

Big Ideas in Tech for 2025

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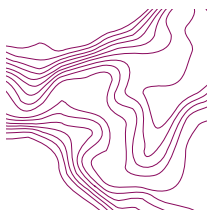
Enterprise + Fintech

When Regulation Becomes Code

Companies in the banking, insurance, and healthcare industries spend countless hours and millions of dollars staying in compliance. Today, banking and insurance regulations span tens of thousands of pages; SBA lending documentation alone exceeds 1,000 pages. For businesses, keeping on top of these codes requires byzantine workflows and many hours spent hiring and training staff. Imagine, instead, that those lengthy documents — including text, images, and case precedents — could be used to train regulation-specific LLMs. Suddenly, compliance would become as simple as a Google query: “Is [X] compliant? What modifications need to be made?”

The onerous process of staying up to speed on regulation also poses a less obvious cost to consumers. To give just one example, an estimated 1.5 million consumers fall behind on their mortgages every year. What if those people could talk to someone steeped in Fannie Mae’s 1,000+ page servicing guide to get quick, accurate answers on how to modify their loan and get some relief? AI agents can be quickly trained and are infinitely patient. LLMs can streamline this traditionally fraught process.

The labor-intensive business of compliance is ripe for new software. AI can make our systems safer, more straightforward, and more efficient for consumers and companies.



Angela Strange is a general partner at Andreessen Horowitz, where she focuses on financial services, insurance, and B2B software (with AI).

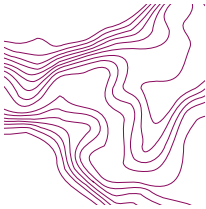
Ripping Out Legacy Systems of Record

AI is driving enterprise buyers to reconsider their entire tech stack. Klarna’s move earlier this year to replace Salesforce and Workday with homegrown, custom-built AI solutions is just the tip of the iceberg. I predict this sort of cord-cutting — ripping out legacy systems

of record in favor of more dynamic upgrades — will be replicated many times over.

For the first time in over a decade, systems of record are vulnerable. Whereas the prototypical software company of the 2010s plugged into existing systems of record to power downstream workflows, today the most ambitious founders are reimagining that core system entirely. Relational databases will become multimodal: now that AI has advanced to actually performing work (instead of merely facilitating it), I expect to see customers seek out “systems of engagement” — dynamic, AI-powered tools that turn human “doers” into primarily reviewers. Systems of engagement will both store a core data set (customer details, order information, etc.) and serve as the primary application from which users complete their work.

This will not be fast or easy. The incumbents in these categories have deep data moats and vast amounts of resources. But I’m excited to see more founders go after the biggest prize in software.



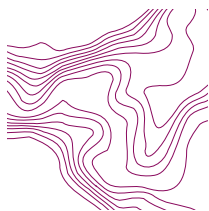
Marc Andrusko is a partner at Andreessen Horowitz, where he focuses on B2B AI applications and fintech.

Differentiation vs. Lasting Defensibility

AI has become the ultimate driver of differentiation, transforming software into labor across industries. In 2024, many startups pursued “messy inbox problems” as a wedge to apply LLMs to judgment-intensive tasks. 2025 will be the year of AI companies turning differentiation into lasting defensibility.

The winning startups will focus on building moats around their products. Defensibility still hinges on timeless factors: network effects that grow value with user adoption, high switching costs that make products indispensable, and product virality that drives lower customer acquisition costs.

Successful AI-native companies will transcend narrow use cases, expanding into adjacent workflows and becoming core systems of record. Differentiation — solving a wedge problem 10x (or 100x) better — earns the opportunity to build a moat. But differentiation and defensibility are distinct, and startups that conflate the two risk being outflanked by more strategic competitors.

