



Stop Building AI Models. Start Building AI Products

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Disclaimer: I Love AI



At work

Leading AI initiatives: LLMs, multi-agent systems and AI driven development.



At home

Self-hosted Kubernetes cluster with GPU support running OpenClaw, YOLO image classifier, etc.



But

Business goal $\neq$ technical detail. In production, optimize for business success.

I love AI. I see huge potential.
The talk that follows is about what often goes wrong on the way there and how to fix it.

95%

of GenAI projects fail to deliver measurable business returns.

“

We're going faster. But not always in the right direction.

The faster we go, the further off course.

Some requests for AI I get are not founded in business needs



1

No optimization target

Ideas of using AI for process steps that can't be measured/optimized.

2

No training signal

Ideas of using a model without enough (or any) real training data.

3

No bottleneck

The step they want to optimize with AI is not the real problem, it will not bring value.



No business value → no ROI on the product
→ no happy customer.

“

*The model isn't the problem.
The undefined goal is.*

Sound familiar?

The reflex predates AI. We've seen this exact pitch before.

2018

“We need blockchain in our app.”

Why? *It's the future.*

Solving what? *Unclear.*

Status today? *Failed*

2024+

“We need a chatbot.”

Why? *It's the future.*

Solving what? *Unclear.*

Status today? *But it has to use AI.*

It's the same pattern, new tool

“We need an MCP server.”

Why? Everyone's building one. For what? TBD. Mgmt wants one.

SOAP / XML

1998 - SOAP, WSDL

But why?



REST / JSON

2005+ - REST, OpenAPI

But why?



Events

2016+ - Kafka

But why?



MCP

2025+ - Model Context Protocol

But why?

“

Let's measure the outcome

So, we just quickly define 1-2 KPIs?

A story of wrong KPIs.

Even when the metric is defined, the metric might not be the value.

THE CASE

Online portal (B2C) — We need to grow!

KPI management has set: Amount of registered users.

Result we hit: the KPI — every quarter.

Result we wanted: more customers that will use the portal and use the services.

We attracted the wrong people. The KPI was rising. The business wasn't.

Metric



Business
value



Goodhart applies.

“When a measure becomes a target, it ceases to be a good measure”

But I don't make these mistakes...

Even the model builders optimize for the metric.
The model looked much better. But only on the leaderboard.

THE CASE

Llama 4 on LMArena, April 2025

The target: rank high on LMArena, the public chatbot leaderboard.

Submitted: an experimental build “optimized for conversationality”, not the released model.

Advertised: the launch blog quoted the “experimental chat version” score, ELO 1417 (#2 at the time). Nobody could download it.

Tested: 27 private variants before launch, only the best score published.

The rank went up. The model people could use did not.

Tuned
build

#2

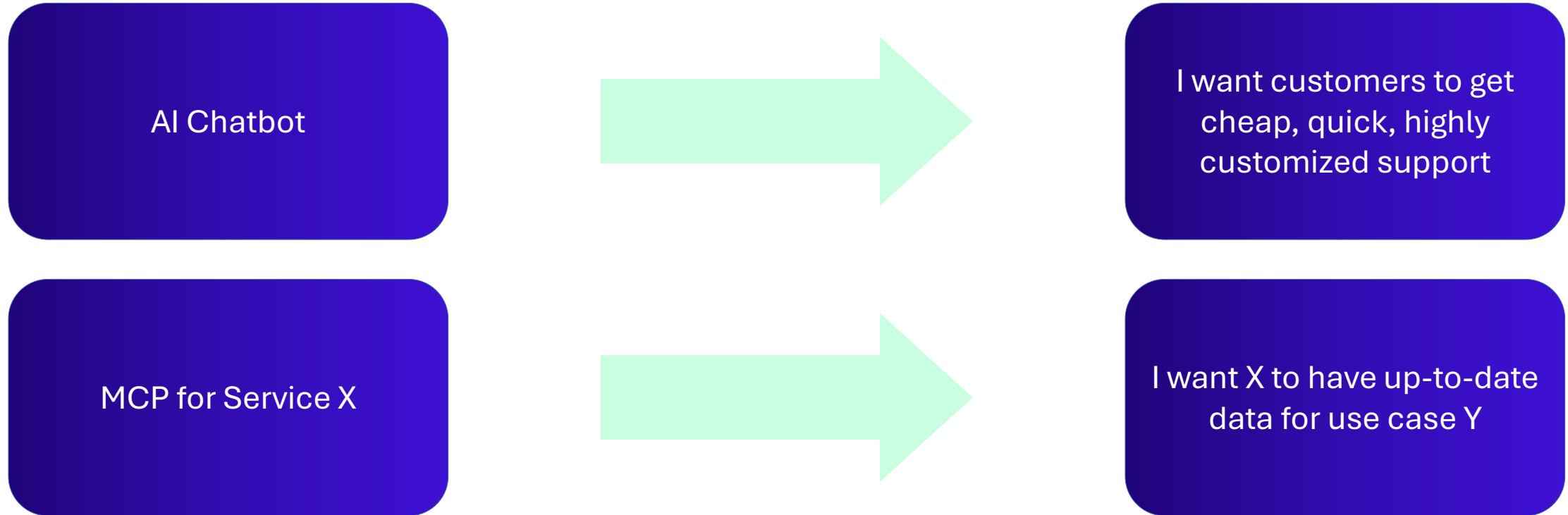
Public
model

#32

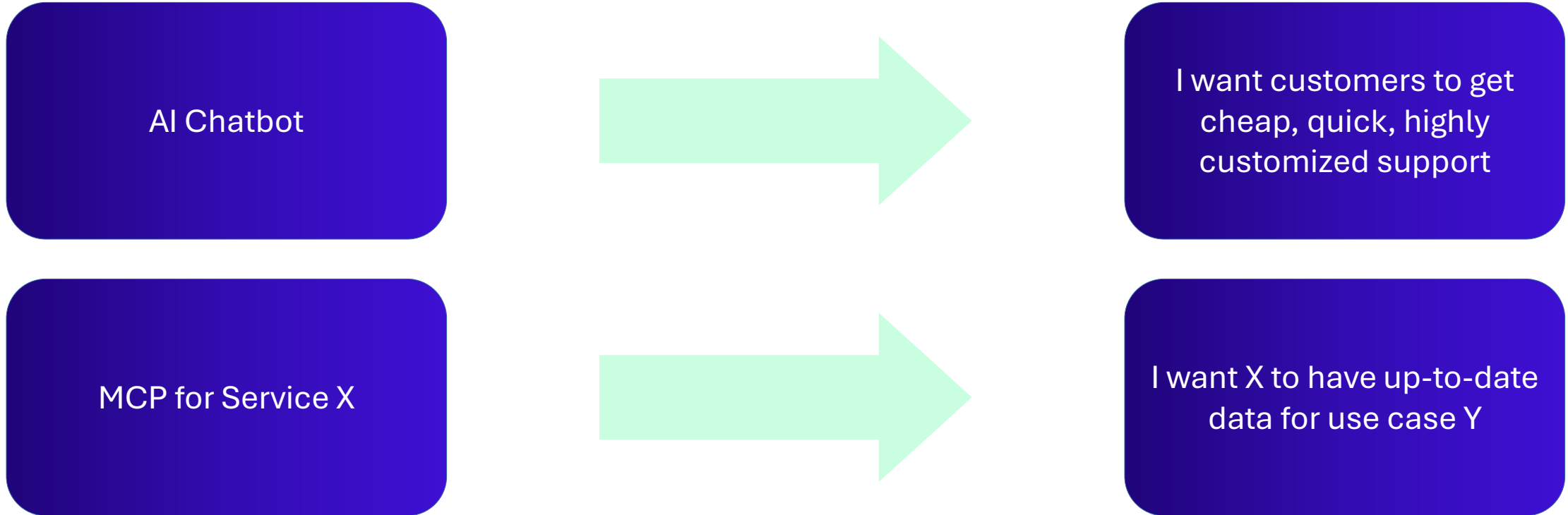
*Goodhart applies.
“When a measure becomes a target, it
ceases to be a good measure”*

The solution:
Good requirements engineering

Business case has no AI in it



Business case has no AI in it



EXCEPTION

Real transformative use cases

- Pair-programmers like Cursor and Copilot.
 - Search that answers like Perplexity.
- => The product the customer buys is genuinely different.

