

The Promise of Frontier Technology: An ASEAN Tech VC's Perspective on Generative AI

23 June 2023



Mobile Internet solved Connectivity...

Three Waves of Mobile Internet



e.g. Food Delivery

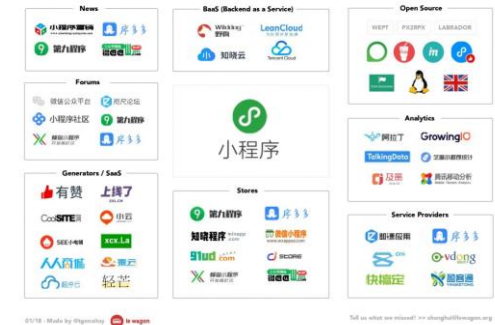


e.g. UGC apps



e.g. super apps

Map of the WeChat mini program 小程序 Ecosystem



But not Productivity...that's where Gen AI comes in

Gen AI is radically shifting two aspects of productivity

Cognitive Capability
(How Developed is our Intelligence)

AI today is 30-50%
percentile of human ability



Gen AI shift

10% percentile of
human ability



1% percentile of
human ability

Super Intelligence

Cost of Productivity
(How We Produce our Intelligence)

Food (from raw crops to end products) + Education (~12 years) + Work Experience (OJT++)



