



Game Changing AI



Inside the Seattle Sounders' Strategic Shift

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Andy Sack: Welcome. This is AI first with Adam and Andy, the show that takes you to the front lines of AI innovation in business. I'm, um, Andy Sack, and alongside my co host, Adam Brotman. Each episode we bring you candid conversations with business leaders transforming their business with AI. No fluff, straight talk, real use, cases and insights for you. Welcome Hugh Weber, uh, our guest on episode two, and Adam, my co host. Glad to have you guys here.

Adam Brotman: Hey Hugh.

Hugh Weber: Good to see you. Adam and Andy.

Andy Sack: Yeah, thanks so much for joining us. Thought we'd kick right off. Like, Hugh, why don't you introduce yourself first and tell us a little bit about your business.

Hugh Weber: So, uh, I am leading the Seattle Sounders, uh, in the major, um, League Soccer, uh, North American Soccer League, uh, have been in sports for almost 30 years, uh, running NBA, NHL, English Premier League teams, esports, so a wide variety of sports and entertainment, along with venues and uh, other types of live experiences. Been in Seattle for about two years and we are in a moment of growth both in the league for soccer in North America, with the World cup coming in 2026, but also for the franchise itself, which is, uh, has been around since 2000. Uh, actually it started in 74, but in the MLS and since 2009 and has been one of the more successful franchises for this league. But we're trying to figure out how to make it more global.

Andy Sack: And Hugh, did you move to Seattle for this, for this role?

Hugh Weber: So I grew up in. I grew up just outside of Seattle, a place called Tacoma, and left about 35 years ago and got into sports and lived in everywhere from LA to North Carolina to New Orleans, and most recently spent the last 10 years of my career in New York running, which became Harris, uh, Blitzer Sports Entertainment, which was a conglomerate of sports teams across multiple leagues.

Andy Sack: And can you tell us a little bit about the size and scope? I mean, I guess it's now Sounders and Rain.

Hugh Weber: Yeah. So I think the appetite by the, uh, investors of the Sounders was to, uh. It's a trend within our industry to understand how you can take this magnetic appeal we have with hundreds of thousands of fans and typically any region, and leverage that into other opportunities of growth, whether it's in real estate, whether it's data, insights, live experiences. And so, uh, about two years ago when I came, there was this, uh, vision of how we might take the operating system, which is the Sounders running a men's soccer club, and leverage it into other enterprise properties. And the women's NWSL team, which is the premier League in the World for women. Ah, longstanding franchise in Seattle called the rain. We brought that into the fold uh, just in June of this year. So the team is now scaling. Part of what we'll talk about today is how the tool of AI is helping us actually double uh, the outputs of what we're doing and not having to double the actual resource of humans that we're putting toward it.

Andy Sack: Yeah. So let's get, let's get into like your perspective on AI and sort of what you've done from a uh, digital transformation perspective. And Adam, feel free to chime in at any point here as well.



Hugh Weber:

Yeah, I would say, you know, again, I'm, I'm at the tail end of my career. Like I'm in my late 50s. I've been doing sports and. Sports and entertainment is generally been a very traditional old school business. You know, paper tickets and you know, Excel spreadsheets in terms of tracking your customers. Uh, it's been uh, an industry that's been resistant to change. But as we looked at kind of the wave of, you know, reading about how AI was, was coming and potentially uh, as a tool to help organizations be more efficient, we generally have a culture of curiosity and so uh, I believe it's an important attribute for teams that are high performing is to always be curious in terms of what's happening in the industry and the environment and how we might apply it to our work. And so the managing uh, partner Adrian Hanauer and I started this journey of doing research and understanding what AI actually was. And that's how you know, the three of us met. And so I think, you know, uh, in some regard, I look back and I think, gosh, it's only been 10 months since we've really kind of put our toe in the water and then started running toward the capability. But it happens so fast and this industry is changing so fast, it kind of feels like you've been doing it for a long time. And so I would say we have varying degrees of success, of integration in terms of how teams within the Sounders are utilizing the tool. But I think collectively there is this. Okay, this is a new platform that we are going to integrate across every aspect. We're just trying to figure out how to onboard every department so that they're utilizing the tool and the resource effectively.

Andy Sack: What, from your perspective, I mean, so you started 10 months ago, talk to us about your AI journey and highlight sort of the most significant success.

Hugh Weber: But again, I think for anybody who's doing a little bit of dabbling, it starts off with the Novelty of it. You know, everyone, you're doing these, uh. And I think, uh, Andy and Adam, you guys came in and helped us with a boot camp that really kind of reframed how people were thinking about the tool. But we did it through fun, right? We made it fun for people. And so the exercise that we did with every one of our staff was to create an exercise where everybody had to come up with a new franchise name, a logo. And it was a lot of fun, but it actually, uh, took the fear out of what people had heard about AI as a job replacer, as something that was going to consolidate the workforce. And, um, it got people thinking about it differently, I'd say, early on, you know, the novelty. And, you know, I think part of the reason that we have these breakthrough moments where you're thinking about, oh, shit, I didn't know I could do that, is because we're thinking about it the wrong way. Like, it's a search engine. And it's like, well, it's better than the other search engines I do. As opposed to thinking of it, which is something you guys helped us with. Think of it as a really smart person who can actually help you as an assistant, you know, collate and put. Put ideas and organize your thoughts better. And so, uh, kind of the aha moments early on were because my expectations were so low, right? They were like, I was just going to get some sort of, like, web browser page and, and it'd be interesting, but not. Not really all that helpful. And I think what we found is the more our expectations rate were raising with what it could do, the more it made the experts in our field more expert, for lack of a better term. It just made us better because there were often things we weren't thinking about. And so we're seeing teams now adopt, uh, at different rates, which is okay. We're letting people go at their own pace. We're tracking adoption. We, uh, have a council that's providing some guardrails around what we should and shouldn't be doing and how we could and should not be operating. But again, it's something where, uh, I think that we're just trying to keep the band of experience in a tight band so that we don't have people falling too far behind and we don't have people getting too far ahead.



