Harnessing the Power of AI for Cost Estimation

Charles Orlando, CMO, Galorath Incorporated

The Third Wave in Cost Estimation is upon us

The First Wave: Manual



The Second Wave: Computerized



The Third Wave: Al



Did you know? —

92%

Did you know? —

3 of 4

Did you know?

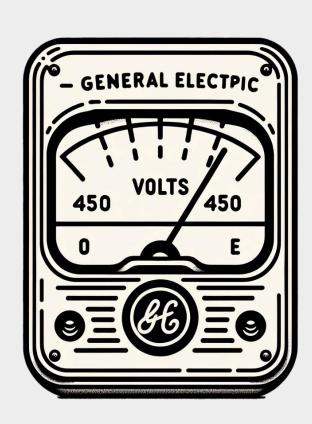
4 years

3/4



False data, bad training, or The Milgram Effect?





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From Fiction to Fact: Real AI Insights for Cost and Risk

Fact #1

60%

Source: Data & Al Trends 2024

From Fiction to Fact: Real AI Insights for Cost and Risk

Fact #2

Boring is best.

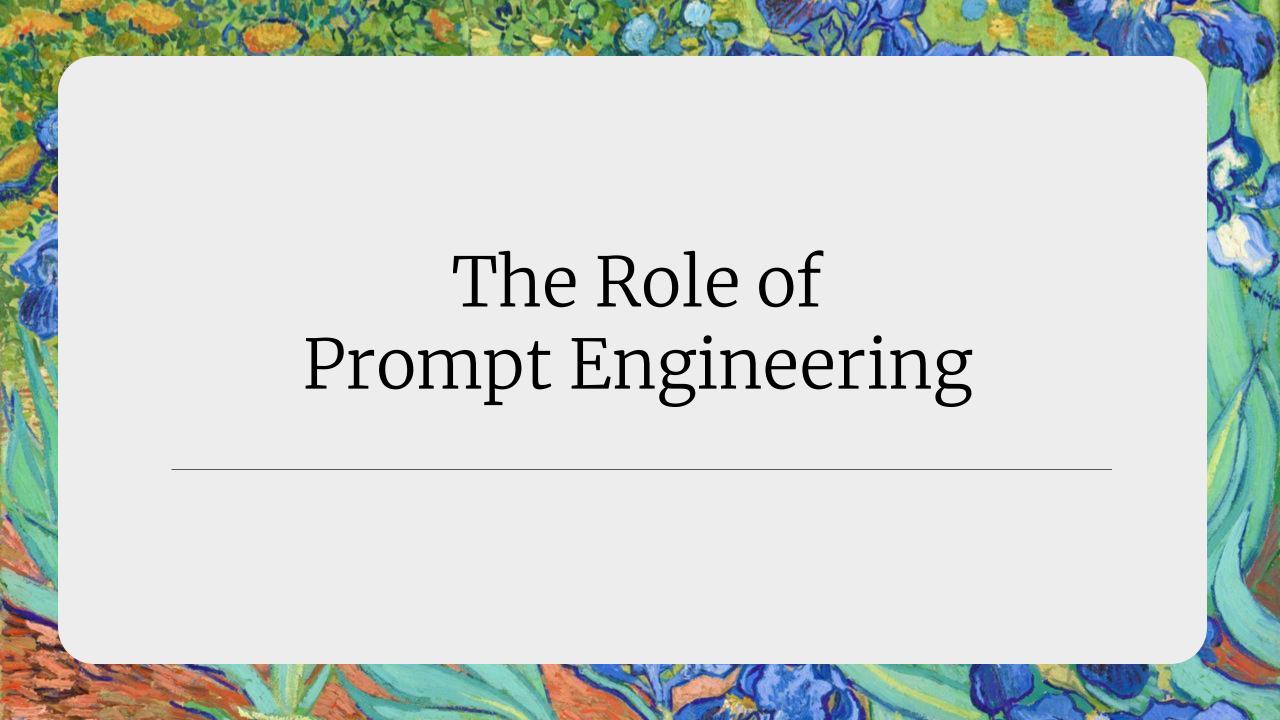
Source: Data & Al Trends 2024

From Fiction to Fact: Real AI Insights for Cost and Risk

Fact #3

13%

Source: Data & Al Trends 2024



Types of Prompts

Zero-Shot Prompting

PROMPT Detect if this statement contains sarcasm.

