

WORKSHOP 2

AI Under the Hood, Part 1

The brain and the tools

OVERVIEW

What we'll cover today

1 Brain vs. Tools

2 What tools can do

3 Where tools “live”

4 The AI product landscape

LEARNING OUTCOMES — BY PATH

EXPLORERS

The big idea: brain vs. tool. When AI doesn't work, ask — is it a brain problem or a tool problem? That's the first step in troubleshooting.

BUILDERS

Take note of what tools and MCPs are available on the platform you're using — that's what decides what it can actually do.

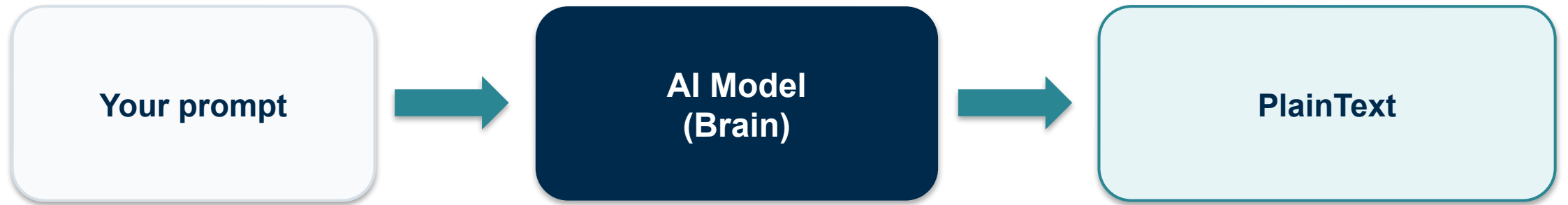
CREATORS

You can ask your coding agent to build a custom MCP for your app — rather than wiring up raw API access to whatever you're connecting to.

FOR EVERYONE

The brain's pace of innovation has slowed. AI keeps getting “better” largely because engineers — with the help of AI coding — are building the tools and integrations the brain can use.

AI models only output text



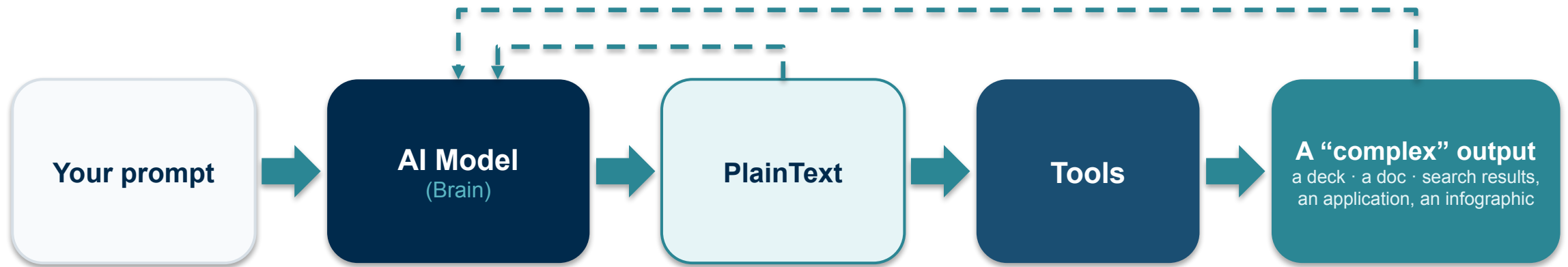
Pro Tip: The model (brain) has no memory. Every turn re-sends the entire conversation back to the model.

→ **Long chats cost more each turn — even when your question is short.**

“Memory” is added by your application and passed back to the brain (more next time).

Explore: [a bare model with no tools](#) ↗

With Tools, Output Becomes...



Pro Tip: Ask the platform you are working with what tools it has available.

Where the tools “live”

Cloud-based platforms ON THE APP, IN THE CLOUD

Tools live inside the chat app.

- Files you want it to use get uploaded to the app
- You're limited to the tools that app offers

Apps running on your computer ON YOUR COMPUTER

Run the model in your terminal.

- Acts on your real files, not uploads
- It can use anything your machine has
- ...or anything you can install
- **OR ANYTHING YOU CAN BUILD**

Connecting to other apps MCP — THE STANDARD PLUG

How a model connects to outside apps.

- The emerging standard for integrations
- “Does the application have an MCP?”

AI products built by the companies that make the models

CHAT ASSISTANTS

[ChatGPT → chatgpt.com](https://chatgpt.com)

[Claude → claude.ai](https://claude.ai)

[Gemini → gemini.google.com](https://gemini.google.com)

[Copilot → copilot.microsoft.com](https://copilot.microsoft.com)

PLATFORMS THAT ACCESS THE TOOLS ON YOUR COMPUTER

[Claude Code → claude.com](https://claude.com)

[Codex → openai.com/codex](https://openai.com/codex)

DATA POLICY WARNING

Public data only in free tools — paid tiers often protect your data.

Pro tip: stop scrolling terms & conditions — paste them into AI and ask what you should know as a consumer.

AI products built by 3rd parties using API, pay-per-token access

AI is the new electricity — a commodity that powers third-party apps. **Will they be able to compete long term??**

PRODUCTS PEOPLE USE (click to open)



▼ all powered by the same handful of models ▼

THE MODELS — a commodity, pay per token



Even ChatGPT and Claude are products built on their makers' own models.