From Cool Demos to Production-Ready FMware: Core Challenges and a Technology Roadmap

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Check this papers for more information about this session

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Also, check this papers for more information about this session

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```

But my organization/BU is not doing AI/FM/LLMware!

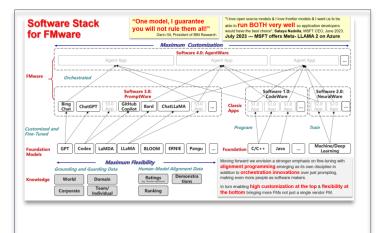
Look again! If anyone in your org is using an

LLM for something they are developing FMware!!

Goldman Sachs projects

- FMware to raise World GDP by 7%
- ➤ FMware market to be 22% of Software Market (150 of 685 Billion USD\$)

Al/FMware is a systems problem not an FM/LLM/Al problem



January 2023

Hassan et al.

FMware is more than just a single model instead it is multigenerational/model/component

The Shift from Models to Compound AI Systems

Matei Zaharia, Omar Khattab, Lingjiao Chen, Jared Quincy Davis, Heather Miller, Chris Potts, James Zou, Michael Carbin, Jonathan Frankle, Naveen Rao, Ali Ghodsi Feb 18, 2024

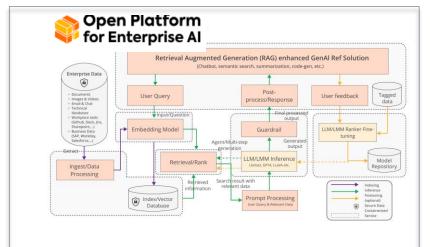


Berkley AI Research (BAIR) -- BAIR brings 50 faculty members and 300 researchers in computer vision, machine learning, natural language processing, planning, control, and robotics.

February 2024

Berkley AI Research (BAIR):

State-of-the-art AI results are increasingly obtained by *compound systems* with multiple components, not just monolithic models.



May 2024

OPEA alliance (50 Companies including Intel, RedHat, SAS)

working to define the architecture blueprint to enable enterprise ready Alware (focusing on RAGware for now)

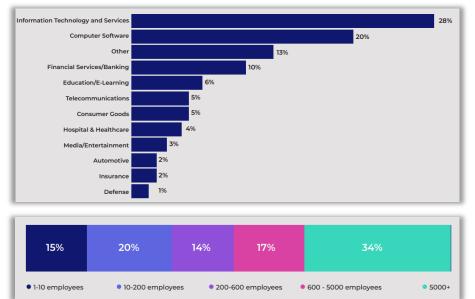
Echoing many views across industry... "One Model will not rule them all", VP of IBM Research late 2023. Numerous reasons:

- 1. Systems are dynamic/quick to update, models are static and will always lag
- 2. Systems provide *easier control and trust* over black box *monolithic* models.
- 3. Systems offer cost and SLA flexibility which vary widely for each context/deployment

