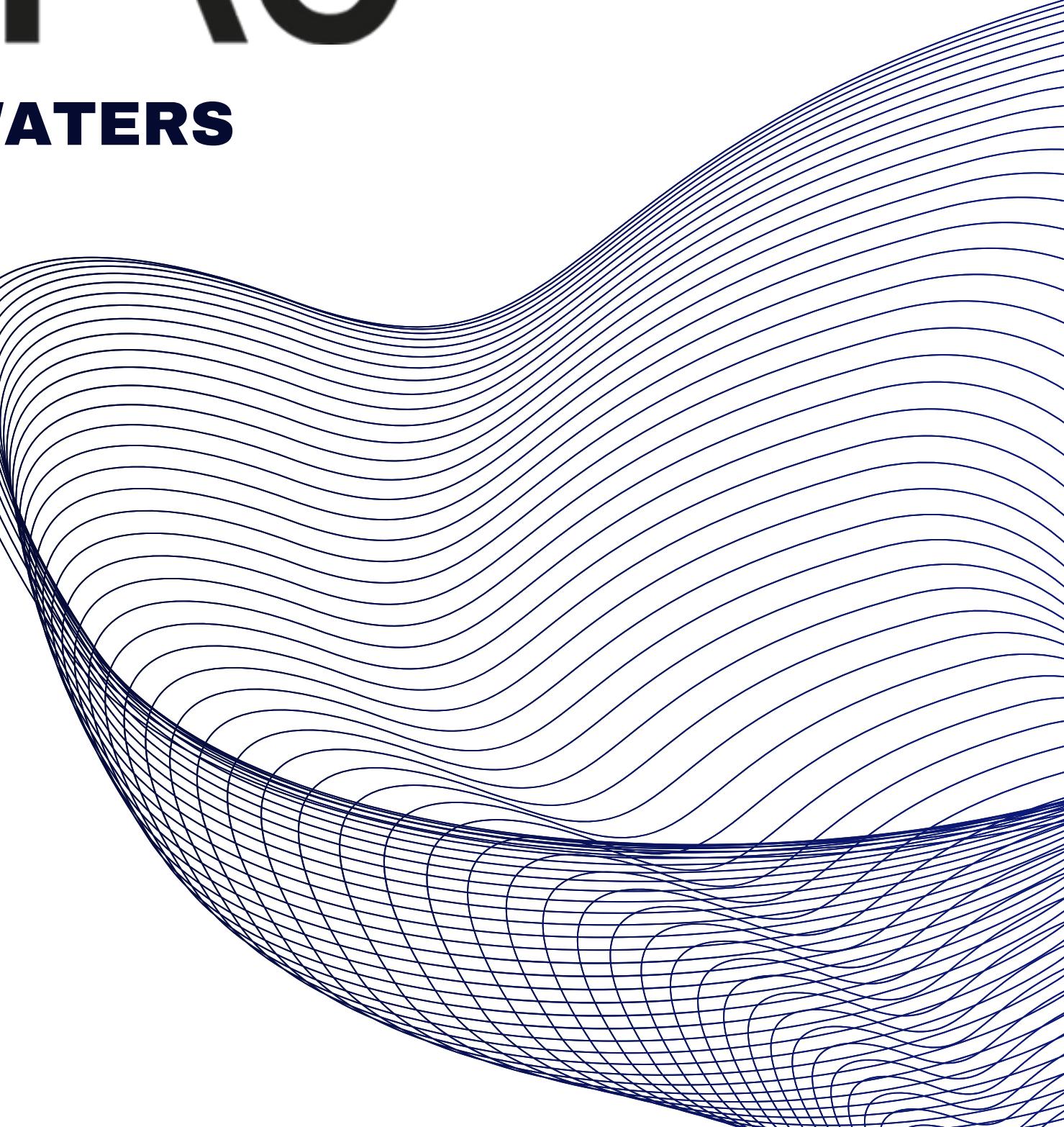


ANTHROPIC

NAVIGATING AI'S **RED WATERS**

Presented by:

Ankitha Ramachandran
Bhuvanendra Guttikonda
Lingxiang/Soar Zhang
Prakruthi Mavinakatti
Swati Singh



EXECUTIVE SUMMARY

- Anthropic is leading the AI Revolution with Safety-First Innovation and Wit
- The AI industry's future will be driven by technological and political factors
- AI's Future is hinging on Technological Advancements and Government Regulations
- It needs to strike a balance between AI Innovation and regulation in the future
- Anthropic can lead in safe AI through resource utilization, collaborations, and tech advancement in a competitive market
- The new era in AI will see the technology 'Goliaths' battle innovative 'Davids'
- 'Visionary' Anthropic should make strategic moves to shape the AI Cloud 2.0 World
- Anthropic should sequence its moves to enjoy competitive advantage in the turbulent seascape
- Forging a path towards ethical AI: Open Source LLMs, Collaborations, Work with Policymakers
- Anthropic should expand into Specialized LLMs and AI Chip Ownership with Graphcore
- Anthropic's longterm roadmap: IPO Plans, Startup Investments, and Global Expansion for a Self-Reliant AI Future

Anthropic is leading the AI Revolution with Safety-First Innovation and Wit

Anthropic is an American AI startup founded in 2021 by siblings Dario and Daniela Amodei, along with a group of former OpenAI colleagues.

