

SKILLNAVORA · AI PRODUCT MANAGEMENT & GENAI
LAUNCHPAD

AI Product Strategy

Decide where AI creates real value: AI-first vs AI-added products, moats and data flywheels, build vs buy vs partner, model choice, opportunity assessment and AI roadmaps.

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How to use this guide

Each class has goals, concepts with Indian examples, key takeaways and a practice exercise, from basic to advanced. Finish with the final project to build something you can show in interviews.

	Class	Level
Class 1	Where AI creates value	Basic
Class 2	Moats and data flywheels	Basic
Class 3	Build vs buy vs partner, and choosing models	Intermediate
Class 4	Assessing and prioritising AI opportunities	Intermediate
Class 5	AI roadmaps and portfolio of bets	Advanced
Class 6	Case studies and final project	Advanced
Toolkit: templates, cheat sheet, glossary, 6 interview questions, further reading		

Where AI creates value

Separate real AI opportunities from hype.



AI opportunity matrix

AI-first vs AI-added

AI-added	AI-first
AI improves an existing workflow (summaries in a CRM, smart replies)	The product only exists because of AI (AI tutor, coding agent, voice receptionist)
Lower risk, faster	Bigger upside, more uncertainty

Good AI opportunities usually have

- A frequent, painful job with lots of language, images, or decisions.
- Tolerance for some errors, or a cheap human check.
- Data or context you can access (documents, tickets, history).
- A clear metric that improves (time saved, conversion, resolution).

Key takeaways

- Start from the user job, not the model.
- Plot value vs feasibility.
- Error tolerance decides how much autonomy AI gets.

Practice exercise: List 10 AI ideas for a product you know and place them on the opportunity matrix.

Moats and data flywheels

Understand what makes an AI product hard to copy.



Where advantage comes from (when everyone can call the same models)

- **Proprietary data and context:** your customers' history, domain documents, labelled outcomes.
- **Workflow ownership:** being where the work happens (the system of record).
- **Distribution:** existing users, brand, partnerships.
- **Trust and quality:** evals, safety, reliability in a domain (health, finance, legal).
- **Speed of learning:** feedback loops that improve weekly.

Thin "wrapper" products that only add a UI on a public model are easy to copy; add data, workflow, and trust.

Key takeaways

- Models are commodities; data, workflow and trust are moats.
- Design feedback loops from day one.
- Measure the flywheel: does quality improve with usage?

Practice exercise: Draw the data flywheel for an AI feature you'd build and name the metric for each step.

Build vs buy vs partner, and choosing models

Make sourcing and model decisions with clear trade-offs.

Option	When	Risks
Buy (SaaS AI tool)	Non-core need, fast time to value	Vendor lock-in, data sharing, less differentiation
Build on model APIs	Core experience, need control over prompts, data, UX	Team skills, evals, cost management
Partner	Specialised data or distribution you lack	Dependency, revenue share
Fine-tune / self-host open models	Strict data residency, high volume, specialised tasks	Infrastructure, maintenance, quality gap

Model choice criteria

- Quality on **your** eval set (not public leaderboards alone).
- Cost per successful task; latency; context length.
- Data policies, residency (India data needs), enterprise terms.
- Multilingual quality (Hindi and regional languages), safety behaviour.
- Keep a provider-agnostic layer so you can switch.

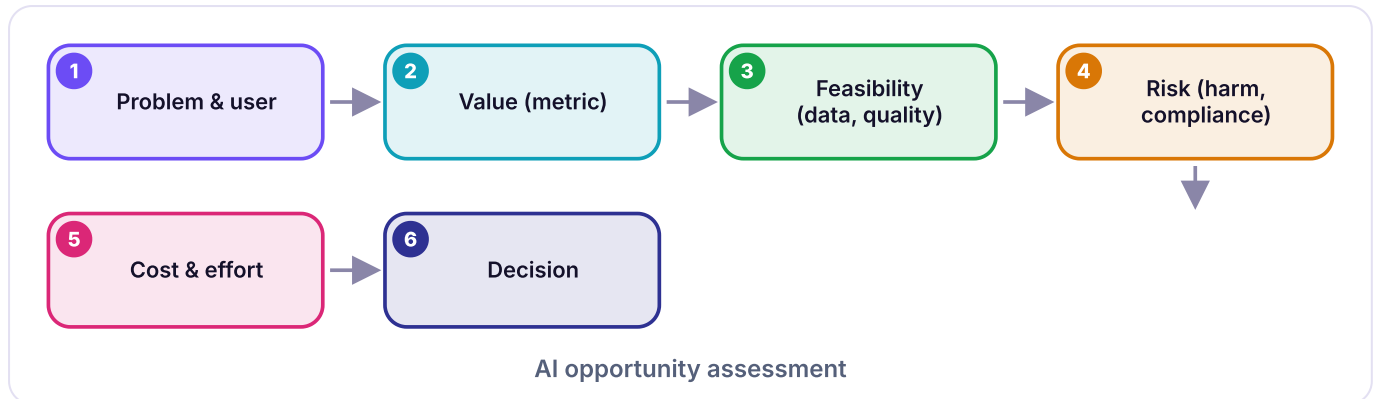
Key takeaways

- Buy non-core, build core, partner for missing assets.
- Choose models with your own evals and cost per task.
- Avoid lock-in with an abstraction layer.

