

When Vibe Coding Doesn't Vibe: Hard Truths in Enterprise AI

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Leading broad line distributor of MRO products and services determined to ensure We Keep The World Working® through innovative technology solutions and deep customer relationships

1927

Company
founded

Largest

MRO distributor
in North America

52
years

of consecutive
dividend increases



18%

Endless
Assortment

2.3%

Other

79.7%

High-Touch
Solutions N.A.

\$17.2B

Total Company
2024



>4.5M

Active
customers

>26K

Team
members

>30M

Products
offered
globally

34

Distribution
centers

Today's talk:

When Vibe Coding Doesn't Vibe

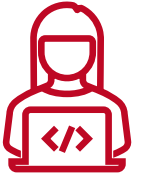
We'll cover **4 Hard Truths** of GenAI Enablement
we've encountered

... and our solutions.

How We Deliver with Purpose



Our commitment to **Continuous Delivery**



Sensible Defaults our Engineering Practices & Principles

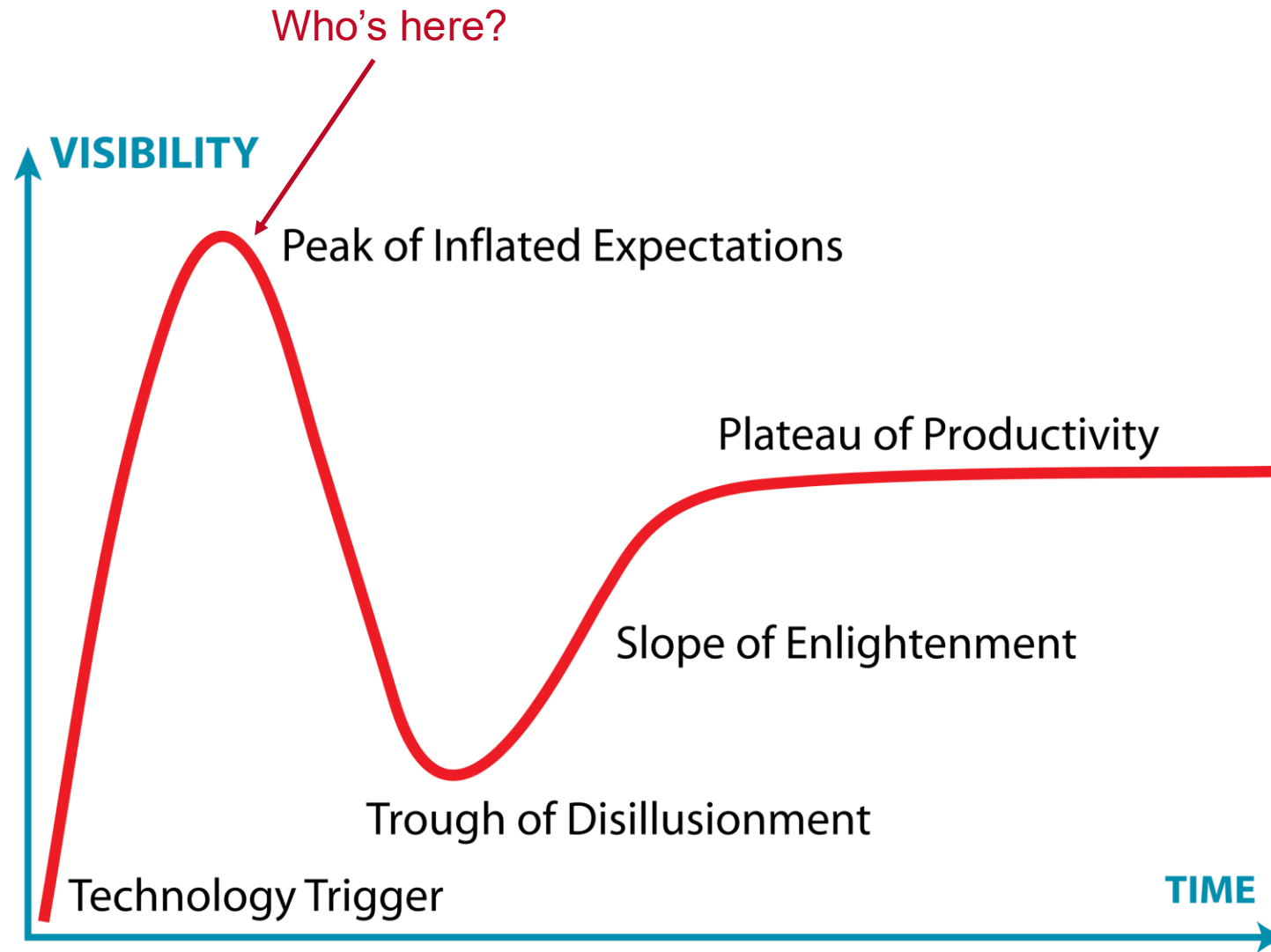


Leverage Simple Metrics – **DORA+**



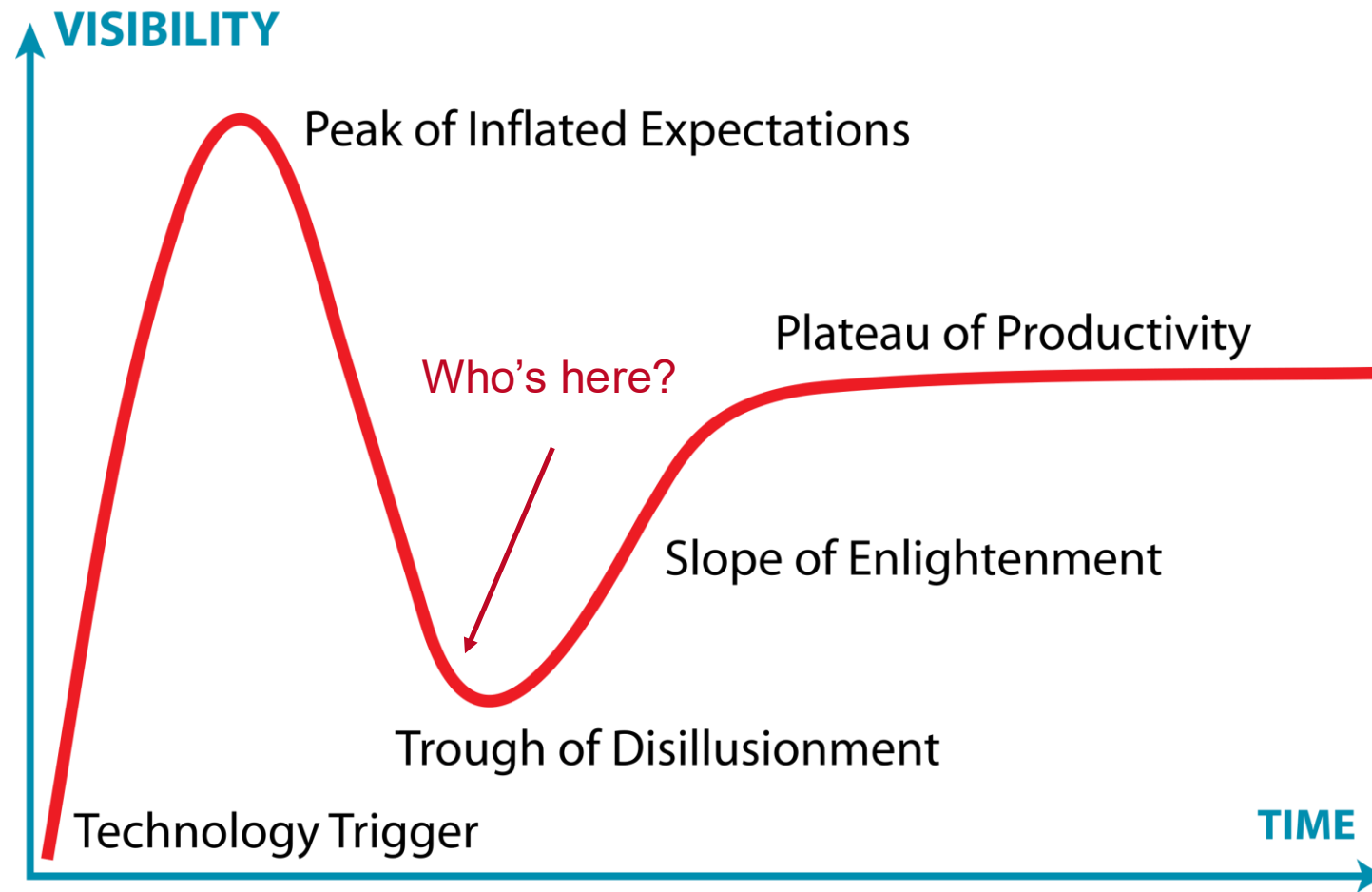
Our overarching **AI principles**

Hard Truth 1: **Not Everyone is Ready to Embrace AI**



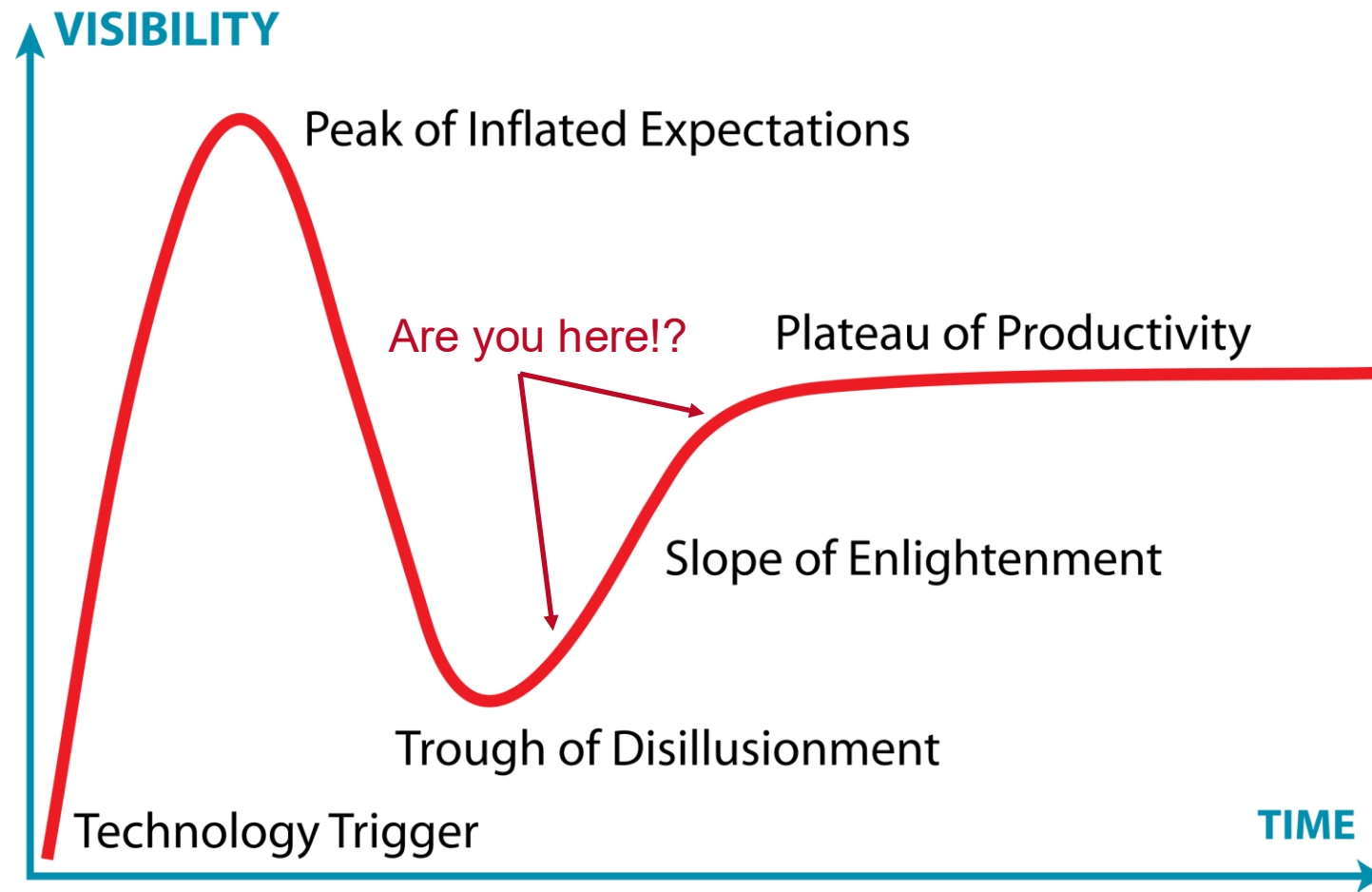
Gartner Hype Cycle

Who is excited about AI?



Gartner Hype Cycle

Who is fearful
or doubtful
about AI?



Gartner Hype Cycle

Who is having fun ...

...but is also still worried about AI?

We take the *middle ground*—
balance **optimism** with **realism**



- Excitement and fear coexist
- **Not** forcing AI on teams
- Inclusive pilots with diverse roles & perspectives
- Position AI as competitive advantage

Hard Truth 2: **The Fast-Moving, Ever- Changing Market**

CodeFusion Acquires AI Startup Axico

CodeFusion has confirmed the acquisition of Axicon, a developer of AI software solutions for an undisclosed amount.