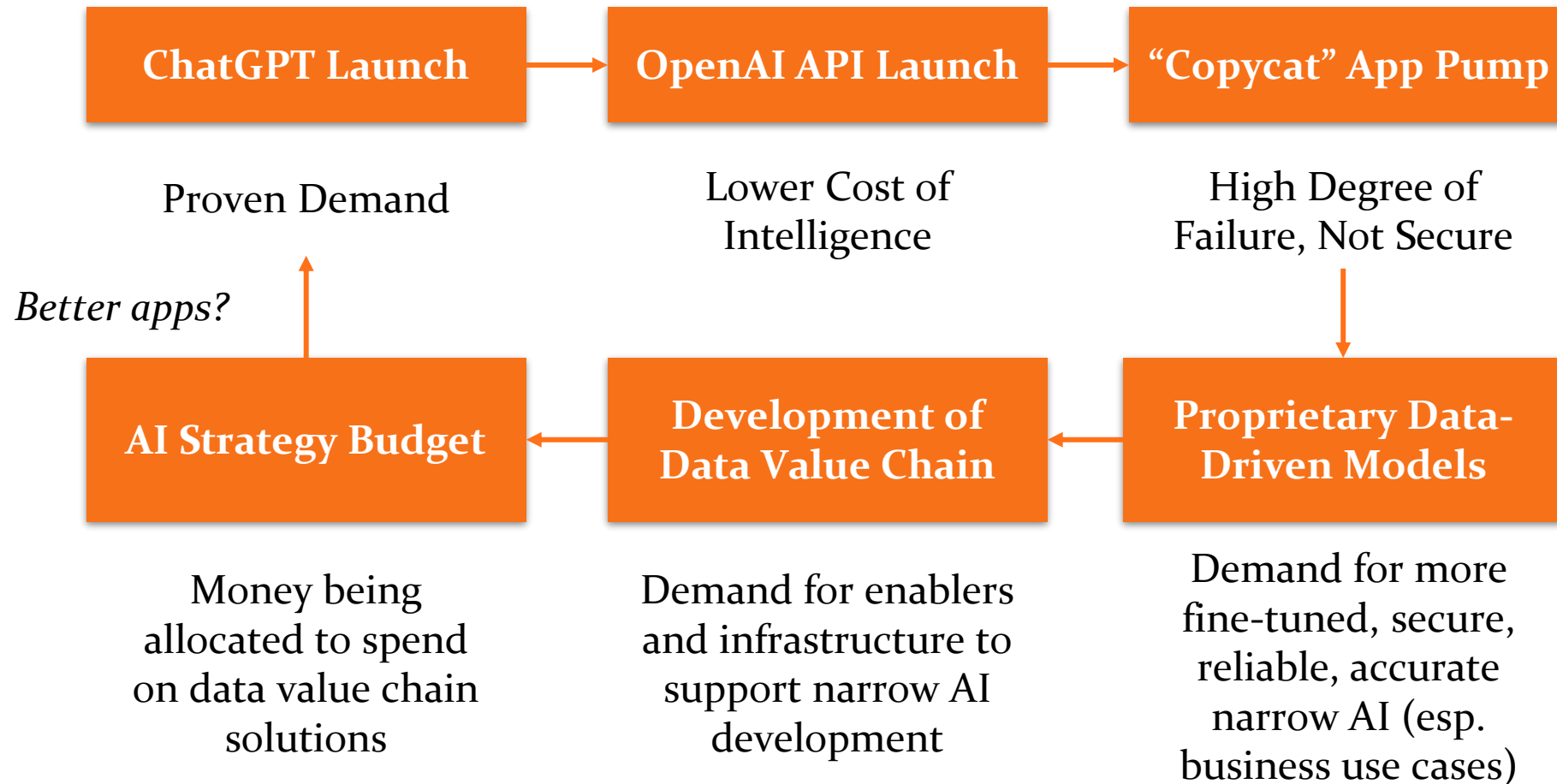
Gen AI shift

Electricity + GPU + Data
All increasingly democratized resources

**Cheaper productivity by
exponential orders of magnitude**

Not all “Gen AI” is equal, however...

ChatGPT led to a “market creating” domino effect



Data Value Chain is being built on four layers...

Data Storage and Processing Layer

Cloud platforms, hardware manufacturers that run training & inference workloads



GRAFHCORE



Data Orchestration Layer

Solutions to capture, authenticate, and fine-tune data for model training



Model Development / Foundational Layer

Full stack models, whether general or domain-specific or even business-specific, accessible through APIs/checkpoints



co:here



Application Layer

Integration into a variety of use cases through applications






CRESTA



...and some companies are building on several layers

These companies are either enablers or have their specific use case / market to address.

	Data Orchestration Layer	Model Development / Foundational Layer	Application Layer
	Data for GPT app and LLM comes from customers	Development of Enterprise LLMs for customers	Development of first ChatGPT-powered app for customer engagement in ASEAN
<p>And it's not just for Gen AI! Data value chain shows what matters for company building moving forward</p>			
	Collection of car usage, driver behavior, pricing data via marketplace	Development of models for pricing, quality assurance, and underwriting	Ancillary businesses (financing, maintenance, etc.) that are AI-driven and drive profitability
	Collection of supply chain transaction data of MSMEs through proprietary ERP	Development of model to underwrite financing	Supply chain financing for multiple levels of Indonesian FMCG downstream supply chain

The numbers are in globally...embrace or get replaced

Gen AI will transform work across industries...

\$29B

Total Funding

26

Exits (IPOs & Acq.)