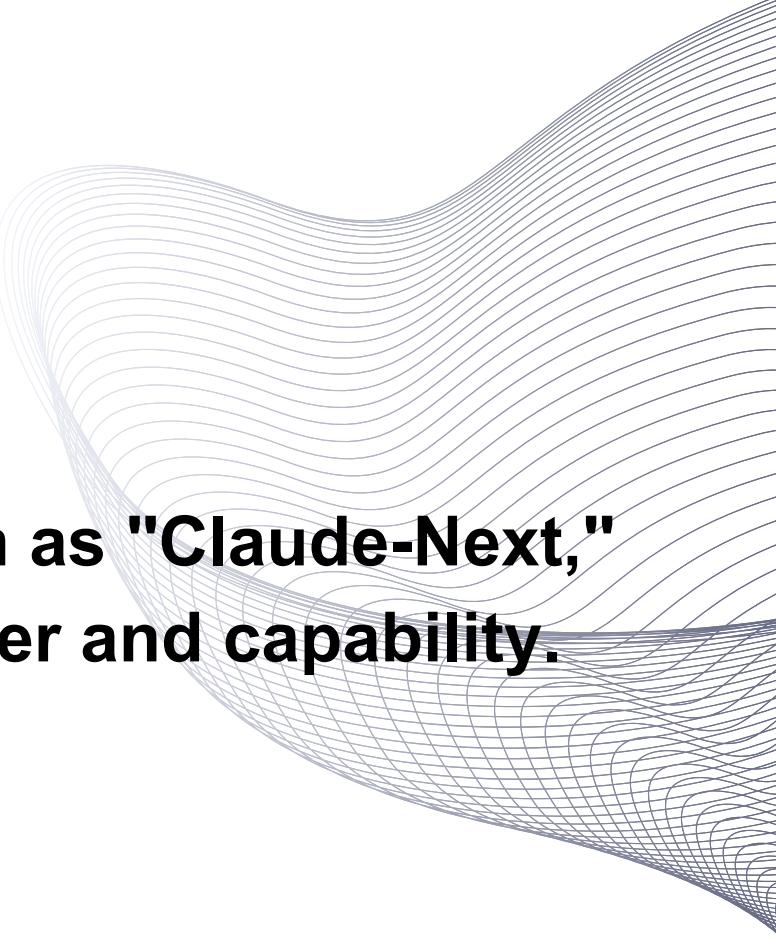
The company has rapidly emerged as a leading player in the field of artificial intelligence, with a core mission to develop safe and responsible AI by integrating safety principles into the AI industry.

Founding Vision: Helpful, Honest, and Harmless (HHH)

Distinctive Approach : Constitutional AI, Wit and Personality, Broad Offerings

Strategic Alliances & Notable Partnerships : Google, Amazon investing in the company

Future Ambitions: The company aims to create a groundbreaking "frontier model" known as "Claude-Next," expected to outperform today's most advanced AI systems by a factor of ten in both power and capability.



The AI industry's future will be driven by technological and political factors

S

Societal

Concerns regarding ethical use of AI including bias, privacy and transparency

T

Technological

The rapid pace of technological advancements in AI and natural language processing (NLP)

E

Environmental

Cost of computation-data and AI's carbon footprint and greenhouse gas emissions

E

Economic

Financial investments needed to develop and maintain the LLM models

P

Political

Government regulation around AI including any data protection laws

AI's Future: Hinging on Technological Advancements and Government Regulations

Slow
advancements in
AI development

Technological Uncertainty

The pace of advancements in NLP's and LLM's to develop safe, reliable, explainable and robust systems is unpredictable

Rapid

advancements in
AI development

US does not
set up a
regulatory
body for AI
by 2030

Political Uncertainty

AI's ethical and privacy implications is under government scrutiny
US Senate is currently preparing to draft legislation to regulate the industry

US sets up a
regulatory body
for AI by 2030

Striking a Balance Between AI Innovation and Regulation in the Future

US does not set up a regulatory body for AI by 2030

Rapid Technology Advancements



The wild and unregulated growth

The market is flooded with AI solutions, leading to fierce competition. Rapid AI advancements drive competition and innovation in all industries. While innovation thrives, concerns about ethics, misuse, and privacy breaches become rampant.

Ethical AI wins

The industry sees a surge in R&D investments to both innovate and comply with regulations. There's a focus on transparent, ethical AI solutions. The public gains confidence in AI due to stringent safety measures. AI serves as a tool for collective betterment without compromising individual rights and values.

