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Beyond the code

WHEN ENGINEERS UNDERSTAND THE PRACTITIONER – INTEGRATING AI INTO BUSINESS STRATEGY

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The view
FROM GP BULLHOUND

Leaders need to be held to the highest standard when it comes to embracing innovation. If those at the top are not power users of new technologies, then how can they expect to inspire and guide others through the pitfalls of adoption. Boards should be proactively looking at what tools their executives are using and monitoring their level of engagement with them. This is more important than becoming too hung up on an overall AI strategy plan from someone who does not understand the level of the technology's capabilities and, more importantly, it's current limitations.

PER ROMAN
Managing Partner, GP Bullhound

As we show, the level of engagement across a firm is so important for an organisation to reap the benefits of any new, productivity boosting tool and this is particularly important in the rapid pace of AI development. It's not hard to extrapolate that the compounding benefits that enhanced productivity gives, when spread across a higher percentage of engaged staff members than competing firms, could help an agile and engaged company steal market share – ultimately securing their employees jobs!

CALLUM STEWART
Investment Principal, GP Bullhound

The old adage still holds: garbage in = garbage out. Your systems are only as good as the quality of the data that powers them. A successful AI and digitalization strategy starts with getting the fundamentals right. Tech leaders must invest time and resources in the less glamorous foundation-building before even considering the integration of productivity-enhancing tools. When the time comes to build intelligent applications, the key is to deeply understand the practitioner's work first and work backward from business requirements to technical implementation. This ensures that we solve the real bottlenecks limiting effectiveness, and when you secure their buy-in early, there's no excuse for disengagement!

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Chief Technology Officer, GP Bullhound

JOAKIM DAL
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Partner, GP Bullhound

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Key Takeaways_

↗ Silos kill
   productivity

In an international organisation it is very easy to think every new piece of software will boost productivity – when normally the added complexity and lack of interconnectivity between them creates data silos which act as a barrier to any productive task

↗ A circular
   infrastructure
   will ensure
   data quality

When it comes to repetitive, menial data entry and record keeping, having humans in the loop as the main inputters of events and information is not ideal. Building a robust infrastructure that automates and extracts as much information from the tools currently used by the organisation, with feedback into those tools for human validation, can mean that key details are more accurately and effectively captured.

↗ Boost engagement
   by solving the
   problems of the
   practitioner

New tools pushed for the sake of the tech, or worse because competitors are perceived to be using them, will never be a path to high engagement. By proactively understanding the work the staff body are doing and sitting with them to understand their pain points and frustrations, will ensure that you have a receptive audience when tools are rolled out.

↗ Roadmaps designed
   to be just ahead
   of the tech's
   development

To stay ahead of the curve and make sure you're skating to where the proverbial technology puck is going it is important to use the signs coming from the most recent and upcoming technology announcements and firm roadmaps. Thus, technology teams can ensure their infrastructure is ready to support them and that they have identified the key problems that the next level of technology advancement can address and prioritise accordingly

↗ Compounding
   higher
   productivity is
   a superpower

Getting high levels of engagement and solving real, productivity enhancing bottlenecks is imperative. In the unlikely scenario of fixed productivity enhancements across firms AI usage, it is obvious that the one with the highest level of engagement and the fastest role-out will outperform other competitors. Then when you embrace that those who are most effective in identifying the highest productivity enhancing tools and tasks have an advantage, outperformance starts to compound quite significantly.
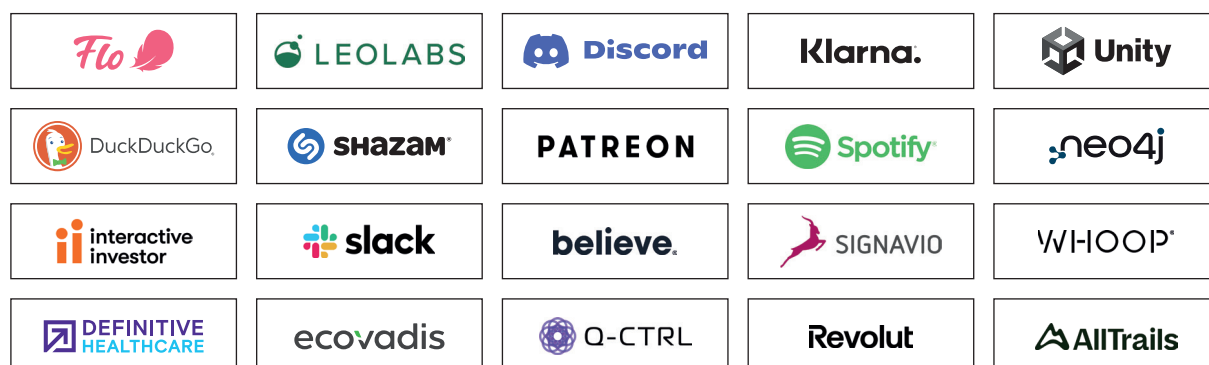
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The way we were

