



OpenAI

Revolutionizing the Future: Charting a Path Forward for OpenAI's vision of Responsible AI

Team 4



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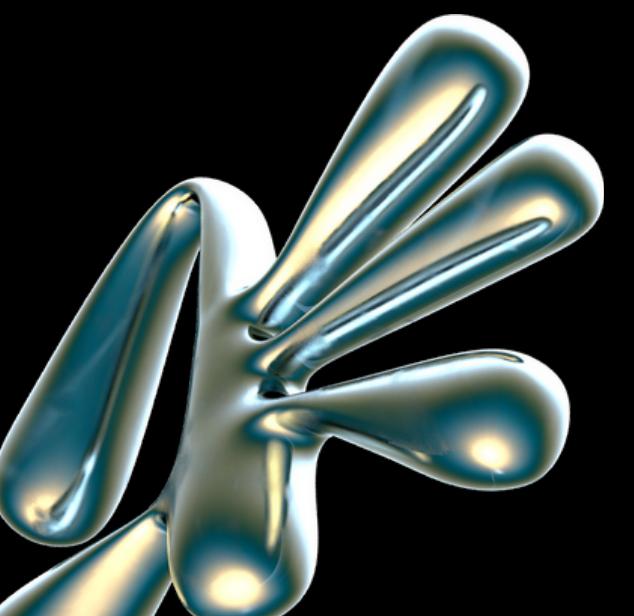


Hitakshi Bansal





OpenAI has ignited the AI spark allowing users to envision the possibilities and shape the future while riding the AI-seascape



Artificial intelligence revolution has begun and

Open AI has the first movers advantage to capture the market.

The direction in which AI technology will move is uncertain and huge investment is needed to continue the research in AI

OpenAI must focus on advancing AI technological capabilities responsibly and continue to shape the AI

Currently, OpenAI is a VISIONARY company.

Will it be able to sustain the competitive advantage in the turbulent future of AI?

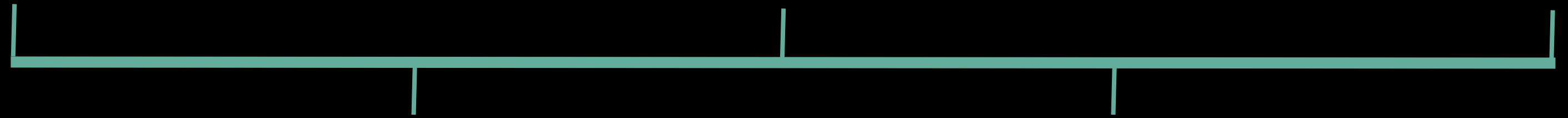


OpenAI's ChatGPT leads the AI revolution as the world migrates from SEARCH to EXPLAIN