Most products with AI are not like this.

From outside, AI changes nothing.

It's a black box — and that's the point. Same request in, same decision out.



From the customer's view

The customer should not be able to tell where the AI is.
The **request goes in; the decision comes out.**

Marketing thinking vs product thinking

“AI camera!” — the customer wanted a better photo.
Marketing changed; the product didn't.

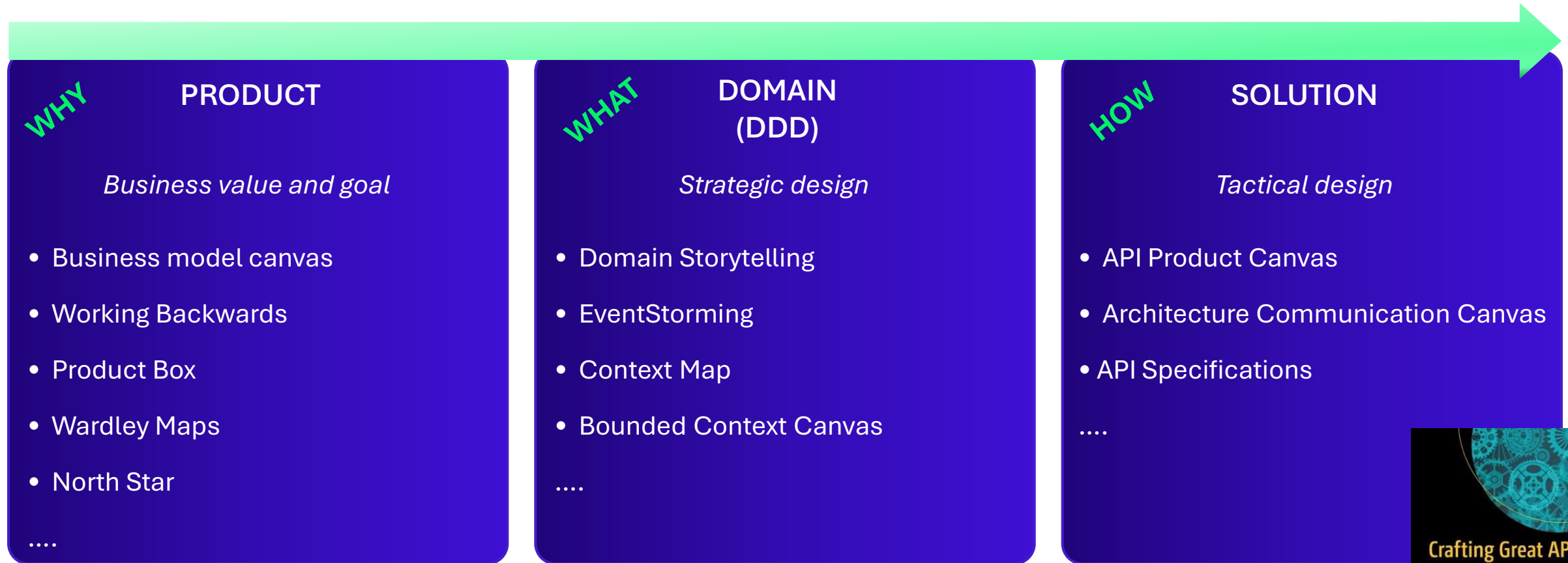
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You can't optimize what you can't define.

Anyone who claims otherwise is just overfitting to a proxy metric.

How do we get from a business goal to a working AI product?

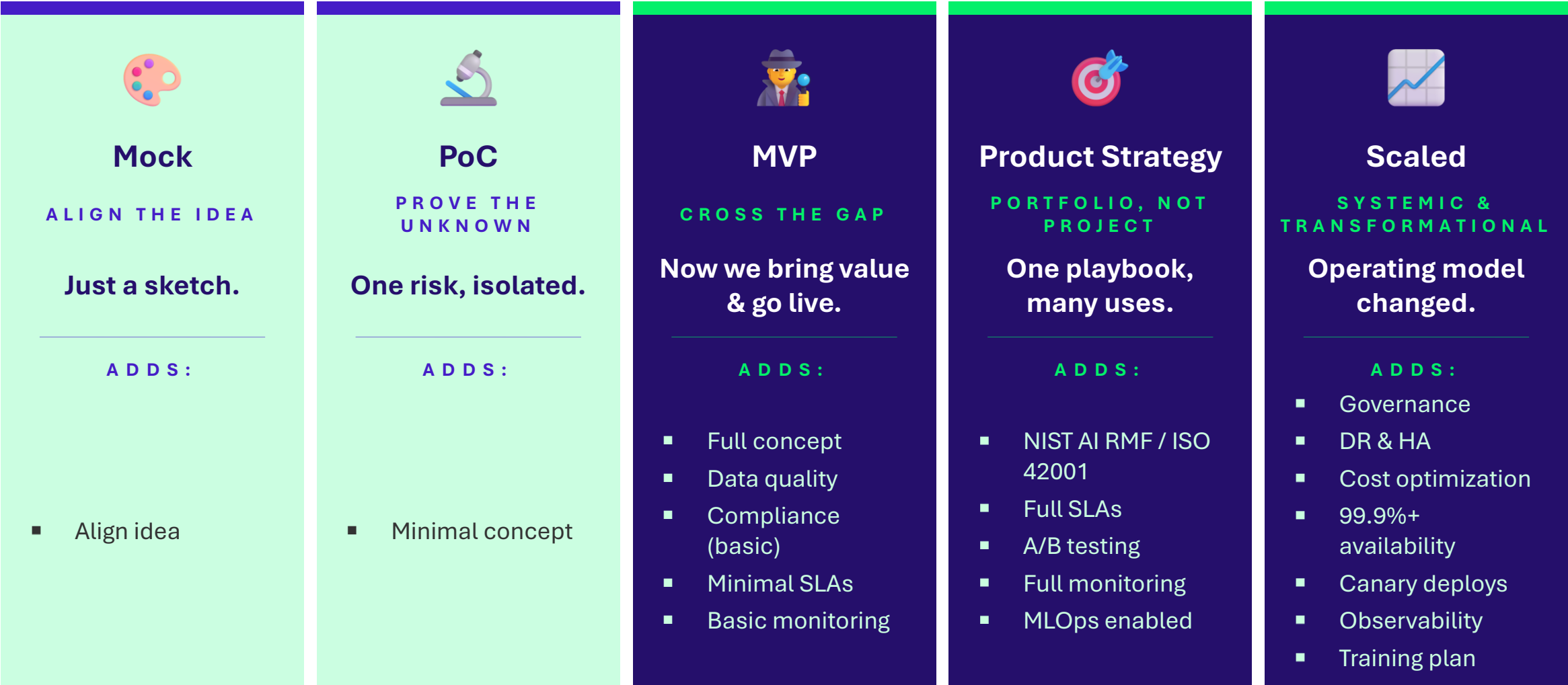
Three layers: From value to build



**Crafting Great APIs
with Domain-Driven
Design**

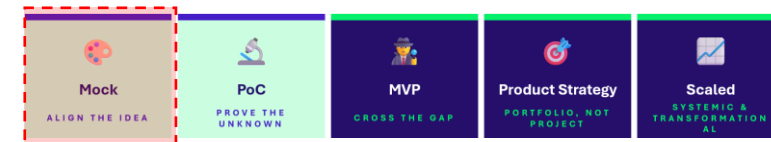
Craftsmanship of Asynchronous
and Synchronous APIs
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The 5 phases: What actually changes