Rapid growth and success can be a curse if the way it is managed goes unchecked

Having spent years working with some of the worlds fastest growing software companies, GP Bullhound has long seen how complex, decentralized and fragmented fast growing companies' technology stacks can become. Critical business information can become scattered across multiple CRMs, spreadsheets, and siloed databases, making collaboration difficult and slowing down decision-making. Data inconsistency ends up being a recurring challenge, with different teams (often across multiple geographies and departments) using different formats and tools that are not interconnected. These inefficiencies not only reduce operational speed but also hinder the ability to leverage technology for strategic advantage.

What we have observed however, is that the best of these firms identify this issue early and make addressing it a core priority in their quest for growth. Having seen numerous of these top businesses implement their own internal data infrastructure and tech stack revolutions we thought others could benefit from the knowledge that we distil here. Our own efforts in focusing this rebuild around AI have been, on a larger scale, complemented by the recent conversations around Klarna, Neo4j and cutting the cord from Salesforce. The dawning realisation of the extensive silos that numerous SaaS products can cause has led to an awareness that one of the first parts of the productivity revolution that AI will bring is to break these down. This is a simple (in theory, hard in practice) yet critical first that can significantly reduce bureaucracy in an organisation and alleviate human frustration and menial work, freeing up space to focus on the more creative parts of the job.

TOP SOFTWARE COMPANIES WE'VE ADVISED OR INVESTED IN

Flo	LEOLABS	Discord	Klarna.	Unity
DuckDuckGo	SHAZAM	PATREON	Spotify	neo4j
interactive investor	slack	believe.	SIGNAVIO	WHOOP
DEFINITIVE HEALTHCARE	ecovadis	Q-CTRL	Revolut	AllTrails

OUR OWN AI REVOLUTION

By going through this process ourselves we have managed to, in a tailored and structured way, build out our infrastructure and custom tools from the bottom up, whilst selectively integrating complementary 3rd party tools. This dynamic "de-siloing" and through the creation of real productivity enhancing tools for front line staff we have been able to see maintained engagement levels of >70% amongst employees. The custom tools built, although time-consuming to create from scratch and tailored specifically to some of our most arduous tasks, have seen task productivity improve by 31x over the preceding 6 months. Not only has this led to a significant enhancement in output but the 98% reduction in task time has led to us achieving that result in 65% less time than the whole reduced output from before implementation.

