



AI Market Landscape: Suppliers, needs, and use cases

THE SIX LAYERS

Lock-in risk rises the closer a supplier sits to your daily workflow

LAYER	LOCK-IN RISK	WHAT PROCUREMENT SHOULD DO
L1 Foundation Models	Medium	Separate durable capability from suppliers riding a temporary wave.
L2 Cloud Infrastructure	High	Push hardest on exit clauses, data portability, pricing escalation.
L3 Orchestration & Frameworks	Low-Med	Low supplier risk, high build cost. Needs in-house technical staff.
L4 AI Application Platforms	High	Where most B2B spend lands. Expect 20-40% AI premiums, hard to unbundle.
L5 End-User Applications	Low-Med	Audit shadow AI. Most organizations run 15-30 untracked subscriptions.
L6 Open-Weight / Self-Hosted	Very low	Data never leaves. Worth evaluating for pricing and contract work.

SUPPLIER RED FLAGS

When a supplier says “AI-powered,” here is how to tell what is real

High

They cannot name the model

No model, no way to assess quality, bias, or data handling.

No live demo of the feature

Plenty of products badge themselves. Make them show it.

No data processing agreement

Without a DPA there is no legal clarity. Compliance gap.

Medium

Repricing at 30 days' notice

API costs move fast. Negotiate caps before you sign.

Self-run benchmarks only

They designed the test. Ask for third-party evals.

Vague on retention and deletion

How long is it kept, can you force deletion, is it enforced?

Low-Med

No SLA on AI output quality

Standard SLAs cover uptime, not accuracy. Get recourse in writing.

ROI claim with no named customer

Ask for a reference at your size, in your industry.

SIX QUESTIONS FOR EVERY AI SUPPLIER

01

Which layer does this supplier operate at?

L1-L2 needs far tighter contract scrutiny than L5

02

What happens to our data?

Does it leave our environment?
Is it used to train your models?

03

What are the exit terms?

How long to extract our data and workflows, and in what format?

04

How is pricing structured?

Per query, per user, or flat? What changes at renewal?

05

Is this AI or just AI-labeled?

Name the model. Name the benchmark.

06

What is the open-source alternative?

Can a self-hosted model do 80% with zero data exposure?

REMEMBER: The six Golden Rules from Session 1 still apply. Keep that card next to this one.