Features can change depending on use case

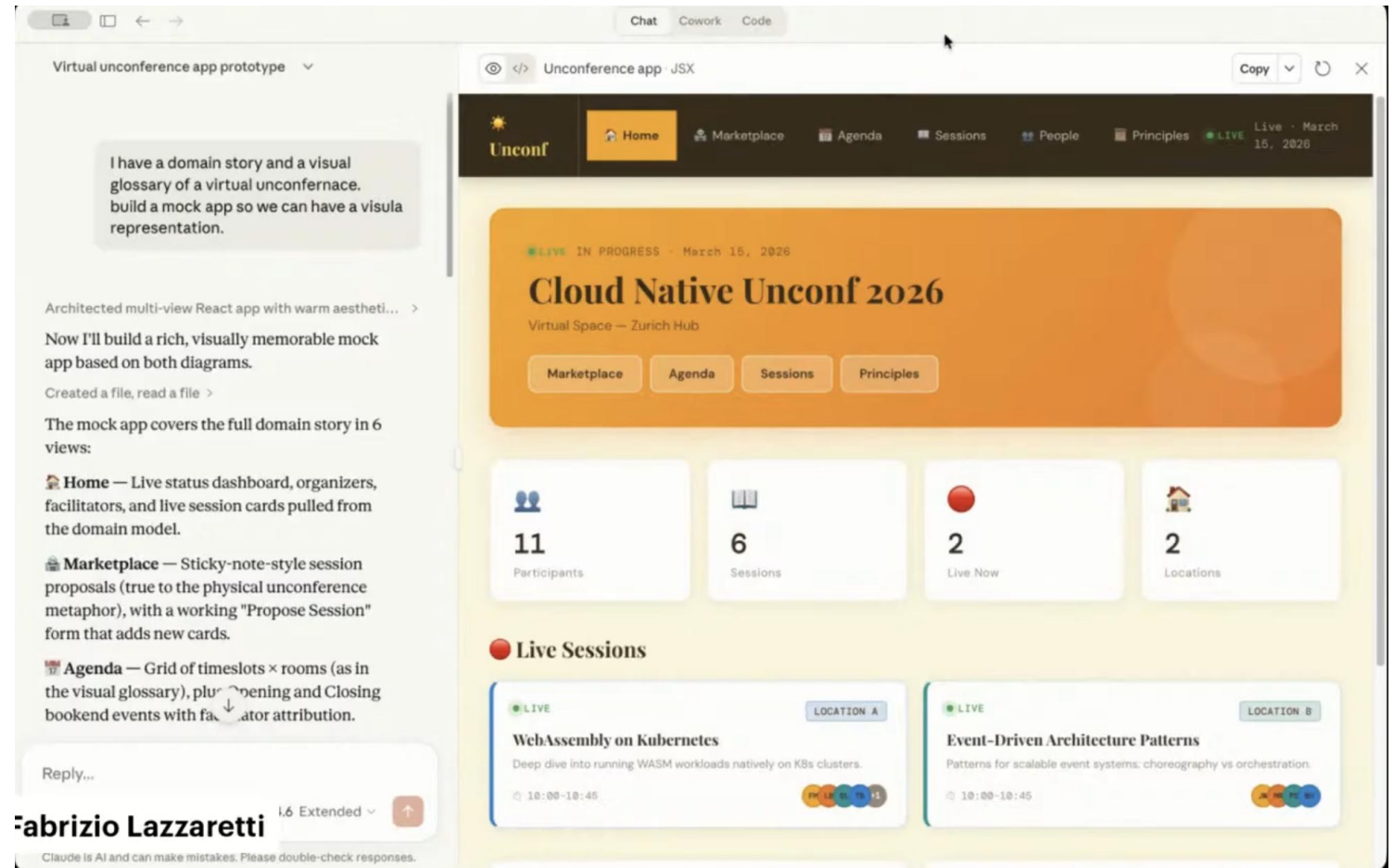
Phase 1: 🎨 Mock



Quickly make the idea visible

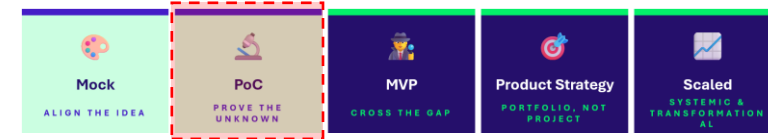
Discuss:

- UX: Does this feel like the product they actually want?
- Which data is needed?
- What success would look like — before any code is written (except AI generated frontend code).



Phase 2: PoC

Prove the unknown. One risk at a time. Define success before you start.



Q 1

What do we want to prove?

One thing. Technical, data-side, or product-side.

Q 2

When have we proven it?

What's in scope, what's out of scope.

Q 3

How will we measure success?

A number, not a feeling.

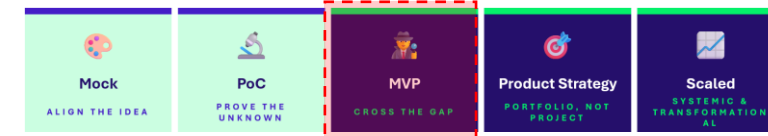
WHEN A PoC EARNS ITS PLACE

Run a PoC only when the unknown is technical or data-side. Multiple PoCs may be needed — each proves a different thing.

If everything is clear, skip the PoC. It's a demo, not a proof, if you can't define what success looks like.

Phase 3: MVP

The PoC worked. Now the real questions start.



BUDGET

- Initial cost
- Operational cost
- Iterative update cost
- What are the costs if it fails?

SUCCESS

- When is it successful?
- How is quality defined?
- Which KPIs do we have, and how measured?

ARCHITECTURE

- Loosely coupled?
- Clean APIs between components?
- Sensible service cuts?
- Security?