What we show, is that if you get the role out right, staff engaged and focus on building the right tools for your use cases the potential could be enormous. As other firms struggle with seeing any impact of AI, those that get productivity enhancement right have the opportunity for acceleration beyond their peers. We hope this report helps to provide some insight in how to do this effectively for your organisation and to achieve something that 80% of others failed to manage, who have failed to see any benefit from AI in their organisation [1].
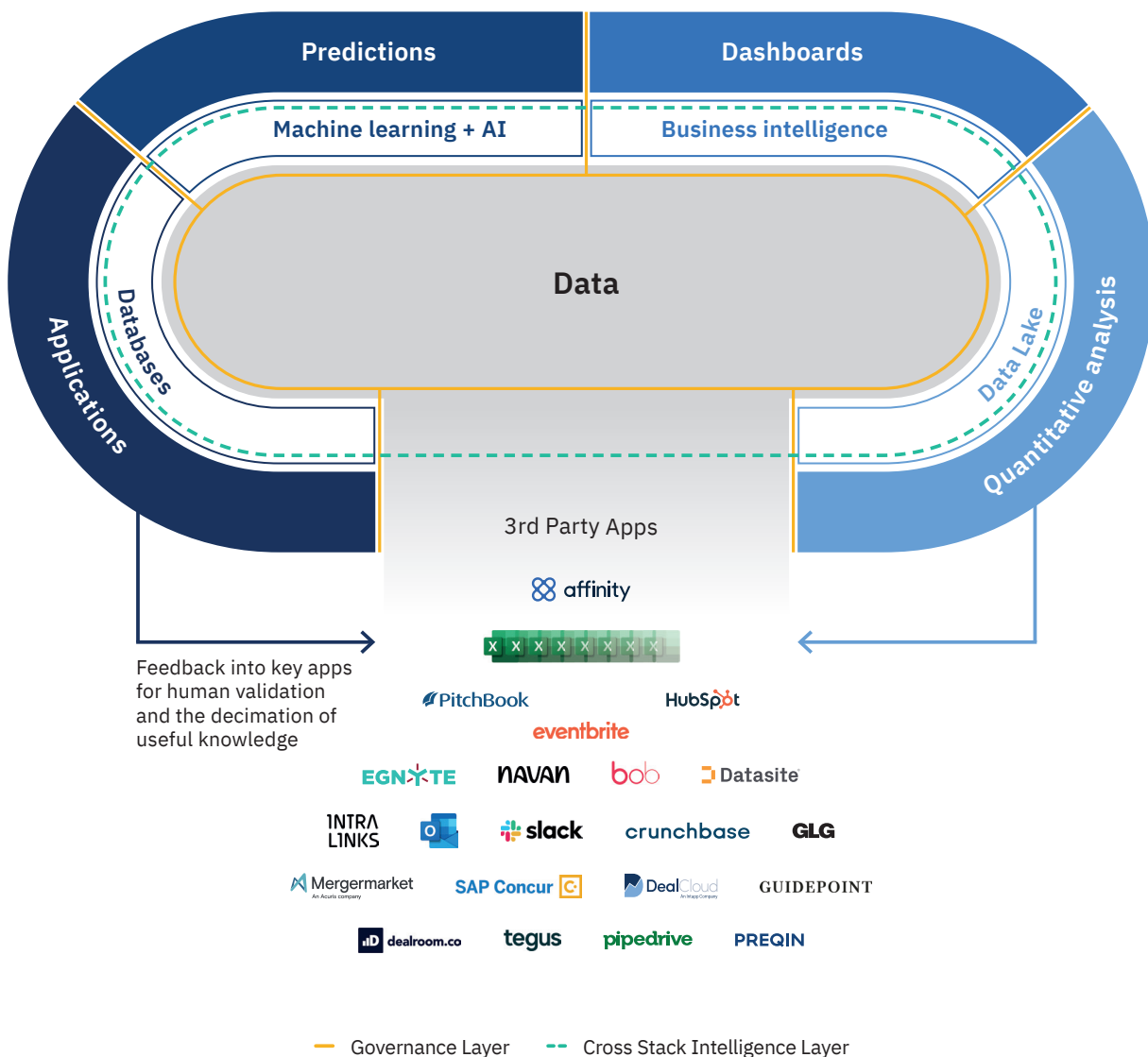
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The Challenge of Data Fragmentation and Centralization

As a firm in a traditionally less tech specialised sector that is predominantly people and client focused, we are able to be a great case study for showing how, with careful thought and innovators leading from the top, companies can go from a silo'd, complex technology stack to an efficient and flexible data infrastructure running proprietary tools. Then, once a more effective back end is built, integration with some of the latest 3rd party AI tools can be restarted to capture the latest advances in a cleaner data environment.

In this journey the critical early step was identifying and dismantling the data silos that impeded efficiency. The company faced significant bottlenecks due to inconsistent data formatting, lack of standardization in storage practices, and difficulty in determining which data was most valuable. By going through this we could categorise what we had, what we needed, how we collected it and thus, the best way to store it in a unified and scalable manner.

