

SMB AI GUIDE

How Real Business Owners Are Using AI to Run Leaner, Faster Companies

A Scalepath Community Publication

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Welcome Note

Hello reader!

You're getting this because you're a business owner, and I want to show you exactly how our members are using AI, in their own words, to grow their companies right now.

Scalepath is a peer community of about 100 business owners averaging \$6 million in annual revenue, who get together to have conversations around what's actually working and what's not in our businesses, so we all grow faster than we would on our own. We have peer groups, weekly expert calls, and a community Slack forum.

This year, one topic has completely taken over our discussions: AI. Our members are asking questions about it, experimenting with it, showing what they built with it, all to get smarter together learning how to use one of the largest innovations in technology of our lifetimes.

Our members have replaced \$70,000+ CRMs with custom tools they built themselves, and landed \$250,000+ in new revenue using AI systems that find work for them. Some have even built agents that functionally act as team members, but they're AI (see Charles Miller's story, page 8).

So I put together this guide. It's built entirely from the real conversations we've had inside Scalepath around AI. None of this is information you can google, it's not theory, not a generic AI explainer. It's derived from a bunch of smart business owners just sharing what they're doing, what they're thinking about, and what they're struggling with.

I hope it's useful on its own. But if any of it resonates, I'd love to talk sometime and learn more about you and your business. I promise that if this guide is immediately valuable to you, joining Scalepath will be significantly more valuable.

Text me, call me, email me, respond by carrier pigeon, whatever works for you. I would love to have a conversation and build a relationship even if now isn't the right time for you.

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Use Case Profiles

The next few pages profile six Scalepath members who've built something real with AI inside their own businesses. These aren't hypotheticals or vendor case studies, they're pulled directly from what these members shared in our weekly AI member demonstration sessions.

Additionally, we refer back to these members and what they built throughout the rest of this guide.

Each profile follows the same format so you can scan quickly: the situation they were facing, what they actually built, and the result.

"My team forgot she wasn't a person." (Charles Miller, on the AI employee he built for his demolition company. His full story is on page 8.)

Mark Edler, Edler Zain, CPA Firm for M&A Entrepreneurs, Philadelphia

The backstory. Mark co-founded Edler Zain roughly four years ago; it's now over 20 employees and \$3M+ in revenue, built partly organically and partly through acquiring two other CPA practices. The firm focuses on M&A quality-of-earnings work, tax structuring, and outsourced controller/fractional CFO services for acquisition entrepreneurs, people in exactly the position his own clients started in.

What he actually built. Mark's Microsoft 365 environment (SharePoint, Outlook, Excel) is fully wired into an AI assistant that any of his 25 employees can query directly, at a combined monthly cost he quoted as under \$500. He demonstrated it during his peer group meeting: someone asked it to pull up the firm's onboarding SOP, and it located the right SharePoint document instantly, already aware of the firm's specific templates.

His most technically developed build is a 13-week cash-flow forecasting skill, demonstrated live and walked through step by step. He feeds it a client's general ledger, has it recategorize accrual-basis GL entries into direct-method cash forecast buckets (a persistently annoying manual step in cash forecasting), lets it apply seasonality and growth-rate multipliers by quarter, and explicitly instructs it on treatment of one-off items like management fees. Critically, he treats hallucination risk as a design problem, not an afterthought: every financial output gets a "calculated review" (do the numbers mathematically reconcile, does the balance sheet balance) plus a separate "logic review" (do the numbers pass a human gut check), and his prompts explicitly instruct the model never to "plug" a number to make something fit. His tolerance for error scales with stakes: much lower on M&A deal work, more flexible on an informal internal forecast.

He's also experimented with connecting Zapier's low-code MCP layer to link QuickBooks, email, and other tools into a single AI interface, letting him cross-reference a client's full billing history, CRM notes, and system data in one query instead of hunting across platforms. His honest take on where AI adds value right now: FP&A work (forecasting, budgeting, analysis) is a much better fit today than trying to replace core bookkeeping and data entry, where tools like Ramp already have AI categorization built in natively.

A 13-week cash-flow forecast that used to require real manual rebuilding now runs from a documented, self-checking skill.

Kurtis Hanni, Bison CFO (Fractional CFO & Accounting Consulting)

The backstory. Kurtis runs a fractional CFO practice serving clients from \$5M up to \$75M in revenue, with a small internal team plus a bench of other CFOs. Two recurring headaches: prepping for client meetings on messy, inconsistent financial data ate hours he didn't have, and every document his team produced, for leads, for current clients, looked slightly different depending on who made it.

What he actually built. For the data problem: he feeds raw client data straight into Claude Cowork, including entire call transcripts and to-do context, and has it extract what the client's actual next plan needs to be, with every claim linked back to source documents. In one specific case, a client had scattered data across a messy set of entities, three to four spreadsheets each, that he estimated would have taken a full day to prep manually. Claude combined and summarized it all from a single prompt; he checked it against source and it was accurate.

For the consistency problem, he built what Claude calls "plugins": bundled sets of skills that encode his firm's exact formatting standards (an HTML skill for lead presentations and client decks, an Excel skill, a documents skill). He built these by starting a chat, describing the style he wanted, feeding in examples of documents he already liked, and having Claude package the whole thing into an installable plugin. He then went into his organization's admin settings and set them as required defaults for his entire team, so every document, spreadsheet, or presentation any team member generates through Cowork automatically follows his firm's style guide without anyone having to think about it or self-police.

He's also using this to build a genuinely differentiated client portal in Claude Code, and rebuilt his client engagement process around a \$5,000 upfront "business strategy and financial health assessment." Work that used to take significant manual prep, pulling a client's real numbers and history into an actual diagnostic rather than a surface-level review, now happens faster and with more depth, before he ever asks a prospect to commit to an ongoing retainer.

Hours of manual data reconciliation collapsed into single prompts, and every asset his team produces comes out looking like it came from the same disciplined firm.

Ushir Shah, Accounting Firm & Cybersecurity MSP

The backstory. Ushir runs multiple businesses, including a wealth management firm, a cybersecurity MSP, and a tax/accounting practice he acquired more recently.

What he actually built. For hands-on daily work, Ushir treats AI as a blunt-force assistant: merging spreadsheets with mismatched columns, doing ad hoc research, cutting what used to be an hour of Excel lookups down to a single prompt. More recently, he used Claude to prepare full GAAP financial statements with all supporting notes for a large client where the auditor is a large national firm. Estimates are that Claude was 10x leverage on time at a minimum, roughly 50 hours of Claude time to produce work that would have taken over 500 manual audit hours, with more robustness in the notes and workpapers. For tax specifically, his firm adopted Tax GPT, a purpose-built small language model (in the same category as Harvey for law or BlueJ for accounting) that has the entire IRC tax code, Supreme Court and tax court rulings, and revenue rulings loaded in, now expanding to state-level codes. He built it into a formal three-stage review pipeline: a preparer completes the return, Tax GPT runs a full accuracy and technical-compliance pass, a CPA does human technical review on anything flagged, and the advisory judgment layer (the "have you considered this deduction" strategic thinking Tax GPT can't do) stays fully human. This lets his firm absorb more return volume without proportionally scaling headcount.

The sharper insight. Ushir has thought further ahead than almost anyone else in the group about a specific danger: AI knowledge built inside one person's personal account doesn't survive a sale. In a live discussion, he laid out the mechanics directly: if you optimize your entire operation using your own personal Claude account, any buyer either inherits everything you've ever told it, commingled with unrelated personal context, or effectively nothing, because it can't be cleanly extracted.

"You've basically created your company, optimized the crap out of it using all this AI that now only you can maintain and update. Any buyer won't be able to realize that level of efficiency, they'd have to come in and rebuild it or learn it."

His prescription is compartmentalized, business-owned accounts and employee-scoped agents that know only what's relevant to their role, so the AI layer becomes a transferable asset. Additionally, he believes businesses that build mission-critical tools from custom software may encounter short term decreases in business value, as many buyers will view that as a mess they need to unravel to transfer over to their systems. However overtime as the market sees more and more businesses selling with custom software in their tech stack, this will become normalized and buyers won't view custom software as less valuable.

The result: a concrete efficiency gain today (faster reviews, more return volume per preparer) paired with one of the more sophisticated pieces of strategic thinking in the entire Scalepath community about how AI adoption interacts with eventual exit value.

Charles Miller, Cooper Companies, Colorado Springs

The backstory. Charles worked McMaster.com's web team and later led software at SnapLab before buying Cooper Companies, a commercial demolition, excavation, and site utilities company. As Cooper grew into federal and municipal work (military bases, airports, railroads, hospitals), the administrative load exploded: certified payroll, engineered demolition plans, 40-page bid packages that had nothing to do with the actual work. He was looking to hire an assistant to help him keep up, which is when he started to look for an AI solution instead.