2015
Open AI was founded as non-profit AI research lab

2019
Microsoft invested \$1B in OpenAI; mainstream AI adoption

January 2023
ChatGPT reaches 100M MAU, and Microsoft invested additional \$10B

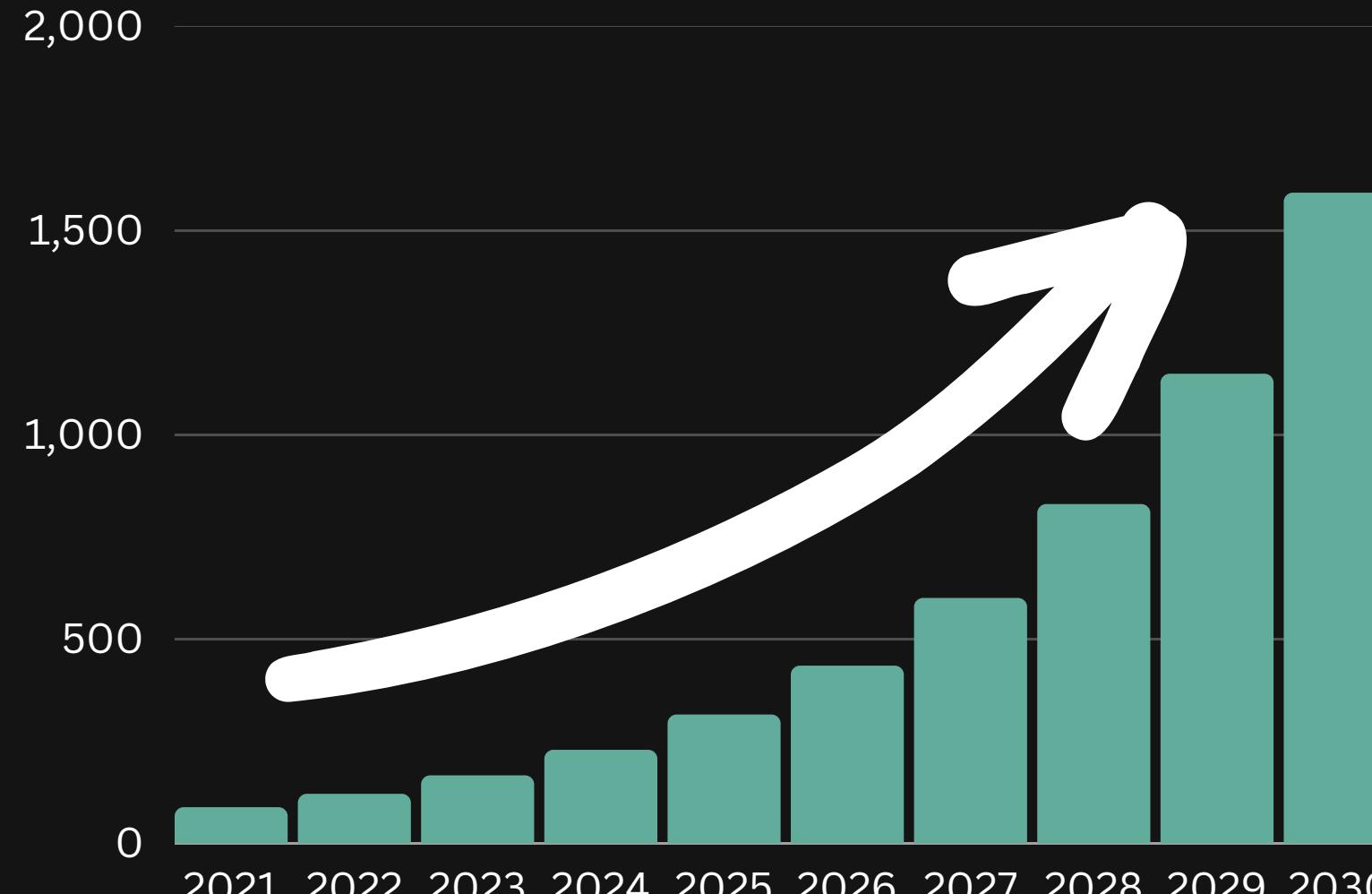


March 2019
OpenAI created a for-profit arm, OpenAI LP to raise capital

November 2022
AI chatbot ChatGPT released as an experiment



AI market has a huge forecasted growth and businesses are actively adopting AI



Artificial Intelligence Market Size. 2021 to 2030 (USD Billion)

CAGR: 38%

Source: <https://www.precedenceresearch.com/artificial-intelligence-market>



% of respondents say they have adopted AI in at least one business function

While AI adoption globally is 2.5x higher today than in 2017, it has levelled off over the past years

Source: <https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai-in-2022-and-a-half-decade-in-review>



The AI Revolution faces External Challenges: Keeping Pace with Technological Adoption and Ensuring Economic Viability

SOCIETAL

Major ethical implications:
Training data bias,
lack of accountability
fact-checking

Increasing adoption of generative AI:
Conversational AI like ChatGPT transformed how we interact with AI

TECHNOLOGICAL

AI is currently at an initial stage and how it will evolve is uncertain.

Open-source AI vs businesses:
Collaborators (like Google) stop providing Transformer as an open-source entity

Increasing prevalence of AI technologies:
Leads to unemployment and lack of creativity

ECONOMICAL

Lack of monetary investments to sustain AI development

The economy is at an all-time low:
Tech sector layoffs

ENVIRONMENTAL

High server running costs: Global tech sector produced 2-4% greenhouse gas emissions (3.82 tons carbon emission/day)

Address Climate Change: Using AI in environmental monitoring and prediction

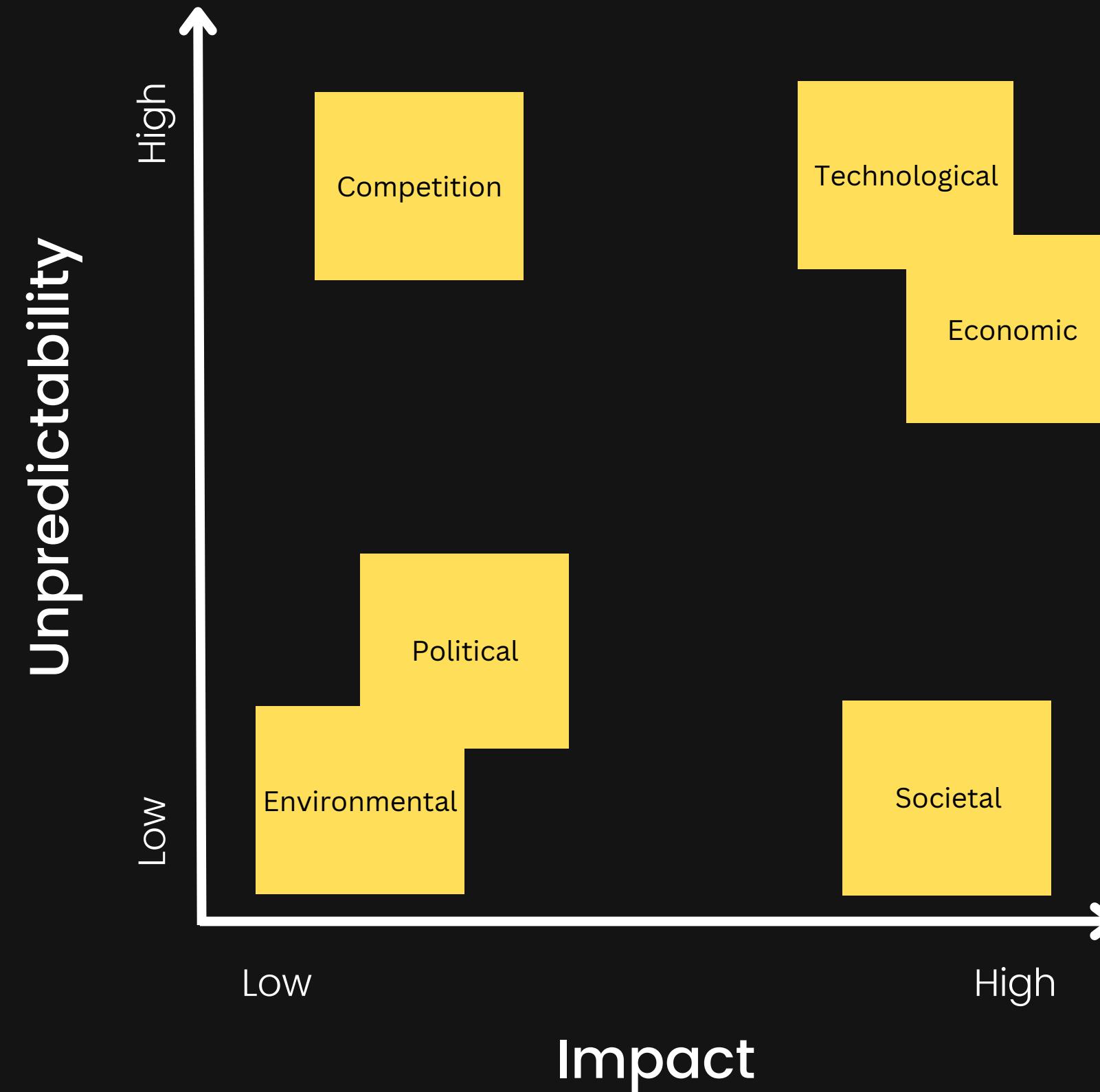
POLITICAL

Government funding in AI projects:
Privatization of AI, and banning the use of AI in given environments

Security and data privacy threat: Data privacy and ethics concerns



User adoption of AI affected primarily by the technological and economic uncertainties



- Technological evolution of AI is very uncertain as it is a self-learning technology with a lot of ethical and technical issues right now.
- The mission of OpenAI is to build AI supercomputers and move towards a safer AI world. The company might need heavy investments for building the capabilities.