Adam Brotman: I remember when we worked with you at the beginning, and you guys did kind of have your aha moments. And so we've been a little bit along the journey with you, but now that you've gotten to be as far along as you are, and I'm sure you describe it as you're in the first inning still, but. But you know, you've had several months to sort of see it start to set in with the organization. How would you describe right now where you're seeing the unlocks and the ROI from it? Is it. Would you say it's a combination of better decisions or the ability to do something you weren't able to do, or is it more of a productivity boost, doing what you were doing, but sort of doing more of it faster and whatnot? So can you kind of give us a sense of. Or is it a balance?

Hugh Weber: I think it's those two plus one other, which I'll get into. Our fiscal year is a January to December. And so we're like, we introduced this midway, so that wasn't like we had plans in terms of how we were going to, uh, do this. A, uh, long time out. We basically exposed the opportunity, grabbed it, jumped in and kind of adapted along the way. So what ended up happening is, yes, there were some kind of mundane exercise work that we do. Things like writing game notes and press releases and things like that that we quickly learned that instead of taking four hours after a match to do that, you could literally get it done in 20 minutes because the first draft would get done. We would, you know, and then you could just kind of iterate it a bit. Um, so. So there was some, definitely some efficiencies around productivity and how. I'm not sure we have yet tra. How to figure out how to translate that extra three hours into something that is additive. Right. So it's like, wow, good for you. It saved three hours of your time. Now what are you going to use that three hours to go do instead? Right. And I think that's the evolution that we're again, still working through on, um, the productivity side. Um, on the side of the third element I was going to talk about is like, now that we're into budget and planning, you can start to think about where you're reallocating resources. Right. So where. Where have we had humans working and doing heavy lifting on things that candidly AI has just, you know, again, consolidated, made more, more efficient. And now where are we going to go reallocate those people and how are we going to do it? That's the kind of messy middle we're in right now and thinking about because we always go through this exercise. Most companies do. Beginning of the new fiscal, you want to have your headcount budgets, you want to have, you know, your new initiatives and what are they? And our default now is, okay, how can we go achieve that? And how is our first stop AI? How can AI. How can this be the first step of what we do as opposed to let's go hire an engineer and see what they come in and what they propose? And so I think that is the behavioral change that we're seeing internally and I think the real impact. I haven't. We haven't got a finalized budget for 25 yet, but I, My intuition is that you're going to see a lot more work around strategy and thinking and as opposed to some of these mundane things that we've done in the past.

Adam Brotman: In your process, what would you, you know, for other leaders that are. Have not gone through what you've just gone through? What would you say? What, you know, that not, not that you would do. Do differently versus what you would do the same, but just what were sort of the areas that, you know, it was where it was harder to implement or to get people to try or to think about or versus where it was easier to do? Like, I mean, uh, I'm not just trying to pick on the negatives, but also the positive, like kind of where. What advice would you give to someone who's going through this as a leader for the first time?

Hugh Weber: Yeah, I think we think about, uh. I guess the way I would put it is that I, uh, walk to work every day. It's two miles, it takes me 30 minutes. And then one day a bicycle shows up in my, in my driveway and I'm like, huh, uh, should I walk or should I take the bike? You don't do both, right? You don't have to do both. But it's really super efficient for me to take the bike and it makes my life a lot easier, so why not, why not use it?

And so I think there is habits that you have to. Again, during grain where you walk out your driveway and you're halfway down the block and you go, oh crap, I forgot about. I have the bike sitting back there. I should probably go back and jump on it. And that, that is the part that you just have to retrain yourself and, and not think of it as like, again, you're not making two trips to work. You're only making one trip to work. So you don't have an AI way of doing it. And then, uh, another way of doing it. And I'd say that was the kind of the paradigm breakthrough for us that made sense.

Andy Sack: I'm still trying to understand your Perspective on sort of like the most promising use case. Like, it sounds like productivity. Like you've saved some time on some automated tasks. But like, is there anything where you're like, oh, uh, like this, I see the green shoots of promise right here. And maybe it was the budgeting thing as you're looking ahead, but I'm, I'm looking for the thing that.

Hugh Weber: Yeah, there's so many. Andy, it's like there are even. Yeah. So for us, um, you know, uh, it's funny because we, we're in the live events business. You think about soccer as being, we're in the sporting business and we're going to win cups and all that stuff. But like our job is hosting 32,000. People, you know, to a party two. Times a year for a party and have fun. And in that, in that, you know, cohesive experience, there's always breakdowns. You know, what were the, how long were the lines in the bathroom and how long were the lines in. Reaching out to people and that service and that engagement of our, of uh, fans that come to these matches is so important. So if I can, if I can take all that data and find trends quickly and get back to Andy and, or the group he was with and find solutions so that it's not taking me a month and a half to change that line at the hot dog stand, but it's taking me one match and it's changed. Those are the types of things we're feeding that information in and saying, what would you do differently and how would you do it and, and it's actually coming up with suggestions as opposed to having somebody collate reams and reams and reams of information because we have lots of information. We know everybody who comes to our building, but we don't know necessarily again, how we're making decisions quickly that are going to have the greatest effect on that experience.

Andy Sack: What's been the greatest challenge in doing the sort of rolling out and talk about sort of the size of the organization and what you've done, um, as ah, part of that context.

Hugh Weber: Yeah, so we have about 210 people call it, you know, so we're a relatively small organization. I'd say there are a lot of different types of work that's done. If you're the head coach and you're down training, it's a very different job than if you're, you know, running ticket sales. It's, it's, they're just very different. And so having use cases and, or finding how to integrate that use and Build it into people's normal practice, you know, um, has been very, very different. So think of it as, you know, if I had a thousand engineers, I would just hand it to them and say, you all kind of do similar work, but all of our folks do very different types of work. So we have found that connecting the dot between what the capabilities are and what the challenges are, that person, that particular person has, and even the coach has now seen some of the things that it's capable of doing. And so that has been the scaling challenge. Um, I'd say the other thing, just more universally is like the fact that we're still in the first inning. The fact that we're in this really nascent. We just haven't actually pushed it to its limits yet. We just haven't. And so it's, uh, back to that adage, I don't know what, I don't know. And so it's just iterating, testing, iterating, testing, iterating, testing that. That we're in the middle of right now

Andy Sack: Q. Do you think AI is under hyped or overhyped in the in terms of the impact on business?

