

**HFS Spring Summit 2025**

**THE RISE OF  
SERVICES-AS-SOFTWARE**  
**THE AGENTIFICATION OF EVERYTHING**

**What the Valley Does Now, You'll Do Next**

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**David Cushman**

Executive Research Leader, HFS Research

# What the valley does now– you'll do next

## START-UPS SHOW THE WAY

- NO PLACE ON EARTH can match the open and connected innovation network of talent, capital, and ambition.
- ANYTHING you thought you had to yourself is going to get challenged – and faster and cheaper than ever before. **Expect to be disrupted.**
- **Driven by:** Crashing cost of code; compute; knowledge; and organization.
- **Impacting:** Pace to market, competition, VC culture, funding rounds (future seed rounds).
- And just wait until the IPO log-jam is over...

*"Historically, what happens in tech-startups cascades to tech giants, then spreads to traditional industries."*



Jeremiah Owyang  · 1st

Venture Capital Investor at Blitzscaling Ventures | Llama Lounge event host & Conference Speaker | Works in an Airstream | CrossFit

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# Small teams: AI is the rest



sarah guo // conviction    
@saranormous

getting my first investor updates from startups that are explicitly attempting to permanently cap headcount at a number, with “AI for the rest”

better not bigger teams

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Company	Employees	Est. ARR	Revenue per Employee	Focus Area	Notes
Midjourney	~10	\$200M	\$20M	AI-generated art	Bootstrapped and self-funded; elite revenue efficiency and virality.
Cursor	~20	\$100M	\$5M	AI coding assistant	Popular with developers; backed by OpenAI’s startup fund.
ElevenLabs	~30	\$100M	\$3.3M	AI voice synthesis	Rapid growth in audio; strong SaaS and API demand.
Copy.ai	~25	\$80M	\$3.2M	Marketing copy generation	First mover in GenAI content space; aggressively expanding integrations.
Adept	~22	\$66M	\$3M	Enterprise workflow automation	Big bet on LLM-based productivity tools.
Writer.ai	~100	\$50M–\$75M	~\$0.5M–\$0.75M	Enterprise GenAI for content & ops	Enterprise-focused; strong adoption across marketing, support, and knowledge teams.
CrewAI	~20	\$15M (est.)	~\$0.75M	Agentic automation platform	High-value contracts (\$300k+); lean team; strong open-source traction.
Runway	~150	\$75M	\$0.5M	AI video editing	Heavily used in creative industries; YouTube and film markets.
Synthesia	~448	\$89.6M	\$0.2M	AI-generated video	Scaling fast in corporate learning and training.

# Why Agentic is taking off

## EVERYONE IS PILING INTO AGENTIC

**The market is split into evangelizers and deniers.**

Agentic IS being successfully applied in large enterprises right now. That is keeping emerging vendors so busy they have NO INTEREST in chasing down deniers.

### **WHY?**

Agents are LLMs + code. That is a black box + a way of controlling it – this is how AI gets done in the enterprise

### **KEEP CLOSE TO:**

Agentic ecosystems: MCP (Anthropic), A2A (Google), The AI Alliance (IBM), NANDA (MIT MediaLab), etc.

**HFS**

**Thank you.**

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