What he actually built. Instead of hiring, Charles built "Peggy Olson," a full AI persona named after the Mad Men character, running on a dedicated Mac Mini sitting in a closet in his office. Peggy has her own Outlook email address and inbox, her own personality, and explicit rules: she can draft and send from her own account freely, but anything from Charles's inbox goes to drafts only, never auto-sent. She knows his scheduling preferences and protected golf time, manages his calendar, and deploys specialized sub-agents for specific functions (finance, estimating, proposal formatting), each sandboxed with its own context so they don't cross-contaminate. With his estimating sub-agent specifically, Charles uploaded an entire textbook on how to bid and estimate demolition and contracting jobs directly to Claude, and now has it work a bid in parallel alongside his human estimator as a cross-check, comparing the two independently before anything goes out. He's said he doesn't consider it a full replacement yet, but it's meaningfully improved his own confidence that bids are accurate, and he expects that trust to keep growing over time.

The architecture is intentionally boring and robust: mostly deterministic jobs handed to an agent layer, not one giant autonomous system trying to do everything. Peggy restarts herself every night to avoid entropy buildup, and self-resolves about 99% of issues before they ever reach Charles. When something breaks, she escalates with a specific, diagnosed problem rather than a vague error, flagging things like a cash runway that's suddenly moved up sooner than expected, rather than just saying something went wrong.

The pivot to a product. After demoing Peggy to a local contractors' association, Charles got swarmed with "how do I pay you to build this for me" requests. He spent two weeks rebuilding Peggy from a personal tool into a sellable product (fail-safes, error reporting, sandboxing, monitoring dashboards) and started installing it for other small business owners, a Mac Mini pre-loaded with the architecture. He's since rebuilt it again as "Pinion" (pinion.work), a more enterprise-grade version running on virtual machines across server farms instead of one physical box.

"My team forgot she wasn't a person."

Instead of recruiting an assistant for himself, Charles built one. Peggy has become an expert in his financial reporting, estimating cross-checks, inbox and calendar management, contract review, and bid and proposal management, and what started as a personal fix for his own overload has become a second, growing business alongside his core demolition company.

Matthew Saskin, East Coast Towing, Durham/Raleigh, NC

The backstory. Matthew is CEO of East Coast Towing, a towing and recovery business with about 60 employees, which he acquired rather than started, negotiating the price down hard from a wildly inflated initial ask before closing the deal. He comes from a quasi-technical background with a computer science degree. What started as, in his own words, "a small cool thing" he built in about five hours, mentioned almost as an aside in Scalepath's AI-Use-Cases Slack Channel, turned into five separate tools built over the following weeks, each one deployed as a real web application accessible via Google login rather than a one-off script.

What he actually built. A fully automated QA pipeline: every inbound dispatch call is transcribed via Dialpad, sent to S3, then scored by the Claude API against a set of configurable criteria, no human touches any part of it. A score from his own system reads exactly like a human reviewer's notes: 5 of 10, with reasons like "lacked a professional greeting, felt disorganized," and the agent's divided attention undermining the customer experience. He's now building a calibration tool that lets his non-technical dispatch supervisor adjust the wording of a scoring rule and watch a call's score shift live, in one case turning a 2-of-10 into a 9-of-10, so she can refine the system herself without ever touching a prompt.

Writing up a major recovery incident for an insurance claim used to take 10-15 hours, pulling together photos, dispatch notes, emails, and fleet timelines by hand. Feeding those same inputs, plus relevant industry pricing context and case law, into Claude now produces a 5-7 page, insurance-ready narrative in about five minutes, a change he estimates has saved him 40-50 hours in a single quarter. He reads every one before it goes out and says it's consistently accurate.

The rest of the stack, briefly: a Data Explorer connected directly to the company's existing systems (which have no real API of their own) lets team members who already had that same visibility in the company's core dispatch system ask plain-language questions about the business, on the web or inside Google Chat, no SQL required. Everyone's access mirrors what they could already see there, and the tool is read-only, so nothing can actually be changed or broken. A custom call-tracking tool replaced a \$500-600/month CallRail subscription with something that costs \$20-30/month, since the business never used CallRail's other features to begin with, they don't get leads through a website or web chat. And worth including for balance: he also looked at building an AI tool to auto-assign dispatch routes, tested it, and concluded his human dispatchers were already about as efficient as automation would be, so he shelved it rather than force a use case that wasn't there.

"No one is touching a damn thing for this to work."

The result: 100% automated QA coverage at zero ongoing labor cost, and tens of hours saved per quarter on incident reporting alone.

John Seymour, Seaboard Floral, Florida

At the request of this owner, identifiable characteristics of him and his business have been anonymized. However, all the systems he built, as described below, are entirely true.

The backstory. John acquired Seaboard Floral, a specialty flower wholesaler operating in a narrow, time-critical corner of the trade, through a self-funded search about two years ago. It's less a flower business than a logistics company that happens to deal in flowers: cold chain, perishable, seasonal, and tightly time-boxed, miss a delivery window by a few hours and the order simply doesn't get paid. He came in with a computer engineering background but had never worked in flowers or logistics before. The business ran on QuickBooks Desktop and paper filing cabinets, and in 30 years had never had a single remote employee.

What he actually built. Step zero was just getting digital. Through most of last year, John hired a freelance developer for roughly \$1,000-2,000 a month and built on Make.com and Airtable. The first target: purchase orders that arrived as PDFs and took a staff member 5-10 minutes each to manually enter into QuickBooks, across roughly 500 orders a month, with a meaningful error rate from typos and copy-paste mistakes. Automating that ingestion with AI cut it to near-instant and dropped errors close to zero, in about three weeks. He layered on two more small wins in the same stretch: replacing a \$200-a-month subscription tool that existed for one single feature (a custom packing-list format), and having the system auto-draft outgoing emails instead of sending them manually. All three together cost a few thousand dollars, took under 60 days, and saved roughly 20 hours a week. They paid for themselves within two months, and just in time: 30 days later, the employee who'd been doing the manual data entry quit for unrelated personal reasons, and the automation meant John wasn't scrambling to replace her overnight.

From there, he spent the rest of the year building what he calls "Seaboard OS," a homegrown mini-ERP, two-way synced with QuickBooks, that let his team manage and track every order without touching QuickBooks directly. He spent six months shopping for something off-the-shelf first (Shopify Plus, NetSuite, Salesforce), but nothing fit a business with his specific quirks (multiple locations, a "packing list" concept most SaaS platforms don't even have a field for), and quoted implementations ran near six figures. Building it themselves on no-code tools cost a fraction of that.

The most consequential side effect wasn't the efficiency, it was that fully digitizing the business let it go remote for the first time in 30 years. By the end of 2025, the entire half of the company that manages global orders was working remotely. One longtime employee relocated internationally to be near family, something the old paper-based process would never have allowed. When John eventually needed to replace the data-entry role, he hired someone overseas who does far more, customer service, sales operations, coordination, for the same money. The only people still working in the building physically touch flowers or drive trucks. For 20 years, literally every order in the business had passed through one employee's desk, tracked on a yellow legal pad, order numbers written down by hand and confirmations highlighted as they came in. That workload is now split across three program managers by account, no longer riding on one person's memory.

This year, he turned Claude on the hardest, most specialized part of the business: accounts payable. Seaboard Floral receives 100-200 vendor bills a month, in different currencies and languages, and margin depends on a maze of unit-of-measure conversions (they sell by the stem,

but buy by the bunch) that the previous owner had carried entirely in his head after 30 years in the trade. John used to eyeball the bottom-line total on each bill and hope the roughly 80% he didn't have time to scrutinize were correct. Feeding an invoice and the matching vendor bill into Claude and asking for a line-by-line gross-margin analysis caught specific errors immediately: a vendor billing by the bunch when the contract was priced by the stem (a \$209 overcharge), a quantity mismatch worth \$232 on a single line, the kind of detail he'd never have caught doing a manual bottom-line check. That workflow became a reusable Claude Code skill, then a fully deployed internal web app called "Ledger AI," used every month by his bookkeeper, who doesn't know anything about AI and doesn't need to.

The whole system now runs on a 2,000-file Claude Code repository that functions as the company's institutional memory: every recorded meeting becomes a markdown file automatically, alongside his org chart, key customers, current priorities, and even context about his team. He's migrating the older Airtable-based Seaboard OS into that same unified system, with a nightly "drift check" that reconciles QuickBooks and Airtable to the penny automatically. He's explicit that the payoff compounds: the AI itself gets better every month, and his own context repository gets bigger and smarter every week, the first system he's built in years that gets stronger as it grows instead of collapsing under its own weight.

"We put together a five-page proposal that I barely did anything on, and it's going to be \$50,000. If we get it, I owe Claude a commission."

The result: 40% revenue growth this year with the same team size, and actually lower personnel costs thanks to the shift to global talent. He estimates he now spends half his working day inside Claude, and that quote above is about a proposal he genuinely had no time for six months earlier, that he drafted almost entirely by talking it through with Claude.