BrightAI Raises \$40 Million in Funding Round

BrightAI announced that it has raised \$40 million in a Series B funding round. Investors include HighGate Partners and private equity funds, sources report.

NextSphere Debuts New Tool for AI Coding

NextSphere has introduced Iris, a new product aimed at assisting developers with AI-assisted coding tasks. CEO Susan Werner described it as a game-changer."

AI Corp. Pressed to Reduce Expenses

Sources indicate that Genode, the AI firm, has been under pressure to cut costs due to wider economic un-

In the news:

AI vendors & the fast-moving, ever-changing market

Grandly Buys Developer of AI Code Tool

The aqürisil intelligence for an undisclosed sum to said it announced it acquisition of Intellico- de for undisclosed sum.

Massive Raises \$55M for AI Programming Platform

Massive has secured \$55M in its Series C investment round. Investors include Mountlake Partners and other firms, sources say that Massive plans to pun- up and improve its programming platform

execns Launche New AI Coding Product

Execns has unveiled announced Quibble, a tool for software developers, said CEO Alan Howell as an innovahve step forward in AI-pow- ered development.

AI Research Wonders Told to Rein in Spending

Vectorgen's top manag- ment has 'said to ann- ounce limit its spend- ing amid turbulent ec- onomic conditions.

Our AI vendor path—from PoC to Production



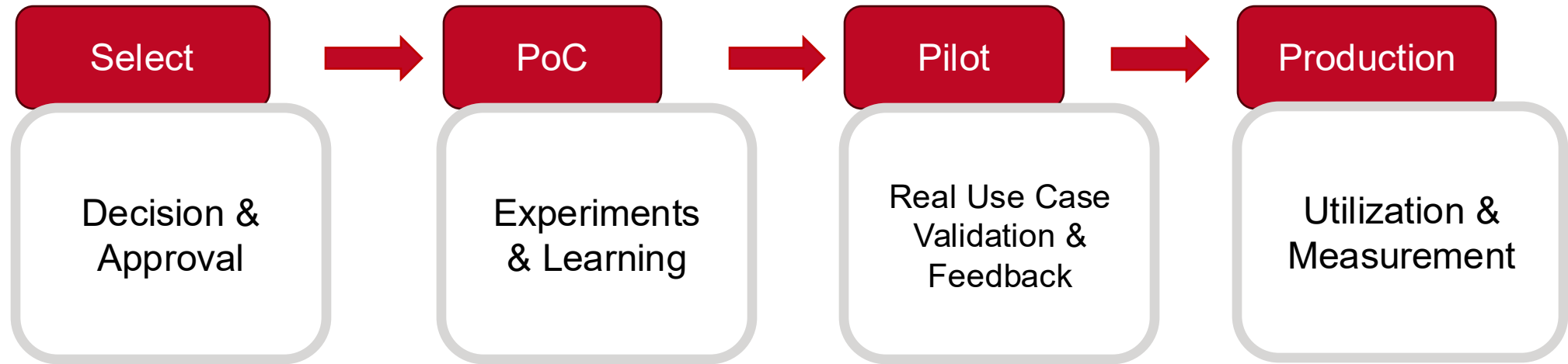
Challenges

- New, Complex, Multi-Step Process
- Inherent AI Risks & Trust Building
- Numerous Stakeholders

Solution

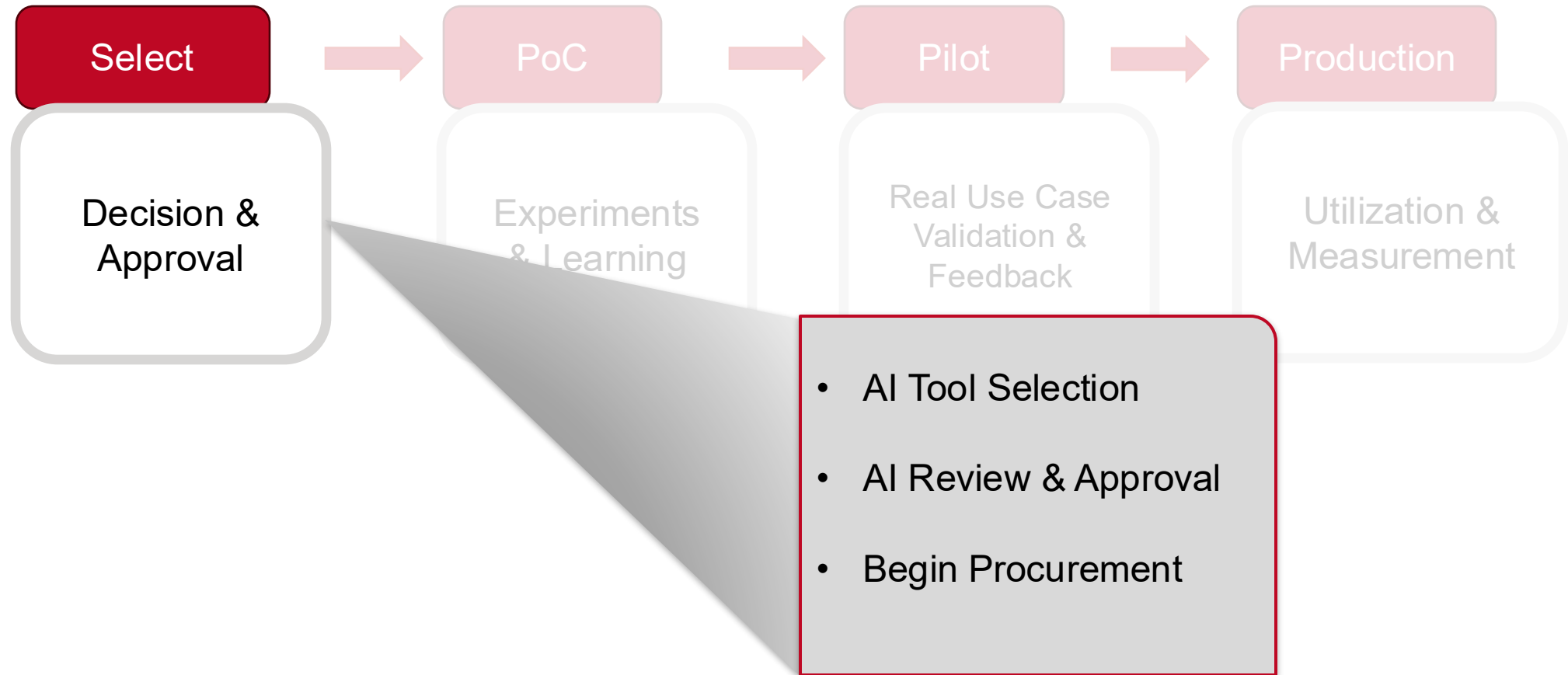
- Applied Flow Engineering Concepts
- Facilitated Collaboration, Learning, & Trust
- Reduced Duration by ~**60%**
- Resulted in Tool Lifecycle

