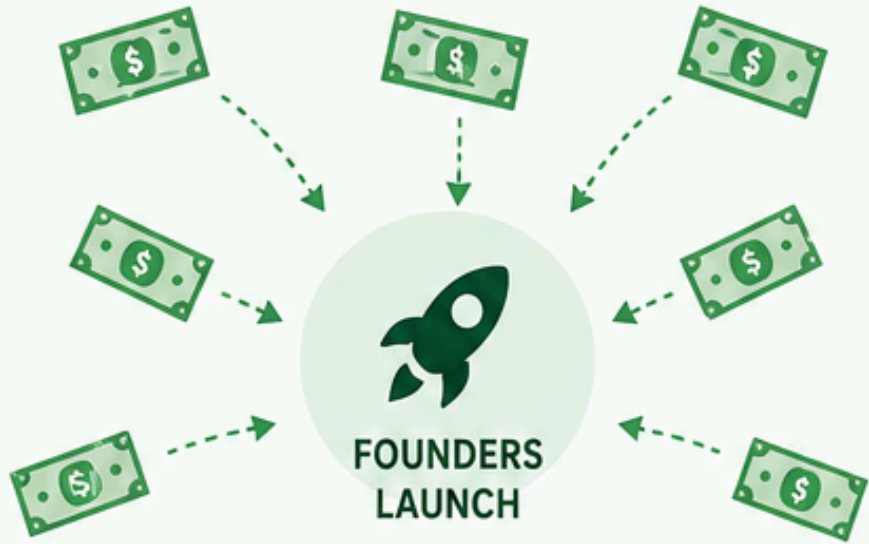



BEFORE

EASY HYPE PHASE

AI startup landscape thriving. Money flows. Founders launch wrapper products.



 <p>SUMMARIZATION TOOLS</p> <p>AI summarizers thrive</p> 	 <p>CODE COMPLETION SERVICES</p> <p>Developer tools grow fast</p> 	 <p>AI WRITING ASSISTANTS</p> <p>Writing copilots go mainstream</p> 
--	---	---

 **MONEY FLOWS FREELY**
VC funding, high valuations, rapid launches

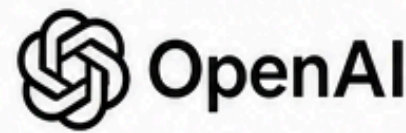
AFTER

PLATFORM REALITY

Platform companies ship the features. Startups with thin wrappers get erased.

PLATFORM COMPANIES EXPAND

Feature updates directly compete with startup products



- ✓ Summarization
- ✓ Code completion
- ✓ Writing assistance
- ✓ And more...



- ✓ Summarization
- ✓ Code completion
- ✓ Writing assistance
- ✓ And more...



- ✓ Summarization
- ✓ Code completion
- ✓ Writing assistance
- ✓ And more...

STARTUP WRAPPERS GET ERASED



1. INITIAL SUCCESS

Easy to build on foundation models. Startups launch and gain traction.



2. HYPE PEAK

Capital pours in. Many wrapper products hit the market.



3. PLATFORM THREAT

Platforms ship overlapping features. Direct competition emerges.



4. CONSOLIDATION

Thin wrappers disappear. Platforms own the user experience.

85% OF AI STARTUPS ARE VULNERABLE WRAPPERS



Most AI agent startups fail as thin wrappers around foundation models. These companies offer only clever prompts and simple UIs with no defensible moat.

They face intense competition and pricing pressure when platform companies add similar features.

The easy hype phase for wrapper products is ending as copycat products get eliminated quickly.