AI Progress Crawls with Few Rules

The industry sees slow, incremental growth. AI companies have more room to experiment but may not achieve significant breakthroughs. The public remains cautious about AI due to concerns about unchecked developments and potential risks.

Industry Grapples with Regulatory Hurdles

The industry faces stagnation. AI companies face regulatory hurdles and struggle to keep up with compliance. Companies that can't adapt quickly face significant challenges. Only established players with significant resources can navigate the landscape.

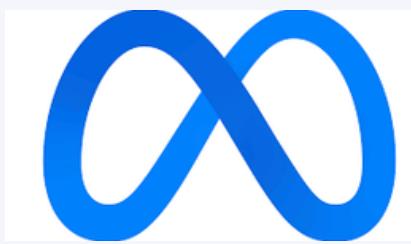
US sets up a regulatory body for AI by 2030

Anthropic can lead in safe AI through resource utilization, collaborations, and tech advancements in a competitive market

| D | O | T | S |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Drivers | Opportunities | Threats | Strategies |
| <ul style="list-style-type: none">• Growing need for safe and responsible AI due to risks regarding ethics and data privacy• Rising investment in the development of AI• Increasing availability of large datasets to train AI | <ul style="list-style-type: none">• Invest in R&D to keep up with the competition and technology advancements• Help governments use AI safely and responsibly• Provide consulting and training services to other companies to use AI responsibly | <ul style="list-style-type: none">• Growing competition from tech giants such as Microsoft and Meta• Potential for AI to be used for malicious purposes• Low technical advancements in AI industry due to lack of market growth | <p>Horizon 1: Open Source LLMs, Collaborate with other companies, and Work with Policymakers</p> <p>Horizon 2: Expand into Specialized LLMs and startup investments</p> <p>Horizon 3: Launch IPO, AI chip investments, and Global Expansion</p> |

The new era in Tech will see the ‘Tech Goliaths’ battle the innovative ‘Davids’

INCUMBENTS



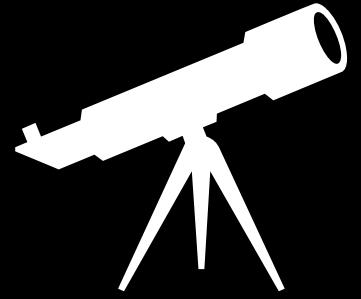
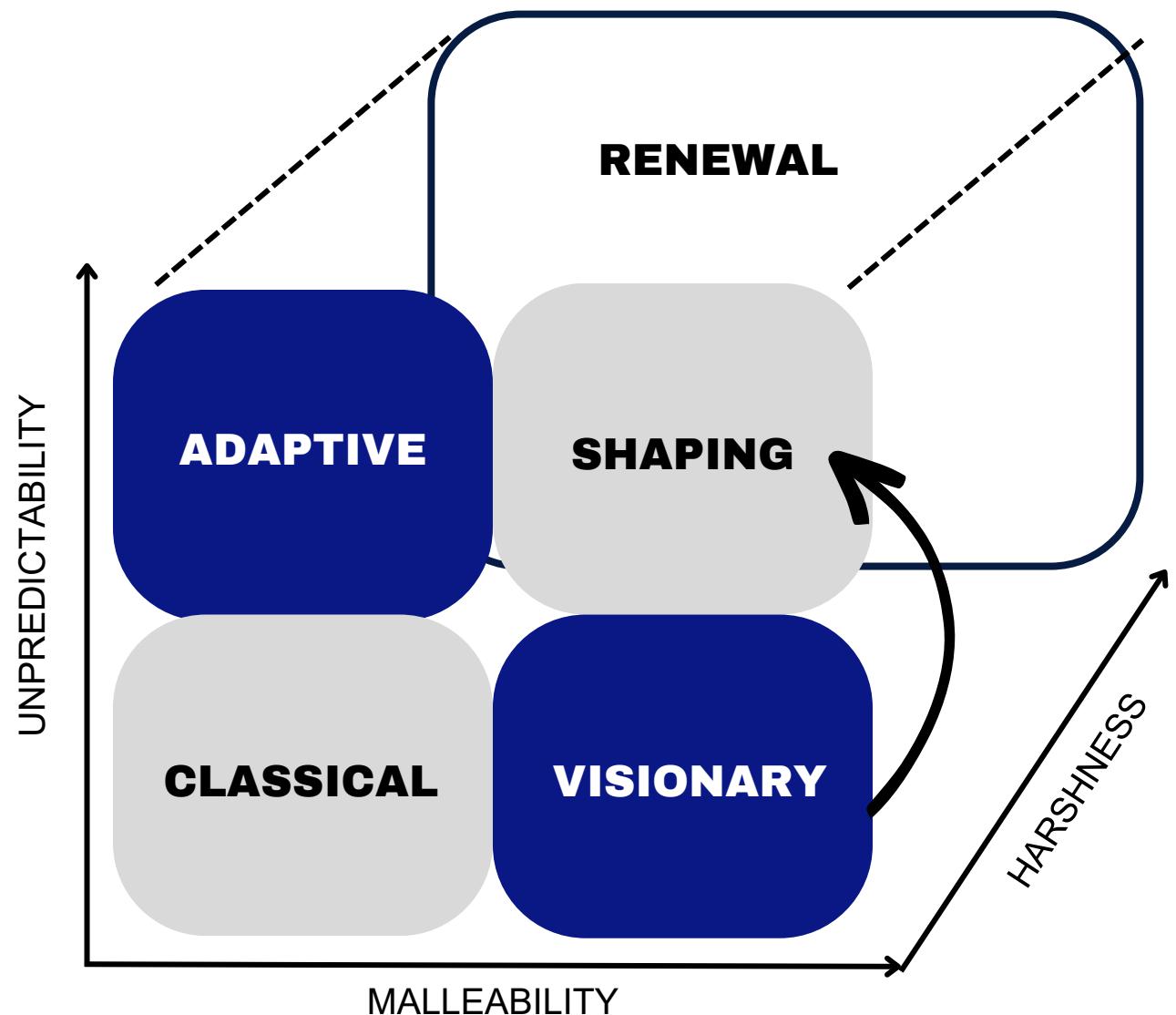
INSURGENTS