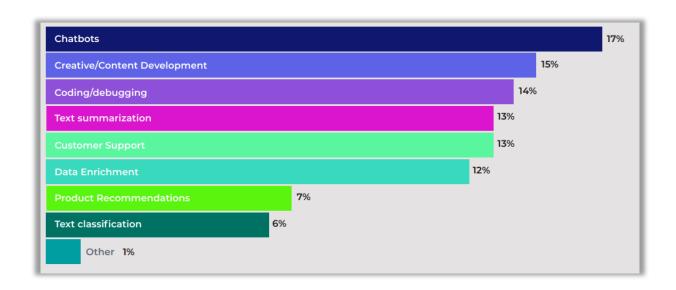


2023 State of FMware in IndustryIntel Survey of 434 companies half of which have over 600 employees

Demographics



Use Cases

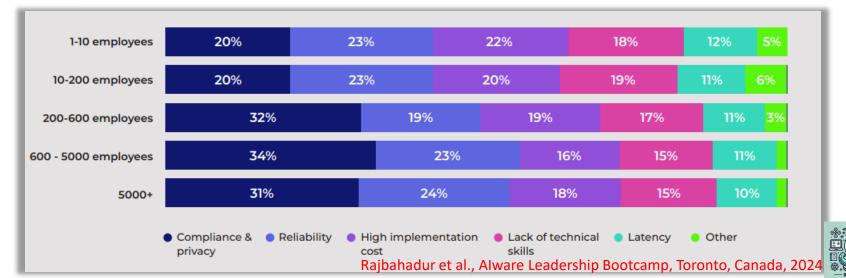


Greatest concerns around FMware

CSE Focus

2022-2024: Implementation Costs + Tech Skill Gap + Governance

2025-: Reliability + Latency + Governance



Going from cool-demos to production-ready FMware is extremely hard!



Consistent quality... The team achieved 80% of the basic experience we were aiming to provide within the first month and then spent an additional four months attempting to surpass 95% completion of our full experience -, the initial pace created a false sense of 'almost there,' which became discouraging as the rate of improvement slowed significantly for each subsequent 1% gain.

"The complexity of these systems surpases anything that we have seen before, Neuralware was hard this stuff is REALLY HARD!! Very few people trained and they are too pricey!!"



"most of these, like each of these tests, would probably cost 1-2 cents to run, but once you end up with a lot of them, that will start adding up anyway".

P4 attempted to automate testing but was asked to stop their efforts because of costs in running benchmarks, and instead would only run a small set of them manually after large changes

"There is a large class of problems that are easy to imagine and build demos for, but extremely hard to make products out of. For example, self-driving:

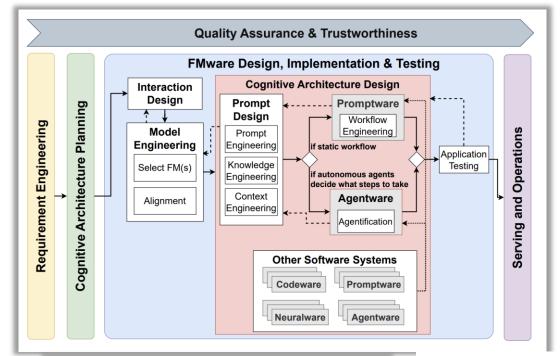
It's easy to demo a car self-driving around a block, but making it into a product takes a decade." Karpathy

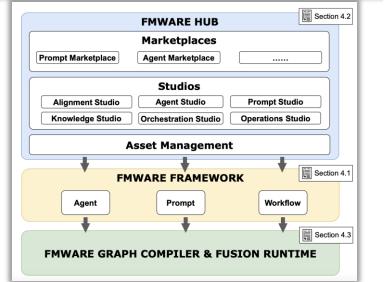
Rethinking Software and Software Engineering in the Foundation

Model Era

SE Challenges:

- 1. Managing alignment data
- 2. Crafting effective prompts (Intent Alignment)
- 3. Multi-generational software components
- 4. Degree of controllability
- 5. Compliance & regulations
- 6. Limited collaboration support
- 7. Operation & semantic observability
- 8. Performance engineering
- 9. Quality under non-determinism
- 10. Siloed tooling & lack of processes







Thematic analysis to identify challenges that prevent productionizing FMware

Step 1: Data collection – 3 years of attending and organizing conferences in the Alware space and meticulously documenting FMware related interactions

















2024 Alware Latam

2024 Alware Bootcamp

2024 FM+SE Summit

2023 FM+SE Vision

2023 FM+SE School



Thematic analysis to identify challenges that prevent productionizing FMware

Step 1: Data collection – Open source working groups, working with customers, developing FMArts and in-depth literature review



Leading the research working group in the OPEA initiative and participation in the other Working Groups



Leading AI and Dataset profile Working Group



Discussions with product teams and customers in the Industry.

