

Pt 4: AI Cost & Strategy Conundrum

Lessons from DeepSeek &
Strategic Leaders like
Microsoft

Part 4 of 7: Prudent AI Investment

Recap: The First AI Question

Do We REALLY Need AI for This? (See Part 3)

- ⚙ Prudent innovation starts with validating the necessity of AI.
- ⚙ Assuming AI *is* appropriate, how do we approach cost and strategy?

DeepSeek AI: A Lesson in Efficiency?

Training Powerful Models at a Fraction of Typical Costs

⚙️ The DeepSeek AI example (training a strong model efficiently) highlights a potential **disconnect**.

⚙️ Between massive AI spending by some and what might be achievable with more focused, efficient approaches.

Questioning Our Investment Strategies

Is Bigger Always Better (or Necessary) in AI?

⚙️ DeepSeek forces us to ask: Is our current AI spending **prudent and targeted?**

⚙️ Are we chasing headlines or real, cost-effective value?

Microsoft's Strategic AI Play

Investment + Partnership + Focused Integration

- ⚙️ Leaders like Microsoft invest heavily in AI R&D; (e.g., with OpenAI).
- ⚙️ BUT they also make **strategic choices** about licensing (OpenAI) and integration.
- ⚙️ They don't necessarily build *every* foundational model from scratch.

The Pragmatism of Tech Giants

Balancing In-House Build with Strategic Alliances

- ⚙ Microsoft's approach: Integrating partner tech across portfolio.
- ⚙ This provides widespread AI augmentation without needing to own every underlying LLM.
- ⚙ This **pragmatic approach** is key for enterprises.

AI Due Diligence: Scrutinizing Spending

Critical Questions for Every Organization

⚙️ This scrutiny is central to AI due diligence:

⚙️ **Is our AI spending prudent and targeted** towards clear business outcomes?

⚙️ Are we measuring ROI effectively?

Internal Capabilities: Build or Adapt?

Strategic Decisions on AI Talent & Infrastructure

⚙️ Should we invest heavily to **build foundational models from scratch?**

⚙️ Or focus on building capabilities for efficient **model adaptation**

(fine-tuning, RAG) and integration?

⚙️ For most, adaptation is likely more efficient.

Evaluating External AI Tools 🦊

Balancing Cost, Trust, Security, Compliance

- ⚙️ How do we evaluate the plethora of external AI tools & SaaS offerings?
- ⚙️ Need clear criteria beyond just features and cost.
- ⚙️ Trustworthiness, data security, compliance (GDPR etc.), vendor viability are critical.

The 'Shiny Object' Syndrome

Avoiding AI for AI's Sake

⚙️ The availability of powerful models doesn't mean they are the right fit for every problem.

⚙️ Strategic AI adoption prioritizes **business value and ROI** over just using novel tech.

Cost-Effective AI: A Key Goal

Learning from Efficient Innovators

⚙️ The efficiency shown by projects like DeepSeek and the strategic partnerships of leaders like Microsoft offer valuable lessons for all enterprises aiming for sustainable AI success.

From Why to How: Structured Adoption

Translating Principles into Action

⚙️ Understanding cost/strategy is vital.

But how do we act?

⚙️ **Next Up (Part 5):** A Structured
Approach to Emulate AI Leaders -
Phases 1 & 2.

⚙️ Stay tuned!

≡ Series: Beyond Hype (Part 4 of 7) ≡ AI Cost & Strategy - Lessons from Leaders

Part 1: The Twin Revolutions

Access Part 1 PDF

Part 2: The Agile Blind Spot for AI

Access Part 2 PDF

Part 3: Do You Really Need AI? Due Diligence

Access Part 3 PDF

Part 4: Cost & Strategy - Lessons from Leaders

Access Part 4 PDF

Part 5: Structured AI Adoption - Phase 1 & 2

Access Part 5 PDF

Part 6: Structured AI Adoption - Phase 3 & 4

Access Part 6 PDF

Part 7: Expected Outcomes & Conclusion

Access Part 7 PDF

Read the Full Article: Beyond the Hype...

All PDF carousels available at **<https://agilp.org/pdf/>**

[Read the Full Original Article on LinkedIn](#)

Navigate Agile & AI Together ⇒

How are these revolutions impacting YOU?

LinkedIn: <https://www.linkedin.com/in/amitabhrjha/>



X (Twitter): <https://x.com/amitabhrjha>



Web: www.agilp.org



Examples from Microsoft, Bosch, OpenAI, DeepSeek.

Disclaimer & Acknowledgments

The views and opinions expressed here are entirely my own and do not necessarily reflect those of my employer. I have not received any compensation or incentive from any individual or organization to write this piece.

My thoughts are shaped by ongoing conversations with friends, colleagues, mentors, authors, and industry voices—thank you all for your insights. This content was co-created with the help of AI tools like ChatGPT, Gemini, and Grok. My goal is to observe, learn, synthesize, and give back to the community by sharing what I find meaningful and relevant.