5 Keys to Selecting the Right AI Vendor

Proven Strategies for Filtering and Assessing
AI Product and Service Providers

▌ by Daniel Faggella

Research | Strategy | Competitive Intelligence

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Emerj Artificial Intelligence Research

Emerj Artificial Intelligence Research helps global organizations develop AI strategies and initiatives that win in the market. We map the capability-space of AI across major sectors, with a finger on the pulse of academia, Fortune 500s, and the global artificial intelligence startup ecosystem.

"We help leaders survive and thrive in an era of artificial intelligence disruption."

We create cutting-edge AI impact research, inform executive leadership, and make important contributions to important decisions around governance, innovation, and strategic planning. We're called upon by many of the largest and most reputable organizations in the world:

Our research focuses on three critical aspects of AI capabilities:

- **Applications ("What's Possible?")** – Examining the landscape of AI applications, open-source tools, and use-cases that might solve organizational problems, or impact strategy.
- **Implications ("What's Working?")** – Determining the use-cases with a genuine track-record of ROI, and determining the integration costs and potential financial upside of AI applications.
- **Plans ("What to Do?")** – Informing strategy by honing in on the AI trends or capabilities most likely to deliver the desired results or the organization.

Through our Research Services and AI Business Strategy Process, we help clients win market share and make more profitable decisions – with a firm grounding in the current realities of the AI landscape.

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Picking the right AI vendor solution can mean the difference between gaining a competitive advantage, and wasting millions on a failed proof-of-concept.

In our full [Vendor Selection process](#) for enterprise and public sector clients, we understand a client's project needs, and present potential AI products or services - stratified by our proprietary scores (Evidence of ROI, Ease of Deployment, etc), and a variety of primary and secondary research data.

While our Emerj.com readers may not have access to pools of proprietary data, interview access to founders, or PhD advisors to help assess companies, there are a number of quick and simple methods that we employ for lighter research for our editorial work. Many of those techniques can be applied to any vendor selection process.

In this brief report, we'll outline five simple filters that can be used to find AI products or services that might be the best fit for your needs.

It goes without saying that before contacting or researching vendor companies, you should have a clear understanding of the problem you wish to solve, and a realistic expectation of what AI is capable of.

We recommend our short expert interview series titled *How to Get Started with AI* as a starter resource for those who have not yet framed their problem or desired outcome succinctly.

1 - Product or Service?

Finding the right vendor might imply finding an established AI technology company with a specific solution, or it might imply finding a capable AI consulting firm which can help solve a bespoke problem.

Firstly, we have observed that most AI vendor companies are used to some level of white glove, hands-on service helping clients with integration, coaching clients on the possibilities and realistic limitations of AI. That said, they have a strong incentive to sell technology they've already built. AI-oriented consulting and services firms, on the other

hand, are often hired to build solutions that are unique to the specific client they're serving.

Generally speaking, if the problem you're trying to solve is not specific to your business (or even your industry), then vendor solutions can be the best fit. Payment fraud detection is a good example here, as are many forms of document digitization or enterprise search applications. If a vendor has solved almost the same problem for many similar companies, it is likely to be easier to work with a proven vendor than to build the application from scratch.

In-house development or high-touch AI consulting work may be required for projects that (a) are unique to your business (data types, specific problem, specific integrations / IT environment), or (b) are critical to your strategic advantage in the future.

AI consulting firms may also be used for their more broad focus on satisfying a wide set of needs, including advisory, help with recruiting AI talent, or other bespoke services more likely to be offered by consultancies than vendors.

2 - AI Talent Scan

In our popular article titled *How to Cut Through the Artificial Intelligence Hype*, we advise leaders to look for companies whose leadership teams include someone with one of the following factors:

- Robust academic experience in artificial intelligence or machine learning. This includes:
  - A reputable university or well-known strong university for a master's or PhD degree in artificial intelligence or machine learning - or -
  - A master's or PhD in applied maths, electrical engineering, computer science, or other hard sciences (physics, bioengineering, etc)
- Robust artificial intelligence experience at a marquis company. This includes a company that is definitely applying and developing AI in a significant way.
  - The best marquis companies are Amazon, Facebook, Google, Netflix, IBM, Baidu, Tencent, or the other AI-driven tech giants.