ADJACENTS

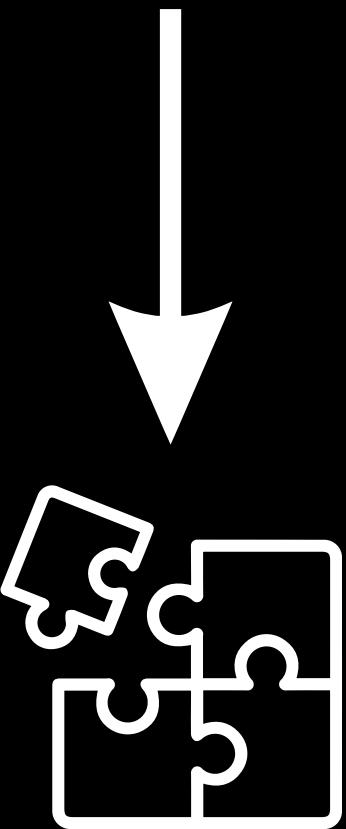


'Visionary' Anthropic should make strategic moves to 'Shape' the AI Cloud 2.0 World



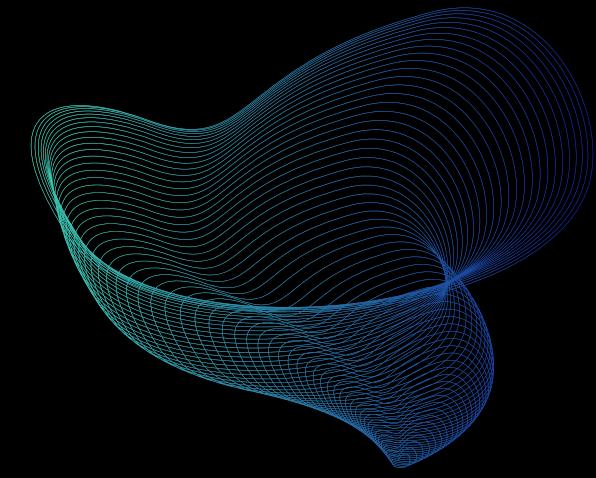
Visionary Approach

- Transformed the industry from 'Search' to 'Explain'
- Introduced constitutional AI in the AI ecosystem
- Recognized the urgent need for safe, ethical and responsible AI



Shaping Approach

- Strategic partnerships to leverage resources
- Foster collaborations to build and lead the market
- Influencing the development of AI industry by coordination



AI

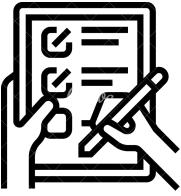
ANTHROPIC

Business Model Canvas



Key Partners

- Google, Amazon, SAP, and Salesforce: formidable partners attracted into Anthropic's orbit.
- Sourcegraph: A strategic partnership to bolster Claude 2's coding capabilities.
- Boston Consulting Group (BCG), Scale, and Zoom: Collaborations to bring Claude's capabilities to enterprises.



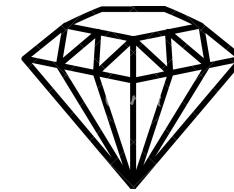
Key Activities

- Development and enhancement of AI models, such as Claude 2.
- Strategic partnerships to enhance AI capabilities and reach.
- Monetization strategies, including premium subscription plans.



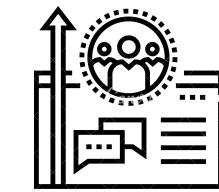
Key Resources

- Claude 2, a cutting-edge AI model with enhanced efficiency.
- Accessible API through a public-facing beta website.
- Strategic partnerships providing technological and market access.



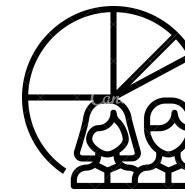
Value Propositions

- Commitment to safety and responsible AI.
- Offering AI models that can articulate their thought processes and have an extended memory span.
- Claude 2's enhanced coding capabilities.



