# From Cool Demos to Production-Ready FMware: Core Challenges and a Technology Roadmap

Gopi Krishnan Rajbahadur





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# But my organization/BU is not doing AI/FM/LLMware!

# LOOK again! If anyone in your org is using an

LLM for something they are developing FMware!!

### **Goldman Sachs projects**

- FMware to raise World GDP by 7%
- FMware market to be 22% of Software Market (150 of 685 Billion USD\$)



## AI/FMware is a systems problem not an FM/LLM/AI problem





**FMware** is more than just a single model instead it is multi-generational/model/component



Berkley AI Research (BAIR) -- BAIR brings 50 faculty members and 300 researchers in computer vision, machine learning, natural language processing, planning, control, and robotics.

#### February 2024

#### Berkley AI Research (BAIR):

State-of-the-art AI results are increasingly obtained by *compound systems* with multiple components, not just monolithic models.



#### May 2024

#### OPEA alliance (50 Companies including Intel, RedHat, SAS)

working to define the architecture blueprint to enable enterprise ready Alware (focusing on RAGware for now)

Echoing many views across industry... "One Model will not rule them all", VP of IBM Research late 2023. Numerous reasons:

- 1. Systems are dynamic/quick to update, models are static and will always lag
- 2. Systems provide *easier control and trust* over black box *monolithic* models.
- 3. Systems offer cost and SLA flexibility which vary widely for each context/deployment



## **2023 State of FMware in Industry** Intel Survey of 434 companies half of which have over 600 employees

#### **Demographics**





#### Use Cases



#### **Greatest concerns around FMware**

CSE Focus 2022-2024: Implementation Costs + Tech Skill Gap + Governance

**2025-:** Reliability + Latency + Governance



## **Going from cool-demos to production-ready FMware is extremely hard!**

GitHub

#### Linked in Engineering Blog

**Consistent guality...** The team achieved 80% of the basic experience we were aiming to provide within the first month and then spent an additional four months attempting to surpass 95% completion of our full experience - ...., the initial pace created a false sense of 'almost there,' which became **discouraging as the rate of improvement** slowed significantly for each subsequent 1% gain.

"The complexity of these systems surpases anything that we have seen before, Neuralware was hard this stuff is REALLY HARD!! Very few people trained and they are too pricey!!"



"most of these, like each of these tests, would Microsoft probably cost 1-2 cents to run, but once you end up with a lot of them, that will start adding up anyway". P4 attempted to automate testing but was asked to stop their efforts because of costs in running benchmarks, and instead would only run a small set of them manually after large changes





### Rethinking Software and Software Engineering in the Foundation Model Era

### **SE Challenges:**

- 1. Managing alignment data
- 2. Crafting effective prompts (Intent Alignment)
- 3. Multi-generational software components
- 4. Degree of controllability
- 5. Compliance & regulations
- 6. Limited collaboration support
- 7. Operation & semantic observability
- 8. Performance engineering
- 9. Quality under non-determinism
- 10.Siloed tooling & lack of processes



# Thematic analysis to identify challenges that prevent productionizing FMware

**Step 1: Data collection** – 3 years of attending and organizing conferences in the Alware space and meticulously documenting FMware related interactions





# Thematic analysis to identify challenges that prevent productionizing FMware

Step 1: Data collection – Open source working groups, working with customers, developing FMArts and in-depth literature review



Leading the research working group in the OPEA initiative and participation in the other Working Groups



Leading AI and Dataset profile Working Group



Discussions with product teams and customers in the Industry. Experience developing FMArts and deploying it in production and building productionready FMware for a large e-commerce customer



Conduct an in-depth literature review of academic and grey literature

# Thematic analysis to identify challenges that prevent productionizing FMware

Step 2: Data coding and initial thematic grouping **Step 3:** Collaborative discussion to identify overarching themes

Step 4: Thematic consolidation









## **Recurrent issues in productionizing FMware**



# **Challenges for Production-Ready FMware**



Testing



**Observability** 



Controlled Execution



Resourceaware QA



Feedback Integration



Built-in Quality





## Lack of assertion based unit tests

Traditional tests rely on fixed outcomes, but FMware's varying outcomes complicate this process. Text-based evaluation leads to overestimation of quality

They often fail to capture deeper issues like relevance, accuracy or alignment with business rules Lack of automated testing capabilities

Existing tools often miss nuanced complexities in FMware making them inadequate for production systems



## **Challenges for Production-Ready FMware – SOTA Overview**



#### **Benchmarks** ≠

Assessing model's general capabilities

### **Model evaluation**

Evaluating model's fit on a specific task

### **Software testing**

#

Testing the expected behavior of the whole system end-to-end



### **Challenges for Production-Ready FMware – Proposed Tech**









**Tailored Prompts:** Align with business logic and domain constraints for reliable evaluations.

**Deep Evaluation:** Focus on accuracy, consistency, and compliance, not just format.

**Efficient Training:** Use curriculum engineering for cost-effective,

lightweight models.