Experience developing FMArts and deploying it in production and building production-ready FMware for a large e-commerce customer



Conduct an in-depth literature review of academic and grey literature

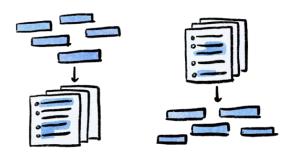


Thematic analysis to identify challenges that prevent productionizing FMware

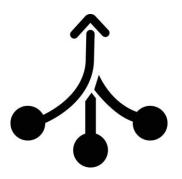
Step 2: Data coding and initial thematic grouping

Step 3: Collaborative discussion to identify overarching themes

Step 4: Thematic consolidation







Recurrent issues in productionizing FMware

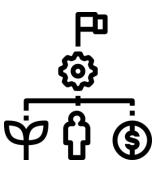
· Difficulty navigating the regulatory and Lack of assertion-based unit Text-based evaluation leads to Ineffective and inefficient Lack of automated testing legal compliance minefield overestimation of quality Al-as-judge technologies capabilities tests Ineffective prompt-level context management Overreliance on FM • Low information density grounding data planning capability instead Irrelevant grounding data of step-wise or multi-agent Leveraging advanced techniques where planning and validation simpler ones (keyword search) would suffice • Inefficient knowledge representation Low data efficiency **God Agents** • Cumbersome and error-prone in-Low domain coverage • Too low-level tool usage abstraction memory and across-memories Low data quality Capability centric instead of use-case knowledge management centric documentation for tools Memory management Agent System Data and FM Select Deployment **Prompting** Grounding Agent(s) orchestratio Testing and Alignment and maint. FM optimization Guarding Difficulty · Lack of efficient feedback Prompt balancing technology (seamless solicitation God prompts functional and integration) Lack of Built-in QA checks for prompts Simple keyword based guarding is ineffective requirements Lack of FMware-native observability (Semantic and structured checking) Lack of Hallucination guardrails with performance Lack of portability across FMs and costs Lack of FM-specific optimizations • Lack of latency handling mechanisms · Complexity of determining the rationale of Lack of retry optimizations failure (FM vs prompt limitations) High cost of regression testing **In-context learning** No Software Performance Engineering practices in place (model swapping) · Insufficient Examples Lack of controlled execution mechanisms makes verification of fixes very hard Non-representative Examples



Challenges for Production-Ready FMware



Testing



Resourceaware QA



Observability



Feedback Integration



Controlled Execution



Built-in Quality







Observability Controlle









Lack of assertion based unit tests

Traditional tests rely on fixed outcomes, but FMware's varying outcomes complicate this process.

Text-based evaluation leads to overestimation of quality

They often fail to capture deeper issues like relevance, accuracy or alignment with business rules

Lack of automated testing capabilities

Existing tools often miss nuanced complexities in FMware making them inadequate for production systems



Challenges for Production-Ready FMware – SOTA Overview















Benchmarks

Assessing model's general capabilities

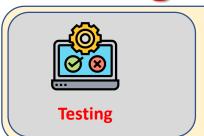
Model evaluation

Evaluating model's fit on a specific task

Software testing

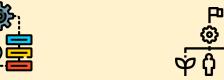
Testing the expected behavior of the whole system end-to-end

Challenges for Production-Ready FMware – Proposed Tech









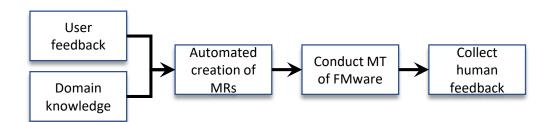








Automated test generation



Need an automated Metamorphic Testing suite that automatically extracts MRs leveraging domain knowledge, user feedback in the wild and human guidance

Next generation Al-as-judge framework

Tailored Prompts: Align with business logic and domain constraints for reliable evaluations.

Deep Evaluation: Focus on accuracy, consistency, and compliance, not just format.

Efficient Training: Use curriculum engineering for cost-effective, lightweight models.





Testing











Complexity in determining failure rationale

Diagnosing whether failures result from prompt issues or FM shortcomings is difficult, often hindering the identification of the root cause and delaying effective resolution.

