

# 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

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Part 6: Structured AI Adoption - Phase 3 & 4

**Access Part 6 PDF**

Part 7: Expected Outcomes & Conclusion

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# Navigate Agile & AI Together

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Examples from Microsoft, Bosch, OpenAI, DeepSeek.

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