OpenAI has revolutionized the AI space with its first mover advantage while incumbents are still trying to play catch-up

Incumbents



DeepMind



Insurgents

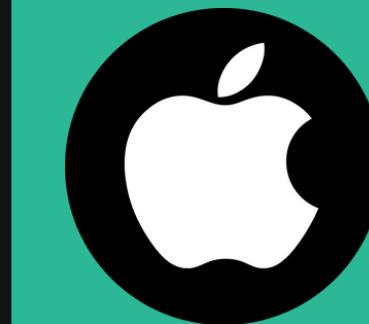


Hugging Face



AI21 labs

Adjacents



SAMSUNG

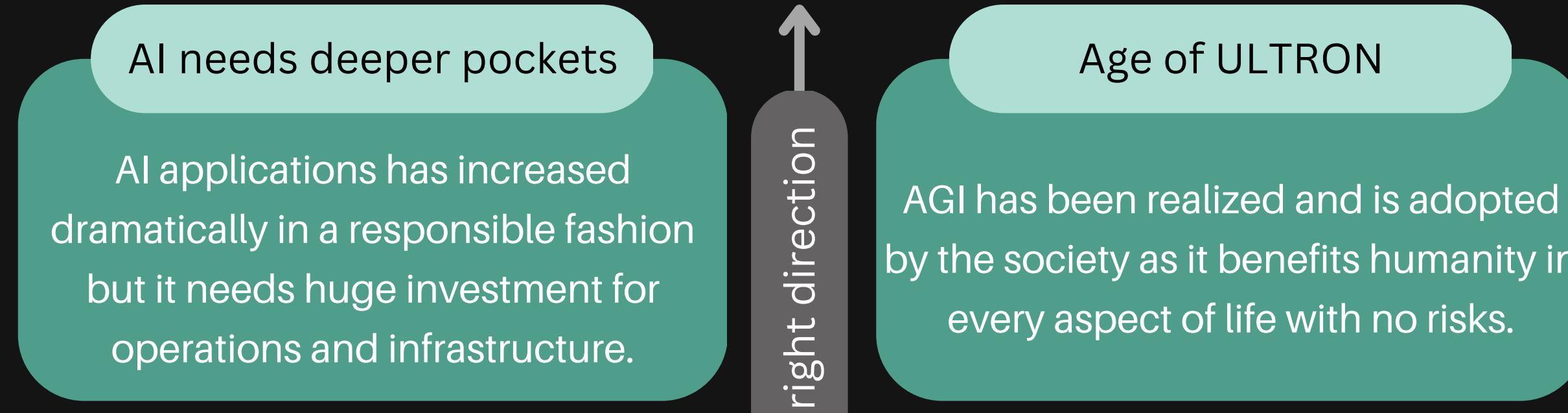


Uncertainties in monetary investment and responsible innovation impede AI Adoption & evolution



AI evolves with practical use cases
responsibly

Businesses and
people are not
investing in AI



↑
right direction

↓
AI evolves in

Businesses and
people are
investing in AI

AI capabilities not achieved and it
becomes a threat



OpenAI should prioritize safety and ethical issues in AI development and expand its revenue streams

D

Increasing demand & adoption of AI Technologies across various industries

Many companies are investing in AI R&D that provides more funding sources

Strong partnerships & collaborations with leading organizations to stay ahead of AI R&D

O

Commercialize its new AI innovations through licensing or selling software

Exploring AI Applications in new markets like Healthcare, Education

Educate startups & SMBs on how they can leverage AI Tech to improve their business efficiency

T

Ethical concerns - Amplifying incorrect information may worsen biases

Regulatory concerns - Data privacy breaches lead to lack of trust among B2B customers

Use of copyrighted data leads to legal troubles

S

We recommend a 3- phased solution:

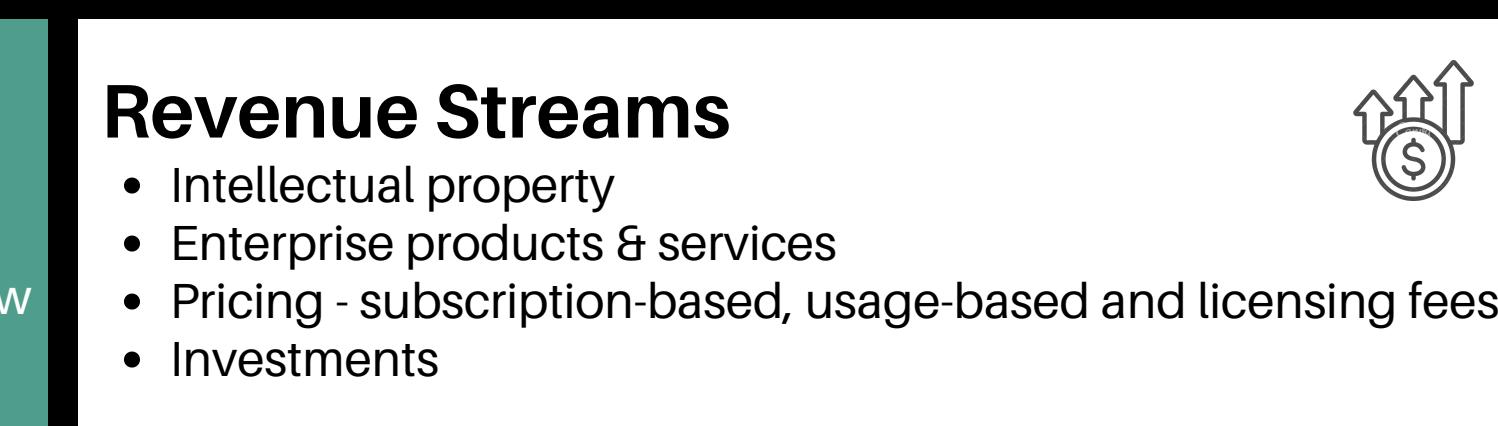
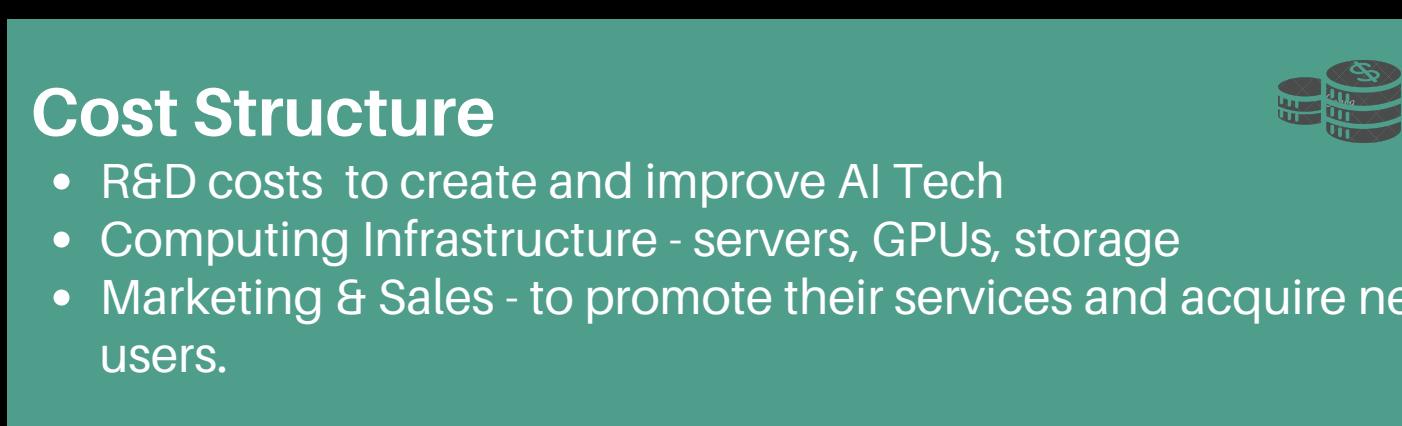
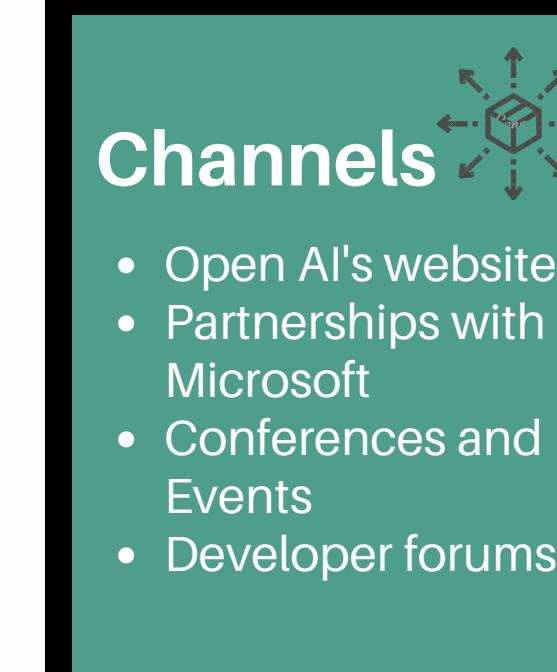
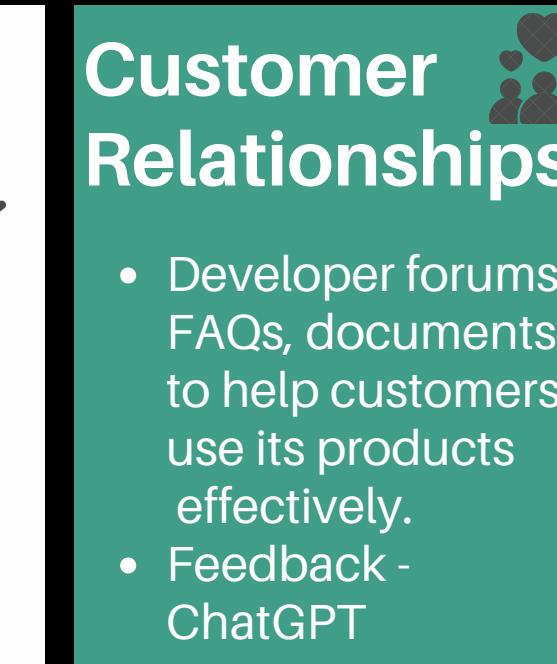
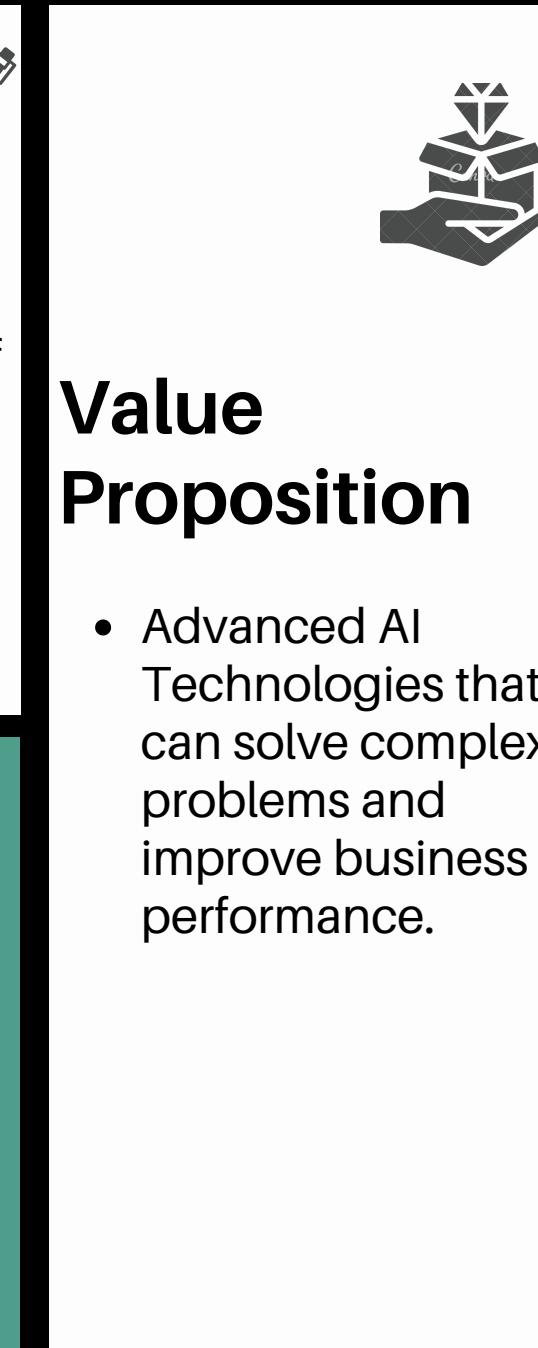
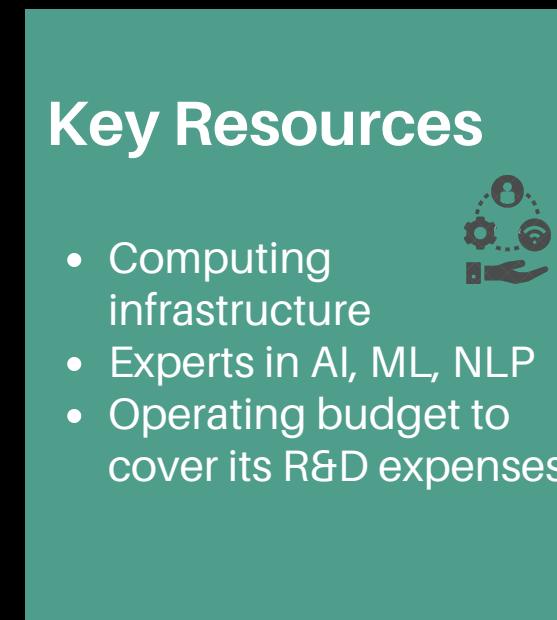
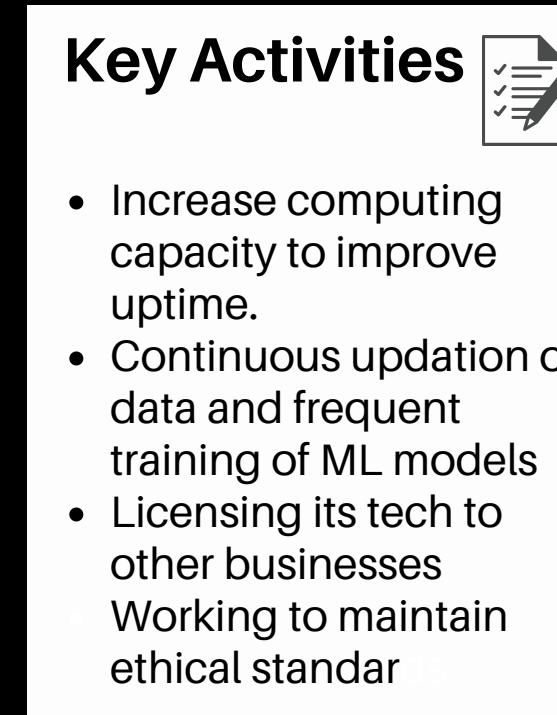
Address immediate technological issues by investing in computing infrastructure and prioritizing safety and ethical considerations in AI development