Three Use Cases

Replacing a \$70,000 Piece of Software

One member ran a mobile mechanic and HVAC business, paying roughly \$5,000 a month across a stack of separate tools, dispatch software, a CRM, marketing platforms, call tracking. For a business his size, a platform like ServiceTitan alone can run about \$70,000 a year. When his developer passed away and left him with an app he couldn't edit, one agency quoted him \$30,000 just to rebuild it. Instead, he taught himself Claude Code and built the whole thing from scratch. In about two months of long days, he replicated every tab a platform like ServiceTitan has: full scheduling and route optimization, an inbox that auto-categorizes every lead, call and SMS handling, online booking, invoicing, payroll, technician utilization tracking, and a marketing suite with its own ad-targeting algorithm. He didn't stop at matching it. He built things ServiceTitan doesn't have: a route optimizer that automatically texts customers their new schedule, a “smart suggestions” tool that generates and targets local ad campaigns based on the season and his current job schedule, and a gamified performance dashboard for his technicians. His software bill went from around \$5,000 a month to about \$200 in Claude Code costs, plus a few dollars for hosting.

Without physically showing you what the CRM looks like, it's genuinely a full replacement, it has every feature ServiceTitan has, plus, because he built it himself and owns it outright, he's added features ServiceTitan doesn't have at all. What it likely doesn't have is the harder stuff to see: independent SOC 2 security audits, PCI-DSS compliance for handling card payments, formal disaster recovery planning, and geographically redundant infrastructure that keeps things running if a server goes down.

The lesson: the purpose in showing you this example isn't to say that you should tear apart your entire tech stack and reinvent it entirely with AI. Honestly, I don't think that's what most business owners should do. The purpose is simply to show you that the capability exists. A single motivated business owner with relatively little programming background can functionally build something close to what enterprise software costing tens of thousands of dollars a year could do.

You Don't Need All 50 Features

During a peer group call, one member described a cold email he'd received from a company that scrapes public government data, board meeting minutes, budget documents, procurement filings, even FOIA-locked records, to find businesses matching a specific buying signal. The email was impressive: it had pulled real meeting minutes from ten different municipalities where local officials were discussing problems that matched exactly what his manufacturing business sells. Pricing for that tool, by his best guess, runs somewhere between \$10,000 and \$40,000 a year depending on business size, real enterprise software built to serve thousands of different companies at once. During the discussion, another member started rebuilding that software to work for his own business, live, in Claude Code. Within the next couple days, he had a working prototype and found 65 accounts evaluated and ranked by fit, live buying signals, funding, and reachability, with the 11 hottest leads already enriched with verified contact information. He

didn't build a general-purpose prospecting platform. He built one narrow tool that scrapes leads for his specific business, nothing else.

The lesson: most software you're paying for was built to serve thousands of different businesses at once. Very often, you'll be paying for dozens of different features when you're only using a handful of them. The lesson here is that when you're evaluating software or a tool to buy for your business, you can instead work with an AI to create a working version of it, scoped down to the narrow use case that matters for just your business. It's the 80/20 principle: take the main feature of another powerful piece of software, and just build the piece of it that matters for you.

A Reminder That This Is Already Happening

One member visited a competitor's website out of curiosity. About twelve hours later, an automated email landed in his inbox, addressed to him by name, mentioning that someone from his company had visited their site. The mechanism was a tool called RB2B, a website visitor-identification service that de-anonymizes traffic in real time, matching an anonymous visit back to a specific person and company, then pushes that information straight into a Slack channel. From there, an AI system drafted the outreach and sent it automatically, no human involved.

The lesson: honestly, the only reason I included this story is that I was unaware of this tool before it came up. I figured it would help you acquire more customers and make sure the marketing dollars you're already spending to generate website visits in the first place don't go to waste.

The AI Operator's Journey

You've just read six success stories. What follows in the rest of this document is different: the open questions and honest debates our members are still working through. This section describes how we've seen AI adoption unfolds for business owners, stage by stage.

A quick bit of history before the stages themselves: as recently as a year ago, most Scalepath members were using AI the same way, as a slightly better Google. Light research, drafting an email, maybe some basic finance work. Around January and February of this year, AI models (primarily Open AI's and Anthropic's) started improving dramatically, seemingly doubling their intelligence and capability month after month. During this period adoption inside Scalepath's community went from occasional to constant. In the six months since, the shift has been from doing basic tasks faster to building custom software and automations that has directly saved or made many members hundreds of thousands of dollars. Some have fully replaced their \$70,000/year CRM with custom software. Some built systems that scraped public data to find and successfully land \$250,000 government bids, some (like Charles's story above) turned an AI assistant he built into an entirely new business.

Here's how we've seen most business owners in our Community go through the stages of adopting AI.

1. AI as a better Google. Ad hoc questions, quick research, no meaningful change to how the business runs day to day. Every AI Operator starts here. One member described it simply: he'd ask it something the way he'd ask Google, get an answer, and move on with his day. No workflow yet, just curiosity.

2. A regular personal workflow, usually finance-adjacent. It becomes a weekly habit, not just a search bar. Kurtis Hanni, profiled earlier in this guide, feeds messy general ledger data into Claude and has it categorize hundreds of inconsistent expense line items in minutes. Another member described a similar shift on a smaller scale: running his own weekly numbers through Claude before a Monday leadership meeting, catching things a spreadsheet alone wouldn't have flagged. The common thread at this stage: it's still just for the owner, but it's become a habit.

3. Sharing it with the team as a shared resource. This is still just a chat interface, but now an owner has bought accounts for some team members, usually with some guardrails, team training, and instructions. One field marketing business owner set up three separate custom ChatGPT models for his team, scoped narrowly to HR, operations, and compliance, so each department got an assistant trained on exactly what it needed instead of one general tool with access to everything. Mark Edler's version, also profiled earlier, is simpler and just as effective: standardized prompts saved in shared Word docs so anyone on the team can plug in without needing to know how to prompt well. The shift here is that other team members are given AI and instructed on how to use it to make them more efficient in their work.

4. Building a personal tool with Claude Code, Codex, or Replit. The first real leap from using AI to building custom software with AI. One member built a Google Sheets plugin that automatically updates the municipal weight reports her business has to file regularly, work that used to mean hours of data entry. Another built a tool that checks vendor invoices against purchase orders and flags mismatches before anyone pays a bill that's wrong, essentially a first-pass finance check that used to eat up hours of a bookkeeper's week. Both are single-purpose,

primarily used by the owner. They're built to solve one specific, recurring headache, not to be a platform the business operates from.

5. Significant team adoption, and Connecting tools together with automations and integrations. The personal tool stops living in isolation: it starts pulling from and feeding other systems, and this is usually the point where it stops being just the owner's and becomes something the team actually relies on. Matthew Saskin's dispatch QA pipeline, profiled earlier, is a good example: every call gets transcribed, sent to storage, scored by an AI model against configurable criteria, and the output flows straight into a dashboard, no human touches any of it. Another member built something similar for tech support calls: every call gets transcribed and automatically tagged by problem type and resolution, then fed into a running log the whole team can search and use to assist other customers.

6. Building something significant, a small software product in its own right. One member replaced three separate pieces of paid software, his CRM, his job-scheduling tool, and his call system, with a single custom-built platform, including AI-drafted responses to incoming customer texts and live self-debugging while he worked. Another member who owns a marine canvassing business built a government-bid opportunity scraper that delivers a daily digest of outstanding bids sorted by fit and urgency, and it won the business a \$250,000 government contract not long after going live. This is where the tool stops being a helper and starts being infrastructure the business actually depends on.

7. Building, or hiring an agency to build, something much more involved. Full inventory management systems, multi-agent orchestration, real-world BI layers. One member built a system that scrapes and reconciles a 32,000-row inventory feed into a live business-intelligence dashboard. Another built a small suite of AI consulting tools that replicate the kind of strategy and organizational-mapping work a McKinsey-style firm would normally charge tens of thousands of dollars for. And one field marketing business owner paid an agency \$12,000 for a system rather than build it himself, because the tool was mission-critical and client-facing, and he wasn't willing to risk getting it wrong on his own.

Getting Started

If you're just getting started, the best place to start is to just pick a model (most of our members use Claude, then Open AI) and start a conversation with it. Tell your LLM about your business and ask it directly what the easiest wins would be, how it can help you, etc. There's a joke that comes up constantly in peer groups: we spend more time asking each other "can AI do this?" than we'd spend just asking the AI itself. In my experience, the real bottleneck for most business owners isn't the AI's reasoning or speed, it's knowing what's actually worth building, and getting your team to adopt it once it exists. One caveat: the more complex the task, like an AI that convincingly sounds human on the phone, the clunkier it still tends to be today. But for simple-medium difficulty things, an inbox triage assistant, basic marketing image generation, or even building a functional CRM, there's already a long list of things that work well right now.

What Actually Trips People Up

We're all in a genuinely experimental phase right now. Thousands of ambitious business owners are leaning into AI, discovering what it can do, handing it personal and business data, building

software with it, and we're all doing it for the first time. Very few of us, even inside Scalepath, have any formal software development experience. This technology is incredibly new, we're installing it into our businesses, we're feeling tons of short-term benefits already, yet have not seen the long-term consequences yet. Funny enough, inside Scalepath, most members will readily admit that gap in their own understanding and keep going anyway.

Given that, here's what actually trips people up, because it's rarely the AI itself. The hurdles tend to be simpler and more human than a technical failure. Working and building with AI so much that you end up building yourself a second job as the sole software developer of your own company, without ever meaning to, is one. Thinking that AI is the solution to everything, and wasting time on it that would be better spent on the highest-leverage thing in the business right now, is another. And team adoption, this is new technology, getting people trained and using it can be challenging.

