

From AI Feature to AI-First

By Don Sutherland

Artificial Intelligence (AI) is rapidly reshaping companies and industries as its capabilities continue to grow. Cloudflare's announcement on Thursday that it would be adopting an "agentic AI-first operating model" provided a vivid example of how AI is transforming the economic landscape.

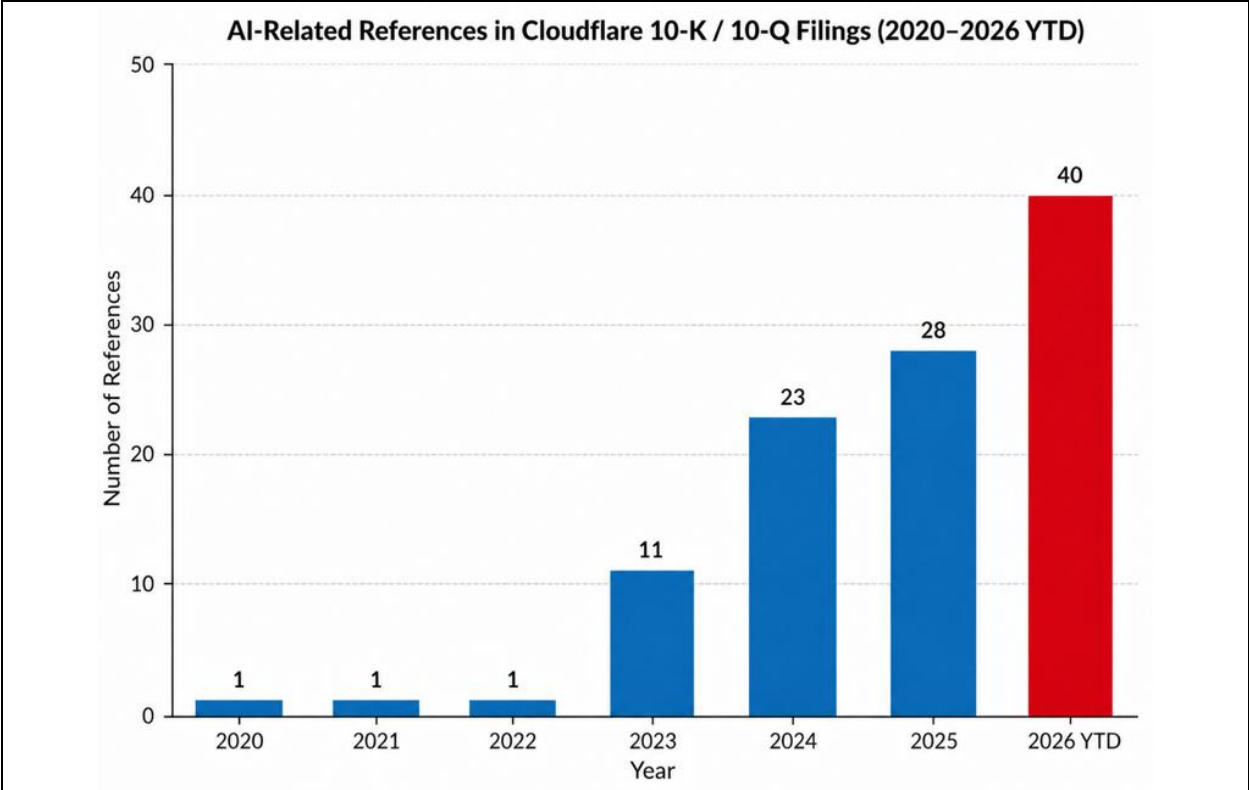
Cloudflare's 10-K/10-Q filings since 2020 offer three important lessons:

- AI often begins as a feature before it becomes a strategy
- AI becomes more powerful when it is tied to infrastructure and platforms
- Agentic AI is beginning to reshape companies, not just their products or services

Cloudflare's filings show this clear progression. From 2020 through 2022, AI was mostly invisible except as machine learning inside a security product, especially Bot Management. In 2023, AI became part of the company's strategic story: customers were building AI-enhanced applications on Cloudflare's programmable network, and GPUs were becoming part of the infrastructure story. In 2024 and 2025, AI became a formal product category, with Workers AI, Vectorize, AI Gateway, and the Replicate acquisition showing Cloudflare's move toward becoming an AI application and inference platform.

The most important shift comes in 2026. Cloudflare no longer describes AI only as something customers use on its network. It now describes AI as a force reshaping Cloudflare's own operating model. The phrase "agentic AI-first operating model" signals that AI is moving from product feature to organizational architecture: how work is done, how productivity is measured, how costs are managed, and how the company expects to compete. This makes Cloudflare a strong example for a blog or lesson on how AI is increasingly shaping companies at three levels: products, infrastructure, and internal operations.

Cloudflare's visible strategic shift lays a new foundation by which stakeholders will evaluate companies in the age of agentic AI. In that age, companies will increasingly be judged not just by whether they sell AI products, but by whether they can redesign their operations around AI.



2020 10-K Report	2026 10-Q Report
<p>Cloudflare described Bot Management as blocking malicious bot traffic while allowing useful bots through machine learning and behavioral analytics. At this stage, AI was not presented as a broad strategic direction; it was embedded inside a security product.</p>	<p>The Q1 2026 10-Q is the strongest evidence of Cloudflare’s new strategic direction. It says Cloudflare is evolving toward an “agentic AI-first operating model” and using AI and automation tools to increase productivity and maintain operational efficiency.</p>