Lack of FMware-native observability

Traditional observability tools focus primarily on functional observability metrics, such as latency, execution races, and throughput, which are insufficient for capturing the internal reasoning and decision-making processes of FMs



Challenges for Production-Ready FMware – SOTA Overview

Framework	Trace or	Volume		Latency (PX)					Tokens			Resources		
	Request- Response (RR) Monitoring	Trace Count/Status	LLM Call Count/Status	Trace Latency	<u>LLM</u> <u>Latency</u>	LLM Calls per Trace	Tokens / sec	Trace Time- to-First-Token	LLM Time-to- First-Token	<u>Total</u> <u>Tokens</u>	<u>Tokens</u> per Trace	Tokens per LLM Call	Cost	HW Util.
<u>LangSmith</u>	Trace	Yes		Yes					Yes			Yes		
HumanLoop	RR	Yes		Yes					No			No		
<u>Qwak</u>	Trace	Ye	Yes					Yes			Yes			
<u>Helicone</u>	RR	Ye	Yes					Yes			Yes			
<u>Langfuse</u>	Trace	Ye	Yes					Yes			Yes			
<u>Dynatrace</u>	Trace	Yes		Yes (very simple)					Yes			,	Yes	
Pheonix (Arize)	Trace	Yes		Yes				Yes			Yes (cost – Arize)			
Lunary	Trace	Yes		Yes					Yes			Yes (cost)		
<u>LangKit</u> (WhyLabs)	Trace	Yes		No (?)					No (?)		No (?)			
<u>Laminar</u>	Trace	Yes		Yes					Yes				No	
TraceLoop	Trace	Ye	Yes				Yes				No			
DataDog	RR	Ye	Yes				Yes			Yes (cost)				

Focusing on low level details, primarily collecting traces and runs consisting of LLM calls, Vector DB calls, user prompts, and associated metrics (e.g., volume, latency, token counts, resource utilization, etc.).

- OpenLLMetry https://github.com/traceloop/openllmetry Use existing standard OpenTelemetry instrumentations for LLM providers and Vector DBs
- Support some new LLM-specific extensions for example OpenAI, Anthropic API calls

Raibahadur et al., Alware Leadership Bootcamp, Toronto, Canada, 2024



Testing













General Observability Framework

Captures functional metrics and FM/agent cognitive processes, enabling traceability across decision-making stages.

Plane Flight Recorder for Agents

Selectively logs reasoning steps and communications to trace decision-making pathways.

Observability Analytics Engine

Visualizes events at high abstraction levels, aiding root cause analysis in complex workflows.

Surrogate Agent for Debugging

Mitigates observer effects by reasoning verbosely, offering transparent insights without altering original behavior.





Testing



Observability









Lack of controlled-execution mechanisms

Without tools like feature flags, staging environments, or canary releases, testing changes before full deployment becomes risky.

Ineffective FM update mechanisms

Fixes can take months, and updates are non-deterministic—providing more training data does not ensure specific issues are resolved.



Challenges for Production-Ready FMware – SOTA Overview

Challenges of Non- Deterministic Outputs

FMware's unpredictability leads to varying execution paths, making traditional deterministic testing methods ineffective.

Need for Controlled Execution Frameworks

The lack of repeatable execution and exploratory testing tools hinders efficient failure identification and performance optimization.

Testing and Verification Limitations

Limited control over cloud-hosted models and insufficient release documentation impede verifying updates and building user trust.





Testing



Observability





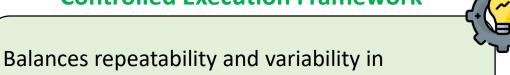
Resource-aware QA



Feedback Integration



Controlled Execution Framework



Balances repeatability and variability in execution paths for thorough testing and validation.



Ensures consistent execution flows via snapshots and monosemantic units, enabling precise debugging and fix verification.

Guided Exploration Engine

Systematically varies inputs and decisions to explore alternative paths, uncover hidden bugs, and enhance system robustness.