NON-TECH

↗ London
↗ Manchester
↗ Stockholm
↗ Paris
↗ Madrid
↗ Malaga
↗ Luxembourg
↗ Frankfurt
↗ Berlin
↗ Italy
↗ San Francisco
↗ New York
↗ Kuala Lumpur

Advisory

Compliance

Asset Management

10k+
Entrepreneur engagements / year

100k+
Research subscribers

650+
Advisory transactions

500+
Fund investors

1k+
Event attendees/ year

DATA SOURCES

crunchbase   dealroom.co

S&P Capital IQ   Mergermarket — An Acuris company

PREQIN   PitchBook

GLG   tegus

GUIDEPOINT   pipedrive

INTERNAL

navan   EGNYTE

slack   bob

SAP Concur

CRMS

HubSpot   eventbrite   DealCloud — An Intapp Company

affinity   X X X X X X X X

CLIENT INTERFACING

Dropbox DocSend   Datasite

Outlook   INTRA LINKS

Building Out the Infrastructure

The nuts and bolts in preparing the data and pipelines behind the scenes

The solution to start the whole process involved consolidating and structuring all business-critical data into a single, accessible ecosystem. This required a systematic approach to data extraction, transformation, and cleaning to ensure reliability and usability across the organization.

Once the data was centralized, the next focus was constructing a robust, scalable, and cost-effective infrastructure. Without the constraints of legacy systems, GP Bullhound was able to implement modern cloud-based architecture using event-driven and serverless computing. Automated data pipelines were introduced to streamline data ingestion, transformation, and integration, ensuring real-time availability of insights. This infrastructure laid the foundation for AI and automation, enabling seamless scalability while maintaining security and cost efficiency.

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Bottom-up problems, top-down support

Working groups, getting junior team buy-in and benefitting all – the GP Bullhound ICAS method of organisational tech transformation

For any technology-driven transformation to succeed, broad organizational buy-in is crucial. GP Bullhound adopted a problem-first approach, engaging employees at all levels to ensure alignment between technology implementation and real business needs. Cross-functional working groups were established to bring together technical teams and business stakeholders, ensuring that solutions addressed real pain points. Junior team members were empowered to identify inefficiencies in their workflows, while leadership provided top-down support, ensuring a cohesive digital strategy.

JUNIOR TEAM			JUNIOR TEAM		
ADVISORY MANAGEMENT			AM MANAGEMENT		

IDENTIFY

| The time-consuming, mundane & repetitive | The creative, nuanced & mission critical | The impossible or infinite with current tools | The time-consuming, mundane & repetitive | The creative, nuanced & mission critical | The impossible or infinite with current tools |

TECH COMMITTEE

COALESCE

Prioritise transferable overlapping tasks

CTO TEAM

ATTAINABILITY

What's possible with current technology

Tasks deprioritised until limitations overcome

Clear explanation of timelines to feasibility to maintain engagement

STRATEGY

SENIOR LEADERSHIP

Drive adoption and long-term strategy

■ Tasks prioritised for human focus   ■ Tasks prioritised for AI augmentation

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The initial wins

The tools that worked with the state of the art at the time and provided the most value

Maintaining stakeholder engagement required a balance between immediate results and long-term vision. The strategy focused on delivering quick wins by addressing high-friction, repetitive tasks that were slowing down teams. Early automation efforts led to noticeable efficiency gains, building confidence in the initiative. Simultaneously, a structured long-term roadmap ensured that AI capabilities were integrated progressively, preventing disruption while keeping an eye on emerging opportunities for further innovation.

↗ THE INTERNAL

To reduce the friction of navigating multiple data silos, avoiding duplicated work across multiple isolated geographies and ensure that all relevant data is available to everyone on demand we built a conversationally based document retrieval tool. The effect has shown a significantly reduced time spent searching through files and has increased the re-use of tailored material, reducing work loads.

↗ THE EXTERNAL

A client engagement tool which usually required hours to a full day of manual work and research has been cut to a fraction. Not only has this reduced the time spent by junior team members on quite repetitive, menial work but has led to our own minor case of Jevons paradox. With an increasing number of team members of all seniority levels using it for their own client engagement or personal research tasks.

↗ THE VALIDATOR

A tool that brings all the data together from all the different sources and 3rd party platforms that we use. Reducing friction to ensure high quality data capture, making sure that every relationship, interaction and event is tracked. So that trends and insights can be effectively generated in the future.

↗ THE IMPOSSIBLE

The tools now available and the flexibility of our tech stacks now means that we are able to analyse and process our client's data that was impossible beforehand. This has taken us from a 0 to 1 scenario that has delighted our clients and allowed us to drive even more value for them.