EVOLUTION OF AI PLATFORM THREATS

TIMELINE OF PLATFORM IMPACTS ON STARTUPS



PLATFORM THREATS TO STARTUPS

1



NOV 2022

ChatGPT Launch

Eliminates summarization tool startups

✗ Summarization tools market collapsed

2



JUN 2023

GitHub Copilot Improvements

Wipes out code completion startup category

✗ Code completion startups eliminated

3



NOW (2024-2025)

AI Writing Assistant Consolidation

Platform features absorb independent tools

✗ Writing assistant startups consolidating

4



FUTURE (2026+)

GPT-6 Release (Projected)

Next wave of AI capability leaps and startup casualties

✗ New categories face extinction risk

NOV 2022

JUN 2023

2024-2025

2026+



DEFENSE STRATEGIES & MOATS BUILDING TIME-BASED & DATA MOATS



REGULATORY APPROVAL TIME BARRIER (MEDICAL AI)

Medical AI training data requires regulatory approval timelines that larger companies cannot accelerate.

🕒 12-24 MONTHS
Typical approval timeline



DEFENSIBLE ADVANTAGE

Lengthy approval process creates durable competitive moat



EXCLUSIVE VERTICAL DATA ACCESS (VETERINARY)

Veterinary diagnostic partnerships need exclusive data access agreements to build proprietary training advantages.

📅 6 MONTHS
Exclusive access window



DATA MOAT

Exclusive data builds models competitors can't replicate



ENTERPRISE INTEGRATION COMPOUNDING ADVANTAGE

Enterprise workflow integration investments create switching costs that compound over time.

📈 COMPOUNDS OVER TIME
Switching costs increase



STICKINESS MOAT

Deeper integration makes displacement increasingly difficult



TIME, ACCESS & INTEGRATION CREATE DEFENSIBLE MOATS

Platforms move fast. Moats built on time, data access, and integration move faster.

General AI Models

Vertical AI with Proprietary Data



Cannot access private medical records



Cannot access proprietary trading data



Cannot access internal compliance documents



Must comply with public data restrictions



Exclusive partnerships with data holders



Industry-specific training datasets



Regulatory approval barriers for competitors



Specialized compliance workflows

VS



CONCRETE EXAMPLE

Veterinary AI startup partners with animal hospitals for anonymized case files,

creating datasets that take competitors years to assemble and require regulatory approvals they may never obtain.