Expand revenue streams by creating and capturing value in new markets

OpenAI should continue to be a visionary company and eventually moves into 'Shaping'.



OpenAI creates value to B2B & B2C customers by solving complex problems and improving efficiency through its AI Tech



GPT-3

Codex

Dall-E

Fine-tuning

Embeddings



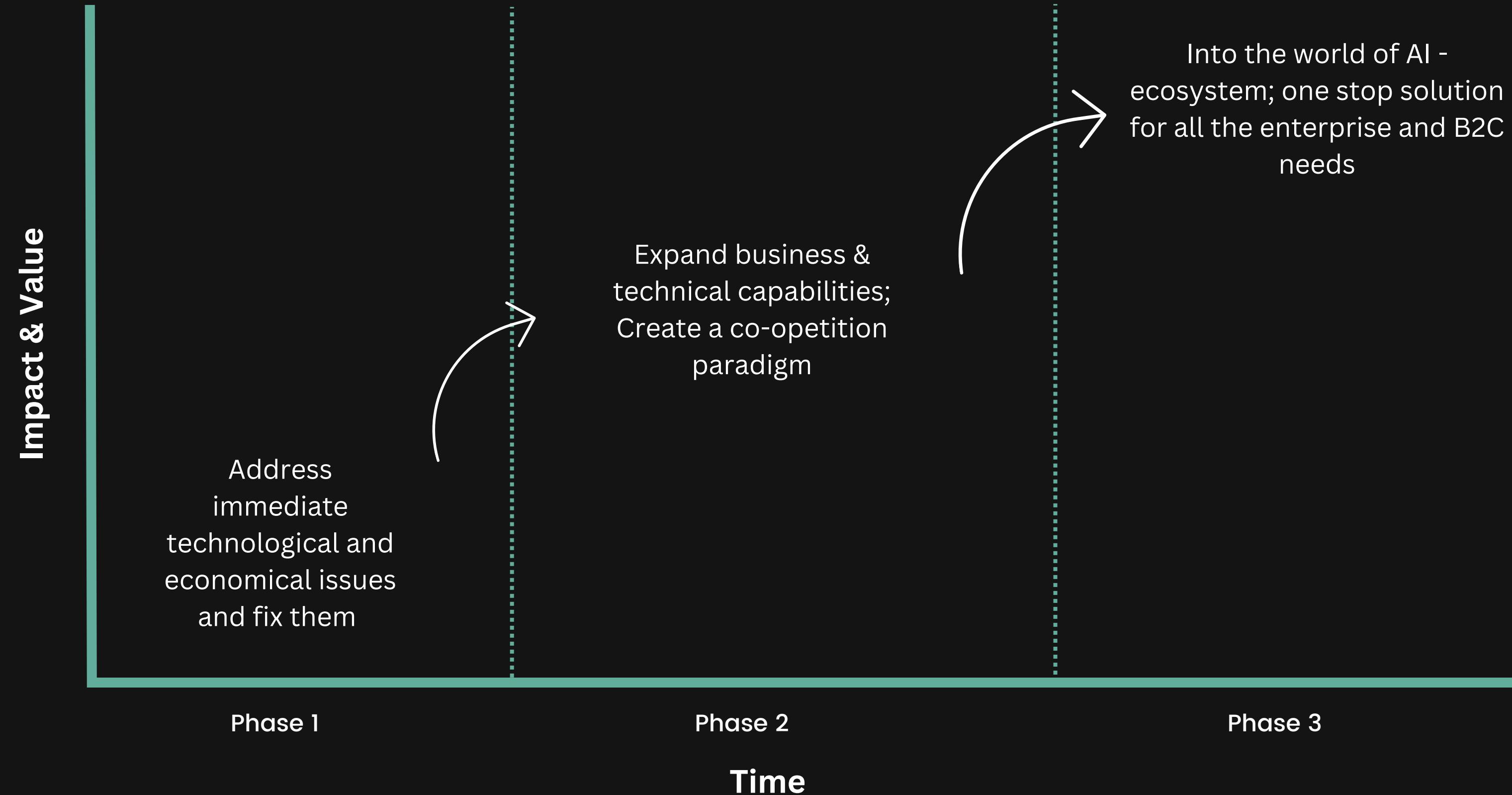
OpenAI must identify possibilities to create commercial products for individuals and businesses and ride the Blue Ocean by redesigning market dynamics