Perhaps the largest hurdle is that before AI can meaningfully change a company, the company's own data and documentation of its own processes has to actually exist somewhere usable, otherwise AI adoption is going to be more likely to fail. We cover this in depth in Building a Company Brain.

This is a self-serving comment... But this entire AI journey you're on is going to be easier if you stop trying to figure it out alone. There are hundreds of business owners out there building, experimenting, and hitting these same hurdles in real time. If you talk to them regularly you will get to hear what worked for someone else, and you can copy it. You hear what someone did wrong, and you can avoid it. You can talk directly to someone who's already hired a team of developers and borrow their exact recruiting process instead of learning it the hard way yourself. Joining a community of business owners doing this stuff will save time, money, and yourself from a lot of uncertainty and frustration.

Where you get that outside perspective matters, though. Most of what circulates online about AI, the hacks, the "Top 10 AI tools" content, comes from people incentivized to get clicks, not to tell you the truth. Agencies and social media creators are selling excitement to get views and clicks, not tell you all the reasons something won't work. You need an accurate reality which comes from people actually using this daily, iterating on it, willing to admit what they're screwing up alongside what's working.

Build vs. Hire vs. Outsource

As the AI Operator's Journey above shows, most business owners we talk to start by discovering what's possible through small tools they build themselves, ones that mostly just serve them personally or a small team. But after a few months of seeing what's actually possible, they're imagination of what AI can do for their business expands significantly. They'll feel the difference of how easy AI is working for them in other areas, and they'll look at all the gaps and shortcomings of their current tech stack and begin thinking of supplementing or even fully replacing mission-critical systems with AI. And that's exactly when the risk calculus of "getting it wrong" changes. Doing it themselves suddenly feels a lot less comfortable once their core operations and team are involved, so they start looking for something more durable than what they can do themselves.

What follows isn't a verdict on which path is right, it's the different ways operators are thinking through that question, and some rough guardrails for figuring out which one fits you.

The Three Paths

Build it yourself. The case for this has gotten dramatically stronger in the last year, to the point where operators who used to have a hard "absolutely not" on custom software and integrating AI in their operations have reversed their opinion. The simple reason is that with AI, custom development has become incredibly cheap, incredibly fast, and anyone who has an idea and can put it into words can create something functional, professional, and published in minutes. Previously, it was the exact opposite. It would cost \$100,000+ for any kind of meaningful project (for example, the story we covered earlier about the marine canvas manufacturer who built the government scraper tool that landed him a \$250,000 job). That tool took mere hours to build.

Pay an agency or a contractor for a project. The market rate for an Agency to develop something right now is highly variable. It can run anywhere from about \$4,000 for something simple, up through \$12,000-15,000 for a core system supplement/replacement, up to \$20,000-50,000+ for something larger. One member paid roughly \$12,000 for a two-month project replacing a core operational system, and said this about why he didn't do it himself: "I don't think it's worth my time, and I wouldn't trust myself to do it perfectly since its mission critical. It's client-facing. If there's a mistake, it's going to cost us a ton of money." That's the cleanest version of the outsource logic: not that building is difficult, but the owner's time is a factor, and the downside of getting it wrong is too expensive to risk.

Hire someone whose full-time job is this. This is the path for owners with enough margin and need to justify it: either an in-house hire (increasingly, an overseas full-time technical hire in the \$50,000-100,000/year range) or an embedded person from a staffing-style firm. The logic here is that it takes the software-engineer role off the owner's plate entirely, and a dedicated person's knowledge compounds inside the business in a way that a one-off agency project doesn't. There are some meaningful tradeoffs that come with this stated below.

When Building It Yourself Pays Off

One luxury residential plumbing construction company owner worked with Claude build an internal tool for tracking job progress. Specifically on the company's largest active project, a

\$1M contract, the new system revealed the crew had already billed 75% of the job but had only completed 39% of the actual work. Under the old tracking approach, the team believed they were comfortably ahead. The system works by breaking every job into an internal schedule of values far more granular than the customer contract requires, splitting a single customer-facing phase like "underground plumbing" into as many as 15 separately tracked line items internally, so a crew can't claim a phase finished just because the main structure is done if a separate structure on the same property still has outstanding work. He now runs this review on the company's top 10 active jobs by labor spend every month, plus a postmortem on every job as it wraps, catching cost overruns and underbilling in near real time instead of finding out at the end of a project.

The same owner also used Claude conversationally (not building software, just advising), instead of hiring a \$15,000 consultant, to redesign his team's job-grading structure, meeting cadences, and KPI tracking from scratch.

Finally, several members (e.g., Matthew Saskin), consider developing tools and working with AI to currently be the highest value use of their time and are opting to build their tech themselves despite the key man risk and hours invested. While this section emphasizes working with a professional agency to build mission-critical tools, and not turning yourself into another software developer on your own payroll, many of our members, like Matthew, build these tools entirely themselves, and there's remarkably an absence of problems occurring with most of them. It may be true that understanding AI deeply is one of the highest-leverage uses of your time today, whether you build the tools yourself or outsource them.

Where the Line Is: Internal Tool vs. Mission-Critical

Most of our members agree on this: the risk tolerance for a tool changes depending on who interacts with it. For example if you're building something that's just for you, if it breaks you can fix it yourself with little to no impact to your company. But anything your business depends on, anything employee-facing or client-facing, is where people consistently say to resist the urge to do it yourself unless you're prepared to be the one who fixes it at 9pm when it breaks. It's less a rule about technical difficulty and more a rule about what happens the day it fails.

As a side note, "failure" can mean a lot of things. One of our members had a critical app intermittently start/stop working with no reason why, another member caught a previously accurate finance app he built start hallucinating numbers, and as you'll read below in *Avoiding the Dangers of AI*, an employee at a major AI lab had an agent deleting her entire email inbox and not stopping, even when prompted. The number of ways something can fail in AI, integrations, and custom development is enormous. Though, as stated earlier, in our experience, the quantity is relatively low.

Weighing the Three Paths: Pros and Cons

Build It Yourself, Pros: Cheapest option by far, often just the cost of a subscription and your own time. You likely already know your business's workflows and processes more deeply than anyone else in your business. Fastest iteration loop for small, low-stakes tools since you don't need to explain anything to anyone. Many business owners also report building tools with AI as "incredibly fun," describing a kind of energy and momentum in it they hadn't felt in years. I don't want to understate the Pros here, every AI use case you read earlier was all built by the

owner of the business with little to no help besides Claude Code or Codex. You can build incredible technology your company relies on just by yourself.

Build It Yourself, Cons: You become the company's software developer whether or not that was ever the plan. Edge cases eat far more time than the initial build. There's no second set of eyes to catch a mistake before it becomes a costly business problem, and that risk scales directly with how much the tool matters.

Rough fit: Best for getting started and understanding what's actually possible with AI, for small-to-intermediate personal tools, simple team tools, and for building something from scratch when you don't yet know exactly what you want and need an affordable way to explore first.

Outsource to an Agency or Contractor, Pros: A good agency will help you scope the project instead of requiring you to already have every answer. Often, an agency who's job is software development will be able to see the future steps and potential failure points you won't be able to see yourself. Additionally, a good agency will have experience and solutions for security, compliance, and data-handling that most owners wouldn't even know to ask for in the first place (see Avoiding the Dangers of AI for more on why that matters). Working across many clients, a good agency also accumulates patterns and lessons a single isolated owner-build or employee-hire will never get exposed to. A well-run agency actively shares that knowledge internally across its own developers so they become smarter and more capable for their clients. There's also a less obvious upside: building it yourself or hiring your own developer means paying your own tuition, real pain, lost time, and a few expensive mistakes, so that you're better equipped next time. A good agency lets you skip straight to the answer and you just get software that works.

Outsource to an Agency or Contractor, Cons: This is addressed in detail below in The Agency Problem. But to name a few problems here: quality of agencies/contractors varies enormously, selecting the wrong developer can mean wasting thousands of dollars, and some agencies will structure their projects to lock you in, so you have to come back to them for every fix/change you want to make. Additionally, if you outsource to a contractor, neither you nor your team build the internal knowledge of how to build, develop, or maintain these tools, you'll have to keep coming back to an agency for future developments or changes. There's also a real risk if that relationship ends, whether they go out of business, or you decide to leave: most dev agencies don't like taking on support for a codebase they didn't build, and will often reject that work outright. Choose a good agency and most problems go away.

Rough fit: Best once you already know roughly what needs to be built but don't want to be the one building or maintaining it, especially for anything your team will use, your clients will use, or anything mission-critical where a mistake is expensive. Also a better fit once your own operations and processes are documented well enough for an outsider to understand your business quickly. The good agencies I've spoken with will say that existing organized data and processes is a prerequisite to work with a client, more than revenue or headcount.

Hire Someone Full-Time or Part-Time, Pros: If you're measuring on cost per hour compared to an agency, it's usually more cost effective. Their knowledge compounds inside your business over time in a way a single project doesn't. It takes the "software developer" role off the owner's plate entirely, and a good hire should be faster and more capable than the owner would be doing it solo. Fractional arrangements exist now for businesses not ready for a full-time hire.

