

# AI COST MANAGEMENT: A STRATEGIC APPROACH

## Essential Strategies for AI Provider Cost Optimization Managing OpenAI, Anthropic & Multi-Model Environments

### EXECUTIVE SUMMARY

AI costs are spiraling out of control for most organizations, with companies spending 5x more than necessary on AI inference and training. This guide provides actionable strategies to optimize AI spending while maintaining quality and performance across multiple AI providers.

### KEY RESEARCH FINDINGS:

- 75% average cost reduction through intelligent model routing
- 40% token savings via prompt optimization
- 90% reduction in budget overruns with governance frameworks
- Support for 5+ AI providers including OpenAI, Anthropic, Cohere

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### OPTIMIZATION TECHNIQUES

1. Intelligent Model Selection
  - Choose optimal model for each task based on cost/performance ratio
2. Dynamic Prompt Optimization
  - Reduce token consumption through prompt engineering
3. Multi-Provider Routing
  - Route requests to most cost-effective provider in real-time
4. Context Window Management
  - Optimize context usage to minimize token costs
5. Caching & Response Reuse
  - Implement intelligent caching to avoid redundant API calls

### PROVIDER COMPARISON

OpenAI GPT-4: Premium quality, higher cost per token