

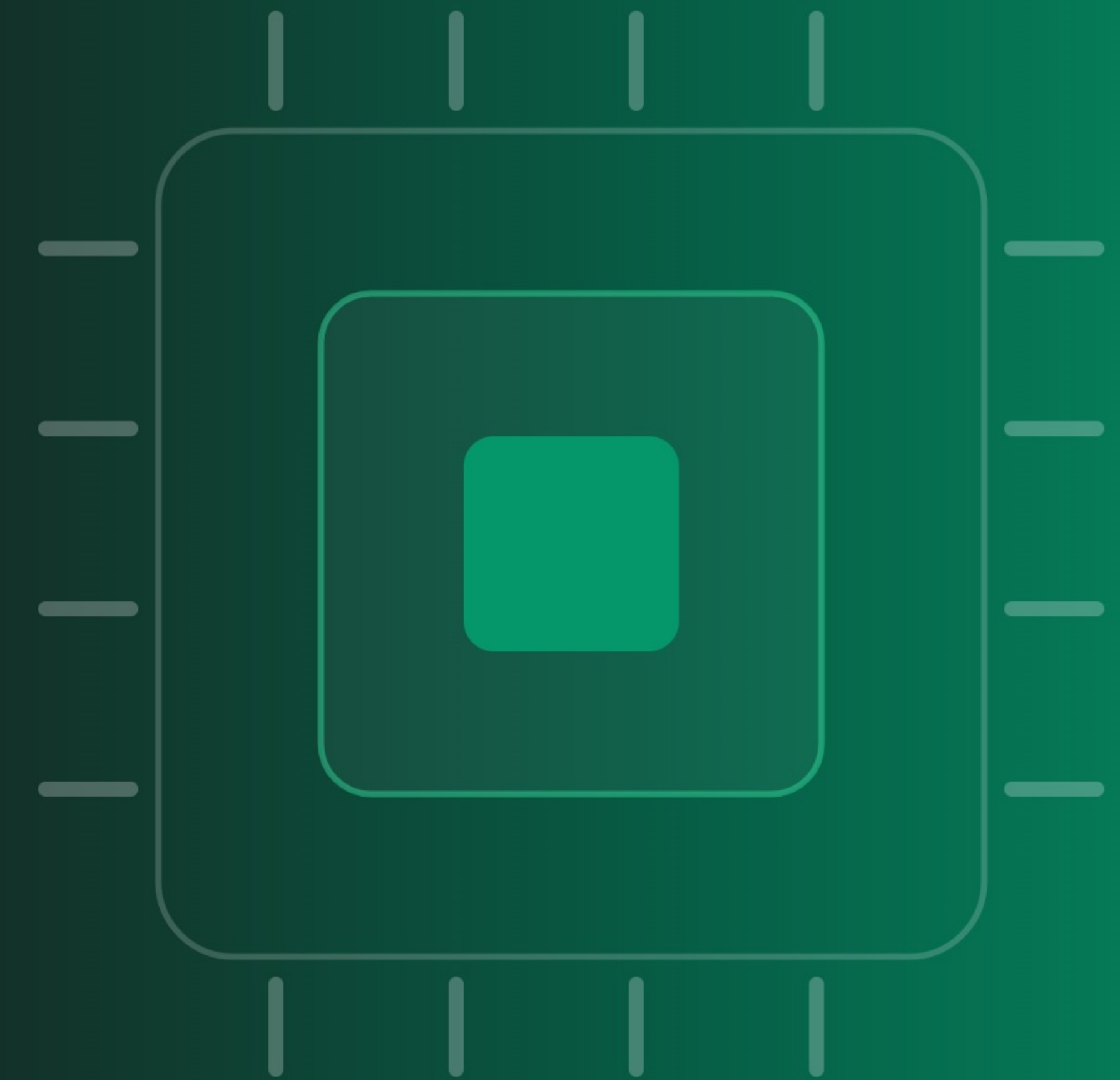
FORTNIGHTLY BRIEFING

The State of AI

7 July 2026

Everything that changed in AI this fortnight that your business needs to know. Thirty minutes, live, no hype.

Turn Intent Into Impact.



At a glance

- | | | |
|---|------------------------------|--|
| 1 | The headline | AI datacentre demand is raising the price of ordinary computing. Everyone pays now. |
| 2 | What moved | Microsoft sells implementation, OpenAI gates its best models, and the layoff correction lands. |
| 3 | The skills gap | Judgement over output, the change curve, and engineering your token bill. |
| 4 | Risk & regulation | UK on-device scanning, Europe's Palantir pushback, and a hiring call that was malware. |
| 5 | Three questions | What every leader is asking this fortnight, to open the floor. |

SECTION 01

The headline

AI has landed on everyone's hardware bill, including yours.