RESILIENCE

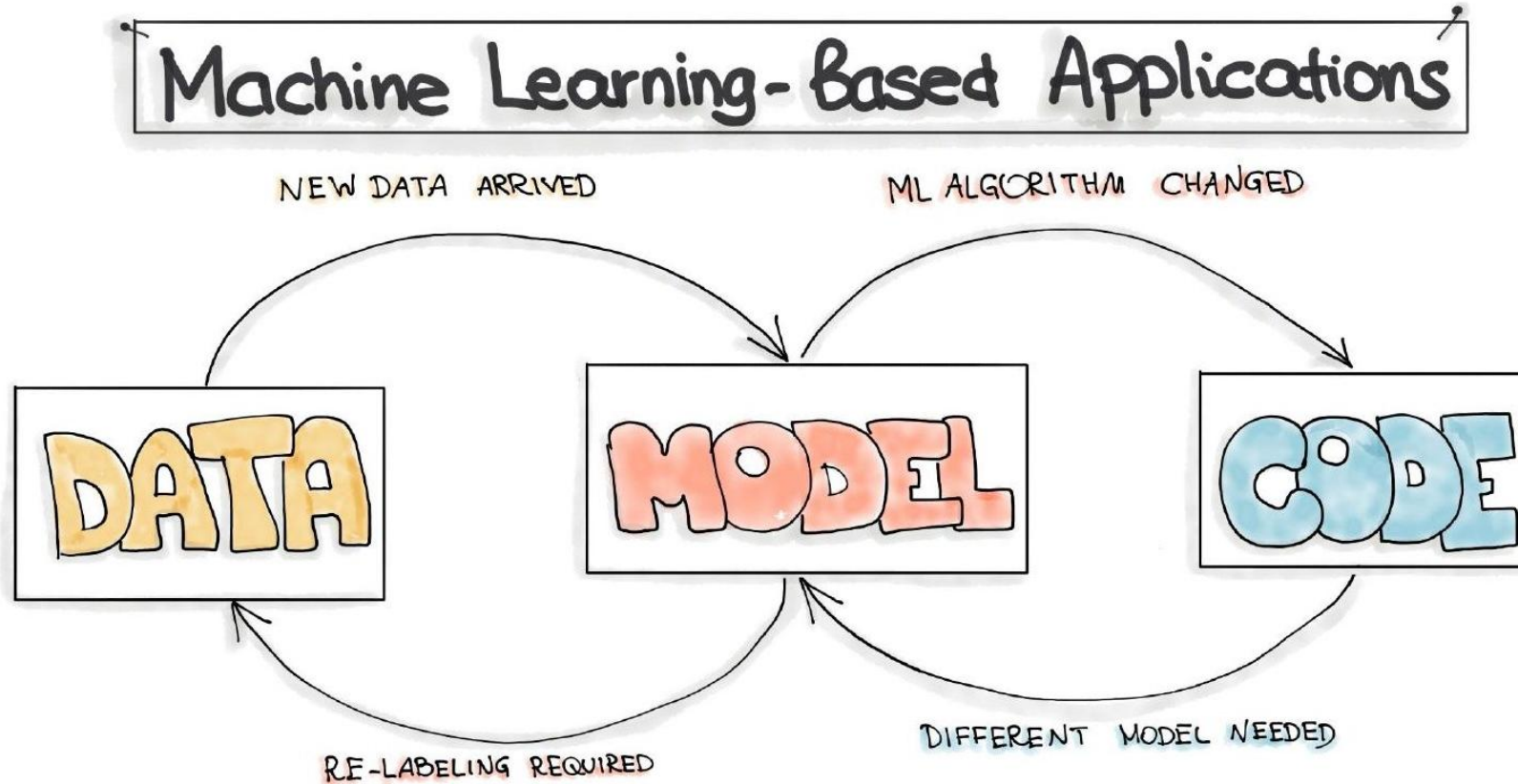
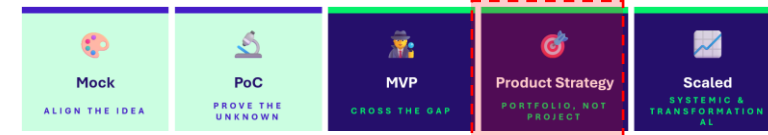
- What if it doesn't work?
- Recovery time after failure
- Stochastic failures — plan for them

SECURITY & COMPLIANCE

Security risk, business risk, risk acceptance. · What if data leaks? · And... who pages on incidents at 3am?

Phase 4: 🎯 Product Strategy

The MVP is live. Now let's build a long-lasting strategy.

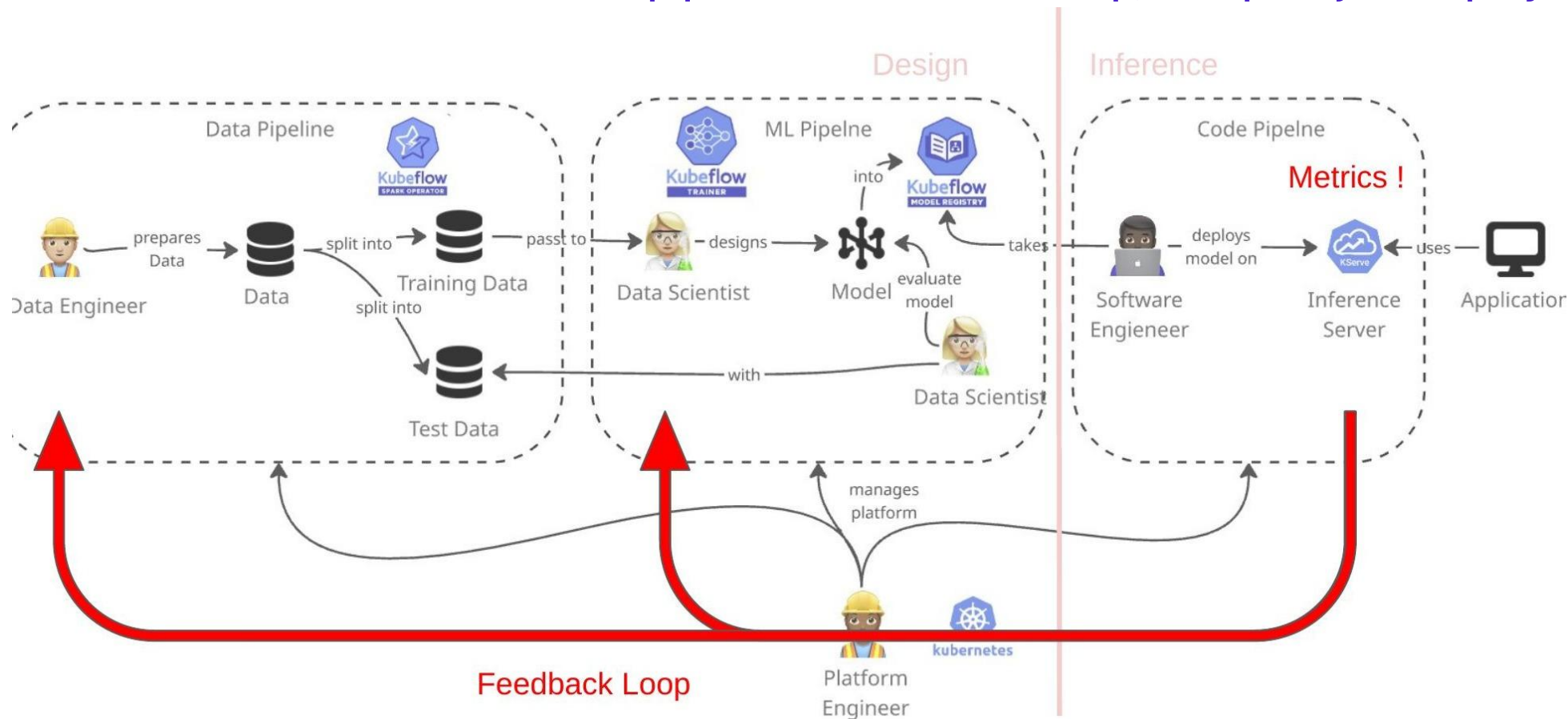
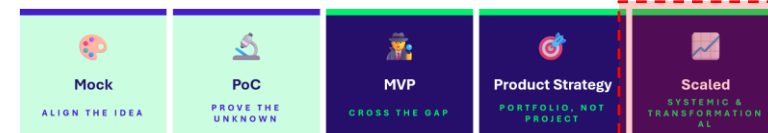


PLUS

Compliance, Full SLAs, A/B testing, Full monitoring, ...