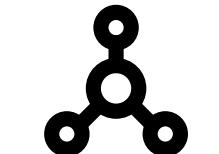
Customer Relationship

- Premium subscription plans like Claude Pro to enrich the chatbot experience for users.
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Customer Segments

- Enterprises looking to leverage AI capabilities.
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Channels

- Direct channels like the Claude.ai website.
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Cost Structure

- Research and development for AI advancements.
- Partnerships and collaborations.
- Maintenance of the public-facing beta website and other platforms.

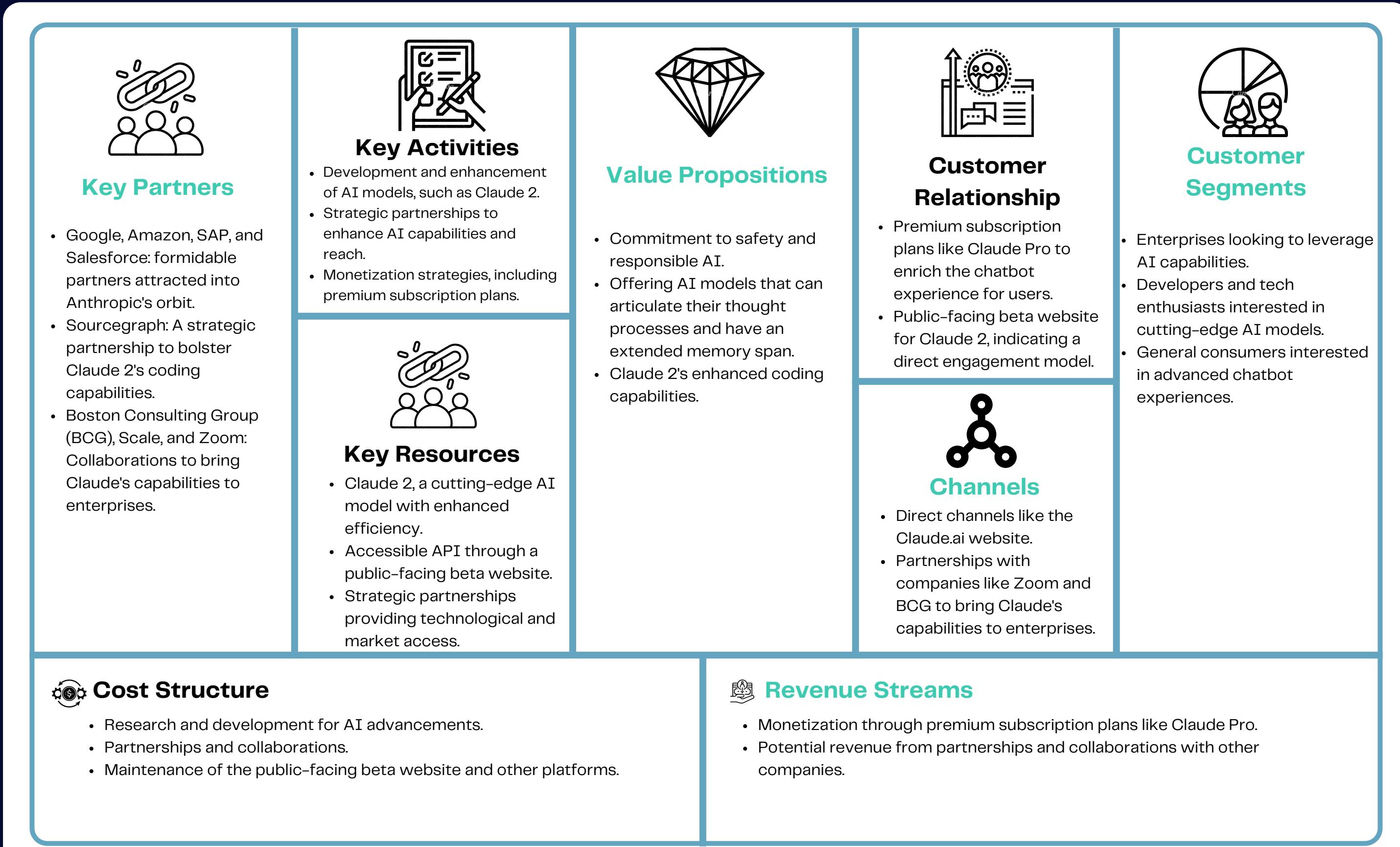
Revenue Streams

- Monetization through premium subscription plans like Claude Pro.
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AI

ANTHROPIC

Business Model Canvas



AI

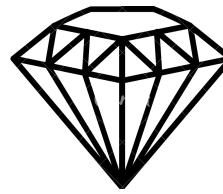
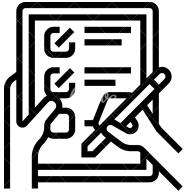
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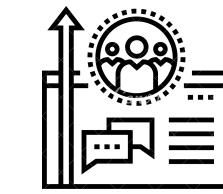


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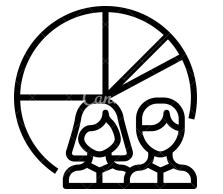


- As Anthropic grows, some partnerships might become less beneficial, or new potential partners might emerge in the industry.
- Gradually reduce reliance on large tech company platforms, ensure independence in technological research and development, and collaborate with or invest in more emerging tech companies to develop AI that aligns with Anthropic's ethical visions.