Our 4-Phase Framework: From PoC to Production

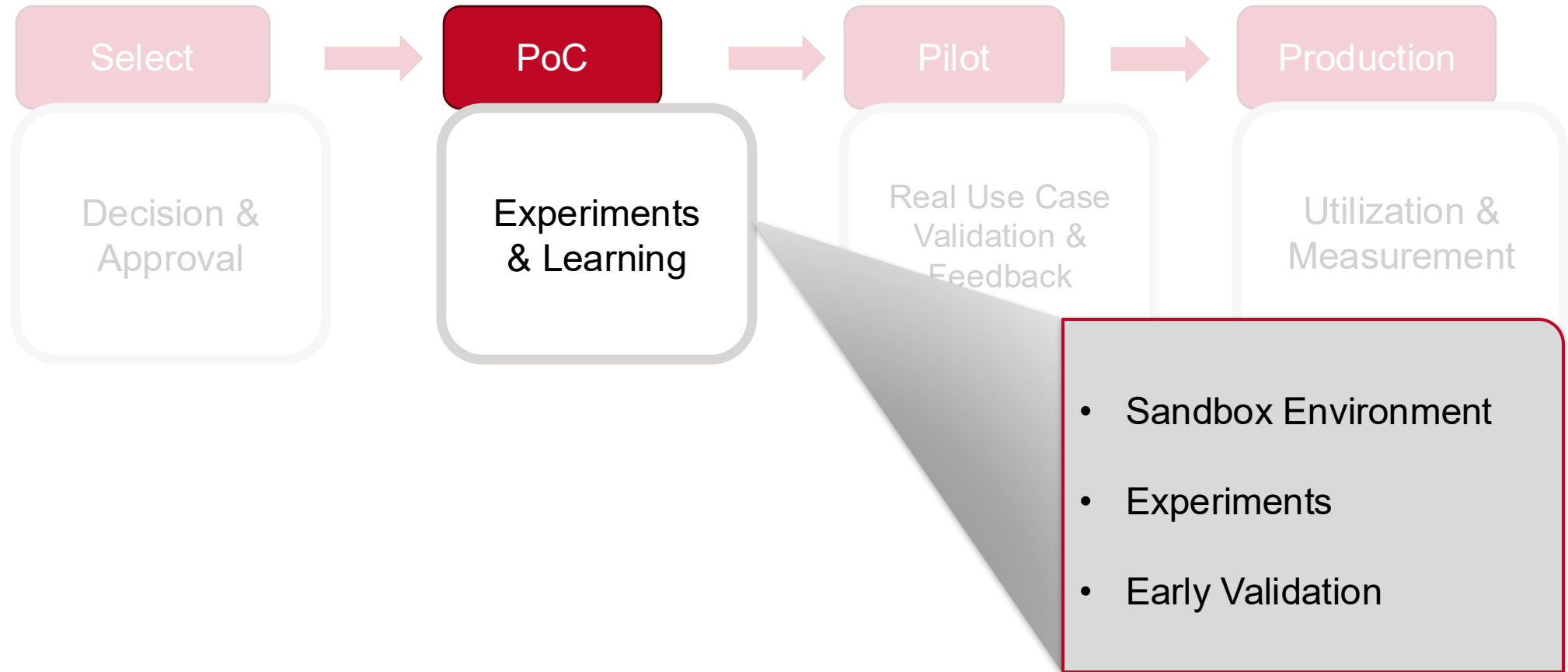


- Incremental rollouts & feedback loops
- Embrace failure as a learning opportunity
- Funnel tools that deliver most value
- Optionality - No one tool to rule them all

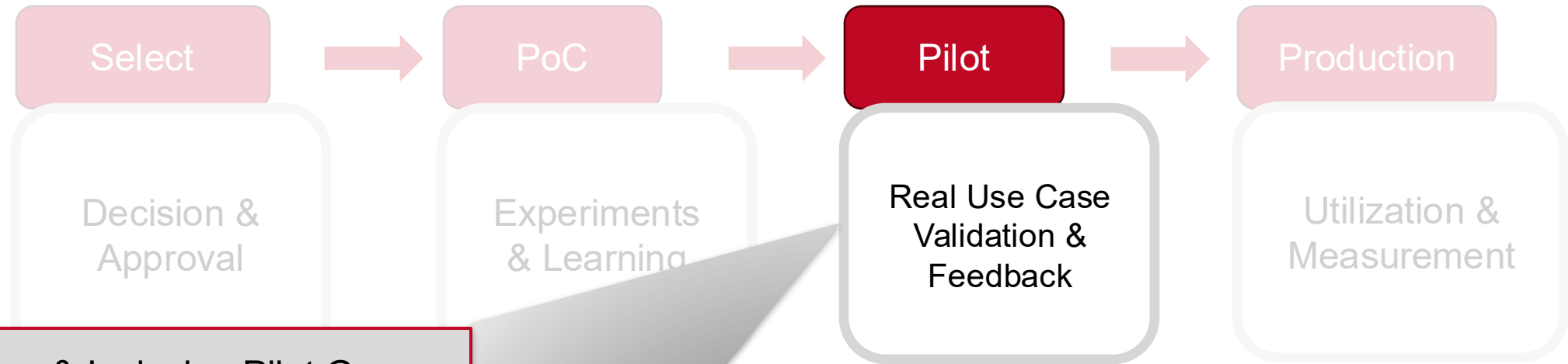
Our 4-Phase Framework: From PoC to Production