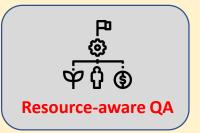


Testing



Observability









Low data efficiency

Accurately estimating inbound and outbound data volume is crucial for production-ready FMware, impacting both budget and performance.

High cost of regression testing

As FM APIs evolve, performance can degrade silently, making it essential to frequently re-evaluate across numerous scenarios to ensure system reliability.

Ineffective and inefficient Alas-judge technologies

Existing tools often miss nuanced complexities in FMware making them inadequate for production systems



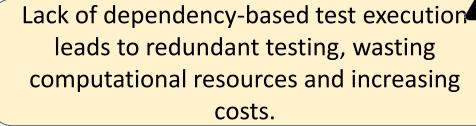
Challenges for Production-Ready FMware – SOTA Overview

Lack of FMware native caching

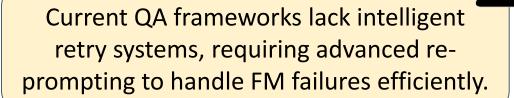


Traditional caching fails to handle FMware's dynamic nature

Test Optimization Issues



Lack of Retry Mechanisms







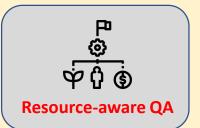
Testing



Observability



Controlled Execution





Feedback Integration



Resource-Aware QA Framework

Reduces FM calls and computational overhead with intelligent caching and dynamic test optimization.



FMware-Native Caching

Stores and reuses query results, ensuring cache integrity and efficiency during large-scale testing.

Test Execution Optimization

Dynamically prioritizes and groups tests to minimize resource use and detect defects early.



Adapts prompts and validates responses to handle FM unpredictability, preventing repeated failures.









Observability









Lack of efficient feedback technology

Production environments, unlike demos, require automated, iterative feedback systems to enable continuous learning, performance optimization, and user engagement.

Error prone in-memory knowledge management

Conflicting knowledge within memory systems can lead to inconsistencies and errors when FMs must navigate between contradictory pieces of information.



Challenges for Production-Ready FMware – SOTA Overview

Inadequate Feedback Mechanisms

Reliance on explicit, ad-hoc methods fails to enable passive, scalable feedback collection essential for real-time FMware refinement in production.



Feedback Differentiation

Lack of a framework to manage universal outer knowledge vs. user-specific inner knowledge feedback leads to overlooked insights and inconsistent performance.

Fragmented Feedback Integration

Poor memory and context management across FMware systems hinder synchronization and consistency in leveraging feedback effectively





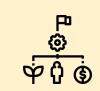
Testing



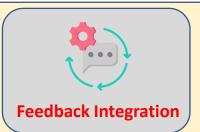
Observability



Controlled Execution



Resource-aware QA





Feedback Integration Framework

Captures, processes, and acts on user feedback for continuous FMware improvement.



Passively collects implicit cues (e.g., hesitations, corrections) during user interactions for real-time analysis.

Guided Exploration Engine

Differentiates "outer" and "inner" knowledge, enabling scalable, user-specific, and global optimizations through federated learning.





Testing



Observability



Controlled Execution



Resource-aware QA



Feedback Integration



God prompts

God prompts" that try to handle multiple tasks at once lead to unpredictable outputs and complicate debugging and maintenance

God agents

Monolithic "God agents" handling many tasks create complexity and maintenance challenges in production.

Overreliance on FM's planning capability

Relying solely on an FM's planning capabilities introduces risks like unpredictability and lack of transparency, often leading to errors and unreliable outcomes

Challenges for Production-Ready FMware – SOTA Overview

Poor development practices

"God prompts" and "God agents" hinder modularity, scalability, and debugging, complicating FMware development.

Unstructured Knowledge Management

Reliance on raw data in vector databases degrades performance; improved tools and formalized curricula are needed for efficient compositional skill-building.

Immature QA and Compliance Mechanisms

Lack of built-in prompt validation and incomplete compliance frameworks leave FMware prone to unpredictable behavior and legal risks.