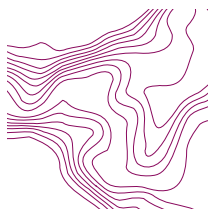


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AI Advances From Data Collection to Data-in-Action

Already, AI is being used to extract overlooked or underutilized data from emails, phone calls, faxes, and more. Today, this valuable data collection is most commonly being applied to automate repetitive administrative work, freeing up human time for judgment-driven tasks. The next frontier will be AI that not only captures such data for the worker, but then suggests a sequence of actions to take. In this way, AI can become a true operating system for the user.

By being trained on contextual data — including internal and external signals — the next generation of AI-powered software could become a system of record that the user can live in. Sales account executives, for example, will be able to view a dashboard that tells them which accounts to spend time on (and when) and drafts follow-up messages. Similarly, AI can give finance analysts guidance on how to construct a forecast, based on real-time data pulled from bank statements and invoices. In the short term, human workers will be the reviewer in the loop; in the future, as trust is established over time, I expect many data-derived actions will shift toward being entirely AI-led.



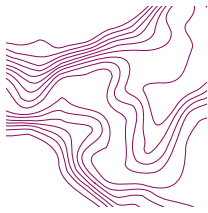
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Romanticizing Inorganic Growth

AI is automating jobs across traditional service industries like insurance, law, real estate, and IT. Though many of these businesses have historically been low-margin and difficult to scale, some are now leveraging LLMs — particularly to automate roles involving voice, email, or messaging — to transform into high-margin, scalable models.

While some predict this shift will usher in an era of conventional private equity, where large firms buy and transform assets, I see greater potential in AI-powered, vertical-specific service startups. By combining AI with tailored workflow automation tools such companies can reshape traditional service sectors entirely.

The most successful among them will find a way to demonstrate meaningful improvements to earnings, likely through a partnership with a small existing company, and then leverage superior economics and cash flows to acquire smaller players. This approach won't be operationally easy, but if executed well, I expect we'll see an evolution in the way services businesses are operated.

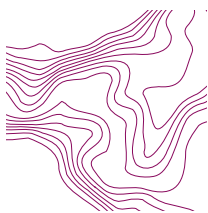


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AI-Native UI and UX

I believe 2025 will be the year that AI-native UI and UX paradigms will be established for the next generation of SaaS companies. The last few years have been about training frontier foundation models and developing the infrastructure to be able to use these models in production. We've now reached a point of maturity in the tech stack: companies understand what is possible and users have gotten used to prompting models and interacting with the non-deterministic interface that AI enables.

This means that we can start experimenting with net-new ways of interacting with software that pre-LLM software didn't allow. The UI of the future will be a departure from traditional SaaS tooling, with humans manually inputting things in boxes. Chat was the first experimental interface — now I expect there will be new, novel interaction mechanisms. In this phase, AI agents will be able to take direct action in the workflow, and the UI will be reimaged for humans to review work or do QA.



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Every White-Collar Worker Will Have an AI Copilot

I predict 2025 will be the year of AI copilots — eventually, every white-collar role will have one, passing off the most painful parts of their jobs, and freeing up workers to focus on more creative or strategic tasks.

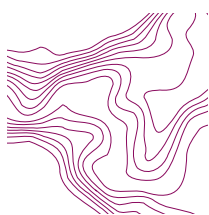
AI agents can insert upstream from any incumbent system of record, ingest data from disparate sources, and use it to streamline hours of repetitive tasks. Virtual sales development representatives (SDRs) like 11x can collect all relevant information on



potential customers and manage initial outreach — even before creating a record in the existing system (such as a CRM).

This presents a ripe opportunity for startups to tackle tedious, vertical-specific workflows. The data supports this: a recent study by OpenAI and the University of Pennsylvania found that with access to an LLM, about 15% of all worker tasks in the U.S. could be completed significantly faster at the same level of quality. When incorporating software and tooling built on top of LLMs, that share increased to between 47% and 56% of all tasks.

This is only the beginning. In the years to come, we predict some roles will be nearly fully automated with AI agents.



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