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AI Unraveled: Gen AI, AI, and Agentic AI – Myths vs. Reality for Tech Buyers & Sellers



Mrityunjay Singh
Head
TechCircle





Introduction

The AI Buzz vs. AI Reality

The Implementation Challenge: Separating Hype from Value

As technology leaders face mounting pressure to adopt AI solutions, many are struggling to differentiate between genuine business value and industry hype.

AI is not a single, universal solution, but rather exists in **three distinct forms**, each serving different business needs: **Traditional AI**, **Generative AI** and **Agentic AI**.



Understanding the Three Forms of AI



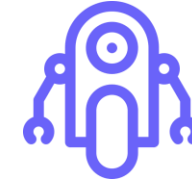
Traditional AI (Predictive & Analytical AI)

Uses historical data to detect patterns and make predictions. For example, a retail system analyzing past sales to forecast inventory needs, or a financial platform detecting fraudulent transactions.



Generative AI (Gen AI)

Creates new content based on training data, like ChatGPT generating marketing copy, DALL-E creating product images, or Copilot assisting with code development.



Agentic AI (Autonomous AI)

Makes decisions and takes actions independently, such as self-driving vehicles, automated trading systems, or smart manufacturing robots that adjust production parameters in real-time.

Making Informed AI Decisions: Key Considerations

For technology buyers, understanding these distinctions is crucial for making informed investment decisions that align with specific business objectives. Technology sellers must also clearly position their solutions within these categories to effectively communicate their value proposition and avoid overpromising capabilities. The key is not to implement AI for AI's sake, but to identify which type of AI - if any - truly addresses your business challenges.

Decoding AI: The Three AI Sisters Myths vs. Reality

To make informed AI investment decisions, technology leaders need to understand the distinct capabilities and limitations of each type of AI. Here's a comprehensive comparison based on real-world implementations and market research.



Generative AI (Gen AI)



AI models that create new content by learning patterns from vast training datasets, typically using large language models (LLMs) or diffusion models.

- Marketing copy generation
- Software code assistance
- Customer service chatbots
- Product design iterations
- Educational content creation



Traditional AI (Predictive & Analytical AI)



Definition

Rule-based and machine learning systems that analyze historical data to predict outcomes and optimize processes using statistical models.

Primary Use Cases

- Sales forecasting models
- Credit risk assessment
- Quality control in manufacturing
- Patient diagnosis support
- Supply chain optimization



Agentic AI (Autonomous AI)



Advanced AI systems that combine multiple AI models to independently plan, execute, and adapt actions based on real-time feedback.

- Warehouse robotics systems
- Automated trading platforms
- Industrial process control
- Autonomous delivery drones
- Smart building management



Generative AI (Gen AI)



Traditional AI (Predictive & Analytical AI)



Agentic AI (Autonomous AI)

Common Myths

- Gen AI will replace all creative work
(Reality: It's a collaborative tool)
- Output is always original
(Reality: Can produce derivative content)
- Implementation is plug-and-play
(Reality: Requires significant prompt engineering)

- Only valuable for large enterprises
(Reality: SMBs benefit too)
- Requires perfect data
(Reality: Can work with incomplete data)
- Results are always accurate
(Reality: Needs human validation)

- Ready for full autonomy
(Reality: Still needs human oversight)
- One-time setup
(Reality: Requires continuous training)
- Cost-effective immediately
(Reality: High initial investment)

Buyer Perspective

Focus on: Content creation speed, creativity augmentation, and customer engagement. ROI typically seen in 3-6 months through reduced content creation costs and improved engagement metrics.

Focus on: Operational efficiency, risk reduction, and data-driven decisions. ROI usually realized within 6-12 months through process optimization and better prediction accuracy.

Focus on: Long-term automation strategy, operational autonomy, and scalability. ROI timeline often 12-24 months, with significant cost savings after initial investment period.



Generative AI (Gen AI)

Emphasize: Quick deployment, integration capabilities, and content quality controls. Target creative departments and marketing teams with demonstrable productivity gains.

- Digital marketing (content creation)
- Software development (code generation)
- E-commerce (product descriptions)
- Education (curriculum development)
- Media production

- OpenAI (GPT-4, DALL-E 3)
- Anthropic (Claude 2)
- Midjourney
- GitHub Copilot
- Adobe Firefly



Traditional AI (Predictive & Analytical AI)

Emphasize: Proven ROI metrics, data security, and enterprise integration. Focus on operational departments with clear efficiency pain points.

Relevant Domains

- Financial services (risk analysis)
- Healthcare (diagnostic support)
- Manufacturing (quality control)
- Retail (inventory management)
- Insurance (claims processing)

Key Players/Providers

- IBM Watson Studio
- Microsoft Azure ML
- AWS SageMaker
- Google Vertex AI
- DataRobot



Agentic AI (Autonomous AI)


















Emphasize: Scalability, safety features, and long-term cost benefits. Target operations leaders looking for transformational automation.