Phase 5: Scaled

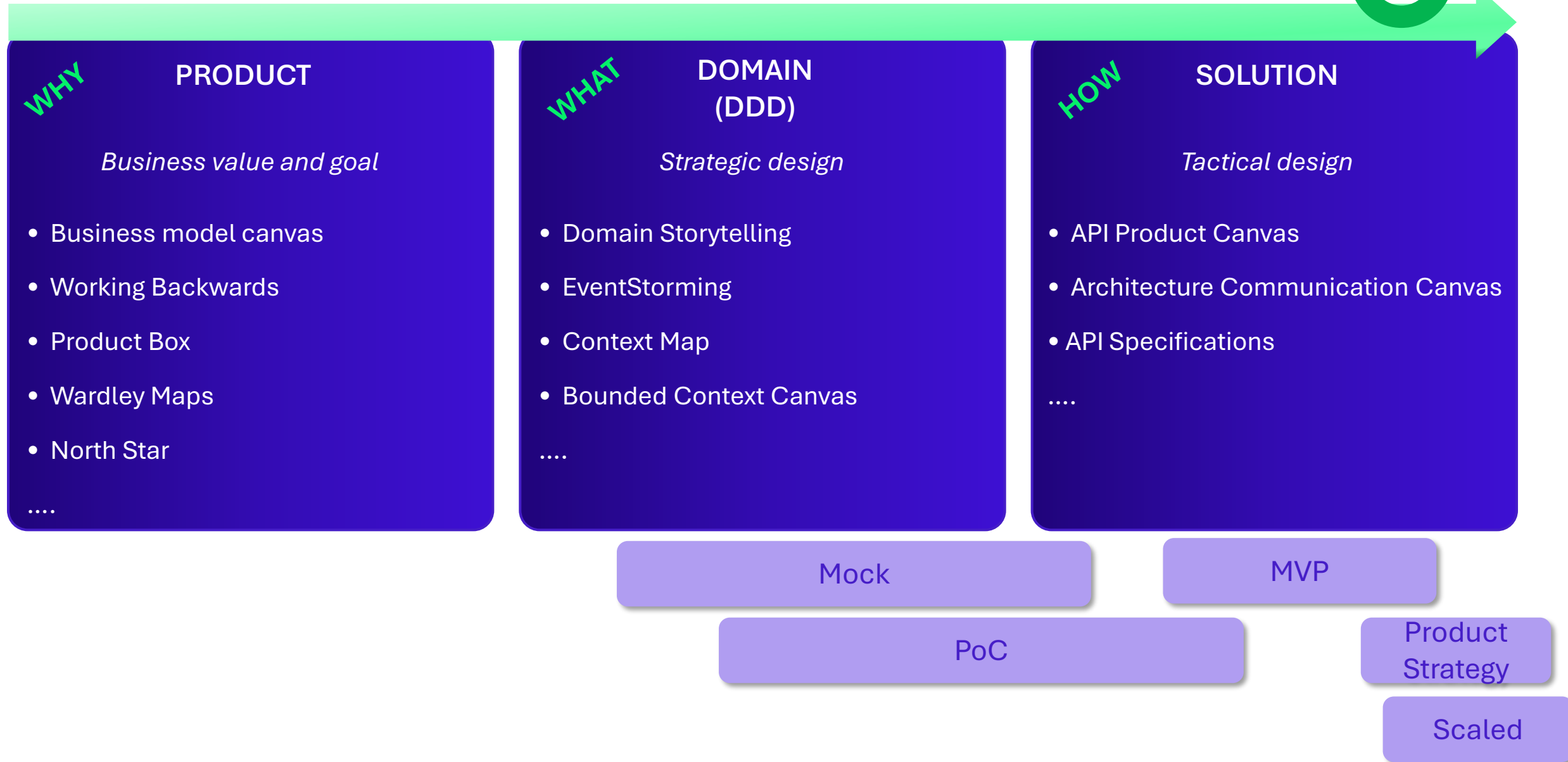
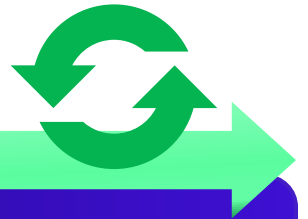
Production metrics feed back into the data pipeline. Without the loop, MLOps is just deployment.



PLUS

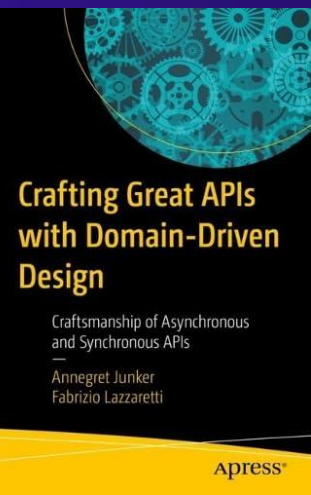
Governance, DR & HA, cost optimization, 99.9%+ availability, canary deploys, observability, training plan, ...

From value to build, phase by phase



Let's do an example

— The Online Library



The Product

SCOPE

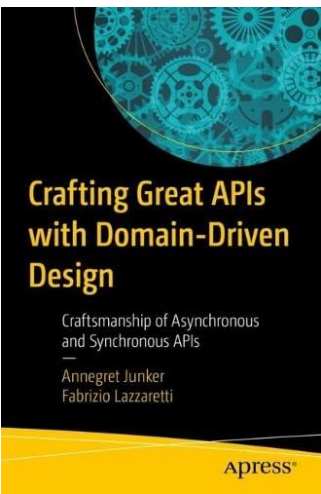
Community driven online library getting money by donations

GOAL

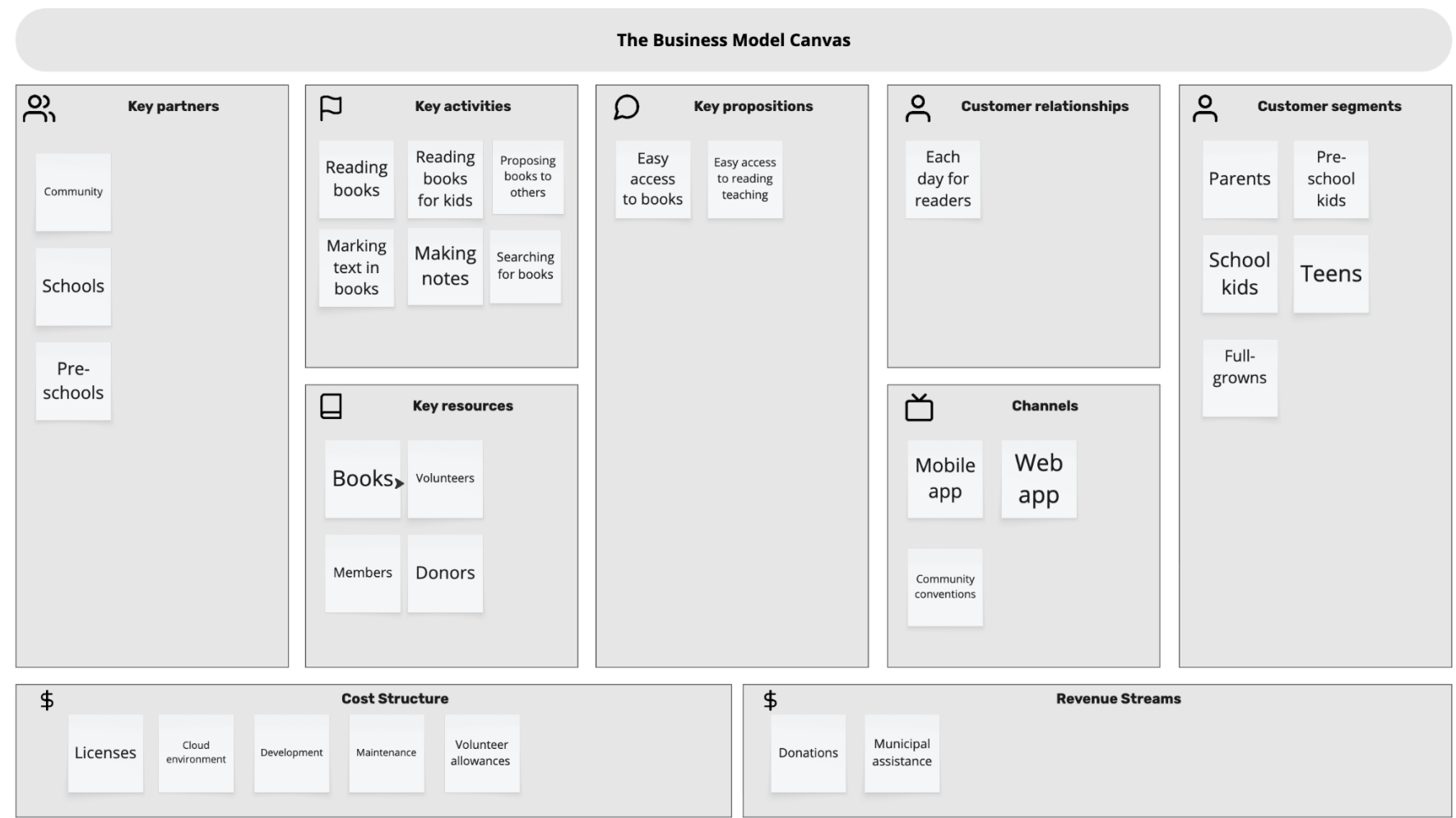
We want to make the book licensing process simpler, better, and less time consuming