Here's a hint: If the "AI" company you're assessing has nobody on their leadership team with either of those credentials, you're likely to be dealing with a company built on hype rather than competence.

3 - Assessing Case Studies and Traction

Related report: [Getting Started with AI: Proven Best Practices of Adoption](#)

Very few companies have the budget to be a guinea pig when it comes to AI. Completely novel AI use-cases sometimes take a dozen pilot projects to prove or disprove.

Frameworks and Best-Practices for AI Adoption, Learn More About Our "Getting Started with AI" Report

Unless your company is at the screaming edge of AI adoption, and has the R&D budget to fail many times at a chance of AI success, then you will want to find vendors with a proven track record. Usually, only market-leading enterprises will have anywhere close to enough funds for this kind of risk.

Across a series of similar vendors solving a similar problem, ask:
- Which of these companies have actual company logos of firms they're worked with, and which have only "anonymous" testimonials?
- Which of these companies have results they are willing to share on their website with specific claims of improvement?

This first-pass assessment can help to determine which firms might be worth a call or a meeting. When connecting in person or via phone, be insistent on understanding what companies like yours have gotten results like those you wish to obtain.

All claims of "general purpose" AI are faulty, the truth is that novel AI applications are risky and their results are uncertain.

Note: For risky and confidential applications like cybersecurity, very few vendors are able to name their clients and in-person communication about similar implementations may be necessary, as online searches are unlikely to find many use cases.

4 - Problem Familiarity

An AI product or service company should have a firm understanding of the particular problem you're struggling with. AI is not magic, and someone with AI expertise often has absolutely no contextual understanding of the problem your company is working on.

After getting to know a vendor casually and explaining your current situation and problem, we like our enterprise clients to ask vendors a set of canned questions:

- What else would you need to know about our situation to feel confident about solving our problem?
- What do you foresee to be the biggest challenges in reaching our desired outcomes on this project?
- What are the data and data infrastructure needs for this project?
- What kind of access will you need in order to get started?
- How would you measure benchmarks of success on the way to completing a project like this one?

These questions should be asked by in-house data scientists and subject-matter experts who can cross-reference the answers in order to determine the level of understanding that the vendor possesses. Without this kind of robust in-house cross-examination, vendor claims can not be held to be fully accurate.

5 - Company Size and Maturity

It is common for relatively new AI vendor companies will change their value proposition and application many times over. They are aiming to find a way to (a) shake value out of the problems of their clients, and (b) market their services to the people who can pay, in a way that entices those potential buyers.

This is the natural lifecycle for an AI company, but it can often be dangerous for early customers.

We typically recommend that enterprise clients only work with AI vendors who have raised $25MM or more in venture capital. It is only at this point that companies typically have a concise and understood value proposition and offering rather than a smattering of claims and "products" used to pick up new proof-of-concept projects and try to figure out what their actual enterprise value is.

We also advise enterprises work with companies that have a succinct and particular value proposition, not a vague set of value statements and an almost endless list of products or solutions. Venture-backed companies with more than five AI "solutions" typically have one or two half-baked solutions, and are putting new marketing in front of them to determine which marketing approach might attract actual buyers. A company in this mode typically has remarkably little by way of proven results or firm understanding of their enterprise value.

While it is possible to work with more nascent startups on proof-of-concept ideas, these experiences with newer firms should be seen more as learning experiences (more bluntly: free consulting from smart AI startup founders) and potential opportunities to invest in a promising young firm.

Note: This same size and maturity consideration applies less to consulting firms as the nature of their work is to be customized and varied per client, so the danger of "pivots" are less significant.

Talent, problem familiarity, and case study assessment all still merit consideration for consulting and services firms.

Emerj Vendor Selection Services

Artificial intelligence is playing an increasingly critical role in the future of every industry and business function, but it isn't easy to determine which applications are worth investing in, and which are a waste of time and money.

Selecting the right vendor solution allows companies to reach their goals, leverage the latest technology, and potentially pull ahead of the competition.