01.

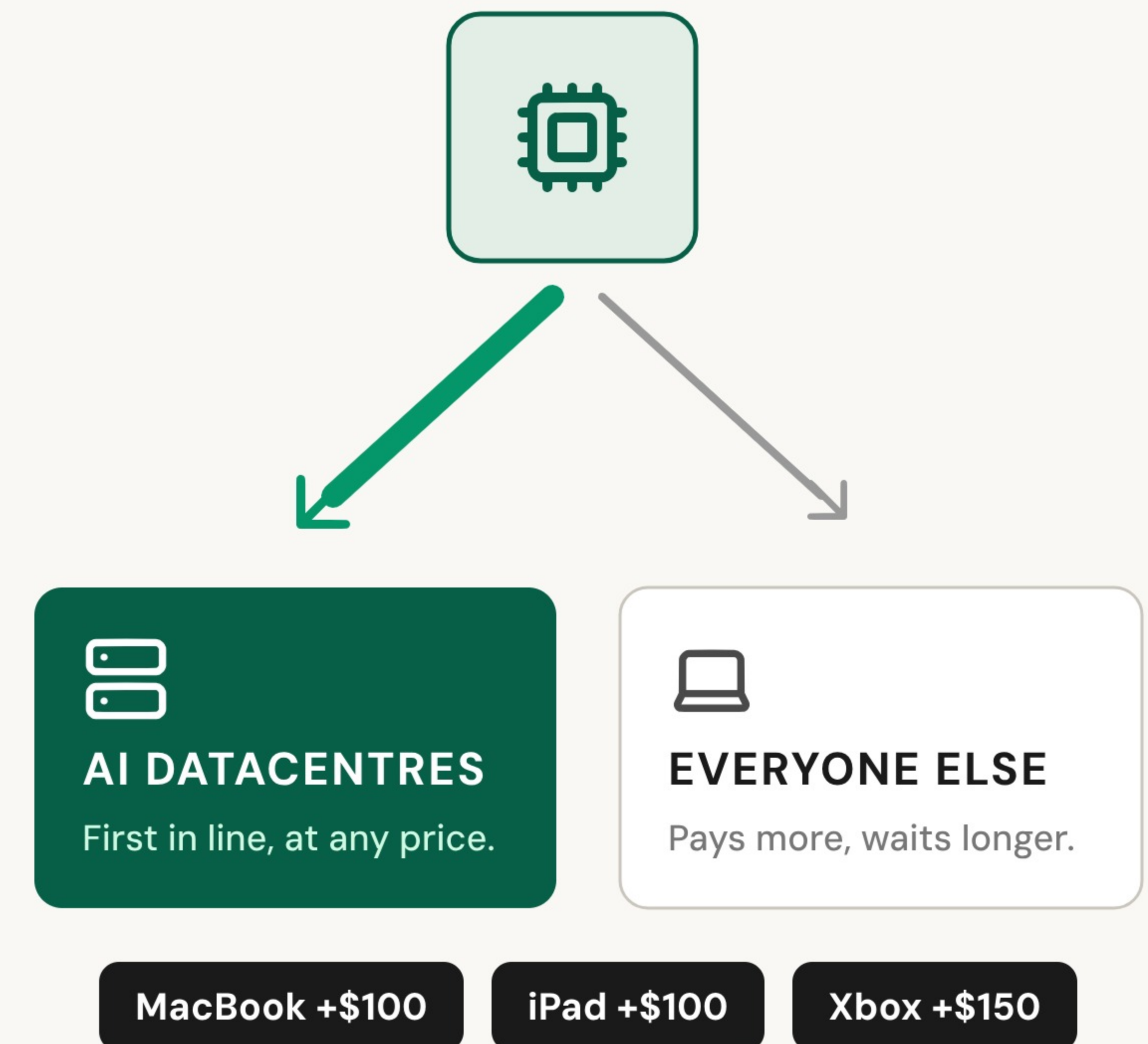
THE HEADLINE

The AI boom just landed on your hardware bill.

Three companies make roughly 90% of the world's memory chips, and AI datacentres now outbid everyone else for them. Micron's operating margin hit 81%, and all three makers crossed \$1 trillion in value this spring. In late June Apple raised Mac and iPad prices and Microsoft raised Xbox prices, both citing memory costs. Intel's CEO sees no relief before 2028.

Grounded in Jamie's video, 7 July · CNN + Xbox Wire, 25 June · IEEE Spectrum on the DRAM squeeze

WHERE THE MEMORY GOES



Every device you buy between now and 2028 carries an AI surcharge. Budget for it.

SECTION 02

What moved

Four developments from the fortnight, and what to do about each one.

02

01

Microsoft puts \$2.5bn behind implementation



WHO IT AFFECTS

Any organisation with a stalled AI pilot.