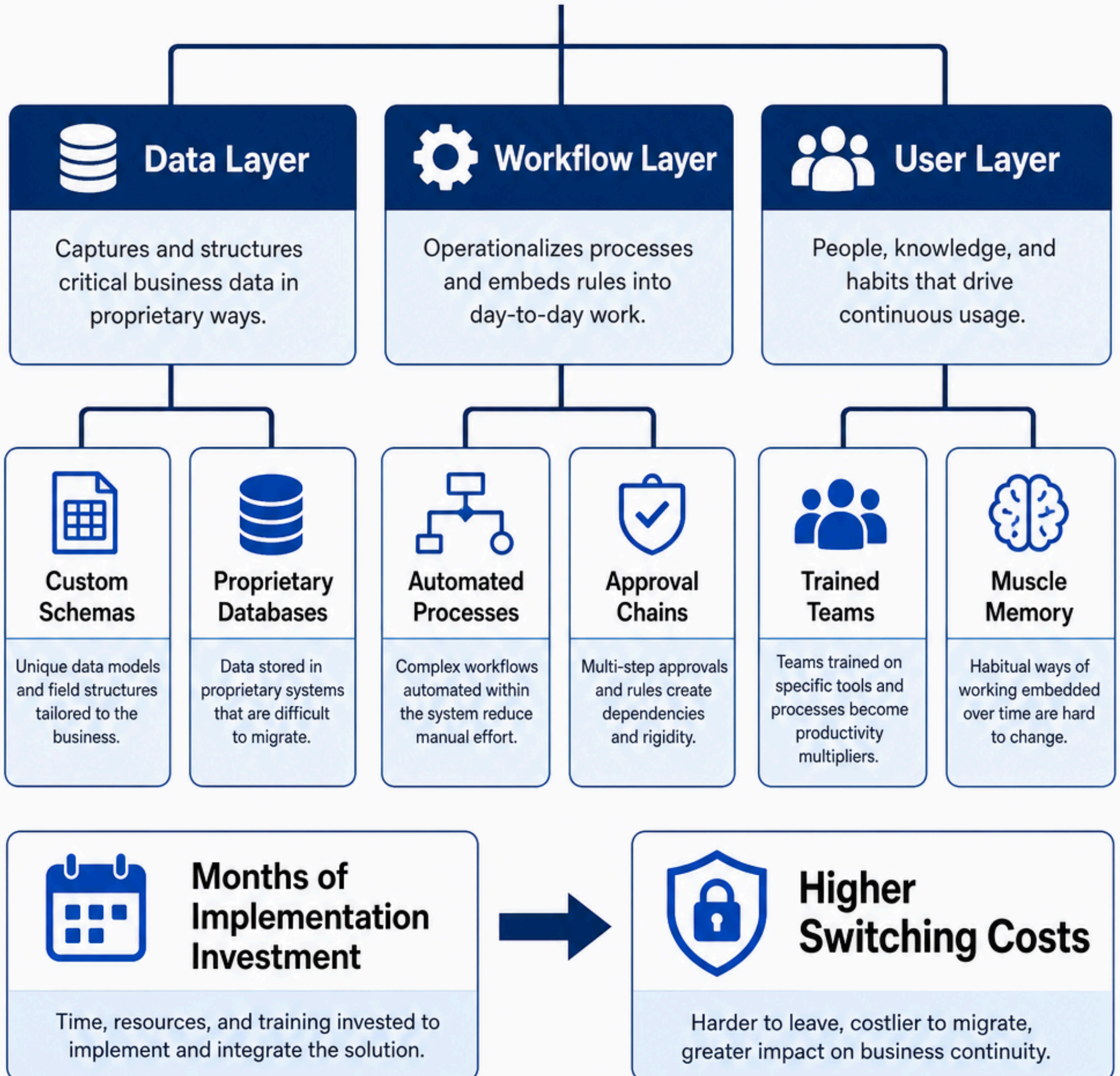




Enterprise Integration Moat

The deeper the integration across multiple business systems, the higher the switching costs become.

Integration depth correlates with customer retention rates.



AI + Human Expertise: Better Decisions, Safer Outcomes

In sensitive fields like medicine and law,
AI empowers—humans ensure trust.

1

Define the Need

Human experts define the problem, context, and goals.



2

AI Generates Insights

AI analyzes data and produces recommendations or options.



3

Human Quality Gate

Experts review, validate, and challenge AI outputs using their expertise, ethics, and real-world judgment.



4

Make the Decision

Humans make the final call and take responsibility for the outcome.



5

Learn and Improve

Outcomes inform both AI and human experts—driving continuous improvement and stronger future decisions.



Built for
Sensitive
Fields



Medicine



Law

AI provides
power.
Humans
provide
trust.