Testing



Observability



Controlled Execution



Resource-aware QA



Feedback Integration



Knowledge Graphs and Curriculum Engineering

Shift from vector databases to knowledge graphs and use structured curriculum for compositional skill-building through collaborative Al-assisted co-creation.



Curriculum Optimization Tools

Automate QA to prune outdated data, remove redundancies, and ensure high-quality inputs for reliable FMware performance.

FMware Bill of Materials (FMwareBOM)

Extend SPDX 3.0 to track all components and licenses, ensuring legal compliance with automatic generation and formal verification.



Production-Ready FMware-Challenges and Core Technologies

	Challenge 1: Testing	Challenge 2: Observability	Challenge 3: Controlled Execution	Challenge 4: Resource-Aware QA	Challenge 5: Feedback Integration	Challenge 6: Built-in Quality
Recurrent issues	 Lack of assertion-based unit tests Lack of automated testing capabilities Text-based evaluation leads to overestimation of quality 	 Complexity of determining the rationale of failure (FM vs prompt limitations) Lack of FMwarenative observability 	Lack of controlled execution mechanisms makes verification of fixes very hard	 Low data efficiency Lack of latency handling mechanisms Lack of retry optimizations High cost of regression testing No Software Performance Engineering practices in place Ineffective and inefficient Al-as-judge technologies 	 Lack of efficient feedback technology (seamless solicitation and integration) Cumbersome and error- prone in-memory and across-memories knowledge management 	 Low domain coverage, Low data quality Lack of Built-in QA checks for prompts (Semantic and structured checking) Non-representative or insufficient Examples God prompts, God agents Low information density or irrelevant grounding data Overreliance on FM planning capability instead of step-wise or multi-agent planning and validation Lack of Hallucination guardrails
Core Technologies	 Automated test generation Next generation Al-as-judge framework 	 General Observability Framework Plane Flight Recorder for Agents Observability Analytics Engine Surrogate Agent 	 Controlled Execution Framework Repeatable Execution Framework Guided Exploration Engine 	 Resource-Aware QA Framework FMware-Native Caching Test Execution Optimization Retry Optimization System 	 Feedback Integration Framework Automatic Feedback Guided Exploration Engine 	 Knowledge Graphs and Curriculum Engineering Curriculum Optimization Tools FMware Bill of Materials (FMwareBOM)

for Debugging



Production-Ready FMware-Challenges and Core Technologies

Challenge 3: Challenge 1: Challenge 2: Challenge 4: Challenge 5: Challenge 6: Feedback Integration Observability Controlled **Built-in Quality Testing Resource-Aware** Execution QA · Lack of controlled · Low data efficiency Lack of efficient feedback Lack of assertion- Complexity of Low domain coverage, Low data based unit tests determining the Lack of latency handling technology (seamless quality execution Lack of automated rationale of failure mechanisms makes mechanisms solicitation and • Lack of Built-in QA checks for prompts verification of fixes (Semantic and structured checking) testing capabilities (FM vs prompt Lack of retry integration) **Recurrent issues** Text-based evaluation · Cumbersome and errorlimitations) very hard optimizations Non-representative or insufficient **Examples** leads to Lack of FMware- High cost of regression prone in-memory and • God prompts, God agents overestimation of native testing across-memories observability Low information density or irrelevant quality No Software knowledge management Performance grounding data Overreliance on FM planning capability Engineering practices in instead of step-wise or multi-agent place Ineffective and planning and validation Lack of Hallucination guardrails inefficient Al-as-judge technologies Controlled Resource-Aware OA **Feedback Integration** Knowledge Graphs and bility Execution Framework **Framework** Curriculum Engineering Framework FMware-Native **Automatic Feedback** Curriculum Optimization Tools Repeatable Guided Exploration FMware Bill of Materials ght Caching Execution Test Execution (FMwareBOM) for **Engine Optimization** Framework Guided Retry Optimization

System

Exploration