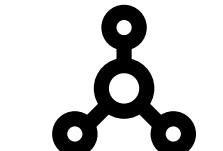
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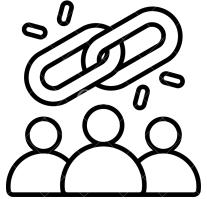
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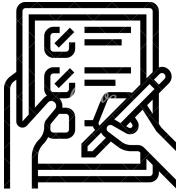
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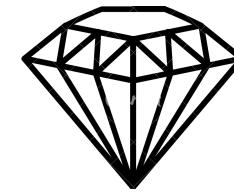
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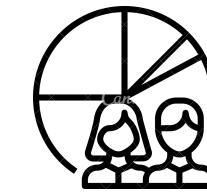
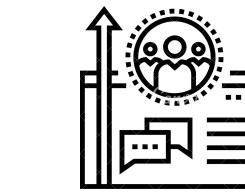
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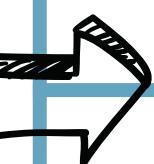
Value Propositions

- Commitment to safety and responsible AI.
- Offering AI models that can articulate their thought processes and have an extended memory span.
- Claude 2's enhanced coding capabilities.



Potential Change:

- Maintain the original intention of developing tech safely, but considering the shift in user demand from searching to explaining with AI assistants, there might be further, more humanized and user-friendly needs in the future.
- Example: Anthropic might need to enhance Claude's capabilities or introduce new, groundbreaking features to stay ahead.



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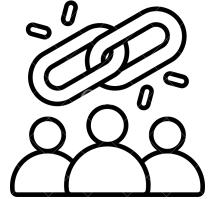
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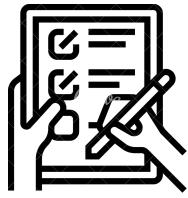
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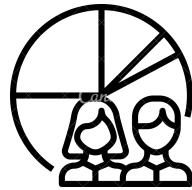
Key Activities

- Potential Change: Relying heavily on a few major platforms or partners might limit Anthropic's reach or make them too dependent.
- In case tech giants decide to prioritize their own AI solutions over Anthropic's, Anthropic might need to quickly pivot and collaborate with more cloud service providers or focus more on developing its own platform.



Customer Relationship

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Customer Segments

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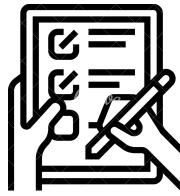
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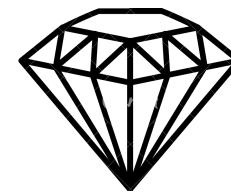
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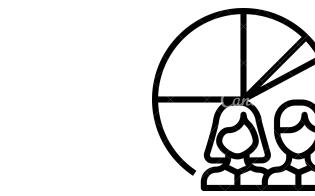
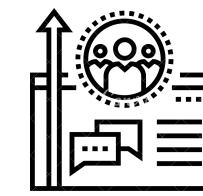


Key Resource

- Claude 2, a cutting-edge AI model with enhanced efficiency.
- Accessible API through public-facing beta website.
- Strategic partnerships providing technological market access.



- Potential Change:** As the AI industry evolves, new user needs might emerge, requiring specialized AI solutions.
- If there's a surge in demand for AI-driven healthcare solutions, Anthropic might consider introducing a version of Claude specifically tailored for medical professionals, offering medical diagnoses or patient care solutions.



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Cost Structure

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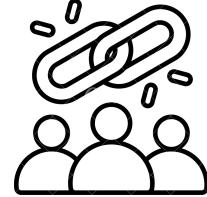
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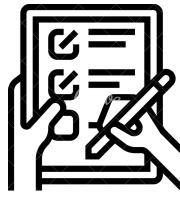
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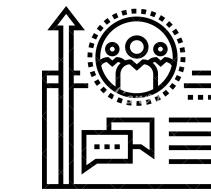


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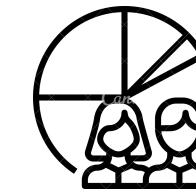
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- Potential Change: The subscription model for Claude Pro might face saturation as users look for more flexible payment options or bundled services.



- Anthropic could introduce a pay-as-you-go model or bundle Claude Pro with other services, like advanced coding solutions or industry-specific tools, offering package deals to enterprises.