Hire Someone Full-Time or Part-Time, Cons: Ongoing cost, commonly somewhere in the \$3,000-10,000+/month range depending on experience, FT/PT, and location. You're still managing a person. And a newer hire, even a talented one, still needs direction early on. The judgment of “what needs to be built” doesn't transfer instantly, and if the person you hire isn't experienced in business operations, it may never come. Another risk is if this hire works in isolation, without any peer group or community of other developers, it's easy for them to plateau in their growth, unaware of now possibilities in AI that didn't exist six months ago (or last week). Also if you get this hire wrong and need to let them go, you have to restart the recruiting/vetting process, if you have not hired software developers before, you'll likely go through some trial and error, not knowing the difference between a bad, good, or great developer.

Rough fit: Best once you have enough margin and an ongoing, expanding need for AI rather than a single project, so a dedicated person's compounding knowledge actually has time to pay for itself. Tends to make the most sense as revenue, complexity, and maintenance grows.

A Rough Way to Think About It

- If it's just for you, and you can live with it breaking, build it yourself. This is the lowest-risk place to learn.
- Don't assume mission-critical means you can't build it yourself: several members have built and maintained mission-critical tools entirely on their own with remarkably few problems, and getting genuinely good at AI may be one of the highest-leverage uses of your time regardless of which path you choose.
- If it's going to be used by employees or customers, and a mistake would be expensive or embarrassing, don't be the one building it for the first time on your own.
- If you have the margin and the ongoing need, a dedicated person (in-house or embedded) beats a one-off project, because the knowledge compounds instead of walking out the door when the project ends.
- If you're hiring outside help, weight infrastructure and hardening experience over how new someone's AI knowledge is, and be wary of any agency under a year old with no track record outside AI specifically.
- Whatever you pick, expect to revisit it. The cost of building something yourself is dropping fast enough that a decision made a year ago may not be the right one today.

The Agency Problem

Working with all kinds of business owners inside Scalepath, I've noticed a problem that shows up again and again whenever members work with agencies of any kind, social ads, email marketing, sales training, doesn't matter which. It goes like this: you decide you need help with one of these items, say social ads, so you start taking calls with a few agencies. One of them pitches you hard, sells you the dream, tells you they can solve your problem, then quotes you the investment to get started and a minimum contract length. You sign, you pay somewhere between \$10-50k, and three to six months later they haven't delivered anywhere close to what they promised. You fire them, move on to the next one, a little more jaded than before.

I've seen this happen dozens of times. Why is it so common? Part of it is simple: marketing and sales agencies are, unsurprisingly, great at marketing and selling their own services, that's the actual skill they've built and sharpened. Fulfillment, the work itself, is a different skill entirely, and it's often the weaker one. It's also a numbers game on their end: an agency can keep growing as long as it signs new clients faster than unhappy ones leave, so a steady stream of disappointed customers doesn't necessarily show up as a problem from where they're sitting. My prediction is that AI agencies are heading down the same road, and because starting an AI agency has become the new hot way to get rich quick, there's a flood of infantile AI agencies trying to win your business. It's challenging to tell apart the good from the bad.

How to Find and Vet an AI Agency

If there's one page in this whole guide worth tearing out and pinning to your fridge, it's this one. This is the page that saves you from a \$20,000 mistake you could have avoided.

Before you even start evaluating a specific agency, ask other business owners you know if they've worked with one they'd genuinely recommend. A direct referral from someone who's already has a great agency is more important than whatever an agency will say about themselves.

A few more concrete things worth doing before signing anything, all pulled from hard-won experience inside Scalepath:

- Ask about their process. An agency without clear frameworks and processes for how they scope, manage, and deliver work is generally a big red flag.
- Ask for a direct introduction to 2-3 current clients in a situation similar to yours, not just the success stories they choose to show you. For smaller engagements, this isn't always standard practice, testimonials and case studies can serve a similar purpose, but for a major contract, a direct reference is a reasonable ask.
- If they list public testimonials, reach out to those people directly. Agencies frequently don't remove a testimonial once a client actually churns.
- Ask them how they hire and vet their own people. A well-run shop will have a real answer, specific tests, a training process, real experience requirements, not just "we're really good at AI."
- Be wary of anything under a year old with no track record outside AI specifically, and weigh infrastructure or code-hardening experience (the kind that predates the whole AI boom) over how recently someone learned the newest model.

- Ask directly whether the build is fully yours, or whether future fixes and improvements have to go back through them specifically. Some agencies structure things so you're locked into coming back to them for every change.
- Negotiate the engagement itself to avoid this: build a clause into the contract where the agency does the heavy lifting upfront, then trains your in-house person or team to run and maintain it, rather than staying dependent on them indefinitely. This is common practice in other agency-driven industries, and a reasonable ask here too.
- Ask exactly who will be doing the work, not just who you're talking to on the sales call. "You think you're hiring a smart person, but it might actually be a team, and who knows who you're actually going to get."
- Ask what tier of engagement is realistic for a business your size. AI agencies often structure support very differently depending on client size, and the pitch you hear may not reflect the engagement level you'd actually receive.
- Ask them to describe, in plain terms, how much of what they're building will run entirely on its own versus how much still needs a human to check it. If they can't answer that specifically, or the pitch jumps straight to "fully automated" without asking what your current process actually looks like today, that's a signal.

Michael Greenberg

I'm hesitant to include this, since it can come across as self-serving or biased. But I've spoken with a dozen of these AI agencies and implementers at this point, and the only agency I recommend working with is a Scalepath member: Michael Greenberg.

Michael runs 3rdbrain.co, a staffing-style model rather than a traditional agency, embedding actual engineers, all of them with technical experience and business-operations backgrounds, directly into a business, sometimes full-time, sometimes fractional. His team also runs active internal knowledge-sharing between their own developers, exactly the structural advantage described earlier in this section, so their developers are constantly learning from each other.

Jeremy Noetzelman, Scalepath's Resident AI Coach

Jeremy has spent over a decade inside the SEO and press-distribution world, he's owned Press Advantage since 2011, and before that was a tech exec who came up through network engineering and technical operations. Jeremy doesn't run an agency himself, so he doesn't have a dog in the fight. He doesn't have to win your business. He can act as a genuinely objective coach and just give you the honest truth. He's the kind of person who'll talk you out of something rather than sell you on it.

Jeremy's role inside Scalepath is our Resident AI Coach. Twice a month, he hosts optional Zoom office hours open to anyone in Scalepath. The purpose of this is straightforward: give business owners a place to talk with someone genuinely years ahead of them and get honest feedback before they sink time or money into something. Less money thrown into a fire. Less time spent building something that's obsolete in six months. More clarity and conviction in whatever AI implementation you're actually doing.

Whether you end up working with Michael, or joining Scalepath to get access to Jeremy, what matters is the same thing: get AI people in your corner you trust, who are credible, honest, and have nothing to gain by telling you what you want to hear instead of what you actually need to hear.

Claude vs. ChatGPT vs. Other

Something myself and our members have noticed constantly: one LLM will be "significantly" ahead of the pack, then a week later it's a different one that's suddenly "significantly" ahead, and a week after that, it happens again. Have you noticed this too? Maybe even felt the frustration of building something with one tool, only to realize afterward you probably should have used a different one from the start.

As recently as last week we had this discussion in our AI-use-cases Slack channel:

It seems like the usage limits on Codex are WAY higher than Claude. My viewpoint on this is limited to comparisons between the most expensive plans on each, but I suspect it extends to the cheaper plans as well. Anyone else seeing this?

Then ~5 of our members who use both models all agreed.

It's like a horse race, one takes the lead, then another, then back again, it's frustrating.

This section is dedicated to the conversation around "which one do I pick?"

Camp One: Pick One and Stop Watching the Scoreboard

One camp's answer to that frustration is simple: stop watching the scoreboard. Few people (though we do have them in Scalepath) have the desire/time to switch models every week. Most business owners will drive themselves crazy chasing every update. A better practice: pick something that works well enough, keep using it until it's obvious you should move, and build your own tools so that switching later is closer to flipping a switch than starting over.

Camp Two: Use Each One for What It's Actually Best At

The counter-argument isn't really a disagreement so much as a different lens: instead of picking one winner, use each tool for the specific thing it's demonstrably better at. One obvious example is Claude's image generation today is significantly less capable than ChatGPT's. The broader version of this argument is that purpose-built or narrowly-trained tools frequently beat a general chat interface at the one thing they're built for, even if a general assistant could technically be prompted into doing it eventually, because the narrower tool's training is just more specific to that task.

A related technique worth trying: run the same output back and forth between two different models. Since they're trained differently, one will reliably catch something the other missed. In practice, this cross-checking genuinely improves the result for the first pass or two, then the improvements taper off fast, so it's better used as a final polish than something you do on every single message.

What About Switching Costs and Lock-In?

One practical worry that comes up constantly: if you build tools on top of one provider, are you stuck there? The reassuring answer: the code itself is yours. A well-documented build can be handed to a different model and picked up without starting over. There's real vendor flexibility built into how these tools actually get used, even if it doesn't always feel that way day to day.