AI?

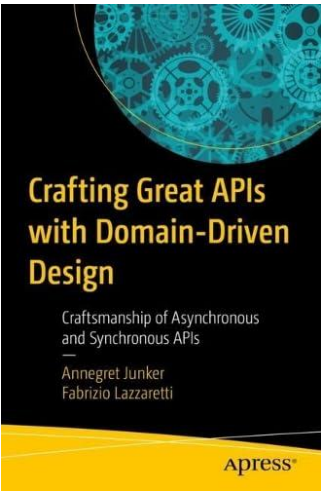
Maybe AI can help?



The Product: Business Model Canvas



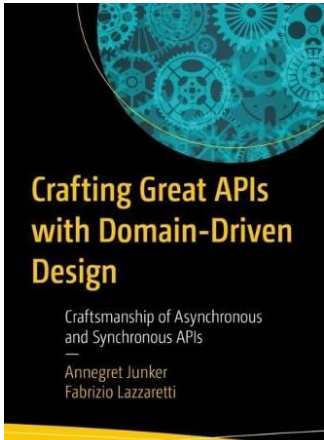
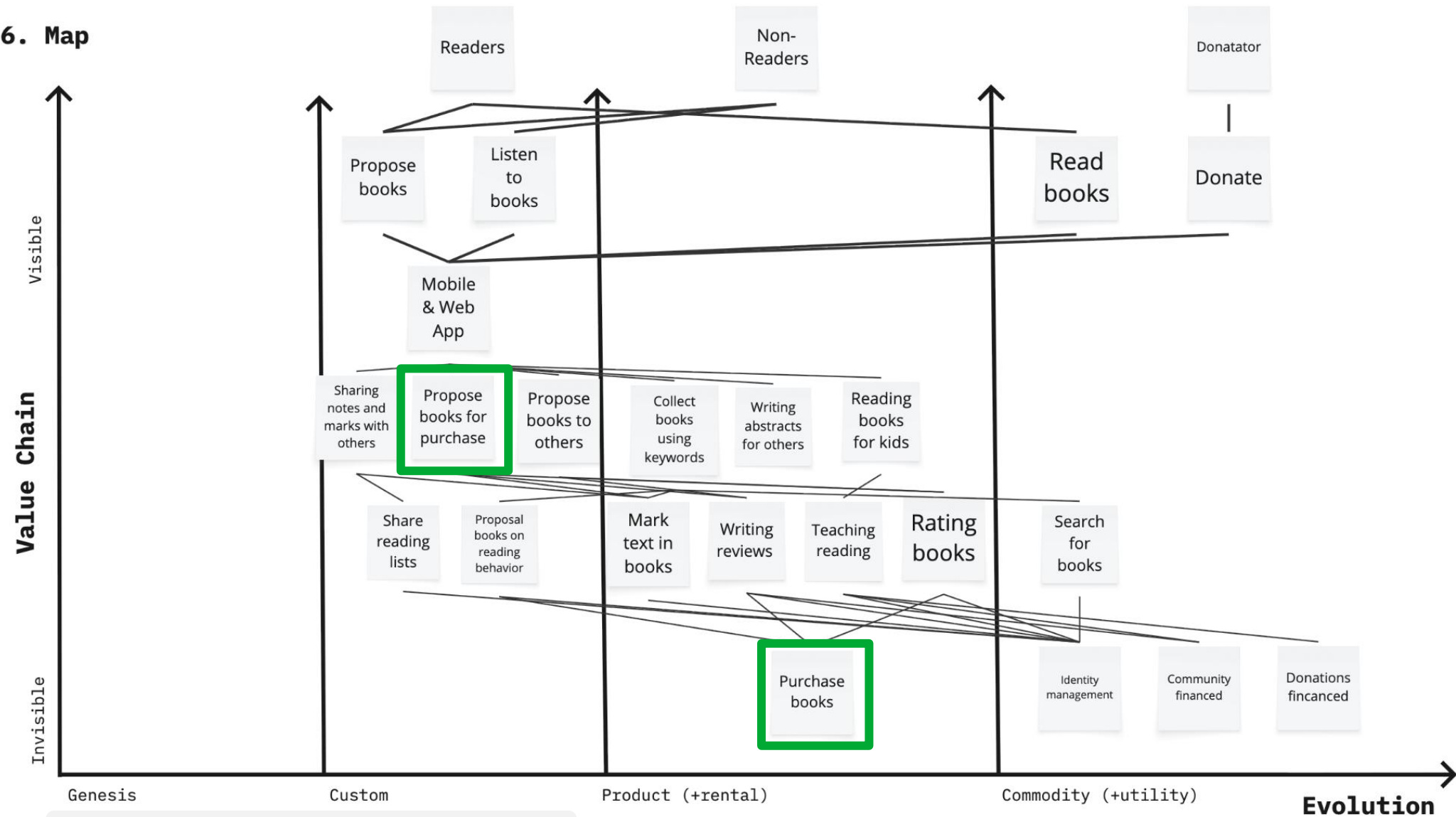
What is the product?
When is the product successful?



Source: [Strategyzer AG](#) | License: [CC By-SA 3.0](#)