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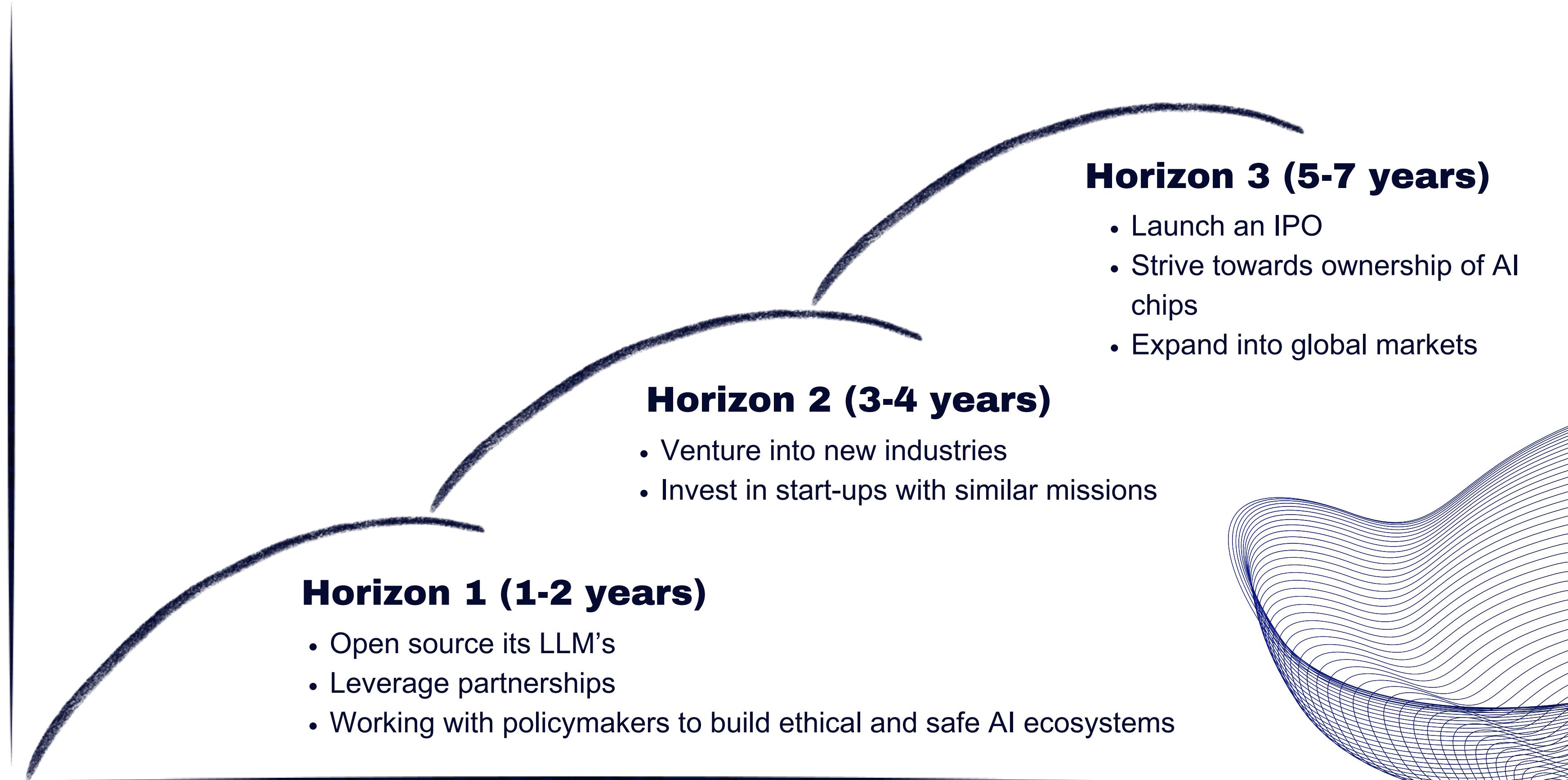
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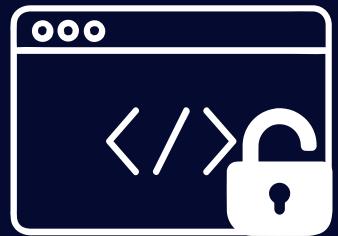
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Anthropic should sequence its moves to enjoy competitive advantage in the turbulent seascape



Forging a path towards ethical AI: Open Source LLMs, Collaborations, Work with Policymakers

Horizon 1 (1-2 years)



Open source its LLM's

Open sourcing it's LLM would allow other researchers to use and improve the model. This could accelerate the development of safer and more powerful AI.



Leverage partnerships

Anthropic can expand its partnerships - for example integrate it's Claude chatbot with Alexa to introduce an AI-powered voice assistant that is safe and responsible.



Working with policymakers to build ethical and safe AI ecosystems

Anthropic has a team of leading AI researchers and experts who can provide input and guidance to government agencies on a range of AI-related issues, such as policy development, risk assessment, and technical challenges

Anthropic should expand into Specialized LLMs and Startup Investments

Horizon 2 (3-4 years)



Venture into new industries

Anthropic could focus on developing LLMs that are tailored to specific industries or applications, such as retail, finance, healthcare or manufacturing.



