

TREASURY & ASSURANCE

Properly managing budgets and mastering value analysis are essential for successfully scaling AI. TRAIIDA plans to deploy AI in three phases to manage financial commitments and economic risks: Boost (Phase 1), Expand (Phase 2), and Institutionalize (Phase 3).



1. CONDITIONS OF SUCCESS

The financial approach to large-scale AI integration is specific to each company's context. CAPEX (Capital Expenditure) and OPEX (Operating Expense) are not based on universal data. However, each company can follow an AI deployment plan to gradually gather the necessary information to control AI investments and optimize return on investment. To achieve this, TRAIIDA proposes a three-phase deployment:

- **Boost** (Phase #1): Implementation of a minimal viable architecture (semantic platform) to deploy AI at scale, focusing on productivity gains (see TRAIIDA's technical domain cards and business card on productivity).
- **Expand** (Phase #2): Enhancement of the minimal architecture to target initial creativity gains (see TRAIIDA's card on this topic).
- **Institutionalize** (Phase #3): Full-scale exploitation of the architecture to leverage AI for transforming business models.

During each phase, the company increases its mastery of AI, cost structures, profitability criteria, and regulatory requirements. Thus, investment budgets, expected gains, and legal constraints are documented for each phase.

This gradual approach increases the likelihood of successfully integrating AI while avoiding the risks of deep usage too early in the process. Nevertheless, it advocates for the immediate deployment of a minimal viable architecture that facilitates the subsequent scaling of AI across the company. The following table outlines the concerns to address in each of the three phases.

	BOOST (PHASE #1)	EXPAND (PHASE #2)	INSTITUTIONALIZE (PHASE #3)
CONCERNS	IMPLEMENTATION OF A MINIMAL VIABLE ARCHITECTURE TO SCALE AI, FOCUSING SOLELY ON PRODUCTIVITY GAINS	ENHANCEMENT OF THE MINIMAL ARCHITECTURE TO TARGET INITIAL CREATIVITY GAINS	FULL-SCALE USE OF THE ARCHITECTURE TO LEVERAGE AI FOR TRANSFORMING BUSINESS MODELS
IMPLEMENTATION OF THE MINIMAL VIABLE ARCHITECTURE (SEMANTIC PLATFORM)	Version Boost Minimal viable architecture	Version Expand Improved evolution	Version Institutionalize Major evolution

PRIMARY TARGETED GAIN	Productivity	Creativity	Transformation
RISK LEVEL	Low	Medium	High
ESTIMATED INVESTMENT COSTS FOR THE SEMANTIC PLATFORM (CAPEX) SIMULATION BASED ON THE COMPANY'S REVENUE (LINES BELOW)	Straightforward	Challenging	Highly complex
• SMALL : CA = \$1M	\$10.000	\$20.000 - \$50.000	Context dependent
• MEDIUM : CA = \$10M	\$60.000	\$120.000 - \$250.000	
• LARGE : CA > \$500M	\$200.000	\$400.000 and above	
ESTIMATION OF OPERATING COSTS (OPEX)	Challenging	Challenging	Highly complex
ESTIMATION OF RETURN ON INVESTMENT	Straightforward	Straightforward	Straightforward
LEGAL IMPACTS	Straightforward	Challenging	Highly complex
AVERAGE DURATION	6 months maximum	12 months maximum	Depends on the context

2. IMPORTANCE OF THIS CARD FOR YOUR TRANSFORMATIVE AI

Although there is plenty of financial data available to explain the costs and profitability of AI, each company's context is unique and requires adaptation. Additionally, the cost of AI software and its infrastructure frequently changes, necessitating constant adjustments in financial analysis. In this context, TRAIDA recommends managing AI integration in three phases (Boost, Expand, Institutionalize). These phases allow the gradual accumulation of financial knowledge within the specific context of each deployment.

INVESTMENT

The table in the first part of this document presents examples of CAPEX for the semantic platform according to the three phases: Boost, Expand, and Institutionalize.

Boost (phase #1)

During the Boost phase, the semantic platform is established to create a minimum viable architecture for scaling AI. The implementation of ODS, MDM, and EKG data repositories is a priority (see the respective TRAIDA cards in the technical domain).

Initial AI use cases are developed to target productivity gains.