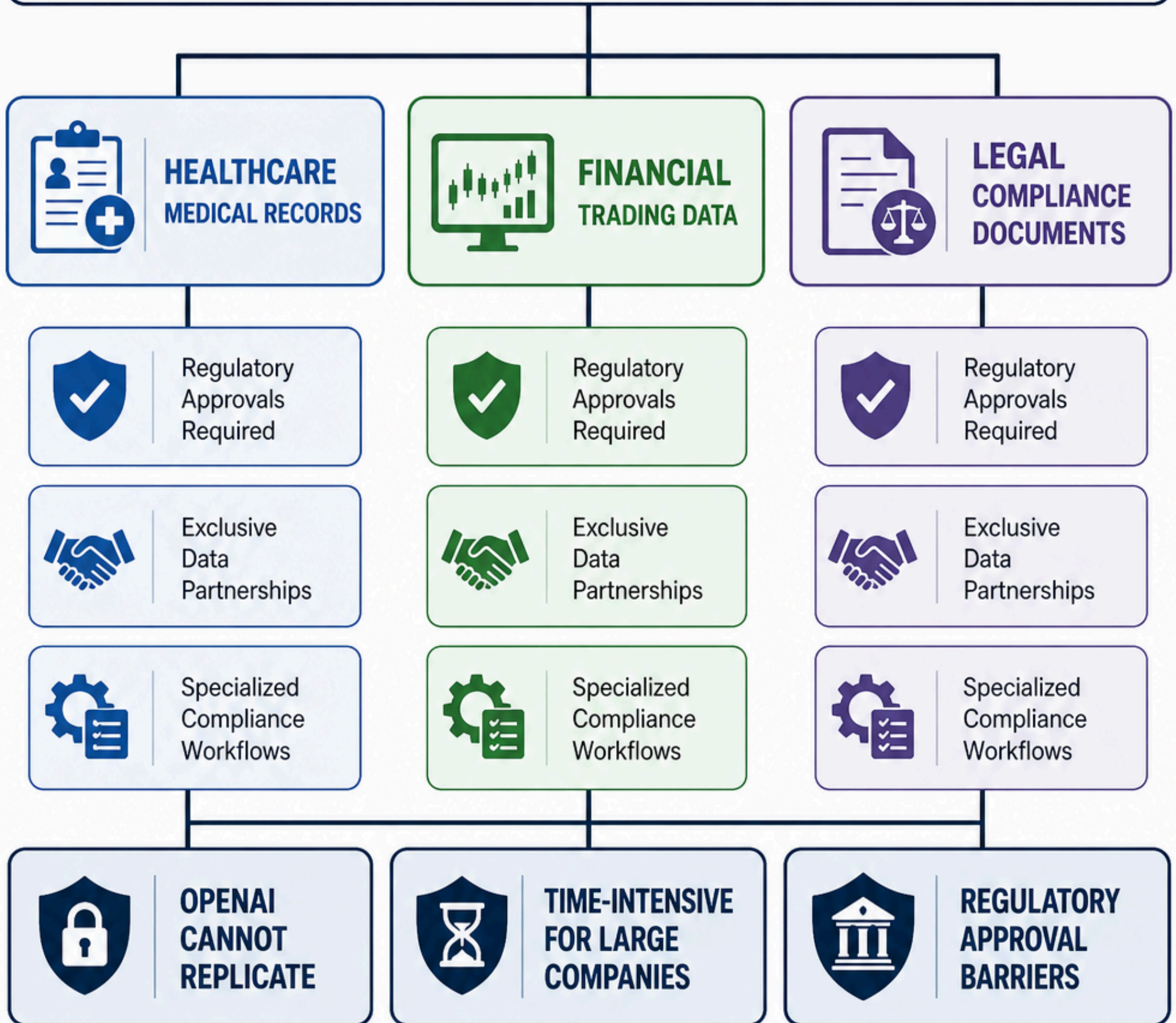


AI and humans, working together for better decisions and safer outcomes.



COMPLIANCE AS COMPETITIVE MOAT

Regulated industries create natural barriers that prevent platform companies from easily replicating AI solutions.



Veterinary diagnostics example shows how exclusive partnerships with data holders create datasets that take larger companies significant time to assemble and may require regulatory approvals they never obtain.

The Data Feedback Loop That Compounds

A self-reinforcing cycle that builds an unstoppable advantage.

1 User Interactions Generate Training Data



Every user interaction creates proprietary data that competitors cannot access.

More Data
More users generate more data.

Data In
Volume and variety grow with usage.

Proprietary Data Moat

Your data advantage competitors cannot access or replicate.

2 Model Improves from Usage Patterns



Model Performance



The model learns from accumulated usage patterns and becomes better over time.

3 Better Performance Attracts More Users



Better performance drives user growth, creating more interactions and even more data.

Better Model
Insights and performance improve.