Our 4-Phase Framework: From PoC to Production

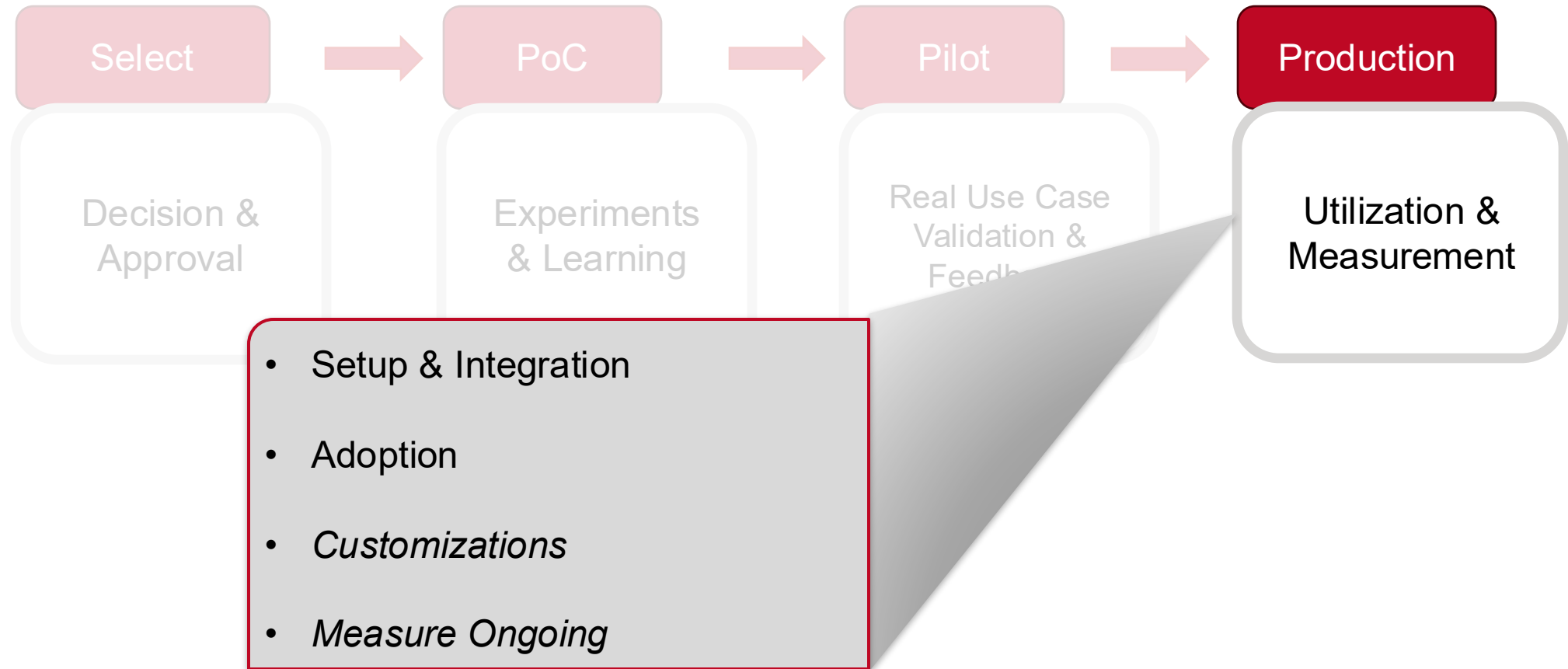


Our 4-Phase Framework: From PoC to Production



- Diverse & Inclusive Pilot Group
- Perform Real Use Cases
- Measure & Survey Feedback
- Business Case Proposal

Our 4-Phase Framework: From PoC to Production



Hard Truth 3: When Vibe Coding Doesn't Vibe in the Enterprise

GenAI tools lack our Grainger Context:



Our Sensible Default Practices
(e.g., TDD, CI/CD, Trunk Based
Development, Built in Security)



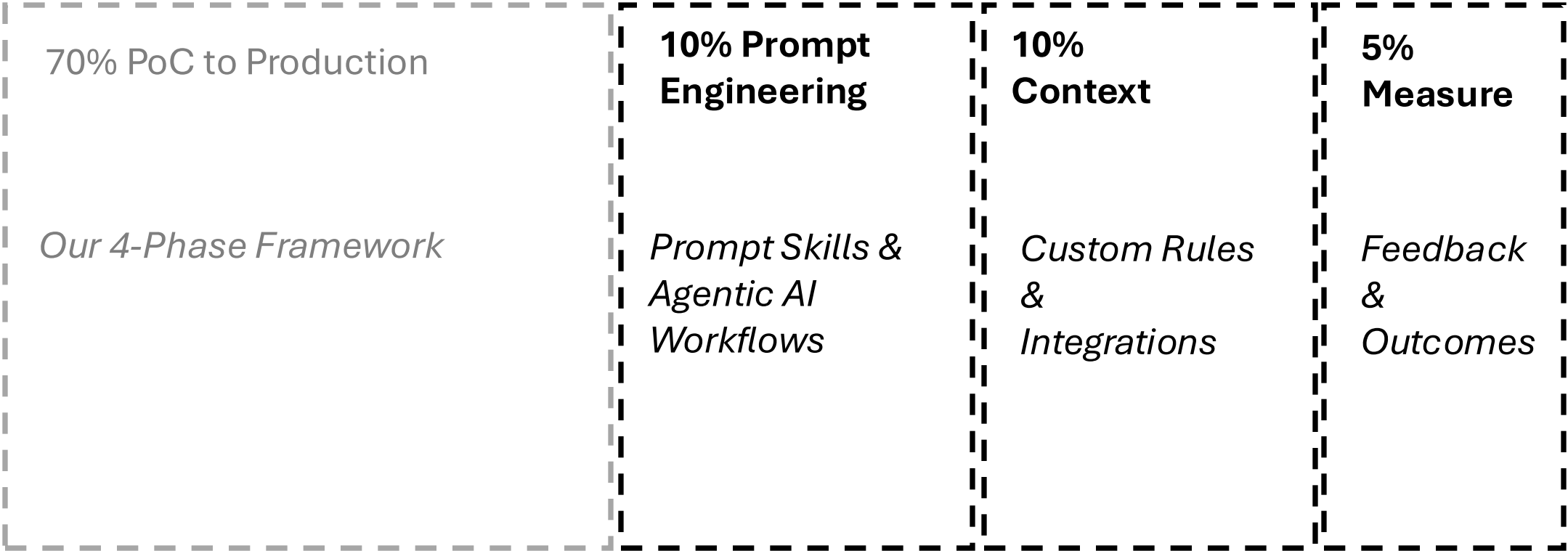
Our Style & Design Guides
(e.g., Coding styles, API styles,
Grainger Design System)