Practice exercise: Write a build-vs-buy memo for an AI support assistant at a 200-person company.

Assessing and prioritising AI opportunities

Score AI ideas on value, feasibility and risk.



Question	Evidence
How often and how painful is the job?	Usage data, interviews
Can AI do it well enough today?	Prototype + 30-case eval
What happens when it's wrong?	Failure modes, human check cost
Cost per task vs value per task	Token estimates, pricing
Data access and permissions	Legal and security review

Run a **2-week feasibility spike**: prototype, small eval, cost estimate, user reaction, before committing roadmap space.

Key takeaways

- Prototype + eval before roadmap commitment.
- Compare cost per task with value per task.
- Price in the cost of errors.

Practice exercise: Assess 3 AI ideas with the table above and recommend one.

AI roadmaps and portfolio of bets

Plan AI work under uncertainty.

Horizon 1: improve core

AI-added features, quick wins, 0–6 months

Horizon 2: new experiences

Copilots, agents in key workflows, 6–18 months

Horizon 3: new business

AI-first products, new markets, 18+ months

Three horizons for AI investment

- Use outcome-based roadmaps with confidence levels; AI capability changes fast.
- Budget for evals, data work and safety, not only features.
- Revisit quarterly: new models can make "hard" ideas easy (and cheaper).
- Kill criteria: what eval or adoption level stops a bet.

Key takeaways

- Balance quick wins with bigger bets.
- Include evals, data and safety work in the plan.
- Set kill criteria for each bet.

Practice exercise: Create a 3-horizon AI roadmap for an Indian fintech app.

Case studies and final project

Apply the strategy tools end to end.

Mini cases

- **Customer support (B2B SaaS):** AI-added copilot first (draft replies), then AI-first self-service; moat = resolved-ticket data + workflow integration.
- **Edtech tutor:** AI-first; moat = curriculum-aligned content, learner progress data, trust with parents.
- **Fintech:** AI for fraud and support; regulatory trust as moat; heavy human-in-the-loop.

Final project

Write a 2-page AI strategy for a product: opportunity matrix, flywheel, build/buy/partner decision, model-choice criteria, 3-horizon roadmap with kill criteria, and the evals that prove progress.

Key takeaways

- Strategy = where to play + how to win + what to build.
- Tie every bet to evals and metrics.
- Revisit as models change.

Practice exercise: Complete the 2-page AI strategy and present it in 7 minutes.

Templates

AI strategy canvas

Field	Fill in
Target users & jobs	
AI opportunities (value × feasibility)	
Moat & flywheel	
Build / buy / partner	
Model criteria	
Horizon 1 / 2 / 3 bets	
Evals & metrics	
Kill criteria	

Cheat sheet

Term / tool	Meaning / use
AI-added	AI improves an existing workflow
AI-first	Product only possible because of AI
Data flywheel	Usage → data → better product → more usage
Moat	Durable advantage competitors can't copy quickly
Feasibility spike	Short prototype + eval to test viability
Kill criteria	Pre-agreed signal to stop a bet

Glossary

Wrapper	Thin product on top of a public model
System of record	Where the main business data lives

6 interview questions with answers

Q1. How do you decide where to use AI?

Start with frequent, painful jobs; check value, feasibility (prototype + eval), risk of errors and cost per task; plot on a value-feasibility matrix.

Q2. What is a moat for an AI product?

Proprietary data and context, workflow ownership, distribution, trust/quality in a domain, and fast learning loops; not the model itself.

Q3. Build vs buy for AI?

Buy non-core needs, build the core experience on model APIs, partner for missing data or distribution; consider lock-in, data policies and cost.

Q4. How do you choose a model?

Your own evals, cost per successful task, latency, context, data policies and residency, multilingual quality, with an abstraction layer to switch.

Q5. What is a data flywheel?

A loop where usage creates data and feedback that improves quality, attracting more usage.

Q6. How do you roadmap AI under uncertainty?

Outcome roadmaps with confidence levels, three horizons, quarterly review, and kill criteria tied to evals and adoption.

Further reading and tools

- a16z: AI articles: <https://a16z.com/ai/>
- Sequoia: AI perspectives: <https://www.sequoiacap.com/our-companies/>
- Lenny's Newsletter: AI product: <https://www.lennysnewsletter.com/>
- Reforge: AI strategy: <https://www.reforge.com/>

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