USER INPUT Oh, great. Another Monday morning. Exactly what I needed.

LLM RESPONSE Yes, this statement is likely sarcastic.

Types of Prompts

Few-Shot Prompting

PROMPT Detect if this statement contains sarcasm.

Examples:

I just love when my car runs out of gas when I'm late. (Sarcastic)

The temperature in London is 21° C. (Genuine)

USER INPUT Oh, great. Another Monday morning. Exactly what I needed.

LLM RESPONSE Yes, this statement is sarcastic.

Types of Prompts

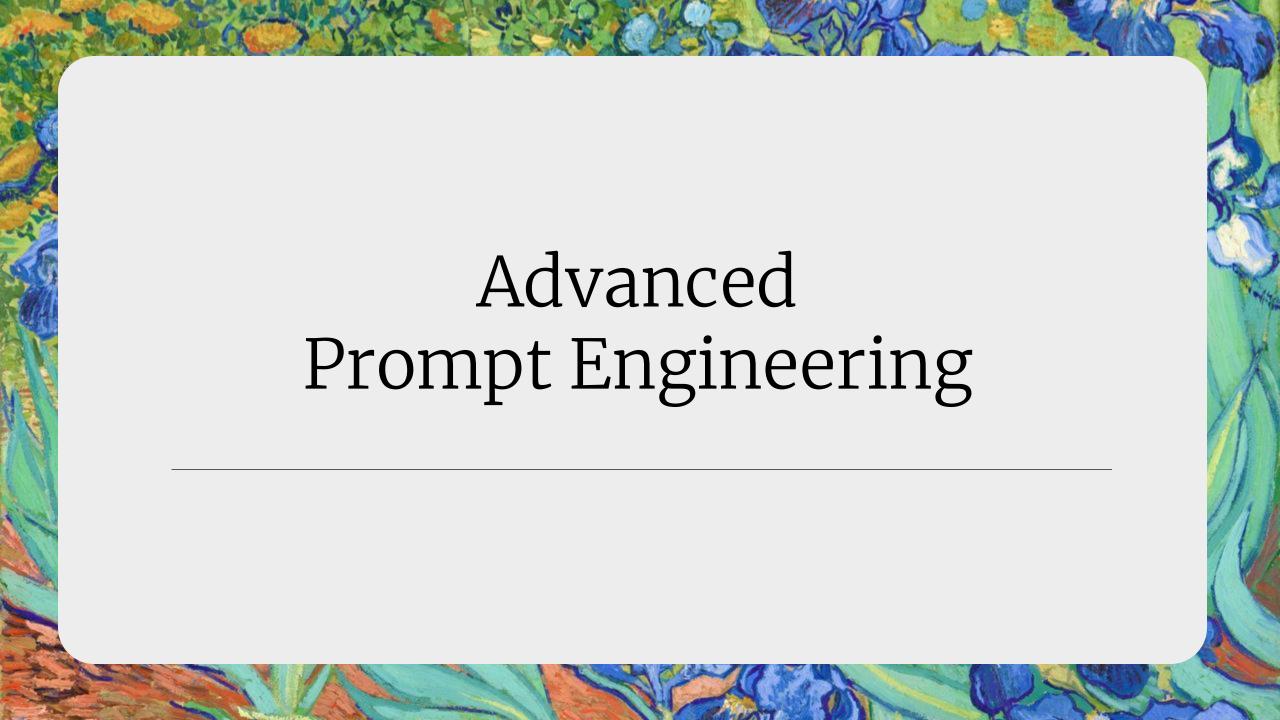
Chain-of-Thought Prompting

PROMPT Break down the reasoning step-by-step to detect if the following statement contains sarcasm.

USER INPUT Oh, great. Another Monday morning. Exactly what I needed.

LLM RESPONSE - "Okay, great" is positive but ironic in tone.

- "Another Monday morning meeting" suggests annoyance.
- "Exactly what I needed" is positive, but not in the combined context.
- Conclusion: sarcasm detected.



I want to use the SEER suite of models for estimation, so please act as an experienced SEER user and put all results in a SEER-compatible format, adhering to the MIL-STD-881f standard to Level 5.

What is the WBS for a military attack helicopter, and what is the mass range (least, likely, and most) for each element in kg? Assume lightweight composites will be used where appropriate, and the speed will exceed 120 miles per hour. Identify the set of SEER KBASES that should be used for each item. Put this in table format.