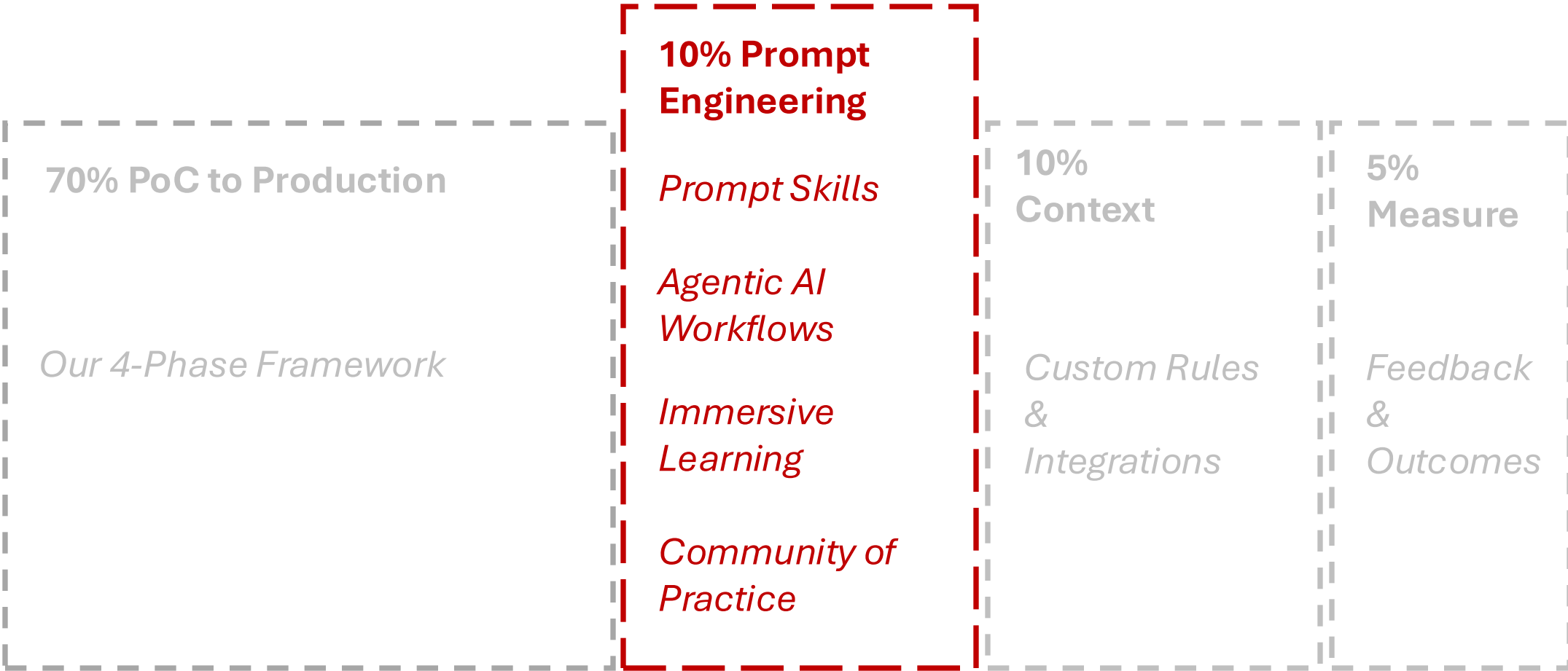
Grainger Product &
Domain Knowledge

Our approach to GenAI for Engineering

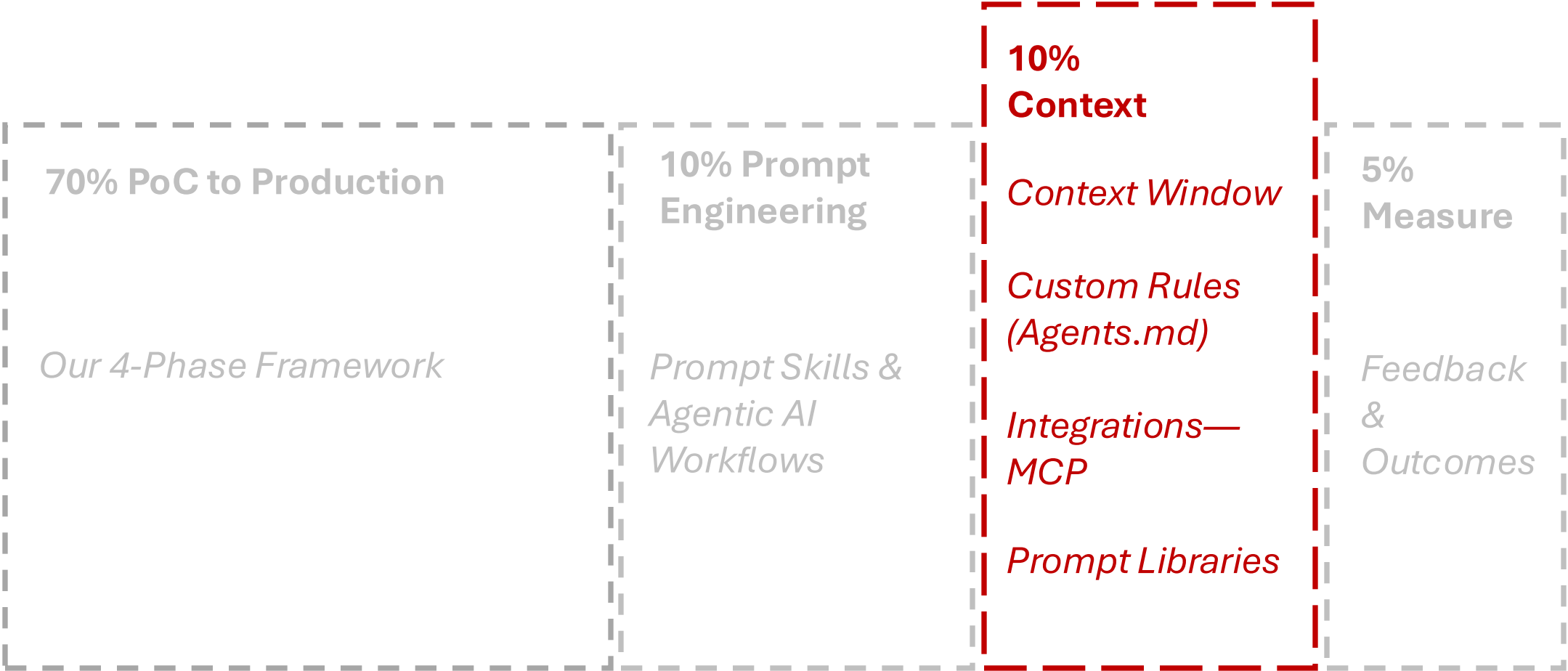
The last 30% is where the hard work—and real value—begins.



