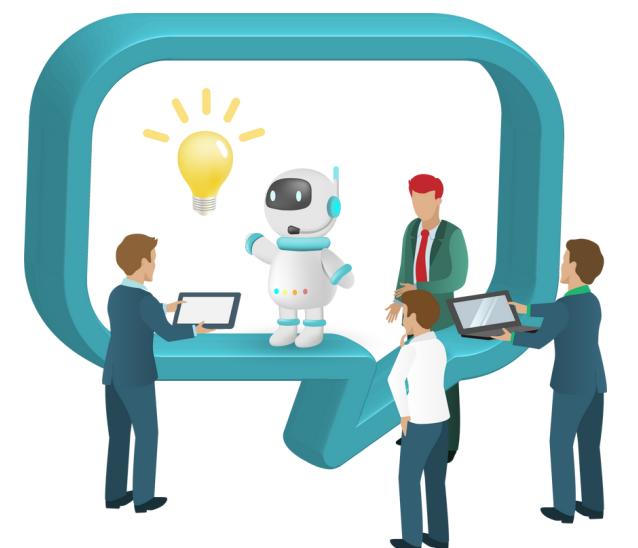
Create

ANTHROPIC SHOULD VENTURE INTO A BLUE OCEAN BY BECOMING AN AI CONSULTING BUSINESS IN THE NEXT 3 YEARS



Enterprise solutions - Personalize LLMs for different industry verticals

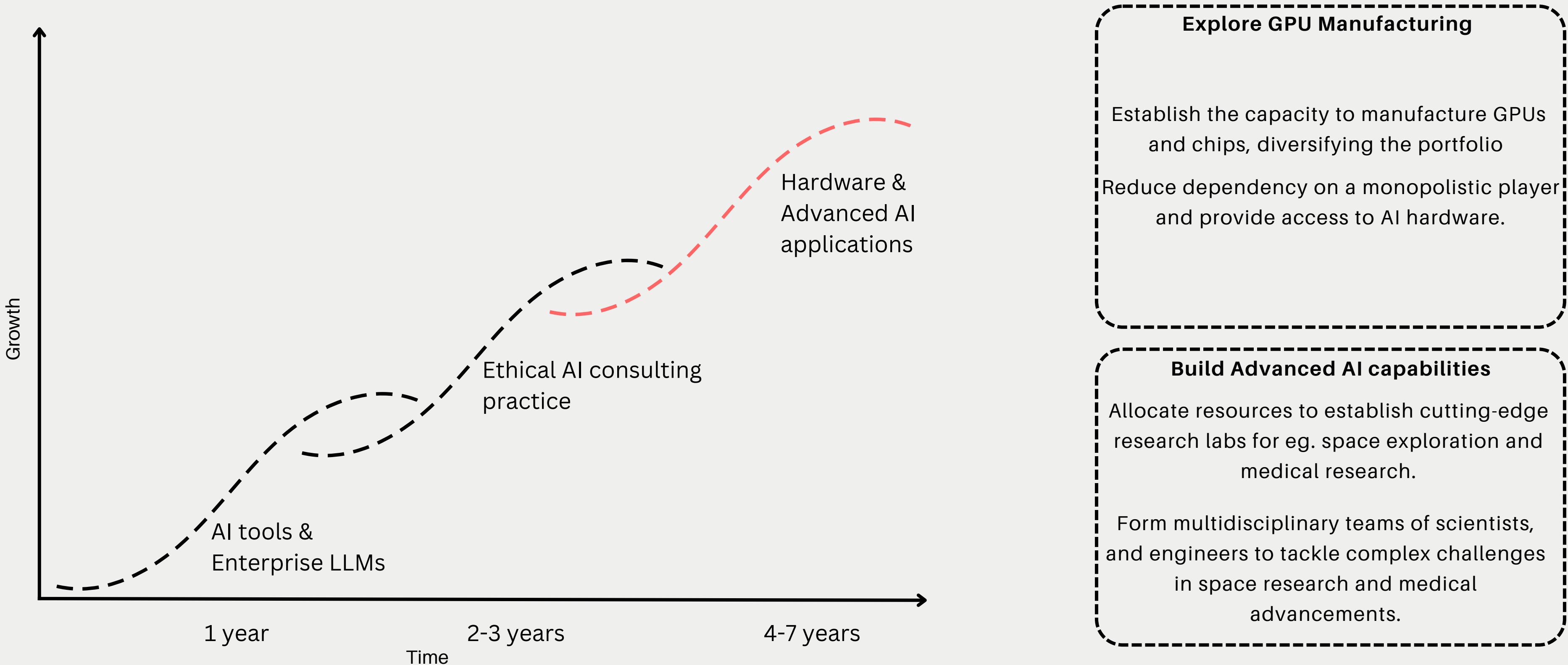
- Anthropic could focus on industries with high AI demand and little competition.
- Tailor AI models for specific demands for industries like healthcare, banking, and agriculture.