WE ARE TACTICALLY INTEGRATING 3RD PARTY TOOLS

We now have the ideal infrastructure in place that the addition of carefully selected external tools which can enhance our productivity, instead of creating even more silos and complexity. Through integration with our own datalake that acts as a facilitator, data connector and by paring with the Validator we can ensure that any new tool adds an extra layer of functionality or knowledge without creating unnecessary noise or diluting the useful information. As an example, we're not going to write our own transcription tool but find the best one that fits into and supplements our stack, enriching the data that we already have.

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Engagement Insights

Comparing to external research to the contrary we have been amazed by the level of engagement our tools have

To track progress and ensure the transformation was on the right path, GP Bullhound closely monitored engagement and adoption metrics. Data was collected on how employees interacted with the new systems, and regular feedback loops were established to refine tools and processes. Usage statistics demonstrated increasing adoption rates, which validated the investment in modernization. These insights also helped fine-tune AI applications, ensuring they met the actual needs of users rather than being perceived as unnecessary technological additions.

PROPOTION OF FRONT LINE STAFF

TOTAL QUERIES

Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
9%	15%	17%	49%	59%	65%	70%

■ Junior Team ■ Mid-level Team ■ Senior*

INSIGHT TOOLS

RETRIEVAL TOOLS

PRODUCTIVITY TOOLS
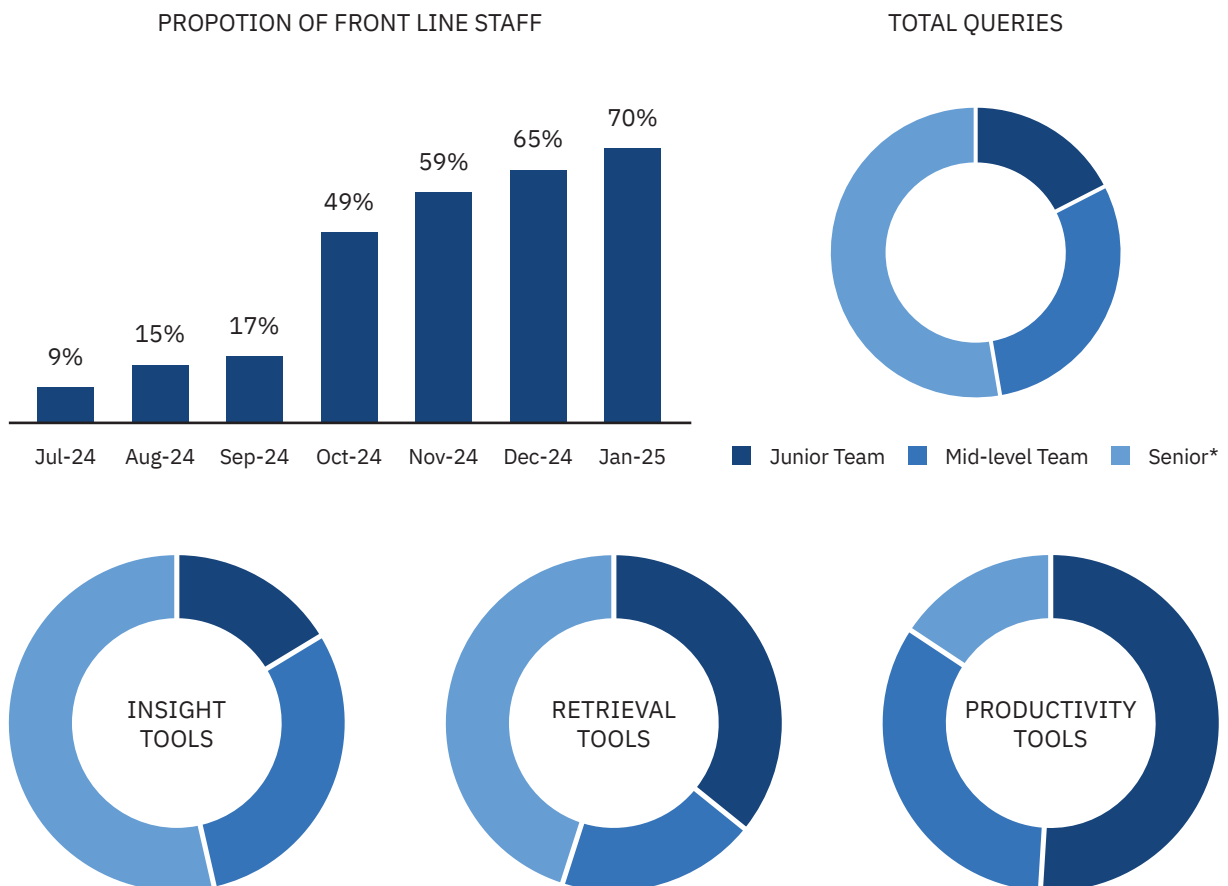
The breakdown of usage strikes an interesting picture on tool engagement and shows the type of tasks that each cohort undertakes – juniors upload and give commentary around the data and seniors interact and engage with it seeking insights quickly. The uploading and commentary provided does not get captured here, so engagement with the tools in providing data in the backend for it cannot really be measured which may partly explain why in total queries the most junior staff members are underrepresented. However, it seems that the total queries from all our AI tools, almost exactly maps the queries to our insight tool, which lends itself to quick information retrieval and the sort of fast (on the spot) information that a senior dealmaker may require when, for example, on a call with a client. Whereas looking at the retrieval tool, the breakdown of usage is much more balanced with everyone benefitting from easy, conversational access to prior materials. The productivity tool, completely flips the picture and shows a domination of usage from the Junior team who are actively engaging in the tools that alleviate the less engaging part of their work.