WHAT TO DO

Ask every vendor who does the adoption work.

*Source: Microsoft Frontier Company, 2 July — 6,000 embedded experts
blogs.microsoft.com · CNBC*

02

OpenAI's newest models now need government sign-off



WHO IT AFFECTS

Buyers who assume the best model is always for sale.

WHAT TO DO

Design for portability. Never hard-wire one vendor.

*Source: CNBC, 26 June — GPT-5.6 trusted-partner preview · Jamie's blog,
30 June
bykovbrett.net/blog/why-openai-is-limiting-access-to-its-most-capable-models*

03

The AI layoff correction has started



WHO IT AFFECTS

Anyone planning headcount around AI.

WHAT TO DO

Redesign roles around AI. Don't delete them.

*Source: Career minds · Orgvue · Robert Half · Jamie's blog, 4 July
bykovbrett.net/blog/why-companies-are-rehiring-workers-they-let-go-for-ai*

04

The babysitting tax: 6.4 hours a week, measured



WHO IT AFFECTS

Every team shipping AI output without checks.

WHAT TO DO

Make verification a workflow step with a named owner.

*Source: Work AI Index 2026, Glean · Jamie's blog, 29 June
bykovbrett.net/blog/your-team-is-losing-a-full-day-every-week-babysitting-ai*

SECTION 03

The skills gap

Three capabilities the fortnight just made valuable. The most important section.

03

Judgement is the constraint now.

THE SKILL

Defining what good looks like before the AI generates, then reviewing decisions at the altitude where they matter.

WHY THIS FORTNIGHT

Across 22,000 developers, output per engineer rose about 60% while production incidents per change tripled. The bottleneck has moved from generation to review.



GO DEEPER

Vibe Coding in Production

Scan, or go to bykovbrett.net/download/vibe-coding-in-production

BEFORE AI ASSISTANTS

DECIDE



BUILD *the bottleneck*



WITH AI ASSISTANTS

BUILD



DECIDE & REVIEW *the bottleneck now*

+60%

output per engineer

3×

incidents per
change

5×

review time

GROUNDING IN

“When typing is no longer the hard part, judgement becomes the scarce resource.”

Change is the plan. Transition is the people.

THE SKILL

The Change Curve: reading where your people actually are (shock, denial, depression, experiment, engagement) and meeting each stage with clarity, empathy and capability.

WHY THIS FORTNIGHT

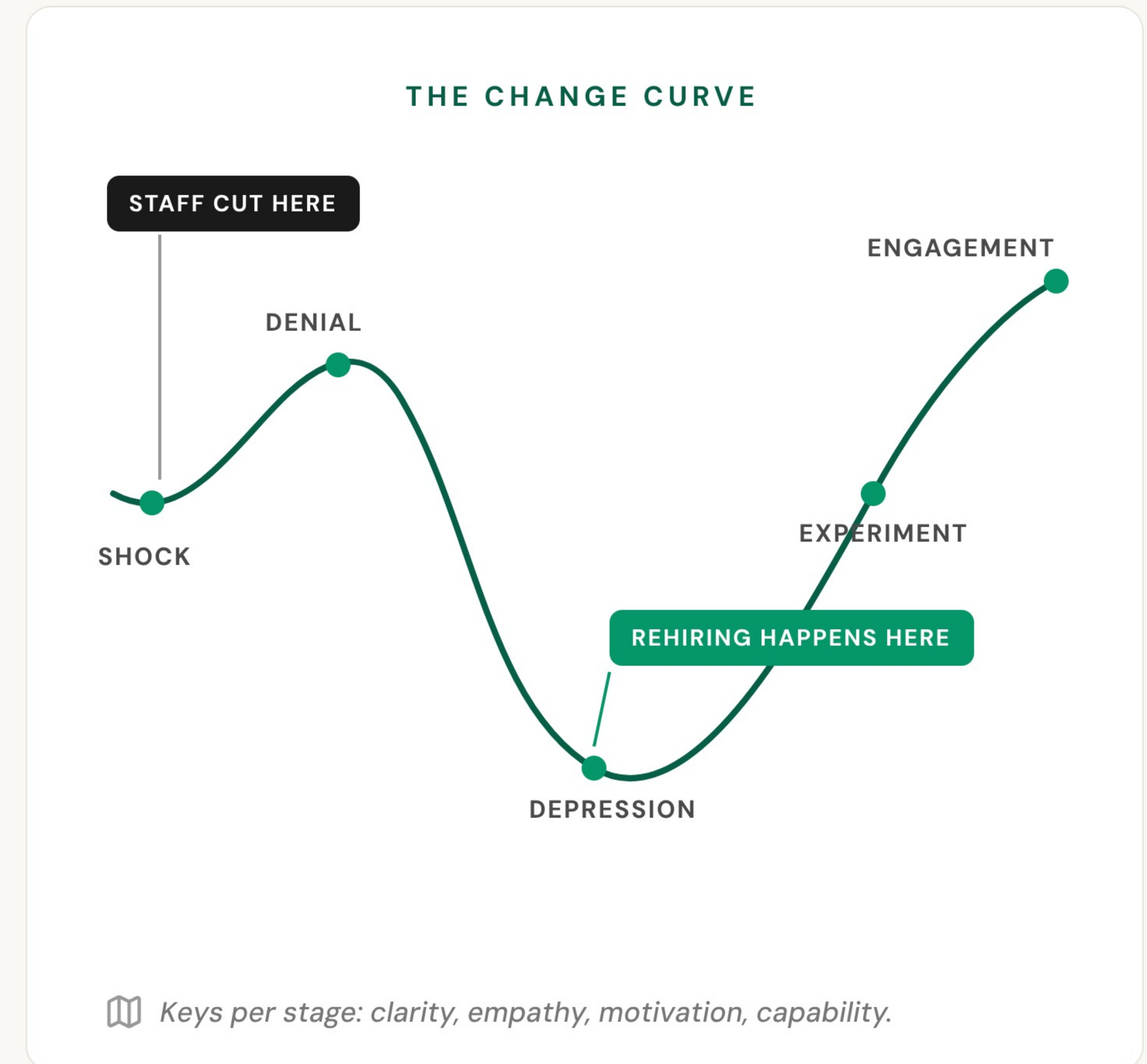
Two-thirds of companies that cut staff for AI are rehiring. They managed the change and skipped the transition. The curve says that bill always comes due.