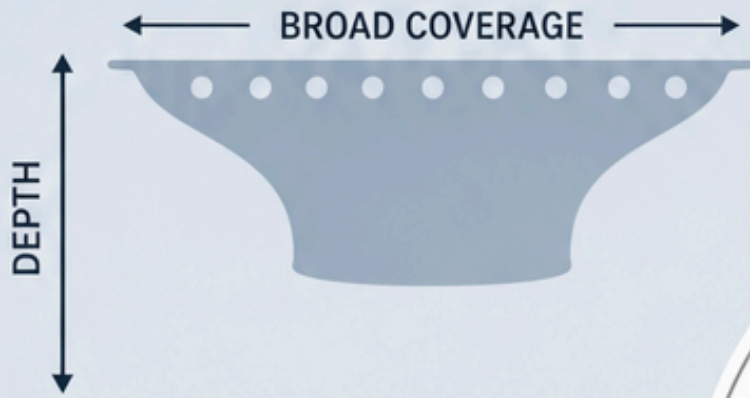


The cycle compounds over time as your user base grows.




More users → More data → Better model → Better experience → More users.

GENERAL AI MODELS



WIDE CAPABILITIES,
SHALLOW DEPTH



STRONG AT COMMON USE CASES

-  **WRITING**
Draft emails, blog posts, summaries ✓
-  **CODING**
Generate code, debug, autocomplete ✓
-  **ANALYSIS**
Basic data analysis, trend summaries ✓

STRUGGLES WITH EDGE CASES

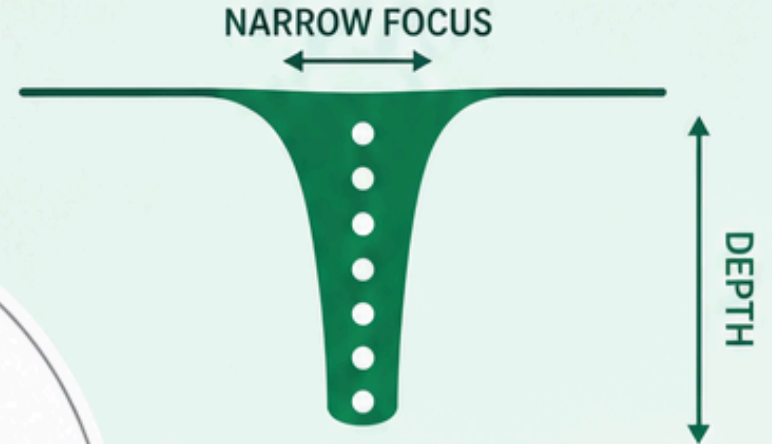
-  Complex, rare, or highly specific scenarios ✗
-  Lacks deep domain context and specialized expertise ✗

THE 80/20 RULE
80%
OF BUSINESS VALUE

COMES FROM
20%
OF EDGE CASES
THAT GENERAL MODELS
CANNOT SOLVE

SPECIALIST AI SOLUTIONS




NARROW FOCUS,
DEEP EXPERTISE



EXCELS AT COMPLEX, DOMAIN-SPECIFIC PROBLEMS

-  **MEDICAL DIAGNOSTICS**
Rare disease detection, clinical decision support ✓
-  **LEGAL COMPLIANCE**
Jurisdiction-specific regulations, case law interpretation ✓
-  **FINANCIAL MODELING**
Complex derivatives, risk scenarios, valuations ✓

DELIVERS MEASURABLE BUSINESS IMPACT

-  Solves what others can't
-  Higher accuracy in critical decisions
-  Drives outsized business value

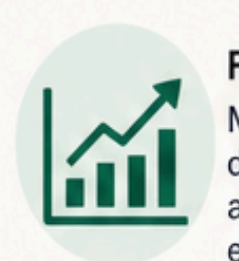
EXAMPLES OF HIGH-VALUE EDGE CASES SPECIALIST AI SOLVES



MEDICAL DIAGNOSTICS
Identifying rare diseases with limited patient data and specialized clinical knowledge.