*excluding Managing Partners

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Real success is shown beyond adoption

Not only have we seen solid engagement but this has filtered into real, measurable productivity improvements

Whilst still early in our journey and operating with a small tech team we have managed to see significant productivity improvements in all the areas that we have focused on. This has given everyone the confidence and drive to go further, with the tech team receiving active engagement from across all levels of the firm to suggests tools that can improve efficiencies in their own work. By finding the tools that enhance everyone's working experience, freeing their time to focus on the more critical tasks, we hope to perpetuate this fortuitous cycle of high engagement and impressive productivity gains.

IMPLEMENTATION OF THE EXTERNAL (CLIENT ENGAGEMENT) TOOL

TASK COMPLETION TIME

12 hours

-98%

15 minutes

Time taken before tool created

Time taken post tool created

OUTPUTS MADE

313

10*

Preceeding 6 months

6 months after launch
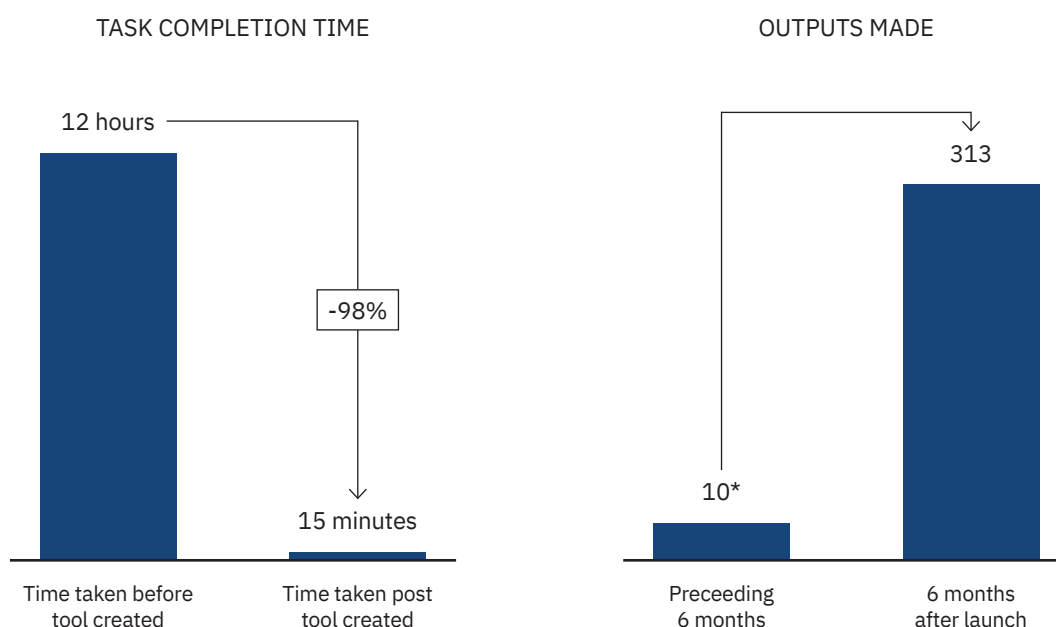
WE HAVE 31X THE OUTPUT WHILST SPENDING 0.65X LESS TIME ON THE WORK