GO DEEPER

Start Here: How to Actually Use and Implement AI

Scan, or go to bykovbrett.net/download/start-here



FRAMEWORK

The Change Curve — meet each stage with clarity, empathy, capability. (Jamie's Frameworks)

Engineer your token bill.

THE SKILL

Cost-routing AI work: sending routine tasks to smaller models, caching what repeats, and reviewing token spend the way you already review cloud spend.

WHY THIS FORTNIGHT

Gartner now predicts AI coding costs will pass the average developer's salary by 2028. A quarter of tech leaders already spend \$200–500 per developer, per month.



GO DEEPER

AI on a Shoestring

Scan, or go to bykovbrett.net/download/ai-on-a-shoestring

3 AGENT-LED

Full workflows run alone. Highest burn. *meter it*

2 DEVELOPER + AGENT

Pair work on real tasks. Medium burn.

1 DEVELOPER-LED

Small asks, small models. Cheapest.

 Match the model to the task. Review token spend in retros.

GROUNDED IN

“Every question you ask burns tokens, and tokens cost money.”



SECTION 04

Risk & regulation watch

The segment a compliance lead forwards to their boss.

01

The UK orders scanning built into the phone itself



WHO IT AFFECTS

Apple and Google now; UK phone users from September.

WHAT TO DO

It defaults on for under-18s, with adult opt-out. Watch September.

*Source: UK government ultimatum, 8 June — device-level CSAM blocking, legislate-if-not
Jamie's posts, 30 June – 1 July*

02

Europe walks away from Palantir



WHO IT AFFECTS

Anyone whose platform demands total data ingestion.

WHAT TO DO

Ask what leaves with you if you leave. Sovereignty is architecture.

*Source: Spain blacklist · Italy contract freeze · France's DGSI and Germany's BfV to ChapsVision
Jamie's video, 6 July*

03

The hiring call that was a malware delivery



WHO IT AFFECTS

Freelancers and staff taking inbound business calls.

WHAT TO DO

Nobody runs code from a live call.
Sandbox everything inbound.

Source: Jamie's first-hand account, 26–29 June — DPRK 'BeaverTail' social engineering

04

Data centre water is becoming a board question



WHO IT AFFECTS

Anyone siting infrastructure or reporting ESG.

WHAT TO DO

Proven alternatives exist. Ask your providers which they use.

Source: Google reclaimed-water cooling · Stockholm heat reuse · Jamie's video, 4 July

THREE QUESTIONS

Three questions leaders are asking this fortnight.

- 1 Hardware prices are climbing until 2028. Do we buy ahead, or sweat what we own?
- 2 We're under pressure to cut headcount for AI. What does the rehiring wave tell us?
- 3 If our AI vendor's access, architecture or jurisdiction changed overnight, what's our exit plan?

📅 Next briefing: Tuesday 21 July, 13:00 London. Plus the Thursday Live, 9 July.

See you in a fortnight.

Next briefing: Tuesday 21 July 2026, 13:00 London. And catch the Thursday Live, 9 July at 13:00.

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