Hugh Weber: You know, I think it's, uh, you know, um, this is an anecdotal answer. I don't, I mean, I, you know, can only go off of my experience. But I talked to other leaders, definitely in our industry and sport. It's not even on their radar yet. So I would say it's under hyped. Um, I think that the capability, I think the world that we'll be working in, you know, I think the transformational change within sports entertainment usually takes about a decade and a half. I think this is going to be two years. It's going to be radically different in terms of how. Because again, there's so much that we do in this industry that is just the same way it's been done since 1965. Right. And so I think that's the, the piece. I will say one of the other challenges that now I think about is we are, um, reliant on a lot of our industry partners, you know, ticketing systems, you know, the, uh, people who cater the food in the stadium. Like. And again, it's, it's. Sometimes we're pulling our partners along in this space and I think if I had magic wand, I would just say, hey, we're all going to do this. This is how it's going to work and I'm going to make sure it happens this way. Um, and that, that. And sometimes is the Challenge.

Adam Brotman: One of the things that comes up a lot in conversations with Andy and I and other people that are like living in this industry every day around AI transformation is even if the AI systems didn't get any better from here, like just pretend they were frozen in time, which is very far from the, the path it's been on and probably is going to continue on. But even if it didn't get any better, it's already sort of this amazing thing, right? Like you just said, Hugh, like you sort of, you realize like, wow, it's like effectively free knowledge workers and they don't get tired and don't have bias and don't get frustrated and um, and have potentially ultimate. And work 24 hours a day and all that kind of stuff. So it can, it can do all these things. And so I want to ask you, I'm going to put you on the spot a little bit if, um, and you can tell me that you don't want to answer, that's okay. Which is like if you were to try to quantify, and I don't mean in dollars, right? I'm talking about, I'm talking about rough orders of magnitude. If you were to say, if next year you're doing your planning right now, you and Adrian and the team are sitting around and you're saying, all right, it's our goal that, you know, everybody even takes the current use of a gen AI up, up to another level in terms of how they're using it every day they get in that bicycle habit you mentioned better. So let's say you, you got everybody to a place magically next year to where you wanted them to be using it, um, and supplementing what they're doing and complimenting what they're doing. Would you, how would you quantify as a percentage of productivity, lift overall that you're see across the board and I'm talking about quality, quantity. Coach, coach is using it to make better pre game, post game, end game decisions. Um, your ticket salespeople are doing better with it. Like everybody's getting whatever uplift. What, what percentage of uplift? I'm gonna put you on the spot.

Hugh Weber: Do you think I would be disappointed if it wasn't 2 to 3x?

Adam Brotman: Wow. Okay.

Hugh Weber: Yeah, I think it's a multiplier. I don't think it's a percentage increase. Like if our business is growing, when I say business, if our sponsorship business or our ticketing business is growing at 5%, we gotta get it to 15. Like it's, it's, it's that Kind of function.

Adam Brotman: Right.



Hugh Weber: And. And again, I. And I. And again, it was a shift. I think when Adrian and I started this journey, it was like, oh, we spent X number of dollars on ticket sales. What if we spent a fraction of that? And I think we. We reversed our thinking and it's that it's not about saving. It's about scope and scale and how we can actually double the size of our fan base and get more people engaged and feeling. So much of what we do with our brand and our team is this, that personal connection. Right. If you think about those memories you've had of going to games or matches or whatever it is, it's like that personal thing you have. And so some of the work that AI is doing for us is not that it's just touching more making our work more efficient to get across a wider scale, but it still feels personal. Like when our fans are getting a note or something, a response back, it's something that doesn't feel like it's generated by a computer program that's part of our business.

Andy Sack: Um, Adam, are you surprised by his answer of 2 to 3x?

Adam Brotman: Yeah, I'm pleasantly surprised that I was right. I was thinking you were going to say 25% or 45% or like. But, you know, it's interesting.

Andy Sack: And you said 200 or 300%.

Adam Brotman: Yeah. And that's. By the way, Hugh, I, uh, think, you know, this, like, one of our case studies that we are proud to have done in our book was with Moderna, and they say we have 5,000 people doing the work of tens of thousands of people. So they're. They're talking about, like you just said, they're talking about 2, 3, 4x uplifts of capability sets. Um, so that's. It's interesting to hear you say that.

Hugh Weber: But it's funny because it is again, um, I'm a huge believer that the source of kind of the magic sauce of organizations and their ability to kind of perform at a high level is cultural. Right. And so a lot of this, we took a very cultural kind of view. And it's been for some, a challenge. Like, as, you know, like, there are humans that are just more resistant to change. Um, and as we are recruiting people now, it's really interesting in an industry that is not talking about AI a lot, and even those teams that are talking about using AI, they are talking about doing a workshop. They're not talking about, like, integrate it in your operation. And so recruiting people in who have kind of a default to. This has been you have to hire the right kind of people too, right, that are, again, curious and are, uh, interested in taking a journey on this path.

Andy Sack: I mean, one of the things that stood out to me, Hugh, uh, I mean, we've been working together since the beginning of the year, so the founders of the client of Forum three. And so thank you for, thank you for your being a client and also thank you for being on the podcast. One of the things that stood out to me as part of your cultural rollout and AI first digital transformation is you've really focused on the people side. So, you know, like specifically investment in careers, investment in skill sets for your people, no layoffs. And most more notably even more recently, is that you've, as you look forward, it started to become part of the review process and the recruiting process. And I think that approach, I mean that also we saw that at Moderna as well until like, I mean, I compliment you on that, but it stands out as a unique approach.