# Complexity in determining failure rationale

Diagnosing whether failures result from prompt issues or FM shortcomings is difficult, often hindering the identification of the root cause and delaying effective resolution.

## Lack of FMware-native observability

Traditional observability tools focus primarily on functional observability metrics, such as latency, execution races, and throughput, which are insufficient for capturing the internal reasoning and decision-making processes of FMs



## **Challenges for Production-Ready FMware – SOTA Overview**

| Framework                          | Trace or                                | Trace or Volume                     |                          |                         |                | Latency (PX)           |                               |                                      |   | Tokens                        |                            | Resources                     |             |                 |
|------------------------------------|---|-------------------------------------|--------------------------|-------------------------|----------------|------------------------|-------------------------------|--------------------------------------|---|-------------------------------|----------------------------|-------------------------------|-------------|-----------------|
|                                    | Request-<br>Response (RR)<br>Monitoring | <u>Trace</u><br><u>Count/Status</u> | LLM Call<br>Count/Status | <u>Trace</u><br>Latency | LLM<br>Latency | LLM Calls<br>per Trace | <u>Tokens /</u><br><u>sec</u> | <u>Trace Time-</u><br>to-First-Token | <u>LLM Time-to-</u><br><u>First-Token</u> | <u>Total</u><br><u>Tokens</u> | <u>Tokens</u><br>per Trace | <u>Tokens per</u><br>LLM Call | <u>Cost</u> | <u>HW Util.</u> |
| LangSmith                          | Trace                                   | Yes                                 |                          | Yes                     |                |                        |                               | Yes                                  |   | Yes                           |                            |                               |             |                 |
| <u>HumanLoop</u>                   | RR                                      | Yes                                 |                          | Yes                     |                |                        | No                            |                                      |   | No                            |                            |                               |             |                 |
| <u>Qwak</u>                        | Trace                                   | Yes                                 |                          | Yes                     |                |                        | Yes                           |                                      |   | Yes                           |                            |                               |             |                 |
| <u>Helicone</u>                    | RR                                      | Yes                                 |                          | Yes                     |                |                        | Yes                           |                                      | Yes                                       |                               |                            |                               |             |                 |
| Langfuse                           | Trace                                   | Yes                                 |                          | Yes                     |                |                        | Yes                           |                                      |   | Yes                           |                            |                               |             |                 |
| <u>Dynatrace</u>                   | Trace                                   | Yes                                 |                          | Yes (very simple)       |                |                        | Yes                           |                                      |   | Yes                           |                            |                               |             |                 |
| Pheonix<br>(Arize)                 | Trace                                   | Yes                                 |                          | Yes                     |                |                        | Yes                           |                                      | Yes (co                                   | ost – Arize)                  |                            |                               |             |                 |
| Lunary                             | Trace                                   | Yes                                 |                          | Yes                     |                |                        | Yes                           |                                      | Yes                                       | ; (cost)                      |                            |                               |             |                 |
| <u>LangKit</u><br><u>(WhyLabs)</u> | Trace                                   | Yes                                 |                          | No (?)                  |                |                        | No (?)                        |                                      | N   | o (?)                         |                            |                               |             |                 |
| Laminar                            | Trace                                   | Yes                                 |                          | Yes                     |                |                        | Yes                           |                                      |   | No                            |                            |                               |             |                 |
| TraceLoop                          | Trace                                   | Yes                                 |                          | Yes                     |                |                        | Yes                           |                                      |   | No                            |                            |                               |             |                 |
| DataDog                            | RR                                      | Yes                                 |                          | Yes                     |                |                        | Yes                           |                                      |   | Yes                           | s (cost)                   |                               |             |                 |

Focusing on low level details, primarily collecting traces and runs consisting of LLM calls, Vector DB calls, user prompts, and associated metrics (e.g., volume, latency, token counts, resource utilization, etc.).



OpenLLMetry <u>https://github.com/traceloop/openllmetry</u> Use existing standard OpenTelemetry instrumentations

 Use existing standard OpenTelemetry instrumentations for LLM providers and Vector DBs

- Support some new LLM-specific extensions

for example OpenAI, Anthropic API calls



#### **General Observability Framework**



Captures functional metrics and FM/agent cognitive processes, enabling traceability across decision-making stages.