Blue Ocean Creation

Industry	Collaborate and partner with companies across various industries e.g. law, healthcare
Strategic Group	Look for strategic collaborations with companies to leverage the platform for building new products/services
Buyer Group	Discover new potential buyers for innovative solutions.
Scope of Product/Service Offering	Combine AI capabilities with existing solutions to make those more efficient. Build comprehensive one-stop solutions.
Functional-emotional Orientation	Redefine the requirements of the industry and make people feel safe with AI
Time	Shape the future of AI while with adequate safety precautions.



We recommend OpenAI to follow a 3-Phased plan to sail high in the AI seascape



Open AI should prioritizing safety and ethical considerations in AI development while increasing revenue and user base

Phase 1

Keeping up with the Technology!

- Increase compute resources by building IT infrastructure to **decrease Downtime**
- Continue to prioritize safety and ethical considerations in AI development
- Real-time database access - fewer access to info after 2021.

Be Economically Sustainable!

- **Increase revenue and user base** by prioritizing marketing and sales initiatives.
- **Explore new market - Creating Value:** Tailor comprehensive enterprise solutions for B2B.
- Promote education and awareness about AI
- Foster diversity and inclusivity in AI development





Expand business & technical capabilities; Create a co-opetition paradigm

Phase 2

Keeping up with the Technology!

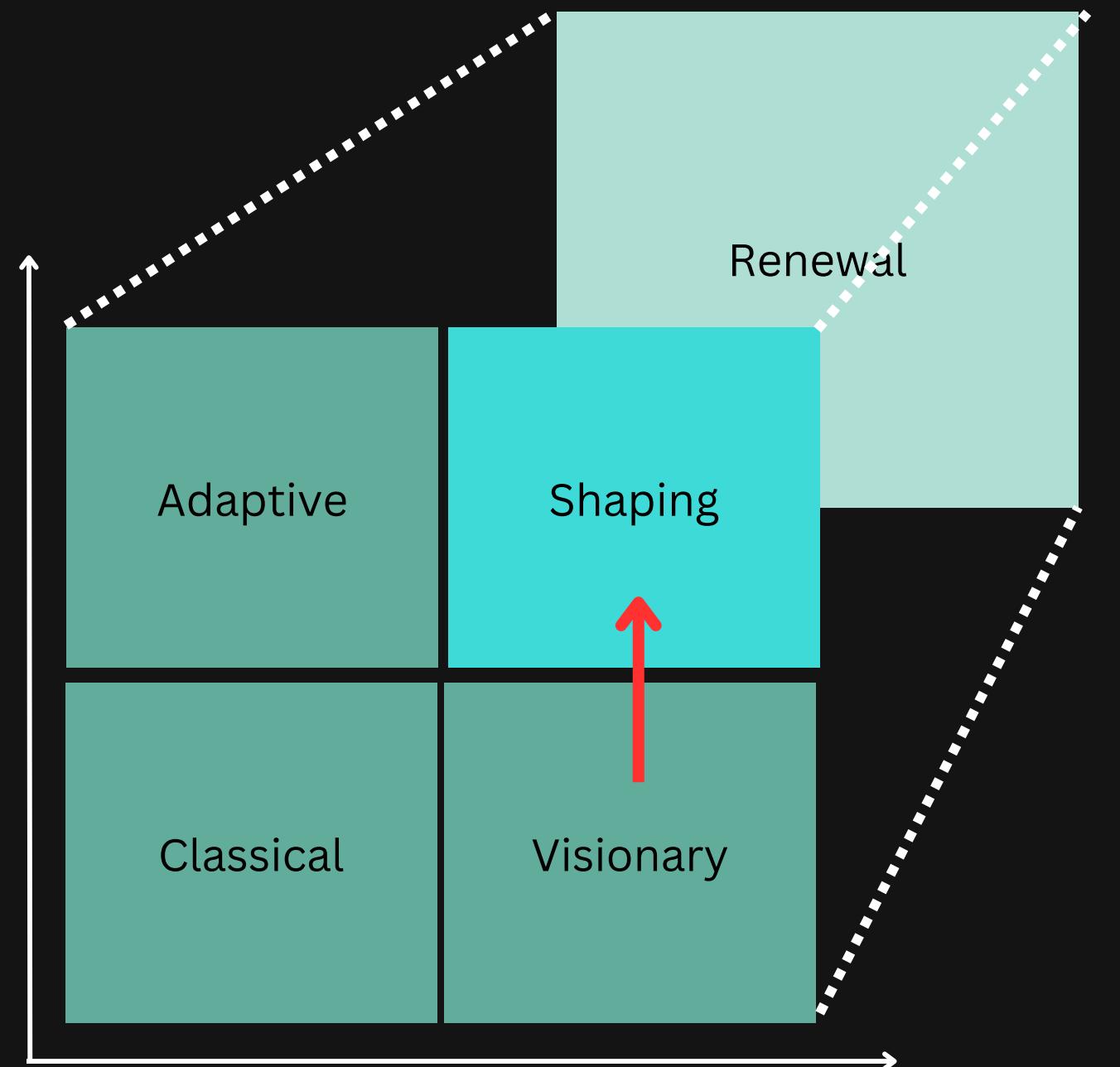
- Heavily **invest in R&D** to build own robust AI supercomputing capability.
- Symbiotic relationship with other platform owners. **Beyond Microsoft!**
- Partnering with Adjacents to be immune from initiatives by incumbents.