Hugh Weber: Well, I think the adoption tactics are out there, right? You've heard like Moderna was like, basically you use it or you get fired or whatever it was. I, uh, we've heard all these case studies of how CEOs have kind of like put a tactic out there to make it happen.

Having this be something that people gravitate to again, because we want a culture where people are continually curious and questioning how we're doing things and getting better and reinventing and reengineering as we can. And this just fit perfectly into that. It was almost like a excuse to have a laboratory where you're, you have something that you're going to question everything you're doing. And so in that regard it was important for us to leverage it that way.

Adam Brotman: Hugh, what did you, what did you actually find to be the best tactics, not looking back that like helped the team, uh, get comfortable with it, or did it just happen? Was it more about leadership, put the right stuff in place and just give it some time to organically happen? Or were there some things that you found in hindsight that were like, helpful to get the company to be more eager to experiment with it and adopt it?

Hugh Weber: Yeah, Adam, I think there's stages, I think, I think there was an onboarding stage that required something that was what we did, which was this kind of day long fun, people laughing, uh, demystifying it, you know, kind of like, wow, that was pretty cool. And even in that kind of subset of humans, you had people who had used it pretty a lot and they were coaching others and that was it. Was a cool environment, but that's the way it needed to be onboarded. But that's not how it grew internally. Right. Then you start to get a, uh, council and super users who are now tagging with teams of people. And now you start, instead of taking it from a theoretical exercise to a practical. Tell me your four biggest challenges and let's figure out how AI might be able to help us solve it. That to me, is where it got sticky.

Adam Brotman: Yeah.

Andy Sack: Hugh, I'm curious. You have, you know, we don't, we're not in regular. Do you have any questions for Adam M. And I about that would be helpful to you?

Hugh Weber: Well, I think 10 months ago you guys predicted that, you know, the next version's coming November. Ish. I think this is, we're in that time and it's coming again and it, uh, it's not, you know, 5% better, 20% better. It's again 5x better. Is that, is it playing out the way that you guys thought that it would be now, again? Because I, I think the life cycle of this stuff is not going to be measured in years, it's measured in months. And so I'm curious is, is if you've seen what you predicted.

Adam Brotman: You know, Hugh, it's funny that you ask that because yes and yes and no. But, uh, but I'm not trying to be coy or Hunt. It's actually a question that on everyone's mind right now because the new models came out from Claude, uh, and you know, anthropics, Claude and OpenAI's ChatGPT with their O1 model. Both of those new models came out recently and they were pretty amazing. I've heard everything from, you know, it's gone from, call it college level intelligence to graduate or even PhD level intelligence, uh, that the ability for coding capabilities has gotten better. But that wasn't what we were talking to. Your question. We were talking about, we were all expecting this GPT5, let's call it that like is going to be. And everybody's been waiting for that. And then this morning there was an article that came out of Bloomberg that said that there's rumors that there, that they, that these models are, they're having trouble getting them to reach that same level of scaling laws of improvement. And there's a lot of kerfuffle in the industry today about is that true? Is that not true? And so the short answer is I don't think we know.



This is just Adam speaking and maybe I'm biased, but I actually think we're going to be shocked at what comes out in the next month or two. I actually think that the rumors that there's running into problems are not true and that they, they might at some point, but I don't think we're there yet. That's, that's my prediction. But I don't know because there's a debate about it and we'll see. I don't know. Andy, what, what would you say?

Andy Sack: I would say it's. Yeah, I mean, I would say the pace of technological advance. I continue to believe that AI is underhyped and misunderstood and underutilized by business, society and individuals across the board. So like, I think, um, I continue to be amazed at its capability set and the speed with which it's moving.

Adam Brotman: Yeah. In fact, it's in. It's worth saying, Hugh, and you've set it up really nicely for this, for us on this episode, which is, even if it didn't improve from here, this debate. Okay, so we're at somewhere between a graduate student and a PhD level of intelligence with all of the knowledge of the Internet. And here come autonomous agents and multimodal capabilities that are mind blowing with like advanced voice mode and video and other things like that. And here you're on this podcast saying, I think if we can get to where we want to get to, we're talking hundreds of percentage points of improvement of productivity and quality that we could potentially achieve as an organization. I don't, I don't know how much like that's so amazing.

Andy Sack: Right.

Adam Brotman: Like I was like that, like, right. And, and 95% of businesses aren't taking advantage of it, to Andy's point and your point. So I, I kind of look at it and go, I don't know how much better it needs to get, um, for it to be uh, this absolutely disruptive force.

Hugh Weber: That was gonna be my follow up question, which was really more about what and how would you define getting better? Is it like the first answer back is just better and you don't have to iterate it and probe it a little bit more when it's being lazy in that those types of bugs are getting worked out, or is it the fact that it's actually thinking on even a third or fourth level that it's not thinking now? But I'm, um, curious where you see the opportunity.

Adam Brotman: I mean, I, it's again, not to hog the conversation. I'd say it's a, it's a fantastic question because the pace of change has been so mind blowing. That and the Scaling laws applied to where. When you listen to Elon Musk and Dario Amodei from Anthropic and Sam, uh, Altman from OpenAI, when you listen to the three of them, the actual. They're all trying to achieve effectively this concept of, they don't call it this, but it's effectively this concept of super intelligence where that's out of the movies and stuff where it can, it's like it can just do all these things and it blows your mind. I actually think in reality they're, they're working on that. They believe that's still going to come in the next couple of years. I actually think the more interesting thing to answer your question is more about how the systems are going to be able to autonomously do things for you, which is this agentic thing people are talking about, where you're just going to go and actually be able to say, hey, I want you to go and achieve these things for me as an organization. And it goes off and it doesn't, it comes back, which it's not able to do yet.

Hugh Weber: Right.