10x
speed improvement in document & material discovery **after Retrieval tool implementation**

~30%
self-reported improvement in general productivity from test group in trials of 3rd party AI tools

5.8bn
records processed by our new special ops data team for one pitch. The team works hand in hand with bankers, enabling them to work with datasets they previously could not access at all, translating business requirements into code. Results can now be delivered in days that would normally take weeks or over a month from external data services teams

* Management estimates

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The tech has improved, so have our opportunities

We're just getting started in becoming an AI powered organisation

The arrival of Chat-GPT gave us the impetus to accelerate our, already in motion, digitalisation journey. Whilst the new chatbot sparked a furore of excitement on the possibilities of technology, its real business use cases were quite limited. High costs, rates of hallucinations that made output unreliable, and a low level of technology literacy amongst the community meant that integration into business workflows proved challenging. What it did signal, however, was the need for businesses to prepare for the future exponential improvements ahead. As a firm we ensured to make ourselves as ready for the coming wave as possible by accelerating our data infrastructure improvements and focusing our strategy.

Due to this, the initial phase of our AI strategy focused on accelerating access to critical information by implementing data centralization, advanced processing, and intelligent retrieval techniques. By breaking down information silos and streamlining searchability, we ensured that teams could quickly access the insights they needed, improving both efficiency and decision-making.

In parallel, we targeted key operational bottlenecks—time-consuming, repetitive yet straightforward tasks that drained resources without adding strategic value. These areas provided an ideal battleground for AI-driven automation, enabling us to free up valuable human capital for higher-impact work.

With this solid foundation in place, we are now poised to take AI adoption to the next level. The emergence of advanced AI reasoning models opens the door to tackling more complex business challenges, allowing us to drive automation beyond routine tasks and into higher-order problem-solving. This shift marks the beginning of a new era where AI not only accelerates workflows but also enhances strategic decision-making across the organization.

GENAI TIMELINE

↗ ChatGPT released	↗ ChatGPT 4 released hallucinations come down	↗ Reasoning and chain of thought is the new frontier	↗ Cost of thought plummets with the release of DeepSeek

BUSINESS CONSIDERATIONS

↗ Model hallucination too high for business-critical tasks	↗ Contextual search and summarisation tasks ideal	↗ Complex tasks come into sight, cost of compute far to high	↗ The year of the agents kicks off and a lot more capabilities come into scope

GP BULLHOUND TIMELINE

↗ Accelerate data architecture build out	↗ Syntax based document retrieval tool build	↗ Reliable client engagement and multisource summarisation	↗ Focus on higher-order problem solving, help give more support to junior tasks

Whilst the process we went through was important, the people, ethos and culture was crucial. If we consider Everett Rogers' Diffusion of Innovations it was incredibly important for us to empower our "Innovators" to speak openly about new technologies that they are excited about for the business. However, they can easily be left isolated if not supported by senior management who are either themselves late innovators or very early adopters. Global firm uptake cannot be expected to be successful without these leaders who are themselves super users of the technology. They can then push its implementation from the top down, knowing the extent of its capabilities. Thus, inspiring those who embrace the technology and pushing the others to incorporate it into their work; with the power to remove blockers and force through solutions / workarounds to potential governance or regulatory issues.

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Act now and the compounding will propel you ahead

It's not certain that all humans will be replaced by AI, but AI powered organisations will definitely steal market share

We started this report with the view from Aalto university research that the vast majority of companies are unable to see any benefits from implementing AI. Whilst business which are struggling can feel safe that they're not the only ones, this can give rise to a false sense of security. Below we have modelled a simple thought experiment where two companies, a market leading incumbent and a nimble challenger, are both seeing ~30% of productivity gains as a result of AI implementation, however with the challenger seeing wider adoption of the tools across the whole firm (similar to our own levels in the first year). The compounding effect of this improved productivity and the extra output the team could in theory produce, would result in the cumulative amount of output from the challenger exceeding an incumbent which started 10 times as big by the 7th year.

