

Every SaaS Product Has a Copilot Now. **The Differentiation Is Gone.**

The software AI market is crowded and margins are compressing. The next commercial wave isn't on a screen — it's inside the machine.

SWIPE →

Where the real opportunity is moving.

- 01** Why software AI stopped being a differentiator
 - 02** What "embedded AI" actually means
 - 03** Three product categories nobody has rebuilt yet
 - 04** The business model hiding underneath hardware
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01

Industrial equipment that fixes itself.

Self-diagnosing machinery that orders its own replacement parts before failure occurs — running on-device, no cloud dependency, no latency.

02

Buildings that think as one system.

HVAC, lighting, access, and energy stop acting as four disconnected products and start operating as a single intelligent layer.

03

Medical devices delivering clinical-grade inference at the point of care — without routing sensitive data through a hospital network.

Two more categories are already in motion: urban infrastructure and consumer appliances.



The organisations that enter this space over the next 24 months will not be competing. They will be defining the category.

Terence Kok

on where AI's next commercial wave is heading

Red ocean vs. blue ocean.

SOFTWARE AI (TODAY)

Every platform has an AI layer

Margins compressing fast

Differentiation nearly gone

HARDWARE AI (NEXT)

Almost entirely open

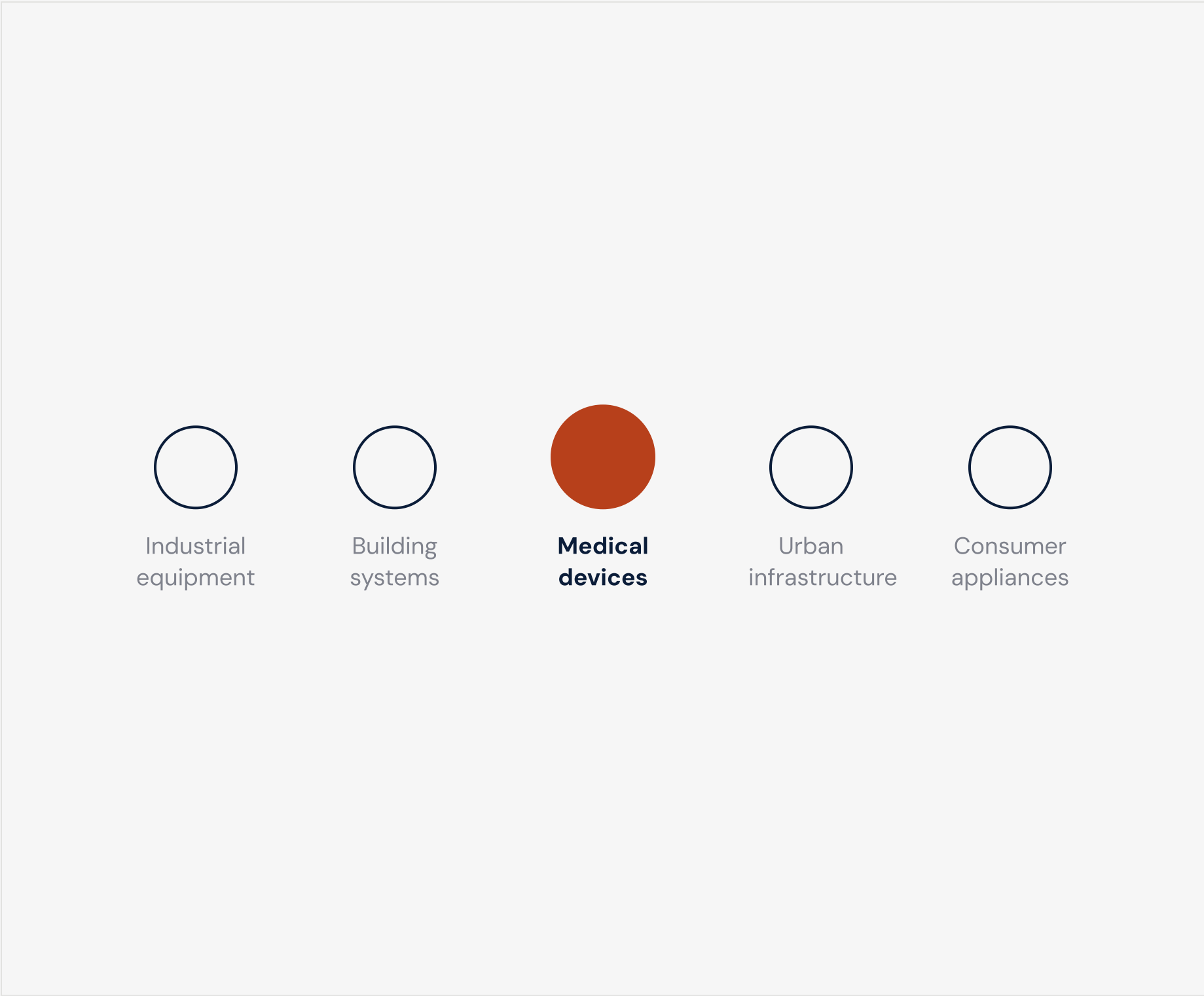
Chip architecture already mature

Recurring, operational revenue

It's a business model opportunity, **not just a product one.**

Embedded AI creates recurring value through continuous operation. Every cycle, every sensor reading, every autonomous decision the system makes is a data asset and a service touchpoint. The monetisation model shifts from licence renewal to operational partnership — stickier, longer, and more defensible than anything in the current software AI stack.

Five categories. All still open.



The chip architecture, the compressed models, and the infrastructure are ready. What's missing is the business built on top:
terencekok.com/blog/software-ai-gold-rush-over-hardware-ai-gold-rush-just-beginning

The next 24 months **decide the category.**

Move into embedded AI now, and you're not competing for share. You're defining the market.



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