Adam Brotman: So I actually. It doesn't need to have more intelligence yet. I think at that point is that's more of a systemic capability that they're going to work on. So I feel like it's going to get smarter. Yes, but I don't. I think the next thing is less about it giving you like the super intelligent answer and more about its capability set being more robust and automated so that you can get even a bigger lift than you get today. Because, you know, we don't like, for example, Apple hasn't released really. I mean, I guess it did some lightweight version of it, but they haven't really done the full weight of what Apple Intelligence is going to do until next year. And I think when you start to have the ability to just go, you know, hey Siri, you know, I, I want you to do this and that for me. Now Siri's going to respond to me because it's on my desk. But that, that is exactly where, you know, we're at right now. I think in terms of the next stage, I think it's more, I don't know, Andy, if you'd answer it differently. I think it's, I think it's more of like the systemic capabilities.

Andy Sack: I mean, I think agents, I think memory is going to be, you know, context memory. Like, let's put it, we are still in, we're certainly in the first inning of understanding and implementation in business, but like the systems are still kludgy. And, like, there's all these, like, copying stills, like, copy and pasting and integration with other. Other pieces of software. And, like, the whole software industry is just going to be, um. The enterprise software industry is going to be completely transformed. So, yeah, it's going to get better fast. And I think the fact that you started when you did and that you're embarking on it, I think, um, you know, we'll. We'll look to have you on in a year and have you reflect.

Adam Brotman: I mean, it's kind of wild to think about, right, Hugh, like, if Coach Metzger is, like, in a year from now, if there's gonna have to be rules in the MLS banning coaches from having an earpiece in where some advanced AI is watching the game and giving advice during the game, and maybe they're doing that now. Maybe coaches actually doing that now.

Adam Brotman: Like, the level of that kind of capability, when you get multimodal, right? When you get. It's like, okay, it's got the. It's not about intelligence, it's about, hey, how do I harness this thing now in a way that's going to be much more, like Andy said, much more seamless into the flow of whatever my people are doing.

Hugh Weber: Yeah.

Andy Sack: Um, I think. I think we're. We're at time. Adam, do you have any parting, either question or comment you want to make?

Adam Brotman: I just want to say, I mean, Hugh, I'm so glad you came on this podcast with us. And you're. You're like a terrific example of a business leader, an organization leader that, you know, went through an AI first process, like, from beginning to end, and you're still in the first inning of it, and you're very humble, and your organization, you know, we had the pleasure of working with you guys, and your whole organization is smart and humble and hungry and curious. And so I just. Obviously, you've. You and Adrian just make a huge imprint on the culture of the company. And thank you for taking the time to kind of explain your process to us and to our community.

Hugh Weber: I appreciate it. I appreciate the time. And again, I look forward to us again thinking about version 5, 6, 7 of what this looks like for us, because I think that, to me is the fun, is the learning and stretching the capability that we just haven't even seen yet. So thank you.



Andy Sack: Yeah. Q. I'll add and just say, you know, we continue to be fans of the Sounders as well as friends of yours and. And Adrian's and Lauren's, and we're here for you. So don't hesitate to reach out. And as you're going through your 2025 planning, uh, we're happy to offer our, you know, our two cents to the extent that it's helpful.

Adam Brotman: Yeah. And as, as, as Seattle guys, you know, we, we're allowed to say ghost Sounders, you know, no offense, but I hope for the rest of the league, but I hope you hope you win it all this year.

Hugh Weber: Thank you.

Andy Sack: Totally. And go range with that, everyone. Uh, thank you. Thanks for listening to AI first with Adam and Andy. To stay updated on the latest in AI and access exclusive content, visit form3.com, subscribe to our email list and follow us on LinkedIn. We truly believe you can't over invest in AI. Onward, folks. Hey, Adam. That was, uh, an outstanding episode. I thought. What do you think?

Adam Brotman: I did too. I was particularly struck, you know, thinking about his question to us around, is a big bang gonna happen with some new model like GPT5 or whatever? Because that had been sort of the rumor. In fact, we even put it in our book like, oh, supposedly there's gonna be this GPT5 by the end of this year that's gonna be twice as good. Or some, some is going to blow us away. And he was asking about that and I, I thought that was something maybe we should hover over for a minute and talk about. Because that's kind of the topic du jour that in the news.

Adam Brotman: Are these scaling laws hitting a wall or whatever?

Andy Sack: Yeah, I think that is a topic we should cover. I think the other two topics that jumped out for me that we could cover if we have time are just is, you know, his intuitive sense that there's a 200 to 300% productivity gain and that his annual planning process. I thought that was a really great moment. And I really liked his description of using AI as like, you walk to work every day and suddenly you're somebody in hand you a bike. So let's cover those in that order, uh, if we, if we have time. Let's start with your. Your. Where. Where you started with the. Basically the pace of acceleration, uh, or the pace of innovation, um, as a result of that's coming through the AI tech and whether it's hitting a wall or not.

Adam Brotman: Yeah, so the, that topic is one that everybody's talking about right now because there's some rumors that the, that the pace of improvement from model to model coming out of these major frontier systems slowing down or hitting a wall or whatever. I did notice Sam Altman tweeted Yesterday or this morning. There is no wall. He, he loves those, he's kind of good at those cryptic tweets that um, here's what I'd say about that. That's interesting and tell me what you think. If you're particularly for our listeners, if you're a business person and you're a leader or you're an entrepreneur and you're still trying to figure out how to get the most out of these systems, think about what Hugh said. You know, he, he believes in his planning process. He could see, you know, he could double the productivity level of this company or the organization if they, if everyone was using AI all the time. Experimenting um, with it and using it.



Adam Brotman: That's right. And so the, like what's, what's, what's fascinating about this topic is that even if it stopped because right now the discussions in the debate is are they going to continue to ex. To improve at the same linear rate they've been improving by adding more data and more compute and whatnot. They're not talking about the fact that they're not going to continue to improve, they're just, it's a matter of whether it's going to improve at the same rate. But even if they just stop in terms of their, their intelligence and knowledge, there's, you're talking about Hugh and Moderna and others that have noticed that if you apply an AI first principles and practices, you're going to see double to triple digit productivity list, uh, overall, which is as you and I have talked about is no doubt going to translate into operating profit improvements like right away double, probably double digit. And that's. If it stopped, you'd probably go through all of 25, maybe 26 where you'd be getting good at taking advantage of these things. That's the number one thing that struck me that, that in other words the question, it's the wrong, not that he's asking the wrong question because he was, he was asking it probably in that spirit. But like it's actually the question is going to become what happens if it doesn't improve at the same rate. But besides the knowledge and the intelligence, these systems, their capabilities are also going to improve. And that's not what's being talked about enough. And Andy, you've, and maybe I'll turn it over to you to talk because you've talked about. Eric Schmidt has said there's Some stuff coming in the next 12 months that's not even about knowledge or intelligence. Right. So why don't you talk about that for a second?

