THE AI INSTITUTE / OPERATING INTELLIGENCE

EXECUTIVE DECISION BRIEF · 27 OCT / 2026

Check Who Is Behind AI Revenue Growth

Customer expansion, market breadth and sales-channel dependence answer different questions. Keep them separate in the next AI commitment.

Boards, C-suite and senior management
Research period: October 2026 – October 2026
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PUBLICATION RECORD

An Institute thesis and decision framework

Before using an AI supplier's growth to support a commitment, distinguish spending by existing customers, the breadth of end-customer demand and dependence on distribution channels. None is a substitute for evidence about the work your organisation will buy.

WHAT LEADERS SHOULD TAKE FROM THIS PAPER

01	**An existing-customer expansion rate does not count new customers or establish their returns.**
02	**End-customer concentration and cloud-channel concentration describe different dependencies.**
03	**Keep each reporting period and population beside its number.**
04	**Use supplier disclosures to improve diligence, then test the actual commercial dependency.**

Research method

Institute synthesis of primary evidence: Anthropic's 26 October issuer notice and SEC filing definitions and concentration disclosures, plus the Bank of England/FCA survey methodology and provider-concentration section. Public claims preserve periods, populations and status. The proposed commercial review is Institute analysis, not a validated forecasting method. Research preprints informed the wider radar but are not presented as measured customer returns.

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CONTENTS

Inside this paper

01 **A growth story can contain several different markets**
Markets & Value

02 **Read the customer measure on its own terms**
New Primary Evidence

03 **A customer and a route to that customer are not interchangeable**
Institute Analysis

04 **Global revenue does not establish local demand**
Where the Implication Travels

05 **Make the next commitment name its demand assumption**
What to Fund or Stop

M **Method and limitations**

R **References**

How to use this brief

Start with the decision and use the framework to challenge the current plan. Figures retain their original populations and definitions. Institute analysis is labelled, and limitations are recorded before the references.

01 MARKETS & VALUE

A growth story can contain several different markets

A fast-growing AI supplier may be serving more customers, selling more to its existing customers, or reaching them through a small number of powerful intermediaries. Those possibilities can coexist. They do not carry the same implications for a buyer, a partner or a company building its own AI-enabled service.

Before approving a larger commitment, ask which of those stories the evidence supports. Strong spending by existing users can demonstrate commercial demand without establishing that the next customer group will buy. A broad customer list can coexist with dependence on a narrow route to market. The decision improves when those observations remain separate.

The fresh trigger is Anthropic's 26 October announcement of a public registration filing for a proposed share offering. Its notice says the share count and price range are undetermined and the registration is not yet effective. This brief examines operating implications, not whether to buy securities or what the company is worth. [1]

02 NEW PRIMARY EVIDENCE

Read the customer measure on its own terms

Anthropic's filing defines net revenue retention as current-quarter revenue from qualifying existing customers divided by revenue from the same customers a year earlier. Qualification requires at least US$1 in the base period; Claude Pro and Max subscribers are excluded. This is a spending-cohort measure, not a customer-success rate. [2]

The filing also says its five largest customers generated about 25% of revenue in the nine months to 30 September 2026, with no single customer above 10%. Separately, cloud-provider marketplaces accounted for 48% of revenue in the six months to 30 June. Those are different populations and periods. They must not be added or treated as competing estimates of the same concentration. [2]

For a buyer, the inference is not that expansion is illusory. It is that a supplier's evidence needs to answer the question being asked. Revenue growth can support a judgement about demand for that supplier. It cannot, on its own, establish your expected margin, service quality or customers' willingness to pay. Nor does customer concentration alone establish that a supplier is unsafe to use.

For a business building on an AI platform, this distinction changes market sizing. Separate repeat spending by customers already able to integrate the product from demand among the customers you hope to reach next. The second group may need a different price, onboarding process, language or distribution partner. Test those conditions before carrying a supplier's growth rate into your own sales plan.

03 INSTITUTE ANALYSIS

A customer and a route to that customer are not interchangeable

Imagine a software business using AI to draft replies to customer questions. Its end customers buy the service, while a cloud marketplace handles part of the commercial relationship. More customer activity could raise AI usage and supplier revenue. But the business still needs to know who sets its price, who handles support and what happens if that route changes. This is an illustration, not a reported customer outcome.

Map the end customer, contracting party, billing route and underlying service separately. A single organisation can occupy more than one role, but the roles should not disappear into one supplier name. Ask procurement to identify which relationship would need to change if access, terms or support changed. Do not assume that choosing another model automatically changes the whole chain.

A separate Bank of England and FCA survey published on 26 October makes the distinction concrete for UK financial services. Its top three cloud/compute providers represented 79% of reported relationships, versus 54% for the top three model/API providers. The study received 196 responses; 105 firms completed the full survey, with percentages generally based on valid question-level responses. These are reported relationships, not spending shares or a global market census. [3]

The practical lesson is to examine the layer that matters to the decision. More model choices may be useful while leaving hosting or commercial concentration largely unchanged. Conversely, an existing channel may provide valuable support and integration. Diversity is not automatically worth its cost; it should address a named dependency rather than improve the appearance of a supplier list.