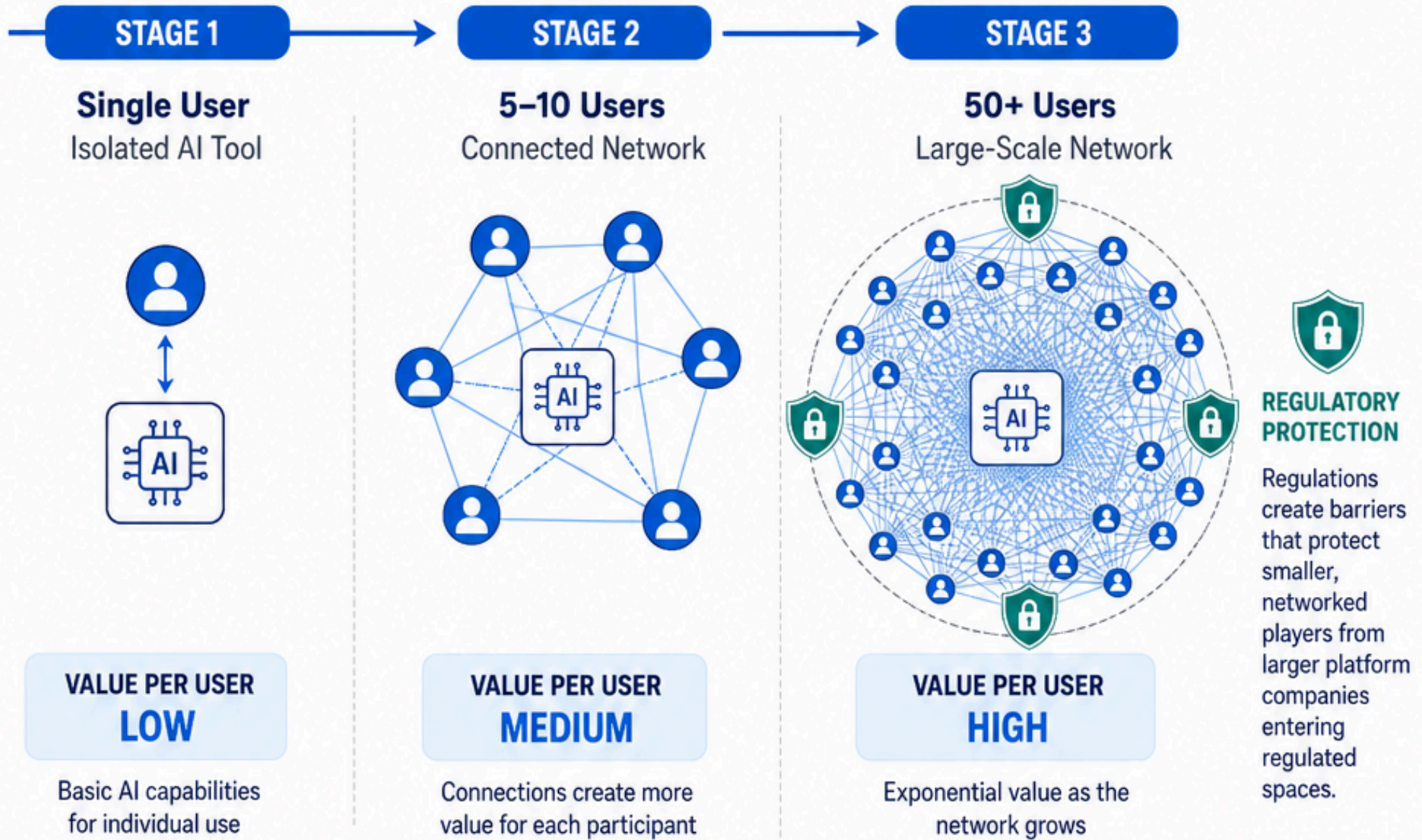
LEGAL JURISDICTIONS
Navigating jurisdiction-specific regulations, precedents, and compliance requirements.