Andy Sack: Yeah, I mean, Eric Schmidt, uh, in his talk at Stanford, which is readily available on YouTube, I've watched now two and a half times, I think it's a great. And what he talks about is that the free things are going to happen in the next 12 months, that, that are going to catapult and continue to catapult AI into the stratosphere exponentially. Um, that they're, that they're game changers for society, let alone business. And those three things he identifies are one, continued increase of memory. Basically today we're constrained on. The models are constrained on memory and there's going to be, they're going to be unconstrained going forward. Number two, their agentic future. And the third thing is text to action. And it's the, it's the combination or the coalescence of those three things all at basically arriving at approximately, at the same time over the Next, he says 12 months, that when those things are all available that AI will be at a totally new level. That's not to mention, that's not to mention just continued integration and ease of use of what is already, when at times is a kludgy, like copy and paste and sharing of prompts, et cetera. Like we're still in the very early stages of getting these things to work beyond the individual person and getting to work for teams.

Adam Brotman: Yeah, that's right. Because you're pointing out that it's so, it's so hard to wrap your head around because it's so meta. But like you're pointing out that outside of intelligence and reasoning and knowledge and all those things that people are debating about whether or not they're going to continue to become super intelligent if you add infinite memory, text to action, software development and agentic capabilities where you give it a goal and it does whatever, it just goes off and does stuff. Now imagine you're having a conversation with AI. You're learning something, you're doing something, you're accomplishing something, or you already gave it a goal and it comes back and then you're saying, oh yeah, would you do me a favor? I want you to like summarize this and send this over to Andy. And because it's agentic, it can happen to my email and, or it's got its own email because, uh, agents are going to have their own email and like, and it's just going to like go do this stuff. And now your level of productivity is going to take a step, change up, because you've just truly added resources, not just knowledge and capability and planning and the things that it does today. And again, none of that requires the models to be necessarily smarter. They just need to have more memory and abilities. And so yeah, we're.



Andy Sack: Adam could just for. Just for those, the listeners who it. Can you summarize what, what agentic means and what text to action means?

Adam Brotman: Yeah, you and I were having to look that up.

Hugh Weber: Right.

Adam Brotman: So we know agentic. So agentic is when you give. You're going to be able to give the AI system that you work with, whether it be ChatGPT or Gemini or Claude or any of these things. You're going to be able to give the AI system a goal and some context and some access to various systems, including your own, potentially. And then it's going to autonomously on its own just go off and do.

Andy Sack: That action for you.

Adam Brotman: Yeah, yeah, get stuff done, do things come back to you, et cetera, as opposed to right now, it's, it's all about prompt response, prompt and then so that's a gen. That's agentic, where autonomously can go accomplish those things for you. And then on top of that, text to action, which he talks about apparently is just the ability to effectively use the AI as another. As a programming. As a completely.

Andy Sack: I mean it's interesting development resource. Right? Yeah.

Adam Brotman: Um, um.

Andy Sack: My understanding of it and it's the fact that we. That you and I don't have a full understanding of it is sort of telling. But my, and I could be wrong, but my understanding of it is in the same way that you go to mid journey and say, give me a, uh, give me an image of a parrot flying over a steeple church on a cloudy day. And it gives you. And give me five images. And it gives you five images for you to choose from and then you can go and edit or do whatever the hell you want in the same way you're. It's basically text to action is basically text code. Uh, yeah.

Adam Brotman: Like you describe the app you want.

Andy Sack: And build me an application, a mobile application that has these three features and can do this and as you know, is behind the paywall, et cetera, et cetera.

Adam Brotman: Yeah. And we see. And so uh, with our clients at Forum three, with our AI first boot camps and consulting and workshops, we do, we actually hear a lot from the clients. Oh, I wish I could just say build me an app that does this like you hear that in fact a lot of the road mapping, the experimentation, et cetera, that ends up happening once a company becomes AI, first is they, they start to understand themselves, what the systems are capable of and then they, they sort of roll their own little mini apps. But they're not like full blown apps quite yet because you need developers. And so that I think what he's saying is you won't need as many developers to be able to sort of take that final mile step of going from. To implementation.



Andy Sack: I think if you sum his three, those three things together, the memory, the agentic and the text action, it basically make turns, it massively expands all, all humans in natural language to become pretty good developers.

Adam Brotman: And yeah, and it actually, it actually sort of feels a little AGI like artificial general intelligence. Like because when you look at all the levels of AGI, by the way that OpenAI describes, you know, Google, everyone has their definition of AGI and for those that don't know AGI, artificial general intelligence refers to this sort of end state so to speak, that all these systems are working towards where the um, the AI system is, is good or more likely better than all humans at all important tasks and functions. And in that sort of this like. And in fact it's so good that it can do research, it can do scientific discovery and it certainly can do marketing and counting and legal and all the. And do a lot. I mean so AGI is kind of scary because it's also the question becomes like, what if AGI goes rogue and what does it mean for a job?

Andy Sack: And so I think that's, I think that's why Eric is going. When those three things come out, it may not be AGI but it's. He's basically gone. It's going to be scary as well.

Adam Brotman: And he's talking about it happening in the next 12 to 18 to 24 months. Yeah. So you're. That's why we always. So going back to our interview, we'll.

Andy Sack: Call it by, by the end, by 2026, January of 26, we'll say. Yeah, exactly.

Adam Brotman: So what I thought. So to going back to the Hugh conversation.