04 WHERE THE IMPLICATION TRAVELS

Global revenue does not establish local demand

The US filing and UK survey answer different questions. One describes a company's business; the other describes participating financial firms, including UK operations of international firms. Neither establishes how much demand exists in every region or which local customer groups can sustain an AI service.

For North American and European operations, distinguish the relevant customer and channel from the location of the supplier's headquarters. For an Asia-Pacific launch, check the actual route to customers, language support and service terms. In Africa, the Middle East and Latin America, do not import an enterprise spending pattern without checking local purchasing power, implementation support and infrastructure. These are proposed diligence questions, not claims that all countries in a region share the same constraints.

The evidence gap is commercially important: this scan does not establish comparable regional end-customer returns. A global business can use one method of assessment while reaching different rollout decisions. Local data handling, contractual rights and sector obligations require their own review; a US public filing does not settle them.

05

WHAT TO FUND OR STOP

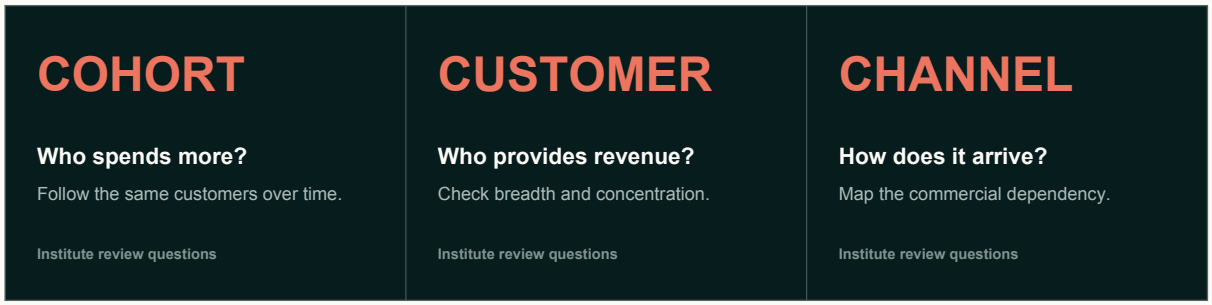
Make the next commitment name its demand assumption

Ask the commercial sponsor to bring one proposed expansion, not a new dashboard for its own sake. Write down the customer group expected to pay, the useful work it will receive, the route through which it will buy and the evidence already available. Mark the difference between an observed result and an assumption about future customers.

Finance should challenge the denominator and reporting period. Procurement should challenge the channel dependency. The operating owner should challenge whether the service can deliver the promised outcome at its full cost. Fund the smallest test that resolves the disagreement: a customer interview, a limited paid trial or a review of the actual commercial terms may be more informative than another market-size slide.

Stop using supplier growth as a substitute for these answers. Continue investments supported by their own customer evidence, even when a headline is less exciting. The aim is not to dismiss strong AI demand. It is to understand whose demand it is, what keeps it durable and which part of the story your organisation can responsibly rely on.

EXHIBIT / THREE VIEWS OF AI DEMAND



RESEARCH RECORD

Method and limitations

Method

Institute synthesis of primary evidence: Anthropic's 26 October issuer notice and SEC filing definitions and concentration disclosures, plus the Bank of England/FCA survey methodology and provider-concentration section. Public claims preserve periods, populations and status. The proposed commercial review is Institute analysis, not a validated forecasting method. Research preprints informed the wider radar but are not presented as measured customer returns.

Limitations

The offering is proposed, not priced or completed. A supplier disclosure is not independent customer-outcome evidence. The UK survey describes participating firms, not a global census; valid response bases vary. No regional return estimate, supplier failure prediction, valuation or securities recommendation is made. Contractual and legal questions require qualified local review.

Sources and limitations

Source facts link to the original publication. Institute analysis reconciles definitions and turns the material into a management proposition. Frameworks are decision aids, not claims of universal causality. Read every important statistic with its population, date, definition and caveat.

Research cutoff: 27 October 2026. Review cycle: six months, or earlier after a material change in the underlying facts, standards or policy.

REFERENCES

Evidence behind the thesis

01 **Anthropic: proposed initial public offering notice**

26 October 2026. Issuer announcement: filed registration, undetermined share count and price range, registration not yet effective. No confirmed trading date or valuation inferred.

02 **Anthropic, PBC: SEC Form S-1**

Filed 26 October 2026. Definitions pp. 2–3 and customer/channel concentration pp. 57–58 examined. Retention excludes Pro/Max; top-five customer share uses nine months to September, marketplace share six months to June. Customer expansion is not buyer ROI.

03 **Bank of England/FCA: AI in UK financial services 2026**

26 October 2026. Methodology and section 4 examined: 196 respondents, 105 full surveys; question-level valid responses. Concentration measures reported provider relationships, not spending. UK operations and respondents, not universal adoption.

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