Camp Three: Run Two in Parallel, Not for Backup, for Quality

There's a third position that complicates both camps above, and it comes from someone who's rebuilt his entire tech stack for a \$4M residential services company on custom software + AI from the ground up. His practice: run two different coding-focused AI tools side by side, connected to the exact same databases, set up identically, on paid top-tier plans for both. In one conversation where this owner was describing his system, one member pushed back that maintaining two integrations sounds like a hassle for relatively small benefit. In response, this owner states it's not really about random outages/malfunctions with one model. It's that Anthropic and Open AI commonly throttle model performance when server demand (read, a lot of people using one model at the same time) is high, so one model can get measurably worse depending on server load at any given moment, with nothing else about that model actually changing. He's essentially maintaining performance consistency by using both models instead of one.

Where This Leaves Most Members Today

As of right now, most of our members are using Claude, most made the switch back in February/March 2026 and haven't looked back. In the section AEO (Answer Engine Optimization) we will show some data points outside of Scalepath that shows what the rest of the United States is using.

Building a Company Brain

Building a company brain is one of the large infrastructural tools you can build for your business, and in most of the case studies written above, those owners built their company brain to ultimately act as a source of truth to build every other functional tool their team uses. The financial reports, automations, company query tools, it all draws from the company brain. Think of it as the layer everything else gets built on top of, a place where a business's knowledge lives, and gets organized.

What This Actually Looks Like

In the simplest terms: a company brain is a place where your business's information, documents, conversations, decisions, and know-how, lives in one organized system that AI can actually read and use. Instead of that knowledge being scattered across someone's inbox, a filing cabinet, or one person's memory, it's collected somewhere an AI system can search, reference, and build from every time you ask it something about your business.

One useful way to think about it: instead of using AI to speed up a handful of individual tasks, a business becomes what one member called "AI-native," a company where intelligence is always present, continuously learning, adapting, and improving the business rather than being invoked one prompt at a time. It's less a tool you open and more infrastructure that's always there, the same way a CRM or an accounting system is just there.

The Foundation: Somewhere to Put It

Before anything else, a company brain needs somewhere to live, a structured, linkable store of information rather than a folder of scattered documents. In practice this is usually either a simple file structure built from linkable text files, or a tool like Airtable, and for more technical setups, a proper database like Postgres or Supabase, or a vector database like Pinecone, one instance per company, or one per underlying business for anyone running several. Charles Miller's Peggy Olson, profiled earlier in this guide, uses exactly this kind of setup: a persistent memory layer that lets her retain context across everything she does for the business instead of starting fresh each time.

Ingestion: Getting Information In

Once there's somewhere to put it, the next question is how information actually gets in. The simplest version is a direct upload: Charles Miller, again from earlier in this guide, fed an entire textbook on how to bid and estimate demolition jobs straight into Claude, and it's greatly assisted his estimating process. Beyond direct uploads, most systems eventually connect to live sources: shared drives, an email inbox, call recordings, or an existing SOP library. This is exactly where the documentation problem raised earlier in this guide shows up in practice: a business without organized SOPs and written-down processes has nothing clean to ingest, so part of the work is often building that documentation first, not just connecting a source that doesn't exist yet.

Segmentation: Why One Brain Isn't One Brain

Once you take your company's data and ingest it into a database, it's wise to segment that data and break it into organized chunks for a few reasons:

- **Security.** Segmentation is a guardrail against a specific failure mode: one member described his single biggest fear as accidentally sending one client's information to a completely different client because the system wasn't properly walled off, not a hacker.
- **Output quality.** An agent pointed at everything pulls in everything, filling its available context with material that only looks relevant, and produces worse work as a result. Narrowing what it can see narrows what it has to sort through, giving it more available context to read data and provide a better output.
- **Cost.** Different tasks are worth different amounts of processing power. Charles Miller builds each of his sub-agents around a specific model rather than running everything on one: routine work like scanning and flagging runs on the cheapest available model, in a fraction of the time and cost, while a strategic exercise he calls his Decision Council, five opposing personas arguing through a decision before returning a consensus, runs on the most capable model available. One undifferentiated brain forces the same expensive model onto every task, including flagging emails.

There are two different ways to draw these lines. Most businesses segment by client or business unit first. Some, like Charles, also segment by function, breaking tasks and departments into sub-agents that each operate inside their own context and data sources: the one handling his inbox lives in email, the one running his 13-week cash flow model lives in the financial material and emails people around the company when it needs a number it can't pull from QuickBooks directly. Neither one is wandering through the other's material, because the other's material was never part of its world.

We cover this same risk from the security angle, along with the question of which of your employees should be able to reach what, in *Avoiding the Dangers of AI*.

Architecture: Many Small Steps, Not One Giant Prompt

How a company brain actually processes a task matters as much as what's in it. The naive version is one long-running conversation asked to hold an entire business's context at once, which degrades over long sessions, a pattern members call context rot. The more durable version breaks a large task into many smaller sub-agents, each handling one specific, narrow step with its own prompt, before handing off to the next. That architecture is what actually lets a system build out a large, organized structure without constantly hallucinating, forgetting details, or losing track of earlier instructions, and it turns out to matter more than which underlying model is doing the work. One member found no meaningful difference in output quality between the most expensive model available and a much cheaper one running the same system, the architecture was doing more of the real work than the raw model underneath it.

Rules and Procedures

Every company brain that's working well in this community has one more thing in common: somewhere, written down, not just assumed, there's a clear line for what it's allowed to just go do, and what always gets flagged to a person first. Charles Miller's Peggy Olson, profiled earlier in this guide, draws that line explicitly: she can draft and send freely from her own email

account, but anything touching Charles's own inbox goes to drafts only, never sent without him seeing it first. Matthew Saskin's QA pipeline sits at the opposite end of that same spectrum, on purpose: scoring a dispatch call carries low enough stakes that it runs with zero human touch by design, "no one is touching a damn thing for this to work." Both members are very intentional with what they're building, what it has access to, what it needs to request permission for, and what it can do on its own.

Maintenance: Keeping It Current

A company brain that only grows when someone remembers to update it manually will eventually become outdated and obsolete. The better versions are self-updating by design: as work happens, the system detects when something new was learned in a conversation and proposes adding it to the knowledge base on its own, rather than waiting to be told. One member summarized the whole philosophy this way: "If there's one thing you do, this is what you do, build a company knowledge base you can enhance and query." This helps your company brain and everyone interacting with it have access to the most current information, and guards against some problems like your most experienced employee leaving the business and taking all their knowledge with them.

One HVAC and mobile mechanic business owner is pushing this idea further, experimenting with what he calls a recursive learning loop: an AI system that reviews the business's data on a running weekly or biweekly cadence, proactively surfaces its own observations, and separately evaluates employee-submitted suggestions before recommending whether to actually implement them. It's still a work in progress, but it's a useful glimpse of where some members are already pushing past standard database integrations.

Starting Small

This may look intimidating, all of this data capture, organization, segmentation, sub-agents, rule setting, but in practice getting started is pretty easy and low stakes. One manufacturing business owner fed years of email support history and product manuals into a database and connected it with Claude so he and his team could query it. The intention in building this was to solve a classic key man problem. "what happens if my most experienced engineer gets hit by a bus." That's plenty to start with, a single, well-bounded knowledge base solving one problem, not an intense company-wide brain on day one.

Company Brain Use Cases

"Okay Rand, sounds fancy, but once I've built a company brain, what do I actually do with it?"

Here's a short, unranked sample of what members are already asking theirs to do:

- A plumbing business owner asks his system questions about his own P&L and customer data conversationally, essentially ChatGPT for his own business, instead of waiting on a bookkeeper.
- An accounting firm owner has fed the company brain data from past client consultations around short-term cash flow needs, so when a new client asks how to increase cash in the

next two weeks, it can review those past consultations alongside the client's current financials and propose real options.

- One business owner uses his team's Slack history itself as a queryable knowledge base, so employees can search how a similar question was handled before instead of asking it again.
- A real estate investor built a version that acts like a permanent, patient mentor for new hires, answering basic policy and process questions so they stop interrupting a busy coworker.
- A CPA firm connected it directly to its Microsoft 365 environment, so any employee can ask where a specific SOP lives and get the actual current document back.
- One business owner fed years of bank statement data into the company brain, which reconstructed, and now keeps updated, a running list of every tool and vendor the company pays for, something no one had ever written down.
- A sign manufacturer has it flag recurring product issues automatically by tagging every tech support call by machine type, problem, and resolution.
- A home services business owner uses it to identify which dormant commercial accounts are worth re-engaging, pulling from years of contact history nobody had organized.
- One owner simply asks his system, at the end of most weeks, what it's noticing that he isn't.
- One business owner built a company brain out of customer service call transcripts, automatically summarizing the most frequently asked questions into a knowledge base new hires study first, then practice against an AI tool that simulates real customer calls across ten different personas before ever taking a live call.

Avoiding the Dangers of AI

AI technology and adoption is still in its infancy. As I described in *The AI Operator's Journey*, there was a massive leap in AI capability around January of this year, and since then that capability has improved by what feels like 10x.