Invest in startups with similar missions

Anthropic should invest in other startups and upcoming companies which share its vision of building a safe and responsible AI

Anthropic's longterm roadmap: IPO Plans, AI chip investments, and Global Expansion for a Self-Reliant AI Future

Horizon 3 (5-7 years)



Launch an IPO to go Public

Anthropic should go public to reduce its dependency on its big investors such as Google and Amazon



Strive towards ownership of AI Chips

Anthropic should reduce dependency on other companies for AI chips through acquisitions: Acquire AI-Chipmaker Graphcore



Expand into global markets

Anthropic should venture into global markets (Asia, Africa and Europe) by partnering with local companies to offer safe AI solutions in regional languages

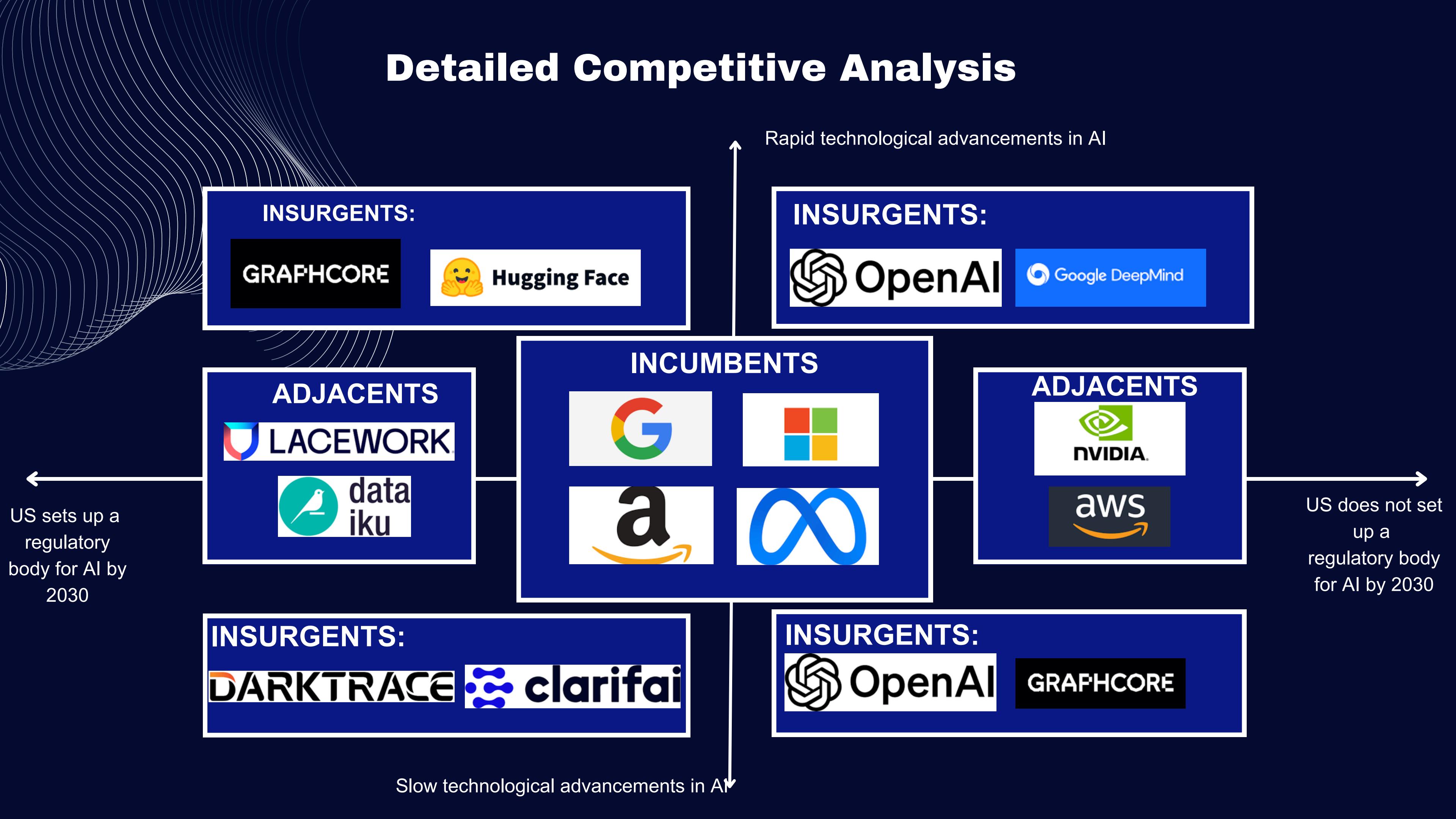
**What do you call an AI that's always trying to make
the world a better place?**

An anthropic optimist!

THANK YOU!

APPENDIX

Detailed Competitive Analysis



Detailed Scenario Planning for Anthropic