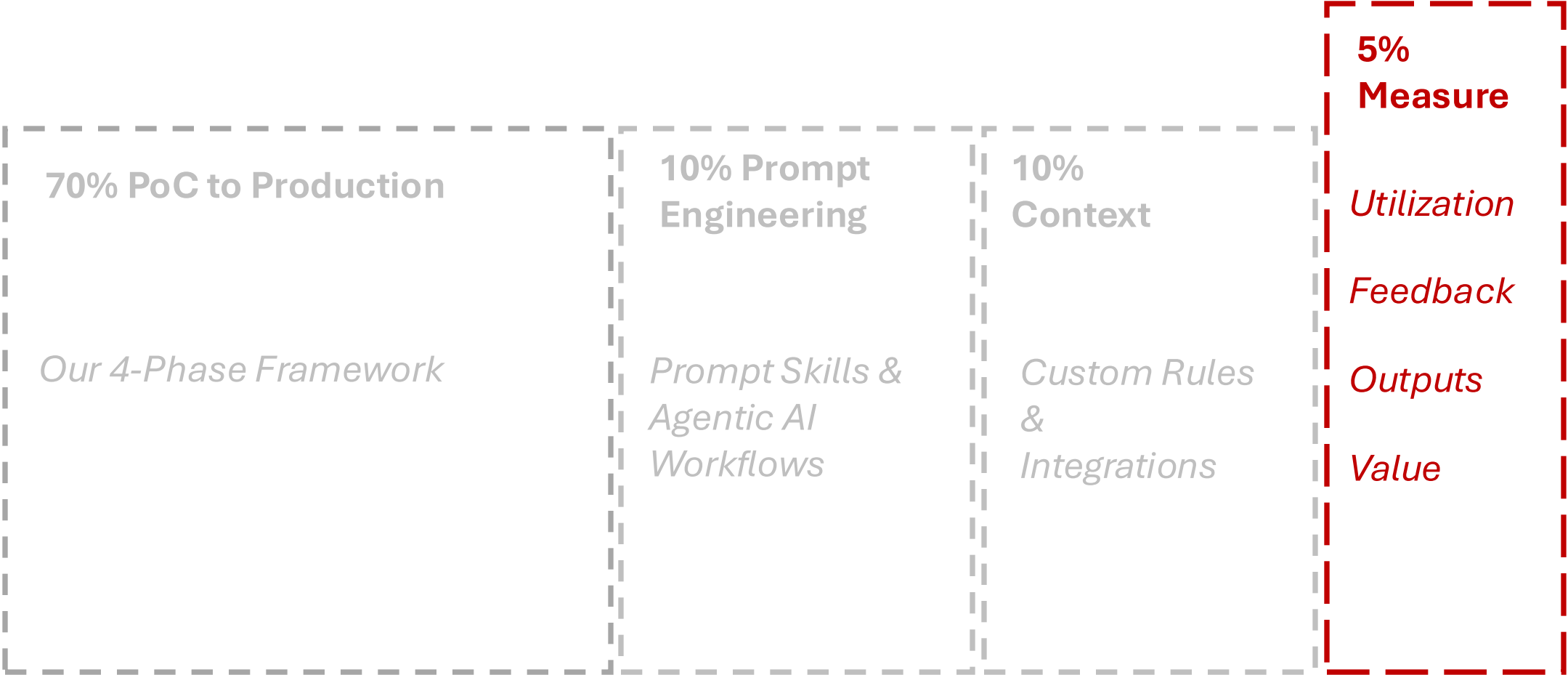
Our approach: prompt engineering & agentic AI workflows



