

THESIS BREAKDOWN

The Autopilot Playbook

Why the next trillion-dollar company won't sell software.
It will sell the work that software makes possible.

\$1 →
\$6

FOR EVERY \$1 ON SOFTWARE,
\$6 SPENT ON SERVICES

\$1T+

COMBINED TAM
ACROSS
MAPPED VERTICALS

340K

ACCOUNTANTS LOST
IN US
OVER 5 YEARS

75%

OF CPAS NEARING
RETIREMENT

THE CORE THESIS

Stop Selling Tools. Start Selling the Work.

Every founder building an AI tool is asking the same question: what happens when the next version of Claude makes my product a feature? They're right to worry. If you sell the tool, you're in a race against the model. But if you sell the work, every improvement in the model makes your service faster, cheaper, and harder to compete with.

A company pays \$10K/year for QuickBooks and \$120K for an accountant to close the books. The next legendary company will just close the books.

– Julien Bek, Sequoia Capital

Intelligence vs. Judgement

Writing code is mostly intelligence — the rules are complex but they are rules. Knowing what to build next is judgement — it requires experience, taste, and instinct built on years of practice.

Software engineering accounts for **over half** of all AI tool usage across professions. Every other category is still in single digits. AI has crossed the threshold where it can do most of the intelligence work autonomously. Software engineering got there first. **It is coming to every single profession.**

THE FRAMEWORK

Copilots vs. Autopilots

● COPILOT		● AUTOPILOT	
Sells	The tool	Sells	The outcome
Customer	The professional	Customer	The company directly
Revenue	Tool budget (\$)	Revenue	Work budget (\$\$\$\$\$)
Example	Harvey → law firms	Example	Crosby → drafts your NDA
Competes on	Features	Competes on	Results delivered
Risk	Next model kills you	Moat	Better model = better you

The work budget in any profession dwarfs the tool budget. Autopilots capture the work budget from day one. The higher the intelligence ratio in any field, the sooner autopilots will win.

Outsourcing Is the Wedge

For every dollar spent on software, six are spent on services. The total addressable market for autopilots is all labour spend in a category — insourced and outsourced combined. But the right place to start is where outsourcing already exists.

If a task is already outsourced, it tells you three things:

- 1 Accepted External Delivery**
The company already decided this work can be done by someone outside the building. You're not convincing them to change — you're offering a better vendor.
- 2 Existing Budget Line**
There's a line item that can be substituted cleanly. Replacing an outsourcing contract is a vendor swap. Replacing headcount is a reorg.
- 3 Outcome-Based Buying**
The buyer is already purchasing an outcome, not a tool. They don't care how the NDA gets drafted — they care that it's done correctly.

THE EXPANSION PATH

From Wedge to Platform

Start with the outsourced, intelligence-heavy task. **Nail** distribution. **Expand** toward the insourced, judgement-heavy work as the AI compounds.

Case study — Crosby: Started with NDAs — a well-defined task, primarily intelligence, that most companies already outsource to external counsel. The NDA is the wedge. Full transactional legal work (\$20-25B) is the long-term TAM.

Today's judgement will become tomorrow's intelligence. As AI systems accumulate proprietary data about what good judgement looks like in their domain, the frontier will shift.

— Julien Bek, Sequoia Capital

THE MAP

\$1T+ Opportunity Across 10 Verticals

Sequoia mapped every major services vertical. The higher the intelligence ratio, the sooner autopilots win.

VERTICAL	TAM	WHY NOW	WHO'S WINNING
Management Consulting	\$300-400B	Mostly judgement; question of disaggregation – later wave	<i>Best candidates TBD</i>
Recruitment & Staffing	\$200B+	Largest services market; sourcing + screening = intelligence	Juicebox Mercor Jack & Jill
Supply Chain	\$200B+	Contract leakage runs 2-5% of total procurement spend	Magentic AskLio Tacto
Insurance Brokerage	\$140-200B	Highly standardized; fragmented distribution; pure intelligence	WithCoverage Harper
IT Managed Services	\$100B+	SMB IT outsourcing: patching, monitoring, alert triage	Edra Serval
Accounting & Audit	\$50-80B	Lost 340K accountants in 5 years; 75% CPAs retiring	Rillet Basis
Healthcare Revenue Cycle	\$50-80B	Medical coding = ~70,000 ICD-10 codes; pure intelligence	Anterior
Claims Adjusting	\$50-80B	Aging workforce; massively outsourced to TPAs (Crawford, Sedgwick)	Pace Strala
Tax Advisory	\$30-35B	CPA licensing = regulatory moat; 80-90% intelligence work	TaxGPT Skalar Ravical
Legal (Transactional)	\$20-25B	Contract drafting, NDAs, regulatory filings – well-defined scope	Harvey Crosby Lawhive

\$1T+ COMBINED TAM	10 VERTICALS MAPPED	20+ COMPANIES NAMED	6:1 SERVICES VS SOFTWARE \$
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Why Copilots Can't Become Autopilots

The convergence is coming. But today's copilots face a structural problem that pure-play autopilots don't.

Today's copilots will try to become autopilots. But selling the work means cutting their own customers out of doing it. If Harvey starts drafting NDAs directly for companies, it competes with the law firms it sells to today.

The Innovator's Dilemma

Moving from copilot to autopilot requires cannibalizing your existing customer base. The law firms paying for Harvey are the same professionals an autopilot Harvey would replace. Pure-play autopilots don't have this problem — they start from zero with the end buyer.

As AI systems accumulate proprietary data about what good judgement looks like in their domain, the frontier between intelligence and judgement shifts. The companies that start as autopilots — accumulating this data from real work, at scale — will be nearly impossible to catch.

KEY TAKEAWAYS

01

The \$6 market. For every \$1 on software, \$6 on services. Autopilots capture the work budget from day one.

02

Outcomes > tools. Copilots sell features. Autopilots sell results. Better models make autopilots stronger.

03

Start with outsourcing. Existing budget, accepted external delivery, outcome-based buying. Vendor swap, not reorg.

04

Intelligence ratio. The higher the intelligence ratio in a field, the sooner autopilots win. Accounting, insurance, medical coding — now.

05

Innovator's dilemma. Copilots can't easily become autopilots without cannibalizing their own customers.

06

Data compounds. Autopilots accumulate proprietary judgement data from real work. First-mover advantage is structural.

I built Muditek as an autopilot.

You don't get a login. You get a result. I find revenue leaks, build the AI fix, and run it — without you.

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Source: "Services: The New Software" by Julien Bek, Sequoia Capital. March 2026.