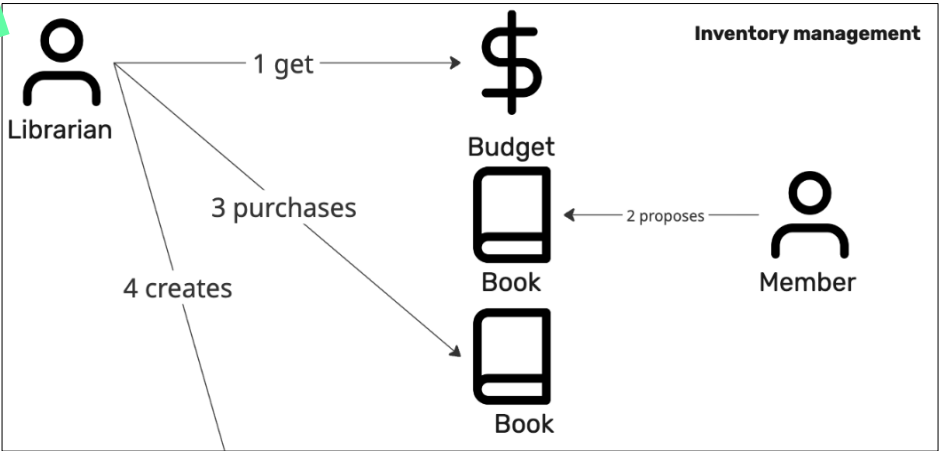
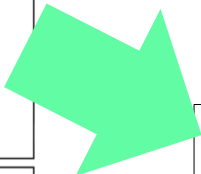
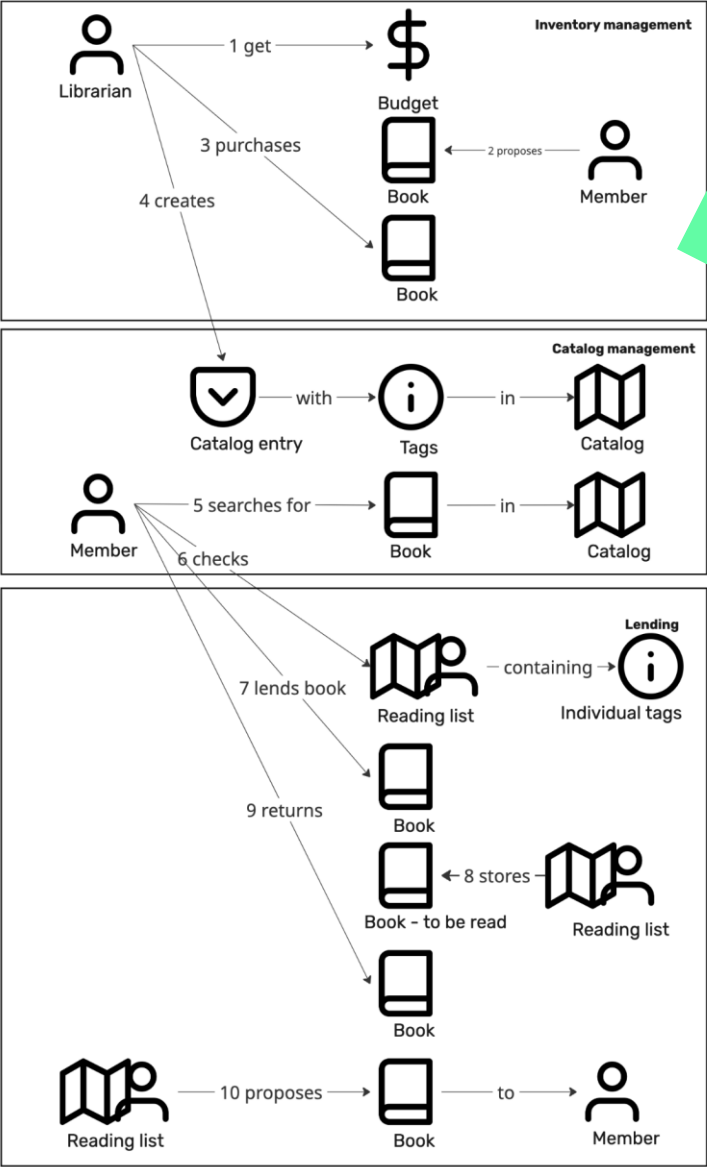
The Product: Wardley Mapping

6. Map



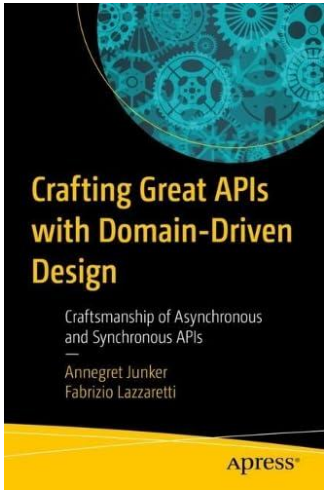
The Product: Domain Story

Searching and Lending

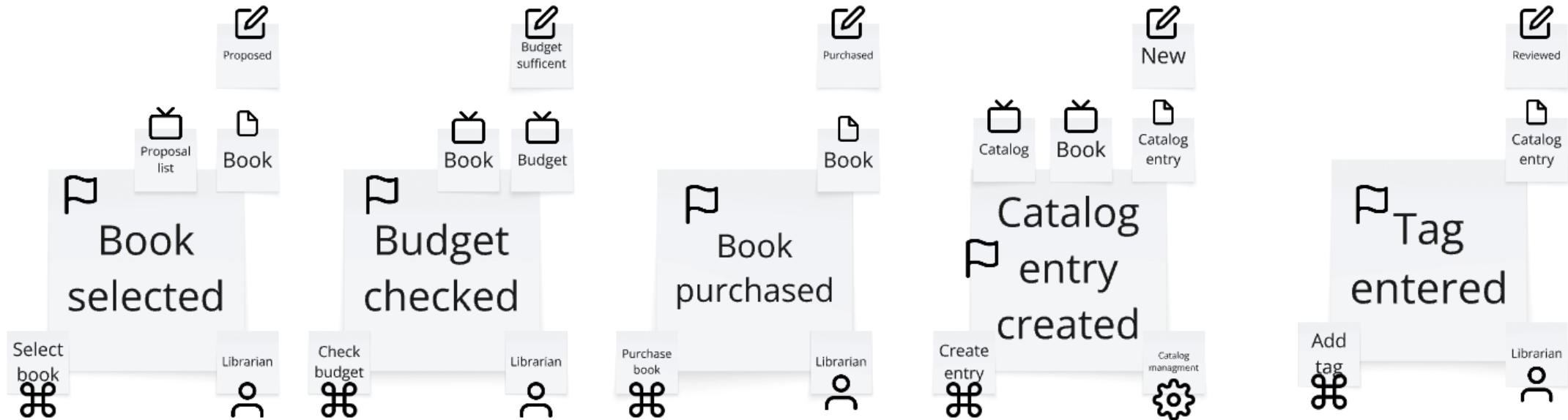


How is the workflow?

Do we all have the same understanding?



The Product: Event Storming



What happens exactly?

What can go wrong?

Does every step bring value?

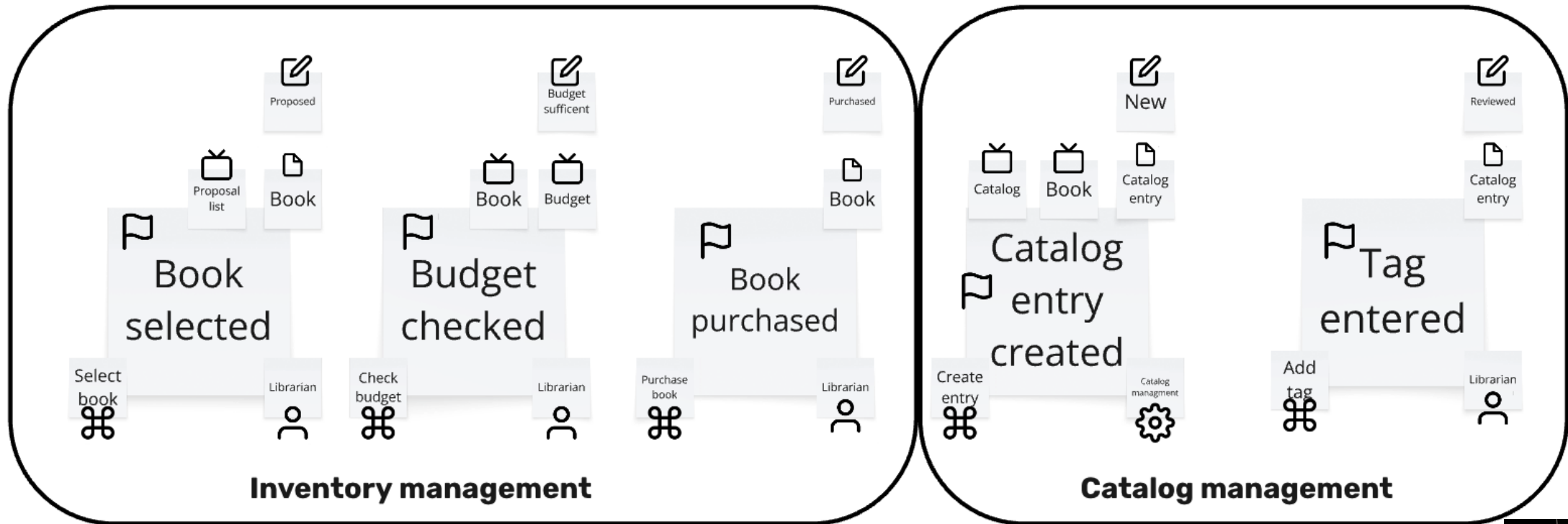
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Apress®