Our approach: customize context

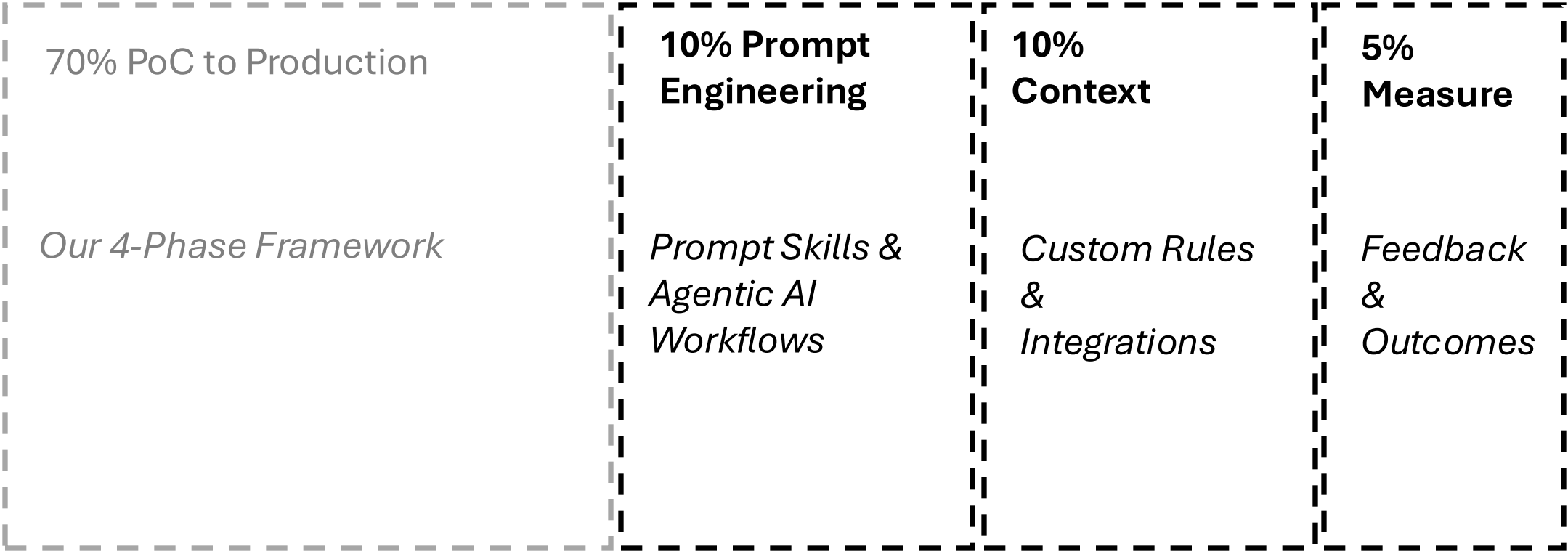


Our approach: measuring outcomes

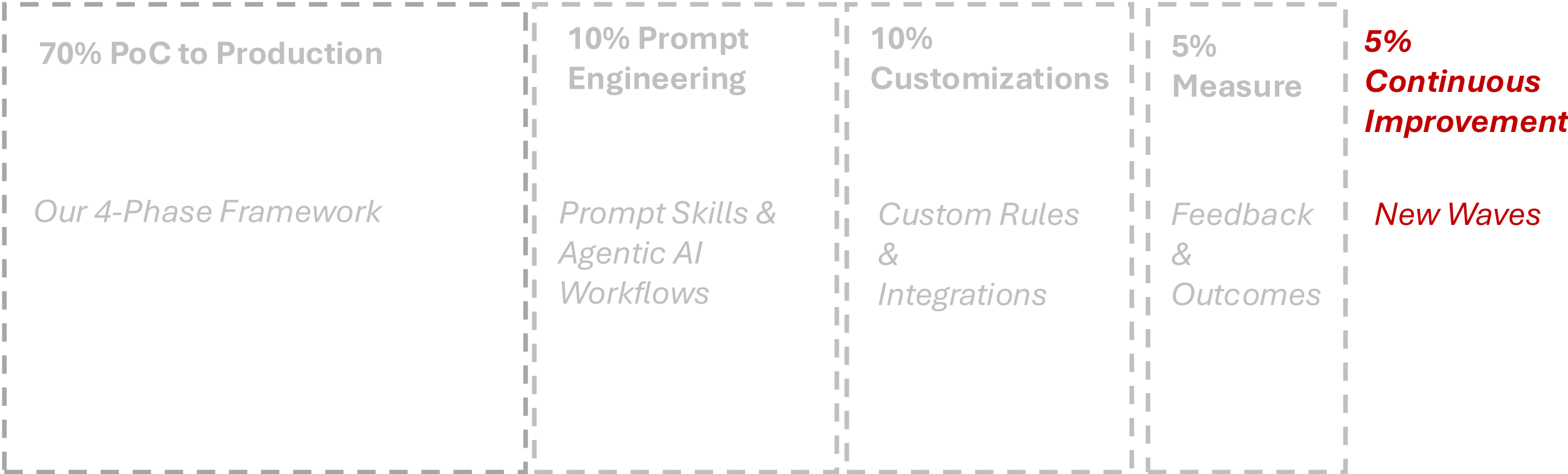


Our approach to GenAI for Engineering

70 + 10 + 10 + 5 = 95 ?



Our approach: continuous improvement



Hard Truth 4: How Do We Measure AI Outcomes?

How do you Measure AI?



ROI claims often inflated



Cost-center reduction is a trap—
Focus on the top-line impact



Utilization based metrics miss
the Big Picture

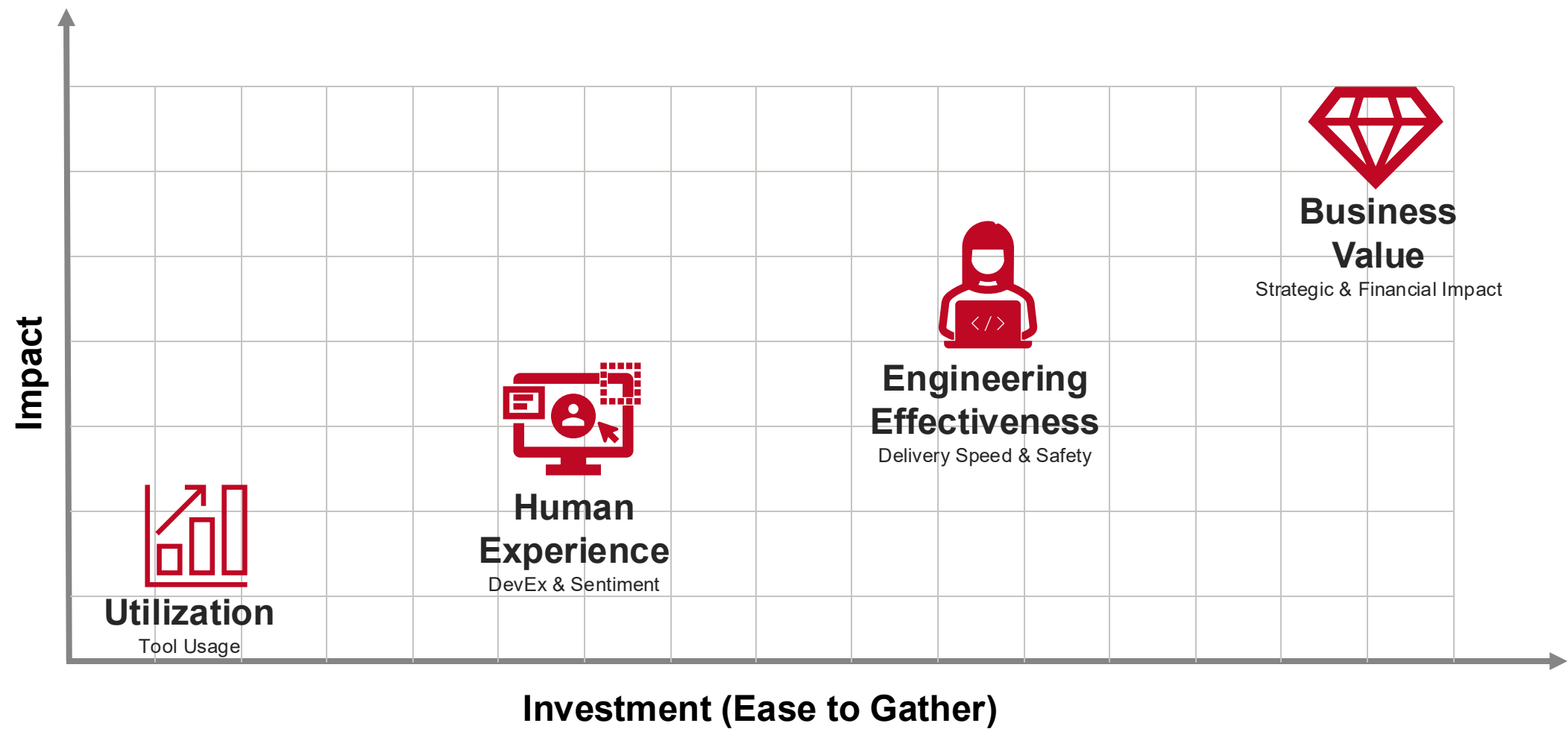


Surveys are not reliable
productivity measures

Our measurement framework:

	Utilization	Human Experience	Engineering Effectiveness	Business Value
Goal	Understanding breadth of AI usage	Understanding developer experience and sentiment using AI	Understanding how delivery performance has been impacted	Understanding strategic and financial impacts

Our measurement framework:



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- **There is no AI procurement playbook**, fight the urge to add more processes and checklists - **failure is part of the process; speed and adaptability are the strategy.**

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- **There is no AI procurement playbook**, fight the urge to add more processes and checklists - **failure is part of the process; speed and adaptability are the strategy.**

Help Needed

- How are you measuring your AI Investments and Outcomes
- Share your hard truths and compare notes
- Let's continue the conversation...

Thank You!

Reach Out:



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The background is a solid red color. It features several large, semi-transparent red arrows pointing to the right, arranged in a staggered pattern. The text "Our Purpose:" is written in a large, semi-transparent red font, positioned in the upper left quadrant of the slide.

Our Purpose:

We Keep the World Working[®]