Watts, Tokens & Money

Everyone is deploying AI.
Here's what the winners are doing differently.

4,398	+1.15	0	+17.1%
Deployments	Energy IR	Dogs	Manufacturing

↓ Explore the three-layer stack

Analyzed by Scott.AI

I built an AI that got out of hand

4,398

AI deployments analyzed
across 3,095 active tickers

"The AI did the heavy lifting. I did the 'so what?' "

Most deployments aren't working*

But the ones that are share a pattern

They're not investing in the AI itself.
They're investing in what's underneath.

4,398
Deployments Analyzed

+0.50
IR for Winners

-0.50
IR for Dogs

**contributing to positive IR = sustainable, measurable returns over time*

Source: Analysis of 4,398 AI deployments

Information Ratio - Wall Street's risk-adjusted return metric

INFRASTRUCTURE STACK

The Three Layers of AI Value

APPS

Top Layer

TOKENS

Middle Layer

WATTS

Base Layer

”Value flows down -- from apps, to tokens, to watts"

Energy + Utilities

ZERO DOGS

51 deployments — Not one energy company or utility has underperformed its benchmark

Tech & Software

6.4:1

Dogs vs Winners

199 dogs vs 31 winners

31 Tech Winners. Curious what they had in common?

+17.1%

Outperformance vs peers

Manufacturing Exception

"They're converting tokens into things you can touch, moving down the stack toward the physical world"

Autonomous robots • Computer vision • Generative design for real products

The Medieval Parallel

Water → Watts

Mills → Tokens

Commerce → Apps

"Acquire & defend territory"

Replacement Time = Value

Value concentrates where replacement takes longest — from decades to hours

DECADES

Watts: Land, permits, grid connections

Physical infrastructure that takes 10+ years to replace

10+ years

YEARS

Tokens: Compute capacity, consented datasets, proprietary models

Computational resources that take 2-5 years to replace

2-5 years

HOURS

Apps: New features, chatbots

Software that can ship in a day

Hours

Defensibility Gradient

Low — High

Watts: Hard to replace

Tokens: Moderate barrier

Apps: Easy to replicate

Strategic Question: What are you building underneath that a competitor can't replicate by next quarter?

What's Underneath Your AI?

The question isn't whether your AI is better.
It's what you're building underneath it.

Watts
Energy & grid access

Tokens
Compute & silicon

Capabilities
Physical & data assets

Analyzed by **Scott.AI**

scott@scott.ai
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