Additionally, please provide a software size range for the avionics software and tie that into the WBS. Include sufficient armor to protect the pilot. Assume this will be built from scratch but will use up to 30% existing design and 70% software reuse. The software is in C++.

Finally, identify the major risks in the estimate and the five additional questions I should ask the Program Manager.

SEERai®



Prompt Library ①

Project Type

SEER Platform

Custom & Saved

Chat History ①

Your prompt Now 4:32 PM Yesterday Sep 2 Aug 31 Aug 27 Aug 25







Release Notes \rightarrow

Legal & Privacy

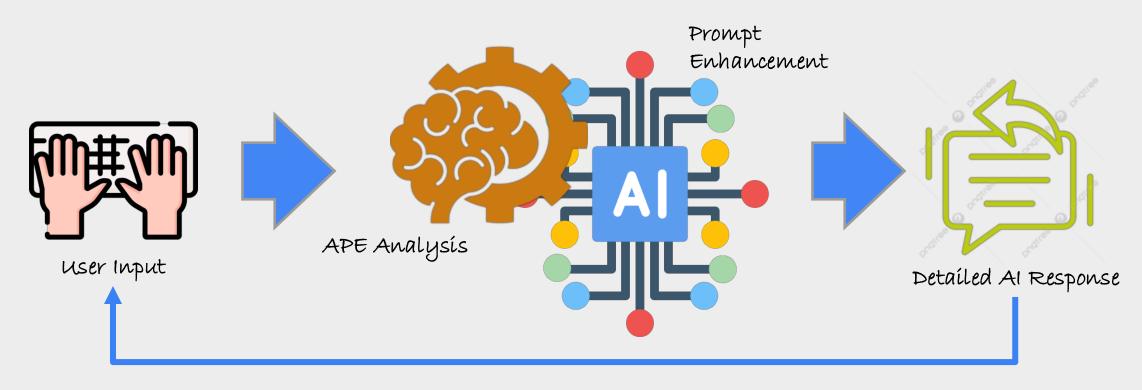




Hi! I'm SEERai. Ask me anything about SEER®, software sizing, hardware and manufacturing estimation, and risk management.



The Evolution of Prompt Engineering: Automated Prompt Engineering (APE)