Co-opetition to deal with the Goliath

Be Economically Sustainable!

- Attract and retain top talent.
- **Explore new market - Capturing Value:** Expand revenue streams by expanding specialized products for targeted markets.
- Collaborate with academia and research institutions - **building a community!**
- Regulating the AI and leading the AI standardization; **An AI regulation Board!**

We believe that OpenAI needs Co-opetition to shape the future with responsible AI



OpenAI has reached maturity in the visionary domain, it should shift its focus to shaping through co-opetition.

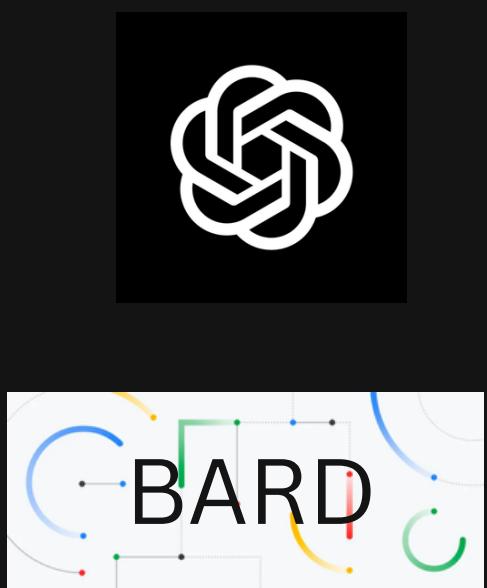


Understanding the types of AI language models and their impact on users in contemporary seascape



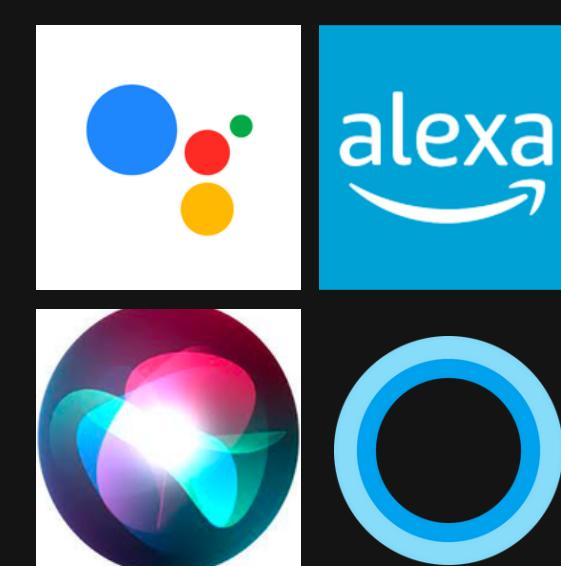
Kinds of NLP based AIs and it's functional difference

BERT, RoBERTa,
XL.NET, T5.

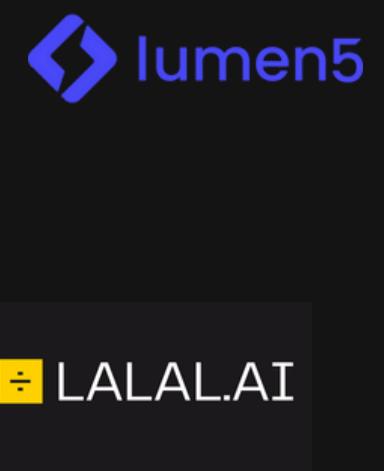
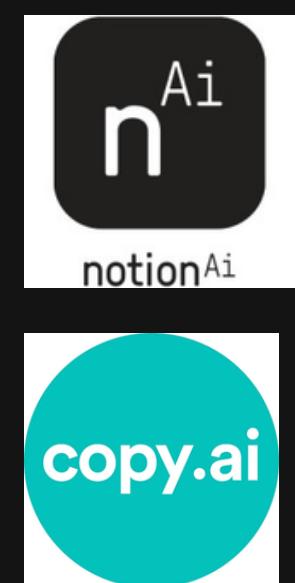


NLP Models

NLP based Human
like response
generating AI's



Voice based
Personal
Assistant AI's



AI's that
optimize your
mundane tasks





Revisit the first Iphone launch event at Macworld 2007 by Steve Jobs
- Ecosystem is the future

Revist the first class of Competitive strategy - Convenience is cash



IPOD



Phone



Internet



Birth of iPhone and
the Apple ecosystem;
rest is history!