Andy Sack: Yeah.

Adam Brotman: Is what's interesting is you know, he's. So he's the Sounders and Rain organization because of Hugh and Adrian and the whole team's leadership. They are an AI first organization. Like they've gone through our bootcamp, they've done our workshop, they've got a council, they've got uh, experimentation bubbling across all these functions. And now he describes. Yeah, it's not perfect. We're still in the first inning. But when I think about next year, I think about, you know, double, triple digit productivity gains that we can start to see happening. He just mentioned that to us and he says it'll translate into, you know, growth rates and profits and customer experience improvements. And that's at today's, that's at none of that other stuff being possible. Right. So you know, it makes me think about like when we talk to our uh, clients about an AGI Horizon, you know, process like okay, it's good that you're doing all this stuff but you should be thinking about what happens when the technology's at that 12 to 18 month state. That's what Professor Mollick told us in our last, our uh, conclusion chapter of a book. He's like guys, you need to, you need to be telling people that this other capability set's coming and they need to be planning for it and playing around with thoughts around and experimenting with it now because, which is really weird, right? Because companies are not, they're just, they're not even getting the most out of the systems.

Andy Sack: Just for those listeners that haven't read the book, at the end of our book, AI First A playbook for future proofing your business and brand, the end of that, the concluding chapter was an interview, an interview we did with Ethan Mollick, University of Pennsylvania Wharton, uh, professor who's uh, the leading author, professor and thought leader in the AI space.



Um, and he basically said to us that he loved, he really liked our playbook but that we needed to be pushing beyond the current models and being thinking, thinking about what's coming next and really encouraging slash pushing on business leaders to be, to be investing in R and D around how AI can unlock their business in ways that they're not thinking about today. And you and I have been talking really just this week, last week about that notion of uh, then we asked them what does it mean to invest in R and D? And you know, and I would say the Sounders are at the point, they're still at inning one. They're not yet envisioning really what, what is capable, what is unlocked in their business because of AI. They're still just trying to get their basic operations automated and, and, and increase productivity. So they're on that journey. But you, you can really see that in listening to Hugh, I took away that, that there's an opportunity and Hugh almost at the point where he's ready to engage us in that conversation because um, I mean it's an exciting conversation to have. And it's not just a conversation, it's actually an investment. A series of processes to choose an area of customer experience. Um, uh, that previously was not feasible but now because of AI is feasible and where to, where to make those investments. Yeah, um, let's spend, we have a, we have a few minutes. Let's spend a few moments about his annual planning. Because you, when we talked about it just as the interview with Q is ending, I actually agree to you. I think that, that the fact that he said that he intuitively is going into the 2020 five year end planning and now is thinking about increased productivity of at least 2x, maybe 3x which is in sync with what we heard from other clients and customers.

Hugh Weber: Right.

Andy Sack: It's a, um, it's a pretty incredible thing to think about annual planning and the transformation that comes from that AI unlock.

Adam Brotman: Yeah. It made me think about how for everyone who's been through annual planning, particularly at the corporate kind of level, you know, there's always the usual before, in the age before ChatGPT and Gen AI, it would it and still today I'm sure and everyone's doing it right now. It's November. It's like it's always this uh, you know, you're. You put a budget together and everybody submits their budget. It gets rolled up to the CFO or something and then, and then they come back with like cuts, you know, like. Well and so everyone asks for more than they really need and because they know that the drills are going to get cut back and then um, and the cfo, they're playing the same game back to the people and then you end up at some sort of budget, bottoms up budget. Um, um. What's going to be really interesting when he was talking I was thinking like we're not there yet but I bet you we're getting close to the era of CFOs are going to go hey, with Gen A, we're an AI first company like you should be able to do the same amount of work with you know, you know, either less resources or you don't need to be asking for all these other things. You, you should be getting, you know, the same people should be able to do 50% more, you know and there's going to be this sort of good cop, bad cop that's going to start to happen with AI systems right. Where it's like, I don't get it. I. We invest, you know, we have AI capability. So that that era, it's actually we're not there yet, uh, by any stretch, but 95% of companies are not even AI first yet. So it's like they're not. That conversation's not happening. But I bet it was in a year or two from now.



Andy Sack: I mean, it's actually an interesting thing because it's so. I was, I thought it was a great thing because on one hand he's talking about a 2x3x productivity gain, and suddenly there's a lot more capability, A lot of, you know, sort of more menial, automatable tasks are taken away from the staff and automate given to the AI. That's all goodness. The employees are happier, et cetera. And so suddenly there's more to do. And he talked about it because they had also had recently acquired or merged with the Brain, the female, uh, soccer team. So that's awesome. And at the, on the other side of that, and this gets that sort of, this whole tension that C suites feel around ROI as they're moving down the AI digital transformation half. And on one hand, there's a desire to do a proof of concept where you can have a clear ROI to prove that AI is worth it. When in, uh, your mind, it's like, oh my goodness, like you're paying \$20 a month for these employees to have this incredible intelligence and unlimited capability set. Like, why are you spending time thinking about roi? That's the wrong thing to focus on. What's your thoughts on ROI or not? And what's your advice to. Your practical advice to business leaders on that, the ROI as it relates to AI topics? Yeah, and I suspect this will come out in our pod with, in numerous interviews. But let's, let's put a stake in the ground on that.

Adam Brotman: I mean, I would say two things. One is, as we mentioned in our book, and this will come up in future podcasts, when we interviewed Moderna, um, I loved what Bryce Chalmel from Moderna said. We said if you're using AI, if you're properly, and you're fully an AI first company, and you're integrating it into everything you do, it becomes an essential utility.

Andy Sack: And therefore, like, like, like electricity, like.

Adam Brotman: Electricity Internet and computers. And it's like asking about the ROI on those.

Andy Sack: Yeah, what's the, uh, what's the ROI on electricity?

Adam Brotman: Yeah, it'd be, it'd be like, well, wait a minute. First of all, and the funny thing about roi, that term, just, just a pet peeve of mine, it literally means return on investment. So your, your actual investment, electricity, is not that high. So your ROI is crazy high, right? Like, like now when people mean. And that may be.