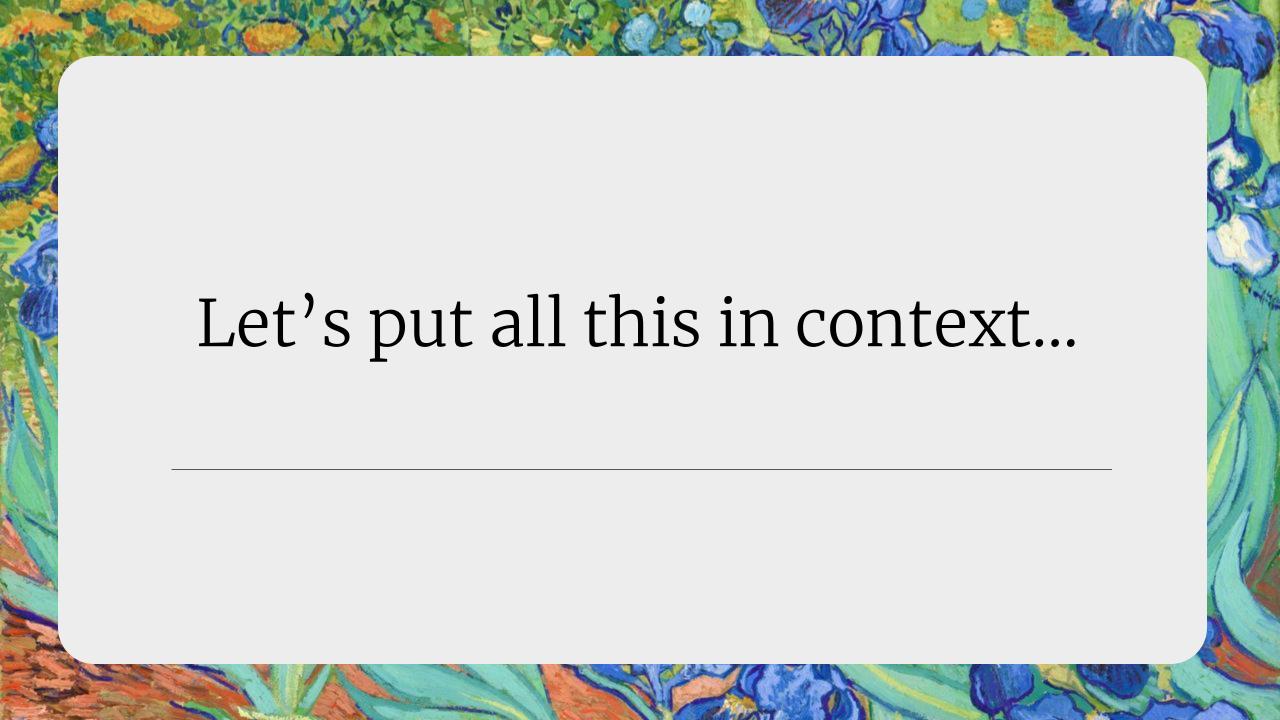


Prompt Refinement / Dialogue

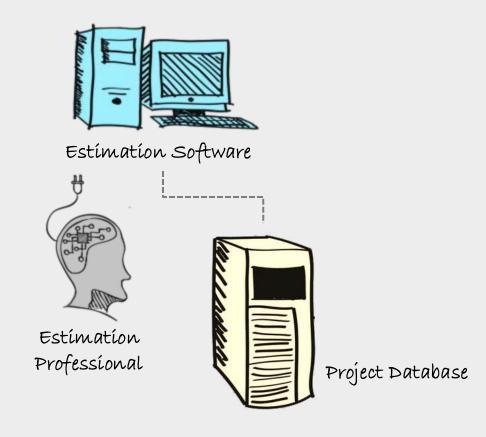
The Evolution of Prompt Engineering: Retrieval-Augmented Generation (RAG)

What is RAG?

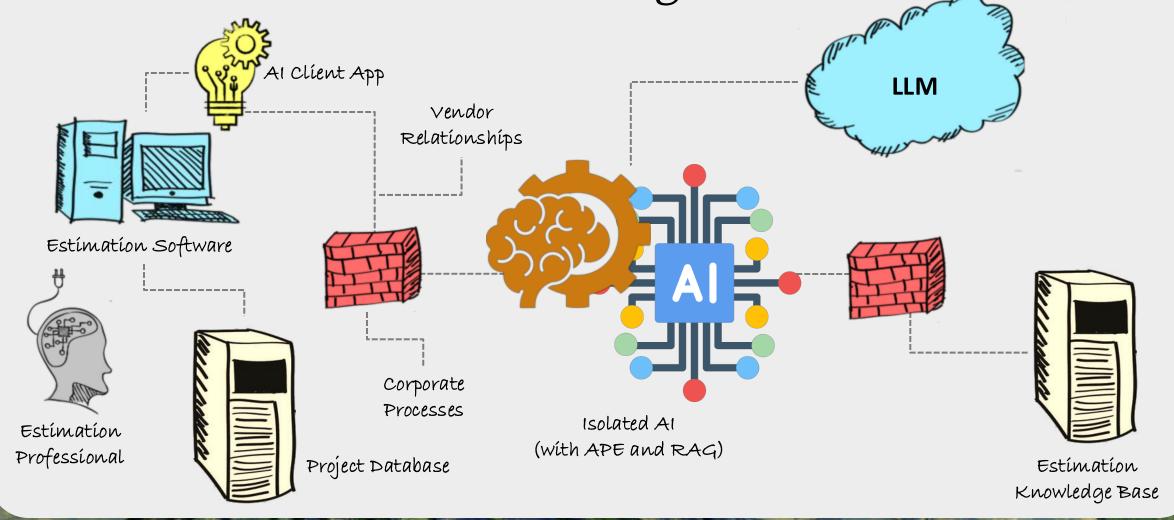
- Enhances AI with real-time, internal data retrieval
- · Access to dynamic, evolving data without retraining
- Efficient and cost-effective with secure data handling



Connecting the Dots: The Future of AI-Driven Decision Making



Connecting the Dots: The Future of AI-Driven Decision Making



AI for Cost Estimation



Real-Time Estimation

Creating cost, schedule, project, and risk estimation and analysis with natural language.



Deskilling

Real-time training, knowledge transfer, and access to best practices for strategy and tactics.



Connecting Data, Processes, and Relationships

AI leveraging past data and projects to forecast future costs and risks with greater accuracy.



Full Automation with Human Oversight (HITL)

APE-driven cost estimation systems that require minimal manual input but still have critical human oversight.



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