We've recently entered a revolutionary period: people with no IT background, no software development experience, no data security training, now have the power to build powerful software in a matter of days, reinvent their tech stack in weeks. That's an enormous amount of capability handed to a lot of people without the years of experience it used to require. It's like we all were just handed keys to a fighter jet without flying lessons.

We're all adopting this technology, implementing it in our businesses, trusting it with our company and personal data, mostly without seeing any meaningful negative consequences of doing so. There have been negative stories, isolated circumstances of AI novices recklessly giving all-access permissions to their agents and getting burned for it. Even then, most business owners I talk to are still implementing AI, mostly undeterred, and seeing relatively few problems. At least today...

This section is about the risks our members are running into, what they're talking about, and what they're considering and protecting themselves against. The purpose of this is to shine a light on the unseen risks so you're aware of them as you adopt AI into your business.

Authority/Access Creep

The amount of decision-making authority you hand to AI tends to grow the longer you work with it. Often, this is not an intentional decision.

For example, you start using your AI of choice in its chat feature, like everyone else. It works great, becomes a thought partner, demonstrates its usefulness, nothing goes wrong, you trust it. Then you start working with it in your finances, give it access to your Quickbooks, have it generate a 13 week cash flow forecast, amazing. Then you link it to google drive and your AI notetaker, then your core operating software(s). Then you build a query tool so your key managers can start interacting with the data/information instead of coming to you with questions. Then you create an agent with its own email address, it can read your emails, triage your inbox, and write its own emails to customers. Then, you give it a credit card with a limited daily spend. So on and so on.

The more quick wins you experience with AI, the more likely you are to continue trusting it and giving it deeper and deeper insight/access to your business. But just because nothing has gone wrong yet does not mean it won't go wrong in the future. You can't predict what will break or how. What you can control is how much it can reach when it does. Access you granted with intentionality limits the damage. Access that accumulated loosely doesn't limit anything.

Prompts Are Not Rules

Here's what most people get wrong when they do add guardrails.

They write it into the prompt. "Never delete anything." "Always ask me before you send." "Only read information from Quickbooks, never write." Then they feel covered.

You're not. One of our members builds AI systems for a living, and he explains it this way: your instruction lives in the same place as everything else the AI is reading. Your rule, the customer's email, the document you fed it, the task you gave it, all of it sits in one big pile. Under the wrong conditions, your "rule" loses.

He illustrated this with a story of a safety director at one of the major AI labs who gave an autonomous agent access to her own inbox. It started deleting the entire thing. She sat there typing "stop, don't do this", and it kept going. She ended up physically unplugging her computer to make it stop. Her only backup plan was asking it to stop.

Instead, if you want true rules, you need to write limits into code itself. This member's system has checkpoints sitting underneath the AI that inspect every action before it runs. If the action is on the list, it doesn't happen. It doesn't matter what the AI decided or what somebody talked it into. It cannot delete anything important, because hard limits and rules are coded into it.

If your only safeguard is that you asked nicely, you don't have a safeguard. Take the permission away, or put a human approval in front of it.

The Skills And Configs You Didn't Write

If you don't know, a "skill" is basically a text file of instructions you feed and store inside your AI to perform a specific task. Commonly this is used in content creation. You'll train an AI in a specific voice/style of social media post, and when you write a linkedin post, create a video script, whatever, it will use those instructions to create your output.

A problem we've seen is that some AI content creators will post their skill publicly in a repository and allow others to install it into their systems. They can then push updates so all those who downloaded it get the most up-to-date version of the skill.

The risk here is that when you do this, you hand a stranger's written instructions to a system that can potentially reach your Google Drive, your inbox, your books, and your customer list.

A very popular example is a skill for browser automation. Inside this skill there is one small line that tells your AI to *silently* update the skill to the latest published version every time it launches and explicitly not ask the user (you) to confirm.

What if that stranger gets hacked? What if the repository entry gets compromised? You're at risk.

A good approach here is to simply take concepts and pieces from what other people publish and assemble your own version, avoid dropping somebody else's file in whole.

Employee Access to the Company Brain (Who gets to see what)

In Building a Company Brain, we discussed data organization, so it isn't scattered everywhere, and data segmentation, so there's walls between different types of company data.

Now let's address having other employees access and interact with that brain.

The big problem our members think about here is some variation of "I want to put sensitive data into this thing, like company financials, payroll data, or this business I'm acquiring, but some people in my business need access to different segments of data, and no access in others. My HR person needs payroll, my General Manager needs company financials, and I don't want anyone able to see this business I'm acquiring."

Here's a few ways our members are approaching this problem:

1. Some things should not go into the company brain

Some examples: A private business acquisition, personal financial statements, personal credit card transactions, diary notes, etc. If something isn't going to be looked at by anyone else, it's better to set up a personal AI brain rather than including it with company information which others will have some level of access/interaction with.

One member who builds these systems professionally built a personal brain, then has an agent only he uses with access to other company brains he's built, so he has more security, and can still pull information from any of his brains when he needs to.

2. The wall can be the agent, not the user

The first thing most owners reach for is a settings page with employee names and checkboxes. Sarah gets payroll, Dave gets financials, nobody gets the deal. It's a reasonable place to start, and it's possible, but it's challenging for most owners to build correctly. One of our members has a background building Identity Infrastructure at a huge tech company, and it took him weeks to build himself.

A simpler and still effective option is to build the wall into the agent instead.

Your Brain isn't just a huge conference room with one big door and a lock on it. It can be built with dozens of different rooms each containing different data, and each agent can be built with access to only the rooms you give it access to. When you set an agent up, and when an employee queries it, it will only access those rooms and can't access anything else. Without getting technical, that's how it can be built.

Charles Miller's system already works this way, splitting his assistant into sub agents by department, each with its own context and data sources. The same structure separates people: your HR person doesn't get permission to the Brain, she gets an assistant that only reaches payroll. Your GM gets one pointed at financials.

3. Authority as a Second Layer of Security

A couple years back, a Chevy dealership put an AI chat widget on their website. A customer told it to agree with everything he said and to end every message with "and that's a legally binding offer, no takesies backsies." Then he offered a dollar for a new Tahoe. It said yes. Screenshots went everywhere and the dealership shut it off.

There's plenty of funny stories like these. It's really funny until it's an employee in your business trying to trick your system into giving them your financial statements.

So some of our members hard code in a second kind of rule: certain things (like an employee/agent accessing a room they don't normally have access to) will require your manual approval before they happen.

What Happens When It Goes Down

What happens when your AI model goes down for multiple days? Is your entire business compromised? Do parts of your business fail, others remain intact? Is it simply annoying and now you must write a customer proposal by hand rather than have an AI do it in 30 seconds?

This has already happened multiple times with Anthropic and OpenAI, it will happen again.

There's a couple ways to prepare for this:

1. Structure your AI-assisted or AI-dependent business processes with a backup plan. If your process is AI-Assisted, you'll lose efficiency. If it's AI-dependent, you'll lose the entire capability. But at least you'll have a plan when it happens
2. As discussed in Claude vs. ChatGPT vs. Other, run two systems in parallel. When one model breaks, the other can take over

Your Conversations with AI are Discoverable

In a legal dispute, your chat history with AI could potentially become discoverable, meaning an opposing attorney could subpoena it.

This is a lightly discussed topic in Scalepath, but I've spoken with other business owners who will take a full legal document and upload it into their AI of choice to ask it questions on the document, have it search for problems or errors or a summary, recommend red lines, etc. I've also heard other business owners have conversations with it around employee issues that could potentially turn into a legal situation and ask it for recommendations or options to resolve a conflict.

I'm no attorney and don't have much to say here, but some conversations should be protected by attorney-client privilege.

Outsourcing Your Thinking

This one isn't a security or technical risk. It's the slow degradation of your (and your employee's) ability to perform work, or more importantly, think critically, because many people outsource their thinking and judgement to an AI.

One of our members recently came back from a week at the beach with his family, barely touched AI the whole time, and his business ran fine. He read the book Traction and sat down with a notebook and thought about his business, his operations, his goals, what he wanted to improve and where it could go. He had over a dozen ideas he hadn't ever had when he had worked with Claude on the same thoughts. His conclusion was that he'd swung too far toward using AI as his thought partner, and that on the higher level questions of his business, he needed to get back to doing that himself more often.

There's a version of this that will affect your team, too. One member pointed this out in his engineering business. He started his career doing engineering calculations by hand, then spreadsheets, and he believes younger engineers are going to lose the ability to check their own work because AI does it for them.

Not Much Has Gone Wrong Yet

As I said at the start of this section, none of our members have been seriously harmed by this (yet!). But we're all aware that we are in uncharted territory, of what we're risking, and we know eventually something will break.

So keep building, and stay a little suspicious of your own setup. Think through the fundamental principles of asymmetric risk. What can you build that gives you a great outcome, that comes at less risk, build that. Before you build something, think for yourself what the “could this blow my company up?” risk is before you hand AI another piece of your business.

Perhaps even ask AI to do this for you, ask it directly what could go wrong. Build personas and have it examine risk from the perspective of your CTO, your attorney, etc. and give you the honest list of ways something can break. Just know that at the end of the day, it's a calculated risk.