24

Unicorns minted

>50%

Work hrs impacted in 5 occupation groups

Office, admin support

57% 6%

Sales & related

49% 13%

Computer & Mathematical

28% 32%

Design, Entertainment, Media

25% 26%

Business & FinOps

45% 14%

X% High potential for automation

X% High potential for augmentation

... and businesses have to embrace it

1

Train workforce to work with AI-infused processes

2

Have a strategic approach to acquiring & deploying data

3

Invest in a sustainable tech foundation

4

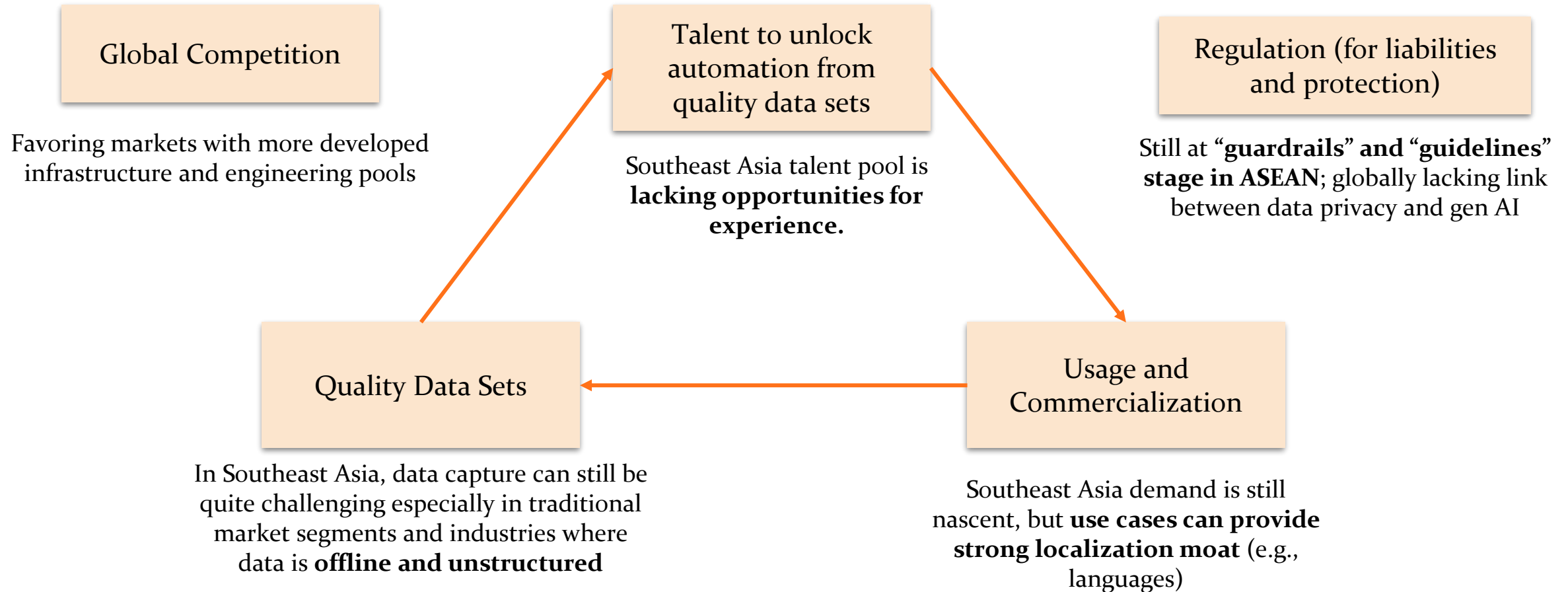
Establish a network of partners (tech cos, service providers)

5

Have a disciplined approach in experimentation

The pieces of the puzzle are still coming together in ASEAN...

Southeast Asia's Gen AI flywheel needs more catalysis



What will make a great investment in Gen AI?

Using our “Fits” Heuristic / Framework

Gen AI Question

Market Trends

Product-Market Fit

Are there customers who will spend on the Gen AI use case? Is it a big enough market?

Greater preference on B2B models that offer more stable revenues or models that offer higher margins

Founder-Market Fit

Does the business have the right talent guiding the development of the models or unlocking its value for the use case?

Combination of technical founder and commercial founder

Data-Product Fit

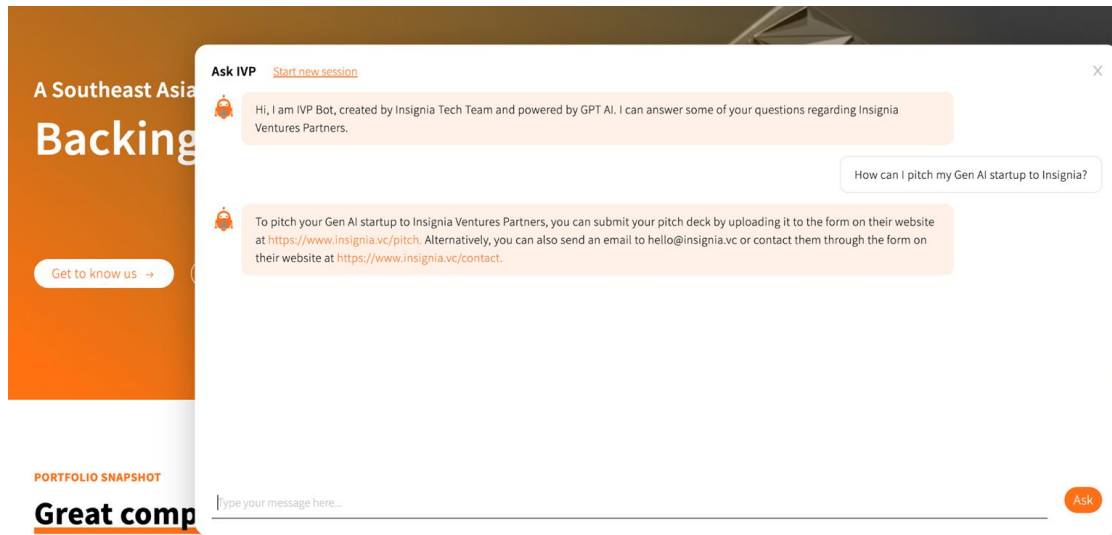
Is the way the product leverages data sets sustainable for its operation?

Preference for proprietary data or data from customers that close the flywheel

We've just started to get our feet wet...

Leveraging Gen AI for tool building

Tools Today



Ventures Soon?

Reach out!