Selecting the wrong vendor solution can lead to massive wastes of time and resources, potentially setting a company back from being able to lead their sector or industry. That's why enterprises use our Vender Selection Services.

An Emerj critical vendor assessment includes:

- **Vendor landscape assessment:** An overview of the open-source solutions, vendor solutions, and tools available to help with a client's desired business goal
- **Cost and time requirements:** An assessment of the time and cost requirements of the currently available solutions
- **Track record:** Not all vendors have real traction and real results with clients. Advertised case-studies and press releases are often misleading – our approach gets to the heart of current results to determine which applications have real promise, and which are still unproven.
- **Viability and accessibility:** AI applications require data, integration time, and specialized talent. Determining the "accessibility" of a vendor's solution involves properly assessing its requirements.
- **Alternatives to AI:** Sometimes, an AI solution isn't the only answer. Quickly assess non-AI alternatives.

Learn more:

Learn More About Emerj Vendor Selection Services:
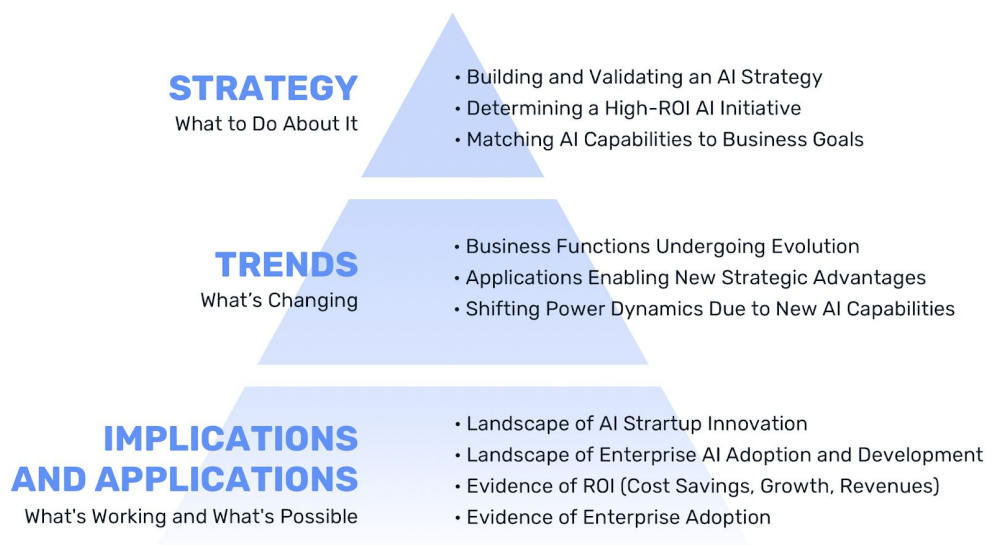### *https://emerj.com/ai-vendor-selection/*

Emerj Artificial Intelligence Research

Emerj Artificial Intelligence Research is where executive leaders turn to understand how AI is impacting their organization or industry – and what to do about it. We're the industry source for authoritative market research and competitive intelligence for the business applications of artificial intelligence.

Our objective, jargon-free research and industry overviews are designed to give executives and decision-makers exactly what they need for competitive insight, informed AI technology procurement and strategic planning around AI.

With a finger on the pulse of academia, Fortune 500s, and the global artificial intelligence startup ecosystem, organizations call upon us for insight and research for their most important AI-related strategic decisions.

STRATEGY
What to Do About It
• Building and Validating an AI Strategy
• Determining a High-ROI AI Initiative
• Matching AI Capabilities to Business Goals

TRENDS
What's Changing
• Business Functions Undergoing Evolution
• Applications Enabling New Strategic Advantages
• Shifting Power Dynamics Due to New AI Capabilities

IMPLICATIONS AND APPLICATIONS
What's Working and What's Possible
• Landscape of AI Strartup Innovation
• Landscape of Enterprise AI Adoption and Development
• Evidence of ROI (Cost Savings, Growth, Revenues)
• Evidence of Enterprise Adoption

Through our Research Services, AI Capability Maps and AI Business Strategy Process, we help clients win market share and make more profitable decisions – with a firm grounding in the current realities of the AI landscape.

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