ALGER

AI, What Have You Done For Me Today?

Agentic Artificial Intelligence

While many are familiar with Artificial Intelligence (AI) through chatbots and virtual assistants, the impact of AI extends far beyond these applications. In fact, AI has become an intrinsic part of our daily lives, often in ways not immediately visible to the public. Today, in industries as diverse as agriculture, transportation, energy, and healthcare, AI is often behind the scenes, quietly revolutionizing business processes, and enhancing efficiencies and accuracy.



Image generated by Dall-E 3

Agentic AI

Agentic AI refers to software systems endowed with the ability to independently make decisions and execute actions without continuous human oversight. Functioning similarly to virtual assistants, these intelligent agents autonomously pursue specified goals, effectively handling complex or repetitive tasks. With agentic AI, we move beyond basic automation to technology capable of adapting, learning from experience, and independently pursuing objectives.

Applications Across Industries

Agentic AI has broad applications across various industries. Its ability to autonomously perceive situations and respond in real time makes it valuable in many fields. Below are a few examples of how agentic AI is used today:

- **Automotive:** Tesla, the innovative electric vehicle manufacturer, extensively leverages AI agents within its Full Self-Driving (FSD) system. Their vehicle's FSD system perceives its surroundings and makes real-time driving decisions without direct human intervention. Utilizing neural networks and deep learning algorithms, Tesla's FSD system processes sensor data, interprets complex driving environments, predicts the behavior of other road users, and autonomously takes immediate action to prevent collisions. Furthermore, Tesla continuously integrates feedback collected from its extensive vehicle fleet, enabling these AI agents to evolve and consistently enhance driving safety, efficiency, and user experience through regular software updates.[1]
- **Warehouse Automation:** Another prominent application of agentic AI is warehouse automation, demonstrated by Amazon at select fulfillment centers. Amazon utilizes fleets of mobile robots equipped with agentic AI software, enabling the robots to independently navigate warehouses, make real-time decisions, and efficiently manage inventory and streamline order processing. These robots autonomously retrieve products and transport packages across the warehouse with minimal human oversight. By dynamically determining optimal paths, avoiding collisions, and adapting to real-time changes—such as rerouting when pathways are blocked—agentic AI significantly reduces processing times and fulfillment errors. For instance, Amazon's fulfillment center in Shreveport, Louisiana, processes orders approximately 25% faster and at lower costs compared to traditional facilities.[2] For customers, this means quicker deliveries, demonstrating how agentic AI efficiently orchestrates complex, large-scale tasks, dramatically enhancing everyday operational efficiency.

We believe agentic AI marks a meaningful step beyond traditional automation, demonstrating intelligent, adaptive behaviors similar to digital assistants capable of making independent decisions. Tesla's FSD system operates as an autonomous chauffeur, while Amazon's fulfillment robots streamline e-commerce logistics—both examples of agentic AI already transforming everyday services.

No longer confined to science fiction, agentic AI is rapidly becoming a practical reality, collaborating with humans to handle everything from routine tasks to complex challenges. In our view, it has the potential to become a powerful engine of productivity and innovation across industries in the not-so-distant future.

▶ **For more information on how AI is impacting you on a daily basis, please visit www.alger.com.**

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[1] Tesla, Inc. Form 10-K: Annual report for the fiscal year ended December 31, 2024. U.S. Securities and Exchange Commission.

[2] Amazon, "How Amazon uses robotics and AI to improve fulfillment," About Amazon, October 9, 2024.

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