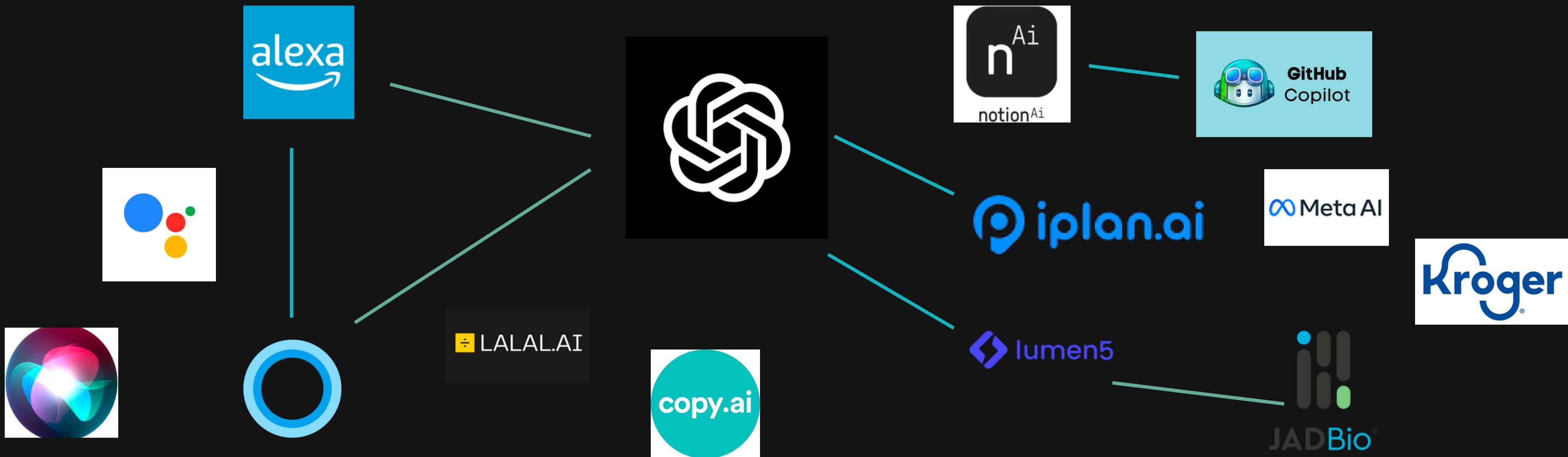


AI Ecosystem - OpenAI opens your endless potential!

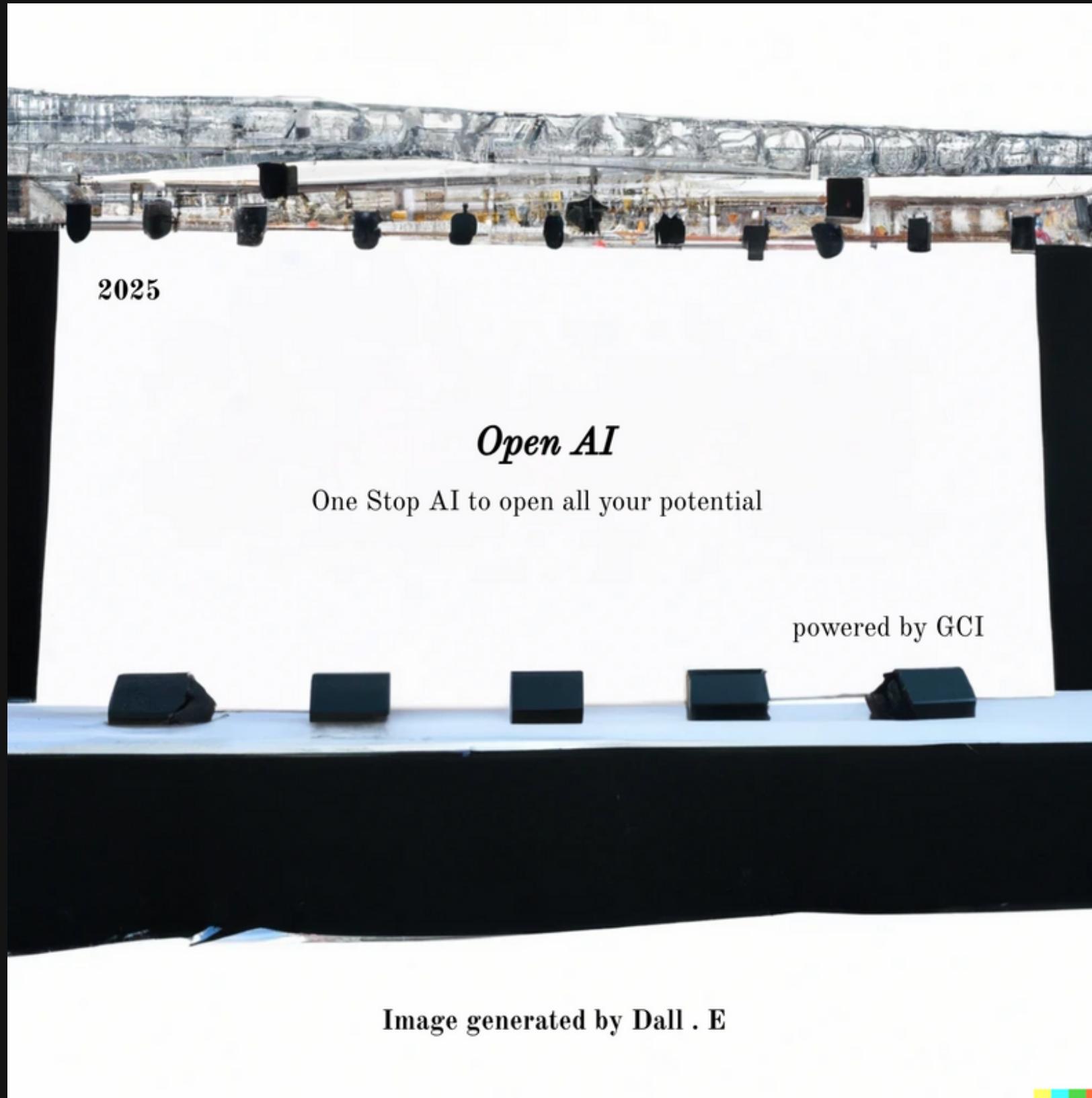
A dynamic and rapidly-evolving space, and OpenAI is at the forefront of this exciting development. By providing access to powerful socially responsible AI tools and fostering collaboration between researchers, developers, and other stakeholders.

Phase 3

JARVIS arrives with Friday! for your one stop AI solution



With the trajected potential of shaping the future, we  recommend the GCI board to invest in OpenAI



- Chance to be a key partner in shaping the future with a responsible AI.
- High return of investments & low risk of failures with our strong and tailored recommendations for the uncertainties ahead.



Open to Questions!