Even without the illustration from this simple case, the excitement and hype around AI stems from it's potential to boost and enhance productivity. Thus, companies should be pushing as hard as possible to find way to boost adoption and get ahead of the competition, because the ultimate prize they are competing for is keeping their team in jobs. In a world where machines can replace humans, the humans who use AI the most and integrate it the fastest will steal market share.

THEORETICAL COMPOUNDING OF A CHALLENGER WITH HIGH AI
ENGAGEMENT AGAINST A SLOW TO IMPLEMENT INCUMBENT

● AI Adoption Incumbent   ● AI Adoption Challenger
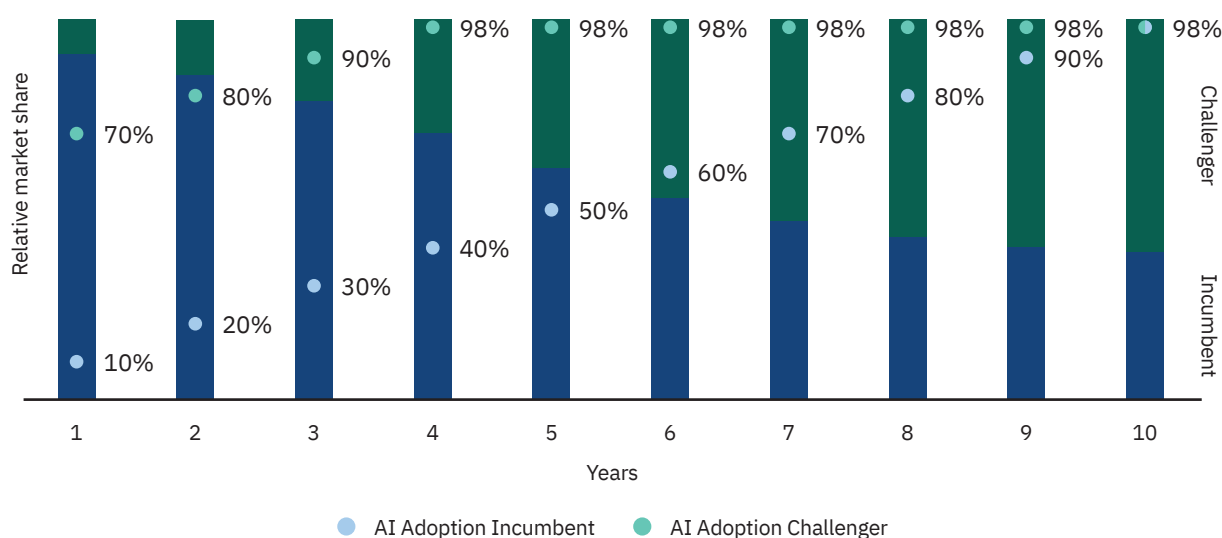
KEY SUCCESS CRITERIA

↗ Empowered and confident innovators* who can act as the canary for new opportunities

↗ Parts of senior management themselves must be either late innovators or very early adopters*

↗ They can then force or bang the drum for the rest of the firm's frontline staff to be late early adopters, then operations to be part of the very early majority

↗ Board should initially be less focused on AI strategy of senior management and more observant of which tools the leaders themselves are using, are they superusers?

↗ Compliance and regulatory functions should be proactive, flexible and solution-orientated to avoid being blockers to implementation but to ensure role-out does not compromise companies positioning

*From Everett Rogers' Diffusion of Innovations theory

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About GP Bullhound

GP Bullhound is a leading technology advisory and investment firm, providing transaction advice and capital to the world's entrepreneurs and founders.

Founded in 1999 in London and Menlo Park, the firm today has 13 offices spanning Europe, the US and Asia. For more information, please visit www.gpbullhound.com.

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Marbella
Luxembourg
Malaga
Frankfurt

ASIA

Kuala Lumpur

YEAR FOUNDED	PROFESSIONALS	OFFICE LOCATIONS
1999	120	13
SUCCESSFUL TRANSACTIONS	TRANSACTION VALUE ADVISED ON	AUM ACROSS GP BULLHOUND MANAGED FUNDS
650+	$50bn	$1bn+

GP Bullhound partners with entrepreneurs throughout their founding journey, supporting them with advisory, capital, insights and access to our global network.

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