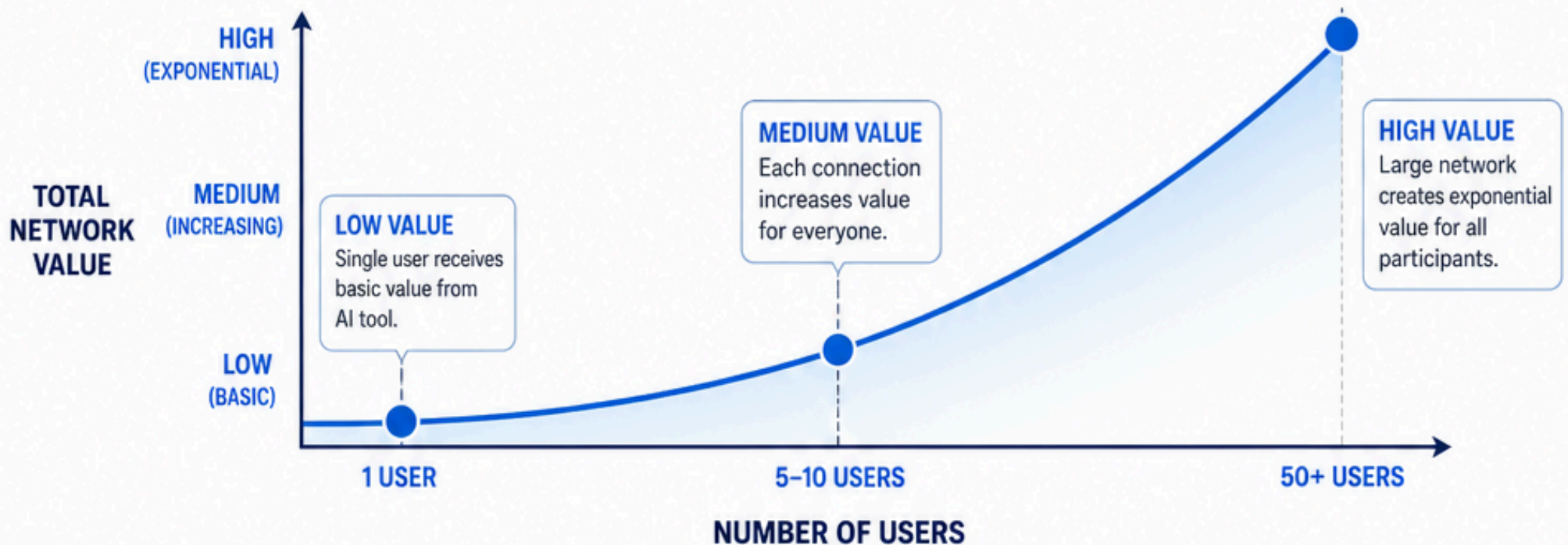
FINANCIAL INSTRUMENTS
Modeling complex derivative structures and scenario-based risk exposures.

NETWORK EFFECTS: THE MOAT

The more users that join, the more valuable the network becomes for everyone.



NETWORK VALUE GROWS EXPONENTIALLY WITH USER COUNT



THE MOAT: Network effects + regulations create a defensible advantage. More users drive more value, while barriers keep competitors out.

