

[Transcript] AI Hustle: News on Open AI, ChatGPT, Midjourney, NVIDIA, Anthropic, Open Source LLMs / Anthropic Nearing \$2B Raise in Latest Funding Talks

Welcome to the OpenAI podcast, the podcast that opens up the world of AI in a quick and concise manner.

Tune in daily to hear the latest news and breakthroughs in the rapidly evolving world of artificial intelligence.

If you've been following the podcast for a while, you'll know that over the last six months I've been working on a stealth AI startup.

Of the hundreds of projects I've covered, this is the one that I believe has the greatest potential.

So today I'm excited to announce AIBOX.

AIBOX is a no-code AI app building platform paired with the App Store for AI that lets you monetize your AI tools.

The platform lets you build apps by linking together AI models like chatGPT, mid-journey and 11Labs, eventually will integrate with software like Gmail, Trello and Salesforce so you can use AI to automate every function in your organization.

To get notified when we launch and be one of the first to build on the platform, you can join the wait list at AIBOX.AI, the link is in the show notes.

We are currently raising a seed round of funding.

If you're an investor that is focused on disruptive tech, I'd love to tell you more about the platform.

You can reach out to me at jaden at AIBOX.AI, I'll leave that email in the show notes.

So the AI startup Anthropic is in the headlines once again.

This isn't even, I think, a week after they've just secured their \$4 billion commitment from AWS, which to be fair, is not just like a, it wasn't really just a straight up \$4 billion commitment.

I think it was \$1.6 or something like that, \$1.6 billion that they'll give them upfront and then the rest is like AWS has the option of investing up to \$4 billion.

So it'll be interesting to see how that plays out and I think maybe the uncertainty around that is kind of what's pushing Anthropic to go and look for other funding.

I think the potential deal they're working on right now kind of spotlights this like prevailing enthusiasm among tech leaders to kind of stake their claim on Silicon Valley's AI sector.

This is obviously a hot sector and Anthropic is one of the biggest players in this space.

So a lot of people are just essentially trying to make safe bets by just betting on who's already raised the most money, who's kind of already the most far ahead, not taking some of the risky bets on earlier stage companies.

Now I think what's really interesting that we've all found out by analyzing the market recently is there's recently some charts that came out kind of showing who invested at what point in Instacart's shares.

So the winners from Instacart because of course it just went public and so kind of after it goes public and you see where the final stocks fall and where everything ends, that's kind of like the official market valuation for Instacart and then you can kind of look back at all of their different funding rounds and see who invested, how much they invested and so how much everyone made.

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So pretty much what we found from Instacart is that early investors of course seed, series A, series B, these people were all winners.

As the rounds started to go more and more and more forward and you got into what's called growth stage rounds where essentially the company's already kind of grown, we see it has a product market fit, it's getting some mass adoption and they're just raising money to help them like exponentially grow faster.

All of those rounds after the IPO price gave it its final valuation actually were down so people like SoftBank, people like Tiger Global, some of these massive companies came in invested a ton of money for growth rounds and they actually lost money on this thing. So I'm interested to see how that same strategy is going to be playing out with some of these AI deals like we see with Anthropic here, they're just raising more and more, billions and billions more.

If the people putting money in today, putting billions into Anthropic today are going to have the same fate as kind of this whole Instacart growth round investors.

So while the valuation for Anthropic hasn't been locked down as of now, I think insiders familiar with the matter on this current kind of round of funding that they're trying to do apparently remained anonymous, which of course as always you got to take it with a grain of salt when you got anonymous insiders, but they've hinted that the valuation could be around \$30 billion, a number that initially was mentioned by some tech news platforms specifically the information, which kind of they haven't often the information has inside scoops on all of these new AI companies, they've had a lot of, you know, successful accurate scoops on open AI, for example, and some other players in the space, so, you know, still take it with a grain of salt when there's an anonymous source, but in any case, if Anthropic does manage to seal the deal on this funding round, I think it's going to underscore the huge momentum behind startup specializing in the creation of foundational models, right? Not just people building AI tools on top of them, but the actual foundational models themselves. I think these models, of course, known for their capability to pretty much suck in a ton of data, essentially what ChatGPT is doing, they're then, you know, spit out and used for tons of different tools, people use them for, you know, essentially integrate them into all of these different AI startups that we see today.

So I think very cool, however, they do come with a very hefty price tag in terms of operations, so because of this startups in this space included Anthropic and of course open AI are always, it seems on the lookout for more, you know, fuel to feed the giant money pile that is training these AI models.

So I think their kind of quest for capital right now isn't just a startup story.

I think big tech behemoths are also not kind of sitting by earlier this year, Google's parent company, Alphabet put \$450 million into Anthropic, Amazon's involvement in Anthropic doesn't stop at funding.

They've also stepped up as the startup's main cloud computing supplier and I think that's actually why Amazon and AWS gave Anthropic like the \$4 billion deal or, you know, \$1.6 billion deal is because they wanted them to come on to AWS to do all their computing, so they kind of knew they'd get some of that money back.

So really they're kind of offering them chips.

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So not to be outdone, Microsoft has committed another, or I think earlier this year, sorry, Microsoft committed, of course, \$10 billion to open AI.

So really a lot of these big players are backing these startups to, you know, very large sums of money.

So I think the kind of unwavering interest from Anthropic's corporate allies in championing it is very evident.

However, I would say that some sources are suggest that sealing this new deal might hinge on the participation of major financial institutions.

So particularly Wall Street or some of the dominant venture capital firms.

And these kind of partners would definitely play a pivotal role in finalizing the company's valuation and kind of spearheading the round.

However, a lot of these firms at the same time right now have been struggling to raise, you know, fresh rounds of funding when we're talking about some of the big venture capital firms.

So they tend to be a little bit slower right now.

Honestly, I hear they are making plays, they are making investments, but what I'm hearing a lot of these like huge plays into this AI space, it's coming from like Microsoft, Google, Amazon, it's coming from big tech companies that are profitable that are, or you know, generating a lot of revenue that can put money into these things.

So as a little background, established back in 2021 by a bunch of different open AI alumni, Anthropic has been growing really fast.

And I think, you know, it definitely is coming out with some good products.

It has Claude, which I personally use because you can put like huge like chunks of text, you can like get it to print, you upload pretty much an entire PDF to Claude, like an of a book like a, you know, 100 page book and ask it questions about it and it'll be able to pull stuff out.

So like that's very, very cool.

I think it's not just about efficiency, it's also kind of crafted to have a human touch is what they say really there.

It's like kind of like a super safe personal bot.

That's like what Claude and Anthropic's like idea is.

In any case, I think only time is going to tell if Anthropic's, you know, impressive fundraising journey is going to realize its full potential.

But I think it's clear that this AI gold rush right now is far from over.

If they're going and looking for another \$2 billion is a very hot area.

A lot of people are going to be looking at it.

So definitely a very interesting company to follow.

If you are looking for an innovative and creative community of people using chat GPT, you need to join our chat GPT creators community.

I'll drop a link in the description to this podcast.

We'd love to see you there where we share tips and tricks of what is working in chat GPT.

It's a lot easier than a podcast as you can see screenshots, you can share and comment

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on things that are currently working.

So if this sounds interesting to you, check out the link in the comment.

We'd love to have you in the community.

Thanks for joining me on the open AI podcast.

It would mean the world to me if you would rate this podcast wherever you listen to your podcasts and I'll see you tomorrow.