Andy Sack: I think his implication is that may also be true of AI.

Adam Brotman: That's right. But it, uh, but it's funny because when people say, let's say roi, they. What they really mean is like, I've got a lot, you know, what's the ROI of me taking my mind space up and actually trying to get my company to stop what they're doing. They're busy, they're distracted, they're stressed. And to focus on this supposed wonderful new utility that's going to like improve whatever, improve my profits, improve my productivity, improve my customer experience. Like, is that really there? Is the there there. What needle is it going to move? That's what they're really asking, right.

Andy Sack: And. Yep.

Adam Brotman: And I, and I think you and I. So all kidding aside, I think that what we would say is after doing this for multiple decades, digital transformation, operations, consulting, marketing, all the above, like every once in a while, only once before in our lifetime, which is like, I'm kind of blurring kind of the Internet and computerization together, because you could say twice in our lifetime because we're that old. But like the Internet was the last time that something came along and everybody said, is it overhyped? Is it underhyped? Is it, you know, what's going on?



And in reality it was, it was game changing in terms of being able to affect everything that everybody in the organization did. It made everybody a little bit better every day if they were using it. Right. And it also unlocked huge new lines of business opportunities and customer experience opportunities. And that's what AI can do. And so m. The answer is, and that's. With today's capability, that's not even where it's going in 12 to 18 months. So, um, that, that's how I feel. I feel like there's, you know, you're. I feel that Hughes did it. I thought Hugh did a great job of saying, like, yeah, it's probably a 2x. The organization is going to become twice as good now. Does that mean you're going to double your profits? No, it does not mean that. Um, remember he said, Hugh on the interview just now, he said, so I free up these three hours, but you times that times 200 people, times five days a week. And all of a sudden I'm freeing up hundreds and hundreds of hours. Where am I redeploying those hours to get Lyft? So it takes a minute, right, to work its way through.

Andy Sack: But I. He wasn't. And he wasn't clear yet. I mean, that was what was exciting him about the. About the annual planning process. He wasn't clear yet how to use that time.

Adam Brotman: Right. But I'd say, uh, just to put a stake in the ground, I think that we could safely say that if somebody. If an organization just goes all in and becomes an AI first organization, that they should see 50% productivity lift, period. That's an average. I'm saying it could be less, could be more. And I believe that that should translate into 10% lift or 20% lift in operating profits within 12 months. If you're. I'm, uh, making a bold statement. It's a total generalization, but I kind of think that's where we're at right now.

Andy Sack: I think that's right. Yeah. I mean, that gets to. We'll talk about this on another episode of our. One of our debriefs about the AI First Index 100, um, in the public markets and how we think that the companies that become AI first are really going to. Within 12 months, will start to materially financially outperform their. Their competitors. But we'll leave that we should do.

Adam Brotman: A different podcast called, like, the AI 100. Or, you know, but, uh, that's, um. And by the way, like, I like your shirt. I can see why you said University of Washington earlier instead of, uh, Wharton, because you got that kind of. You're flying sort of the U. Purple.

Andy Sack: Yeah, the purple. You like the purple, you know?

Adam Brotman: Yeah.

Andy Sack: I'm wondering, Adam, if he had said, hey, guys, what's your one piece of advice for me as I look at what I should be doing with AI next year? What advice would you have for Hugh?

Adam Brotman: I'd probably say that he should make sure that he's. He's thinking very tangibly about how to scale AI for next year as opposed to. He's doing all this stuff. Right. But my piece of advice to him, specifically, someone who's already done the boot camp, workshop, counsel, et cetera, and he's gotten himself literate and proficient. He. He described it like he didn't understand certain parts of AI and now does, et cetera, at his point, which. And he's. He's 90%. He's ahead of 90% of business.

Andy Sack: Yeah. Yeah.



Adam Brotman: But for someone in his position, I would say that he should. Um, my advice to him would be. I'd be curious to get your. What you would say. Like, I would say, think. Make sure you're being tangible at how you scale AI. So make sure that right now your council and your team that they are actually building. Like, they're cataloging these opportunities. They're thinking about their roadmap. They're thinking about, like, what are the things that they're really going to put in place that are tangible and can scale for the organization. And they don't just get stuck in a. We're doing it. It's kind of good, but, you know, no, we're not really like breaking out and getting any sort of real lift out of it. Like, I, I would be worried for them, almost like a personal trainer that they don't plateau. That would be my advice to.

Andy Sack: Yeah, I mean, it's interesting to think about. I mean, we'll. When we talk to some of our other clients, we'll probably have this conversation again. I mean, I would compliment. I would praise Q and his deployment with a real focus on cultural components and scale. So I would say that he's done that really well. I would say the area that he. If he was asking for my advice, I think he himself has not invested sufficiently in understanding what these models are really capable of. And he's not thinking big enough or like he's thinking way too small, in my opinion. Yeah, he's thinking at scale and he's thinking about culture, but he's thinking too small strategically about the unlock that these could be for his customers and for his business. Um, that could be in any variety. Like, there's a bigger bet that any. I think he would be more comfortable making a bigger bets even ahead of where his teams are because he's. He's sort of thinking at a scale, operational level, but not about the customer, the consumer or customer unlock. Or sales unlock that is available to them. Like, there's. There are major strategic things that they're just not pushing on. And because they're moving very slowly through the. Through a. Uh, cultural and scale.

Adam Brotman: Yeah, no, it's. It's funny you say that because that. And we can end on this point, which is that. That what you just said is what I was thinking when I said make sure he scales and sticks and because you're right, like.

Andy Sack: Yeah, it's actually not scale. It's actually being strategic.

Adam Brotman: Yeah.

Andy Sack: And thinking bigger.

Adam Brotman: Yeah, thinking bigger. That's right.

Andy Sack: All right. With that. That was. I mean, it was great. Thank you again, Hugh. If you're listening to this for being on the show and being a client customer of, um, form three and go Sound res. Go rain.



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