The Product: Bounded Contexts

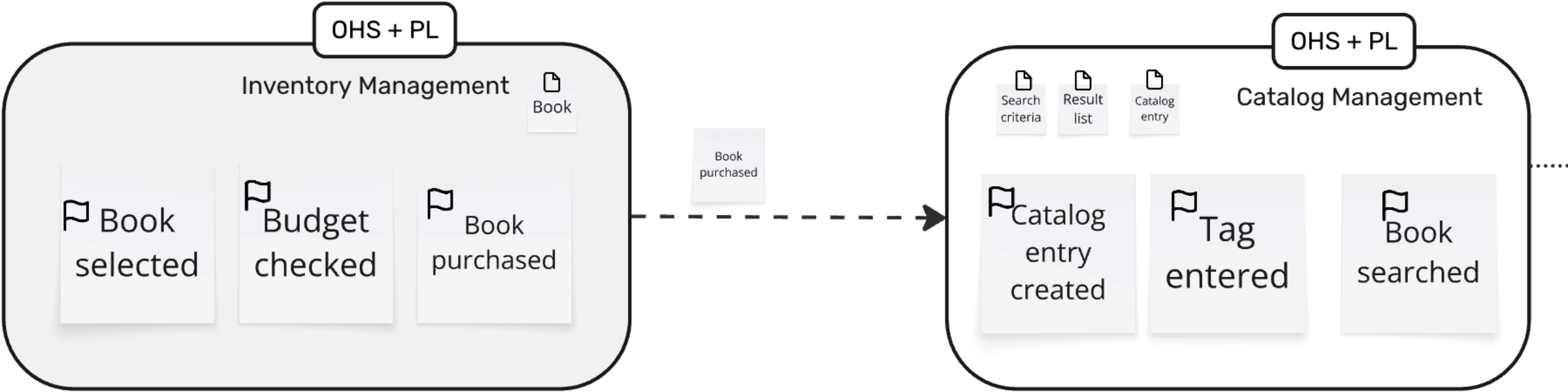


*How can we split the app into separate contexts?
Same language, same quality attributes, single
team responsible*

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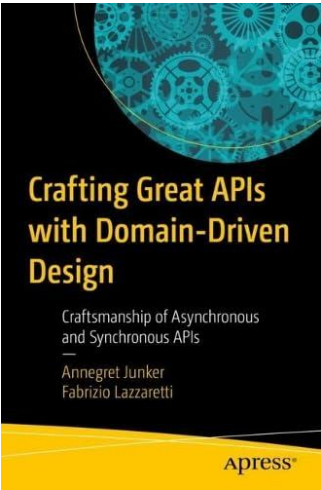
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The Product: Context Map

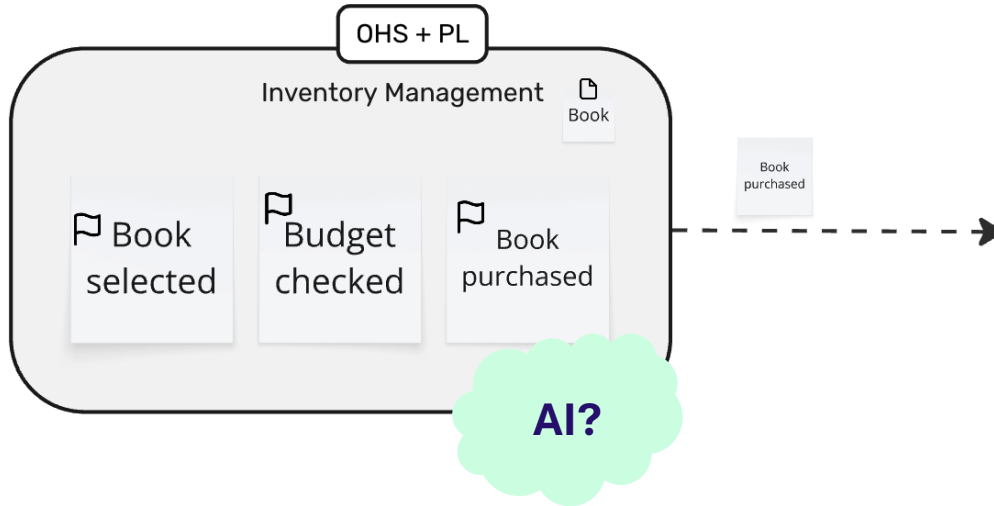


Can we build separate services out of them?

How will they communicate with each other while staying decoupled?



The Product: Let's ask if AI helps



What do we want to improve? (Speed? Better results?)

Will AI help here? (Can it help with the given steps?)

→ *Probably yes: Research about books, compare offers,...*

→ *AI in Coding is not AI in the product! → Often code is better than AI in execution*

How do we measure success?

→ *loans per book, dissatisfaction rate, time used to buy book licenses ...*

Do we need a PoC?

→ *Who can judge the result?*

Can we do an MVP right away?

→ *Maybe? Show if book selection is better, with more loans?*

Thank you!

AI is a tool you might use to deliver it.

Build products that happen to use AI;
not AI that hopes to become a product.

01

Define the product before the model.

If you can't fill the product box or write the press release, you don't have a product. From the outside, AI almost always changes nothing.

02

Question the KPI before celebrating it.

A rising metric isn't proof of value.

03

Distinguish marketing from product thinking.

Customers want outcomes, not labels.



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CNCf Ambassador

Get in touch via
QR Code



lazzaretti.me/cnda26

Wavestone Services:

From Foundations to Transformation: We turn AI into Business Value



BUILD THE **FOUNDATIONS**
FOR SCALABLE GROWTH

- Design, select, deploy **Data, AI** and **Agentic Platforms**
- Prepare **data quality, industrialization** and **scaling**
- Build the **AI ecosystem**, vendors strategy and **partnerships**



TARGET TANGIBLE **VALUE**
AND ORGANIZE

- Development of **strategies, maturity assessment, business cases** and **value measurement framework**
- Definition of **AI governance, operating model**, and “**trust**” **framework**



TRANSFORM BUSINESS
WITH **AI & AGENTIC**

- Optimize and redefine **business processes** with **AI** and **Agentic**
- Build **AI models and Agents, AI products, agentic factories**
- Manage **change, upskilling**, AI for all.

BUSINESS

We bring **deep sector knowledge** and **domain expertise**, enabling us to steer your AI transformation towards the new AI-first business models and processes that will generate the greatest value.



TECHNOLOGY

We are **builders**. We deliver AI agents quickly while also establishing strong and scalable foundations to help you transition into an AI-driven company.



PEOPLE

While leveraging AI to augment capabilities, **we keep humans at the center**. We foster close collaboration with client teams and prioritize the impact of these technologies on employees and society.