AEO (Answer Engine Optimization)

AEO is the new SEO. Prospects are already searching for your services using AI, and this section covers what you need to know about how it works.

Most everything in this section comes from Jeremy Noetzelman, our resident AI coach featured earlier in this guide. He ran a real study across more than 3,000 client businesses and 14,000+ tracked keywords, and I've pulled out the parts of it most relevant for business owners.

Which Platforms Actually Matter

~50% of America now uses an AI chatbot in some form, up from ~33% just two years ago. But in regards to AEO, almost everyone reading this only needs to think seriously about two platforms: Google and ChatGPT. ChatGPT dominates usage outright at ~90%, and Google's AI Mode and AI Overviews still pull in 59% of all AI citations, more than every other platform combined, Google hasn't lost this fight even inside the AI layer itself. Gemini comes in around 49%, but that number looks bigger than it really is, most of that usage comes from Android phone integration rather than a user's deliberate choice. Grok is only worth the effort if your business already has a real presence on X. Claude and Perplexity, despite all the online chatter about them, barely register in actual usage right now, Claude in particular tends to answer from its own memory instead of searching live, so it's often working off outdated information about your business specifically.

The stat that surprised me most: AI hasn't actually taken a bite out of Google's search volume. It's simply arrived on top of regular search as a new layer. And AI now directly answers roughly one in five searches, up from essentially zero three years ago.

Citation vs. Mention: Know the Difference

Two terms are worth knowing precisely. A citation is when your content is the actual linked source behind an AI answer, like an AI answer linking directly back to a page on your own website. A mention is when your brand name shows up directly in the answer's own writing, whether or not your content was the source, like an AI answer saying "Apex Solutions is known for reliable service" in its own words, without linking anywhere. You can get one without the other. The goal is both.

AI Search Isn't Just One Thing

It's easy to blur these together, but the model itself (Claude, ChatGPT, Gemini) is just the engine. On top of it sit three different surfaces that matter: AI search (AI Overviews, AI Mode), AI assistants (a regular chatbot conversation), and AI apps (a tool purpose-built on top of a model).

Here's why this actually matters to you: your AEO work gets you cited and mentioned specifically inside the AI search surface. That's not the same as personally asking Claude or ChatGPT a question and seeing your name come up. If you test your own visibility by asking a chatbot yourself, you're checking a different surface than the one your prospects are actually using, and it can tell you nothing about whether you're actually showing up for them.

How an AI Answer Actually Gets Built

Every AI answer moves through these four steps.

1. Training data: the model's frozen knowledge, already out of date the moment training stopped.
2. Retrieval: it goes out to a search engine (Google, Bing, or for Claude specifically, Brave Search) to pull something current.
3. Ranking: out of maybe 200 retrieved results, it narrows down to the handful it trusts enough to use.
4. The answer itself, built from what survived ranking, with training data filling in anywhere retrieval came up thin.

That last part is where hallucinations come from. If retrieval doesn't turn up enough solid, current information about your business specifically, the model falls back on stale training data to fill the gap, and that's the exact moment it starts making things up.

The One Idea That Matters Most: Query Fan-Out

A single search like “best roofer in Dallas” doesn't stay one query once an AI tool gets involved. Behind the scenes, it fans out into 10 to 20 related searches, “licensed roofers Dallas”, “storm damage repair”, “roofing reviews”, “emergency repair”, “roof warranties”, and more, and each one gets its own retrieval and ranking pass before all of it gets distilled into one final answer.

Showing up for the obvious head term alone might now only cover you for one out of roughly 200 potential ranking positions that feed into that answer. The businesses winning here produce content that covers the whole spread of the fan-out.

Query fan-out is exactly why citations and mentions both matter: covering the full spread of long-tail searches, not just the obvious head term, is what earns you both across an AI answer, instead of just one or the other.

Why Your Own Website Isn't Enough

97% of prospects now check third-party sources before trusting a business's own marketing, and two-thirds specifically run a branded search to vet a business before calling. Their decision rides on what others say about you. That means LinkedIn posts, YouTube, review sites, and directory listings genuinely shape what an AI tool ends up saying about your business. Ranking well in Google's Map Pack doesn't carry over to AI visibility the way you'd expect. Map Pack and organic search run on completely separate systems, and most AI platforms don't pull from your Google Business Profile directly at all, Google doesn't share that data with competitors. The only way that information usually reaches an AI answer is indirectly, through a directory site that scraped your reviews and listing itself. Ranking #1 in the Map Pack tells you nothing about whether you're actually showing up in AI answers.

The rough rule of thumb: once your messaging controls more than half of that visible “share of influence” across your fan-out queries and third-party presence combined, AI responses start reliably leaning your way.

Don't Buy the “AI Traffic” Pitch

Don't judge success in AEO by direct clicks from an AI answer to your website, that number is genuinely tiny, maybe 1%. The real effect shows up as someone seeing your business named in an AI answer, doesn't click anything in the moment, and days later runs a plain branded Google search for you by name before calling. If you're only tracking direct AI-referral clicks, this entire effect is invisible. Track branded search and brand-impression lift instead.

The Bottom Line

Jeremy frames the whole discipline as a ladder, let's walk through each rung.

Content comes first, you need something written that's about the specific thing someone's searching for.

That content then has to rank, meaning it shows up in the search results an AI tool retrieves from in the first place, if it's buried on page five of Google, it never even gets considered.

Ranked content then has a chance to get cited, pulled in as an actual linked source behind an AI's answer. From there it can get mentioned, your brand named directly in the answer's own words.

Only once a business has climbed through all four rungs, for enough of its long-tail queries, does it control the answer.

His own summary sums it up best: “it's mostly just SEO, but there's more.” Most AI-search advice online right now, the listicles, the Reddit posts, is worse than useless: AI will happily pull information from a listicle you placed yourself to answer someone's question, but it specifically excludes you as the source since you're the one who placed it, while a competitor who never lifted a finger can still get cited from that same content. You end up doing free research for whoever else shows up. Most people, including most SEO professionals, haven't caught onto any of this yet. Right now there is roughly a one-year window where doing AEO well is a big advantage.

Where to Actually Focus

- Optimize for Google and ChatGPT first. Don't spend real effort on Claude, Perplexity, or Grok unless you already have a strong X presence.
- Build content around the full spread of long-tail searches a customer might actually run, not just the obvious head term.
- Get mentioned and cited on third-party sites, LinkedIn, YouTube, review sites, directories, not just your own website.
- Track branded search and impression lift as your real success metric, not direct AI-referral clicks.
- Treat this like early SEO. Most competitors haven't caught on yet, which is exactly why it's worth doing now.

Who We Are

Scalepath is a peer community of business owners. We have ~100 members, average member annual revenue is \$6M with a range between \$1M and \$30M. We have several different member benefits:

- The core of what we offer are our peer groups, a group of 8-9 business owners who share similar revenue, similar industries, and similar personalities
- We run an online Slack forum where members can talk to each other
- We host weekly calls featuring guest experts or members demoing AI tools they've built, members can access call recordings via our member portal
- Our resident AI coach, Jeremy Noetzelman, hosts biweekly AI office hours calls supporting and advising other members in their AI projects
- Next year we're hosting our first annual gathering

How We Build Peer Groups

We've learned that owners get the most out of the room when the people in it are facing similar problems and opportunities. Our cohorts include trade services, Local B2B, Manufacturing, Professional Services, and HoldCo owners. Roughly 70% of our members are acquisition entrepreneurs who have already acquired at least one business.

Every group we build revolves around members sharing three similar criteria:

1. Revenue size. Because a \$2 million business and a \$20 million business face significantly different problems.
2. Business model. We've seen that when business owners share fundamentally similar companies, the quality and depth of discussion increases significantly. Also, the tactics and strategies people use in their businesses, the type of people they hire, their sales processes, etc., sharing these in common allows you to get a balance of "similar enough" so you can steal best practices that apply to your business, and "different enough" so you can learn from others doing things differently.
3. Personality. We want members who are ambitious, wholesome, helpful, intelligent, and fun so you want to show up and talk with them every month and build a relationship outside of the group as well.

How to Actually Know If It's a Fit

You don't have to take this on faith. The process is simple: get on a call with me so I can learn about your business and you can ask anything about Scalepath. If we determine you're a fit, we'll find you the right cohort and you'll meet your peers directly before committing to a group.

Come See This For Yourself

If reading this document has brought some value or insight you can take and apply to grow your business, there's a lot more to find if you join Scalepath. In addition to all this AI stuff, we talk about everything else business owners go through: scaling, customer acquisition, sales process, marketing channels, recruiting, process/system building, business acquisitions.

We have 100 business owners, average revenue size is around \$6M, everyone is smart, helpful, wholesome, fun, ambitious, growing their companies fast. If "you are who you surround yourself with" is something you believe in, we've got a high quality group of people you're going to enjoy being a part of.

Right now I'm building peer groups for business owners across trade services, local B2B, Manufacturing, Professional Services, and HoldCo owners, and I'd like you to be part of one.

Here's the Ask

Let's just have a conversation and see if this is for you or not, I'll be very transparent with you about everything the whole way through.

Reach out anyway that's easiest. Text, call, email, and my calendar link is in the QR code below.

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