- Logistics (autonomous vehicles)
- Manufacturing (smart factories)
- Agriculture (precision farming)
- Energy (grid management)
- Defense (autonomous systems)

- Tesla FSD
- Boston Dynamics
- OpenAI AutoGPT
- Fetch Robotics
- ABB Robotics

Real-World AI Adoption: Who is Using AI and How?

To bring AI's impact to life, the table below highlights real-world use cases from India and globally. These examples demonstrate how different industries are adopting AI solutions.

AI Type	Industry	Use Case (India)	Use Case (Global)
 Traditional AI	Banking & Finance	 ICICI Bank uses AI for fraud detection and credit risk analysis.	J.P.Morgan  JPMorgan Chase uses AI for market predictions and automated trading.
	Healthcare	 Apollo Hospitals uses AI to detect early-stage diseases.	 IBM Watson assists in AI-powered drug discovery.
 Gen AI	Retail & E-commerce	 Flipkart uses AI-powered recommendations and chatbot support.	 Amazon uses Gen AI to generate product descriptions and personalized promotions.
	Media & Marketing	 Zomato generates AI-driven food descriptions and ads.	 Coca-Cola uses AI-generated ad campaigns and copywriting.
	Software Development	 TCS integrates AI for automated code generation.	 GitHub Copilot helps developers write code efficiently.
 Agentic AI	Customer Support	 Jio uses AI chatbots for customer engagement.	 Google's Bard AI helps automate customer responses.
	Manufacturing & Logistics	 Tata Steel deploys AI-powered predictive maintenance.	 Tesla uses autonomous AI in self-driving vehicles.
	Supply Chain & Automation	 Reliance Retail leverages AI for warehouse automation.	 DHL uses AI-powered autonomous drones for delivery.

AI Prioritization for Tech Buyers & Sellers

To ensure AI investments deliver maximum value, tech buyers and sellers should prioritize their focus based on their needs and market demands.

For Tech Buyers:

Which AI Should You Invest in First?



Traditional AI



Finance & Banking

Fraud detection,
risk assessment,
loan approvals



Gen AI



Marketing & Sales

Automated ad copy,
content generation,
lead nurturing



Software Development

AI-generated code,
auto-documentation



Agentic AI



Customer Support

AI-driven chatbots,
decision-making agents



IT Operations

Self-healing systems,
automated debugging



Manufacturing & Logistics

Autonomous robots,
demand forecasting

Key Takeaway for Buyers

- If you need data insights, start with Traditional AI.
- If you need content creation & automation, go for Gen AI.
- If you need end-to-end process automation, look at Agentic AI.

For Tech Sellers:

What AI Solutions Should You Offer?

Market Demand & High Priority AI Solutions



Cost-saving solutions
for enterprises



Predictive AI-based analytics

Example: IBM Watson,
Microsoft Azure AI



Marketing & creative tools



Gen AI-driven content generation

Example: OpenAI (DALL-E),
Google Gemini



Operations & Automation



Agentic AI for process automation

Example: Tesla, Wipro AI,
DeepMind

Key Takeaway for Sellers:

- If you sell AI-driven insights, focus on Traditional AI.
- If you sell customer engagement & content tools, focus on Gen AI.
- If you sell end-to-end automation, invest in Agentic AI solutions.



Final Thoughts:
AI is Not One-Size-Fits-All

The Complex AI Landscape

The AI landscape is vast and complex, as we've seen from the diverse applications across industries - from TCS's code generation to DHL's autonomous drones. Understanding which type of AI fits your specific needs is crucial for success.

Current State of AI Technologies

- Gen AI is growing rapidly in content and automation, particularly in areas like GitHub Copilot for software development and marketing content generation. Companies investing in these solutions are seeing immediate productivity gains.
- Agentic AI is still in its early stages but shows tremendous promise in transforming automation and decision-making, as demonstrated by Reliance Retail's warehouse automation and emerging self-healing IT systems.
- Traditional AI continues to be the foundation of analytics, security, and predictions, especially in finance and banking where fraud detection and risk assessment remain critical applications.

The organizations that truly understand AI's nuances and use the right AI for the right function will be the real winners. Whether you're a tech buyer focusing on specific business functions or a seller developing AI solutions, success lies in matching the right type of AI - Traditional, Gen AI, or Agentic AI - to the specific problem you're trying to solve.



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Conclusion

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- The three pillars of AI demonstrate distinct strengths:
 - Traditional AI excels in analytics and prediction
 - Generative AI revolutionizes content creation
 - Agentic AI pushes the boundaries of autonomous decision-making
- Real-world implementations demonstrate AI's business value:
 - IBM Watson's enterprise solutions
 - OpenAI's creative tools
 - Tesla's autonomous systems

Keys to Success in the AI Era

- Look beyond the hype to match specific AI technologies with unique challenges
- Understand the distinct capabilities of the three AI sisters—Traditional, Generative, and Agentic
- Make strategic technology decisions based on this foundational knowledge
- Focus on driving genuine business transformation through appropriate AI application