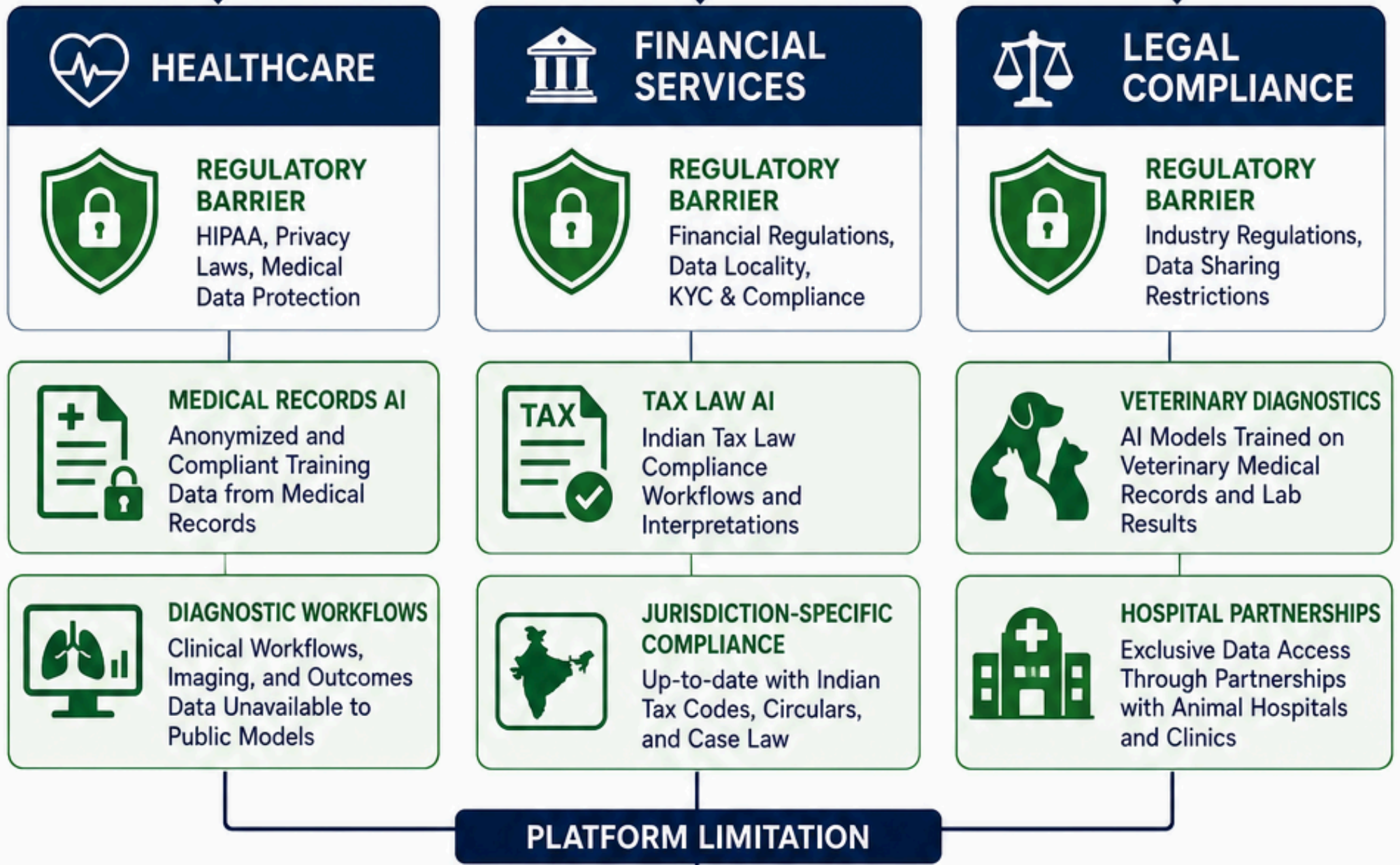


REGULATED VERTICALS AS DEFENSIBLE MOATS



Regulatory Constraints Create Exclusive, Defensible Data Moats

REGULATED INDUSTRIES



CANNOT ACCESS REGULATED DATA

Regulatory, Legal, and Contractual Barriers Prevent Access to These Proprietary and Compliant Datasets



Proprietary Regulated Data = Defensible Moat

Exclusive data access that platform companies cannot legally or contractually obtain or replicate.

Build Your Moat



Start building before the storm hits



Own Proprietary Training Data in Regulated Verticals
(e.g., medical records, tax law compliance)



Build Deep Enterprise Workflow Integration



Develop Customer-Specific Memory



Codify Domain Rules and Logic



Create High Switching Costs



Build Trust and Compliance Infrastructure



Establish Network Effects



Secure Distribution and Ecosystem Partnerships



Continuously Improve with Proprietary Feedback Loops



Protect IP and Secret Sauce

FOUR PILLARS OF DEFENSIBILITY



WORKFLOW OWNERSHIP

Own critical workflows that power your customer's business.



CUSTOMER-SPECIFIC MEMORY

Retain and compound institutional knowledge unique to each customer.



DOMAIN RULES

Embed deep domain logic, regulations, and business rules.



TRUST INFRASTRUCTURE

Earn and reinforce trust through security, privacy, and compliance.

supramono



**Discover. Build. Sell.
One AI Venture Engine.**

<https://supramono.com>