Lot of money to be made in this Cambrian explosion of AI

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The Consumer AI revolution (Late 2022 - Early 2023)

The Consumer AI revolution kicked off with LLMs like ChatGPT, Claude, Gemini, and Llama. Image generation tools like Dall-E 2 and Midjourney drove adoption and mass appeal.

Silicon Valley entrepreneurs, technocrats, and investors often offer solutions to problems that don't exist. In this case, the zeitgeist of tech captured the curiosity and imagination of the world.

Consumer AI is functionally adaptable straight out of the box. But its performance directly mirrors the quality and specificity of your input. If you know what you're doing, it's a life hack and force multiplier. If you don't, it's like giving orders to a big baby who thinks too much.

SILICON VALLEY DISPATCH

Cambrian explosion of AI (2023)

The Cambrian explosion of AI is a playground for developers and a battlefield for entrepreneurs. There was a time when AI was the domain of theorists and academics. Today, the frontier of AI is in the arena – sharpened by forces of supply and demand.

- **Productivity tools:** AI writing assistants, code generators, and meeting summarisers.
- **Creative tools:** Music composition, video editing, and 3D modelling assistants.
- **Personal AI assistants:** Custom chatbots, digital companions, notetakers.

The Cambrian explosion of AI was marked by rapid experimentation and a DIY ethos among developers and entrepreneurs. The fundamental building blocks of AI were battle-tested and improved in real time.

Enterprise AI shift (Late 2023 - Present)

Consumers are driven by novelty and curiosity. Businesses are driven by consistence and reliability. These days, it's no longer about nifty consumer-friendly applications that make you go "wow." It's all about long-term bets on fundamental AI ecosystems and enterprise solutions.

For example, Pactum facilitates autonomous negotiations for companies like Walmart, Vodafone, and Maersk. LangChain simplifies LLM application development by connecting models to data, combining them, sequencing prompts, and building agents.

- **Industry-specific AI:** Tailored solutions for healthcare, finance, legal, and other sectors (including mission-critical applications).
- **AI-powered business processes:** Automated customer service, predictive analytics, and supply chain optimisation.
- **Mission-critical AI:** Using AI in "no fail" situations (eg, litigation calendaring, financial engineering, medical software, defence).

Future of Enterprise AI: Adoption, Regulation, Wealth Creation

As AI touches more industries and businesses, it'll require more regulation. As AI gets more consumer adoption, it'll draw more scrutiny. In the space between what's technologically possible and legally permissible, there's a lot of money to be made.

The difference between this gold mine and 1800s California is that you can learn about AI and utilise its power from anywhere in the world. Unlike gold or Bitcoin, an AI application has utility beyond its perceived value – as both a technology and a piece of intellectual property.

Today, knowledge professionals use DIY automation to complete monkey work. Soon, they will be delegating both critical thinking and decision making. This transition will look like the proliferation of calculators among students in the late 1900s.

Did calculators make kids bad at math? I don't think so.

Will AI make professionals less effective? Probably not.

As we look forward to the evolution and biodiversity of AI ecosystems, it's worth noting that technology has a philosophical side.

For example, crypto loyalists have a `Fight Club' mentality about taking down our existing institutions including monetary systems and financial firms. They believe `Code is Law' and envision a future in which nations are replaced by decentralised autonomous organisations (DAO). Rather than the rule of law, they believe `Code is Law.'

AI loyalists think there's an AI-driven solution to all problems. They stand against regulation by default and espouse a hyperoptimistic vision of the future. The most zealous believe humans should be governed by artificial general intelligence (AGI).

Next time you think about AI, ask yourself where you stand and how you can benefit. There's plenty of opportunity, capital, and talent for you in the Cambrian explosion of AI.

Luke Kim is an operator and investor in frontier tech, building multimillion-dollar ventures in AI and Web3. He previously led the blockchain startup accelerator at UC Berkeley