#### **Plane Flight Recorder for Agents**

Selectively logs reasoning steps and communications to trace decision-making pathways.

#### **Observability Analytics Engine**



Visualizes events at high abstraction levels, aiding root cause analysis in complex workflows.

#### Surrogate Agent for Debugging



Mitigates observer effects by reasoning verbosely, offering transparent insights without altering original behavior.





# Lack of controlled-execution mechanisms

Without tools like feature flags, staging environments, or canary releases, testing changes before full deployment becomes risky.

## Ineffective FM update mechanisms

Fixes can take months, and updates are non-deterministic—providing more training data does not ensure specific issues are resolved.



## **Challenges for Production-Ready FMware – SOTA Overview**

#### Challenges of Non-Deterministic Outputs



FMware's unpredictability leads to varying execution paths, making traditional deterministic testing methods ineffective.

#### Need for Controlled Execution Frameworks

The lack of repeatable execution and exploratory testing tools hinders efficient failure identification and performance optimization.

Testing and Verification Limitations

Limited control over cloud-hosted models and insufficient release documentation impede verifying updates and building user trust.





#### **Controlled Execution Framework**

Balances repeatability and variability in execution paths for thorough testing and validation.



#### **Repeatable Execution Framework**

Ensures consistent execution flows via snapshots and monosemantic units, enabling precise debugging and fix verification.

#### **Guided Exploration Engine**

Systematically varies inputs and decisions to explore alternative paths, uncover hidden bugs, and enhance system robustness.





Low data efficiency

Accurately estimating inbound and outbound data volume is crucial for production-ready FMware, impacting both budget and performance.

#### High cost of regression testing

As FM APIs evolve, performance can degrade silently, making it essential to frequently re-evaluate across numerous scenarios to ensure system reliability. Ineffective and inefficient Alas-judge technologies

 Existing tools often miss nuanced complexities in FMware making them inadequate for production systems



## **Challenges for Production-Ready FMware – SOTA Overview**



#### **Test Optimization Issues**

Lack of dependency-based test execution leads to redundant testing, wasting computational resources and increasing costs.

#### Lack of Retry Mechanisms

Current QA frameworks lack intelligent retry systems, requiring advanced reprompting to handle FM failures efficiently.





#### **Resource-Aware QA Framework**



Reduces FM calls and computational overhead with intelligent caching and dynamic test optimization.

#### **FMware-Native Caching**

Stores and reuses query results, ensuring cache integrity and efficiency during large-scale testing.

#### **Test Execution Optimization**



Dynamically prioritizes and groups tests to minimize resource use and detect defects early.

#### **Retry Optimization System**



Adapts prompts and validates responses to handle FM unpredictability, preventing repeated failures.



#### Lack of efficient feedback technology

Production environments, unlike demos, require automated, iterative feedback systems to enable continuous learning, performance optimization, and user engagement.

## Error prone in-memory knowledge management

Conflicting knowledge within memory systems can lead to inconsistencies and errors when FMs must navigate between contradictory pieces of information.



## **Challenges for Production-Ready FMware – SOTA Overview**

#### Inadequate Feedback Mechanisms

Reliance on explicit, ad-hoc methods fails to enable passive, scalable feedback collection essential for real-time FMware refinement in production.

#### Feedback Differentiation

Lack of a framework to manage universal outer knowledge vs. user-specific inner knowledge feedback leads to overlooked insights and inconsistent performance.

#### Fragmented Feedback Integration Poor memory and context management across FMware systems hinder synchronization and consistency in

leveraging feedback effectively





#### **Feedback Integration Framework**

Captures, processes, and acts on user feedback for continuous FMware improvement.

#### **Automatic Feedback**



Passively collects implicit cues (e.g., hesitations, corrections) during user interactions for real-time analysis.

#### **Guided Exploration Engine**

Differentiates "outer" and "inner" knowledge, enabling scalable, user-specific, and global optimizations through federated learning.





#### **God prompts**

God prompts" that try to handle multiple tasks at once lead to unpredictable outputs and complicate debugging and maintenance

#### **God** agents

Monolithic "God agents" handling many tasks create complexity and maintenance challenges in production.

#### Overreliance on FM's planning capability

Relying solely on an FM's planning capabilities introduces risks like unpredictability and lack of transparency, often leading to errors and unreliable outcomes



## **Challenges for Production-Ready FMware – SOTA Overview**

#### **Poor development practices**

"God prompts" and "God agents" hinder modularity, scalability, and debugging, complicating FMware development.