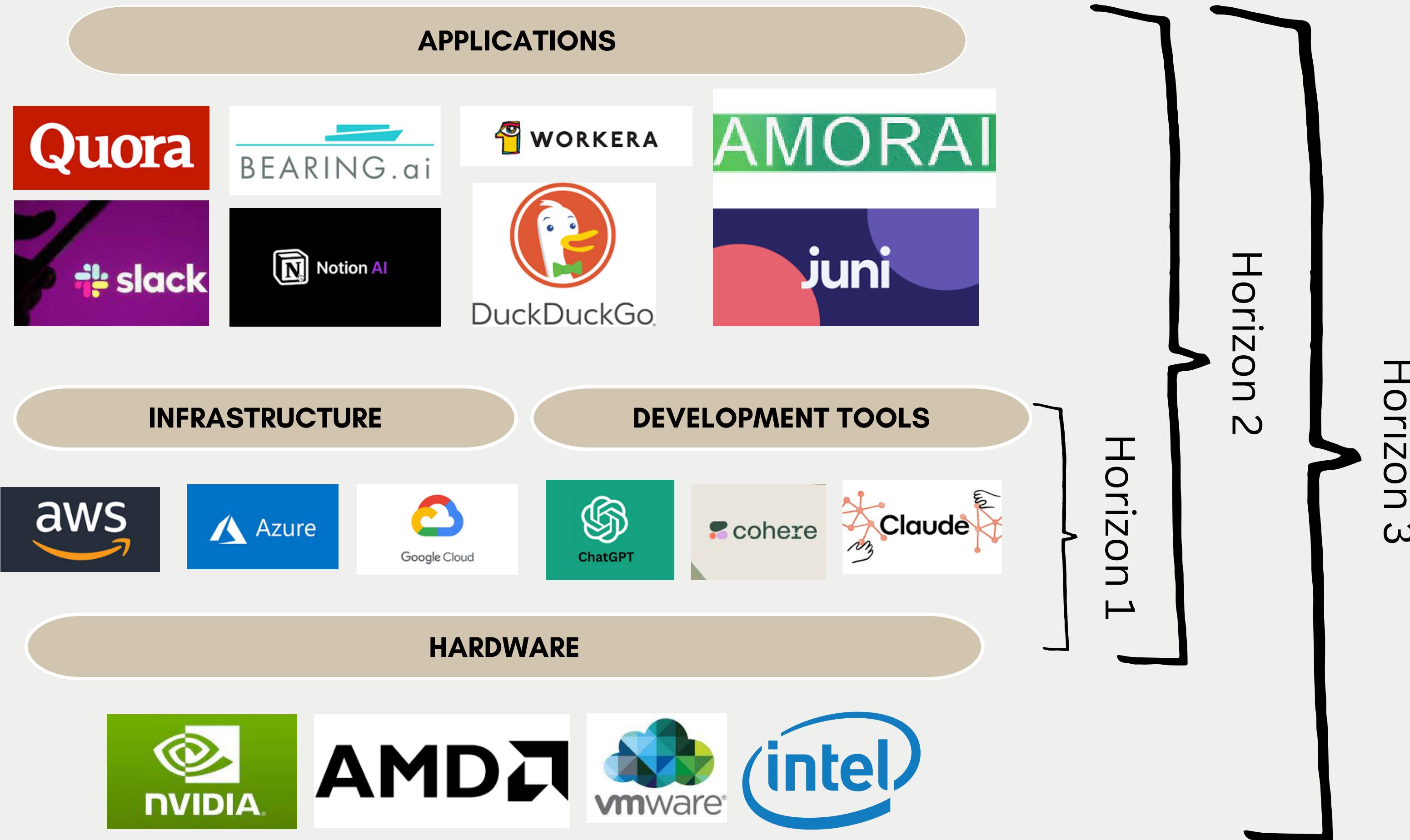
Establish a Consulting Practice

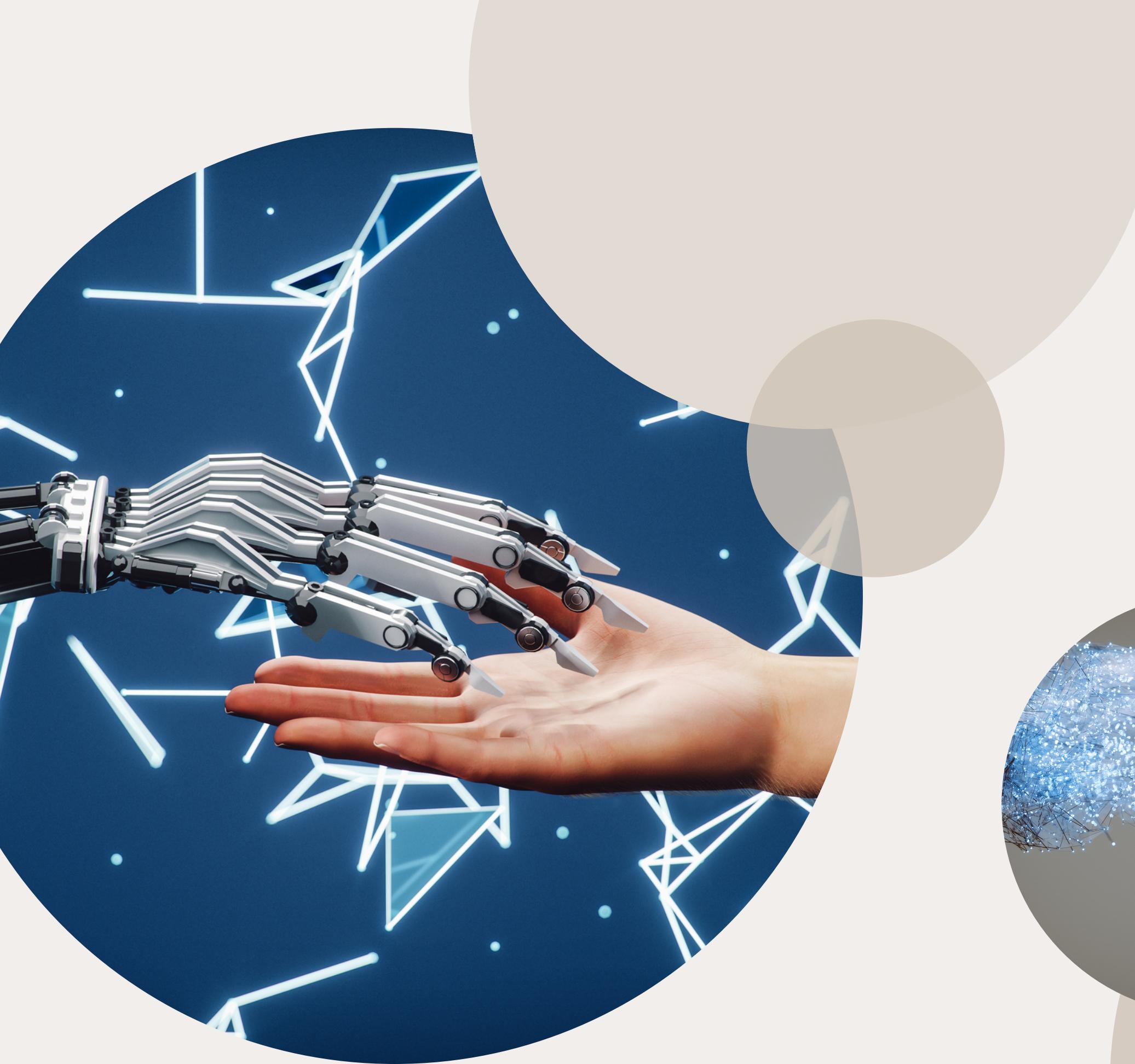
- Collaborate with diverse firms for AI consulting and customize LLMs to stand out from OpenAI.
- These interactions can range from brief consultations to full-scale assistance in implementing AI LLM solutions, including training and support.

ANTHROPIC SHOULD PREPARE TO JUMP THE NEXT S-CURVE WAVE AND PROGRESS TOWARDS ADVANCED AI USE CASES



THE 3 HORIZON STRATEGY ENSURES THAT ANTHROPIK CAN SEIZE ALL OPPORTUNITIES IN THE AI LANDSCAPE





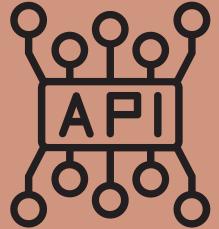
THANK YOU!

We are now open to
questions.



APPENDIX

Horizon 1: Anthropic should compete with incumbents at every level this year & prepare for future innovation



Comprehensive Features

- Develop AI systems that integrate with existing software and systems used by businesses and organizations can make Anthropic's offerings more attractive. This could include APIs and tools that facilitate easy integration.
- Partner with research labs to acquire clean data sets without any data bias.
- Focusing on AI solutions for languages and regions that are currently underserved by existing AI models This might involve developing AI models for languages with limited data availability or tailoring solutions to specific cultural contexts.



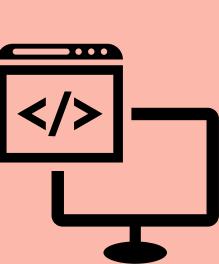
Enhances Security Features

- Build applications keeping privacy in mind. Encrypt data and chats between Claude and the consumer
- User-friendly consent mechanism techniques that have features like opt out, deletion etc.
- end-to-end encryption to protect data. Ensure data remains confidential and secure from unauthorized access.
- Conduct audits to ensure compliance with data protection regulations.



Diversifies Investments

- Consider investment offers from different industries, and ensure that they align with Anthropic's mission and vision. Diversify investments to reduce reliance on a single source.
- Maintain a commitment to ethical AI development reassuring investors and stakeholders of Anthropic's dedication to ethics.



Engages with Dev Community

- Establish developer communities around open-source, encourage collaboration, knowledge sharing, and the development of innovative AI solutions.
- Provide support and resources for developers like including documentation and assistance to facilitate their contributions.
- Integrate open-source models with Anthropic's APIs, allowing developers to leverage them in their applications easily.