Expand (phase #2)

During the Expand phase, the semantic platform is enhanced to enable the deployment of creative AI use cases. This goes beyond seeking the productivity gains targeted in the Boost phase.

Institutionalize (phase #3)

In the Institutionalize phase, the company decides to invest in a deep transformation of its business models. This phase is not mandatory and depends on the competitive context of each company. The deeper the transformation, the more the semantic platform strengthens its processing power to replace humans, including with AI-augmented robotics.

VALUATION

The table in the first part of this document indicates the levels of difficulty in estimating OPEX across the three phases: Boost, Expand, and Institutionalize. OPEX is added to CAPEX to calculate the profitability thresholds of AI solutions, starting with productivity gains (Boost phase), followed by creativity gains (Expand phase), and finally through business model transformation (Institutionalize phase).

Boost (phase #1)

During the Boost phase, CAPEX estimation for the semantic platform is feasible, whereas OPEX estimation is more delicate. However, since the goal is to deploy initial AI use cases focused solely on productivity gains, operational costs can be easily observed and stabilized without the need for significant initial financial resources. The economic approach is oriented toward usage-based billing for AI, enabling near real-time management of return on investment. Depending on the AI solutions used, the cost of user queries, tokens consumed in user-AI interactions, and AI training fees vary. It is impossible to know these costs precisely in advance, and they often change. To mitigate these uncertainties, the Boost phase provides an opportunity to better understand and manage AI OPEX, reducing risks before moving on to the more challenging Expand phase.

Expand (phase #2)

In the Expand phase, AI OPEX becomes more significant as the technology is used to create new use cases. As a result, it is quite difficult to predict AI usage frequency and return on investment. However, the experience gained during the Boost phase helps to better control the economic equation. Additionally, by maintaining a strategy of on-demand AI billing, the risk of financial overrun is eliminated. It then becomes possible to implement financial control measures to ensure that each dollar invested in AI use contributes sufficiently to creativity and productivity gains.

The key point here is not to begin the Expand phase without having sufficient control over the previous Boost phase. It is also important to account for the costs of training and supporting teams, which are at the intersection of CAPEX and OPEX.

Institutionalize (phase #3)

This phase is not mandatory and depends on the company's strategy for using AI to deeply transform its business models. Similar to CAPEX, OPEX estimation depends on the specific context of each company. With TRAIDA, this phase is considered feasible only if the preceding Boost and Expand phases have been sustainably successful.

LEGAL

The table in the first part of this document indicates the levels of difficulty for legal efforts across the three phases: Boost, Expand, and Institutionalize. For the first two phases, the following issues should be taken into account:

- Legal protection of the data used by AI.
- Legal protection of AI-generated outputs.
- Updating employment and subcontracting contracts to reflect AI usage rights and obligations.
- Understanding and tracking the licenses of AI software used.
- Considering the impacts of AI on insurance contracts, particularly in cases where decisions are delegated to AI.

During the Institutionalize phase, the deep transformation of business models may lead to large-scale layoffs, which will require corresponding legal support.


3. BLUEPRINT

TREASURY & ASSURANCE

PROPERLY MANAGING BUDGETS AND MASTERING VALUE ANALYSIS ARE ESSENTIAL FOR SUCCESSFULLY SCALING AI. TRAIIDA PLANS TO DEPLOY AI IN THREE PHASES TO MANAGE FINANCIAL COMMITMENTS AND ECONOMIC RISKS: BOOST (PHASE 1), EXPAND (PHASE 2), AND INSTITUTIONALIZE (PHASE 3)

CAPEX	+	OPEX	=	ROI
IMPLEMENTATION OF A MINIMAL VIABLE ARCHITECTURE TO SCALE AI, FOCUSING SOLELY ON PRODUCTIVITY GAINS		BOOST AI - PHASE #1		PRODUCTIVITY GAIN
		↓		
ENHANCEMENT OF THE MINIMAL ARCHITECTURE TO TARGET INITIAL CREATIVITY GAINS		EXPAND AI - PHASE #2		CREATIVITY GAIN
		↓		
FULL-SCALE USE OF THE ARCHITECTURE TO LEVERAGE AI FOR TRANSFORMING BUSINESS MODELS		INSTITUTIONALIZE AI - PHASE #3		BUSINESS MODELS TRANSFORMATION

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4. YOUR SITUATION & OBJECTIVES