#### Unstructured Knowledge Management

Reliance on raw data in vector databases degrades performance; improved tools and formalized curricula are needed for efficient compositional skill-building.

#### Immature QA and Compliance Mechanisms

Lack of built-in prompt validation and incomplete compliance frameworks leave FMware prone to unpredictable behavior and legal risks.





#### **Knowledge Graphs and Curriculum Engineering**

Shift from vector databases to knowledge graphs and use structured curriculum for compositional skill-building through collaborative AI-assisted co-creation.



#### **Curriculum Optimization Tools**

Automate QA to prune outdated data, remove redundancies, and ensure high-quality inputs for reliable FMware performance.

#### FMware Bill of Materials (FMwareBOM)

Extend SPDX 3.0 to track all components and licenses, ensuring legal compliance with automatic generation and formal verification.



| <b>Production-Ready</b> | FMware- | -Challenges | and Core | <b>Technologie</b> |
|-------------------------|---------|-------------|----------|--------------------|
|-------------------------|---------|-------------|----------|--------------------|

|                   | Challenge 1:<br>Testing   | Challenge 2:<br>Observability  | Challenge 3:<br>Controlled<br>Execution   | Challenge 4:<br>Resource-Aware<br>QA   | Challenge 5:<br>Feedback Integration  | Challenge 6:<br>Built-in Quality   |
|-------------------|---|--|---|--|---|--|
| Recurrent issues  | <ul> <li>Lack of assertion-<br/>based unit tests</li> <li>Lack of automated<br/>testing capabilities</li> <li>Text-based evaluation<br/>leads to<br/>overestimation of<br/>quality</li> </ul> | <ul> <li>Complexity of<br/>determining the<br/>rationale of failure<br/>(FM vs prompt<br/>limitations)</li> <li>Lack of FMware-<br/>native<br/>observability</li> </ul>                                  | <ul> <li>Lack of controlled<br/>execution<br/>mechanisms makes<br/>verification of fixes<br/>very hard</li> </ul>                                     | <ul> <li>Low data efficiency</li> <li>Lack of latency handling<br/>mechanisms</li> <li>Lack of retry<br/>optimizations</li> <li>High cost of regression<br/>testing</li> <li>No Software<br/>Performance<br/>Engineering practices in<br/>place</li> <li>Ineffective and<br/>inefficient AI-as-judge<br/>technologies</li> </ul> | <ul> <li>Lack of efficient feedback<br/>technology (seamless<br/>solicitation and<br/>integration)</li> <li>Cumbersome and error-<br/>prone in-memory and<br/>across-memories<br/>knowledge management</li> </ul> | <ul> <li>Low domain coverage, Low data quality</li> <li>Lack of Built-in QA checks for prompts (Semantic and structured checking)</li> <li>Non-representative or insufficient Examples</li> <li>God prompts, God agents</li> <li>Low information density or irrelevant grounding data</li> <li>Overreliance on FM planning capability instead of step-wise or multi-agent planning and validation</li> <li>Lack of Hallucination guardrails</li> </ul> |
| Core Technologies | <ul> <li>Automated test generation</li> <li>Next generation Al-as-judge framework</li> </ul>  | <ul> <li>General<br/>Observability<br/>Framework</li> <li>Plane Flight<br/>Recorder for<br/>Agents</li> <li>Observability<br/>Analytics<br/>Engine</li> <li>Surrogate Agent<br/>for Debugging</li> </ul> | <ul> <li>Controlled<br/>Execution<br/>Framework</li> <li>Repeatable<br/>Execution<br/>Framework</li> <li>Guided<br/>Exploration<br/>Engine</li> </ul> | <ul> <li>Resource-Aware QA<br/>Framework</li> <li>FMware-Native<br/>Caching</li> <li>Test Execution<br/>Optimization</li> <li>Retry Optimization<br/>System</li> </ul>   | <ul> <li>Feedback Integration<br/>Framework</li> <li>Automatic Feedback</li> <li>Guided Exploration<br/>Engine</li> </ul>   | <ul> <li>Knowledge Graphs and</li> <li>Curriculum Engineering</li> <li>Curriculum Optimization Tools</li> <li>FMware Bill of Materials<br/>(FMwareBOM)</li> </ul>  |

## **Production-Ready FMware–Challenges and Core Technologies**

|                  | Challenge 1:<br>Testing   | Challenge 2:<br>Observability   | Challenge 3:<br>Controlled<br>Execution  | Challenge 4:<br>Resource-Aware<br>QA   | Challenge 5:<br>Feedback Integration  | Challenge 6:<br>Built-in Quality   |
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