

AI Budget Reallocation, Ploy's YC Traction, and the Shift to Agent Harnesses

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2026-07-06

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By VC Tech Radar • July 6, 2026

Software spend is accelerating, but much of the incremental budget is flowing to AI rather than legacy SaaS. The strongest signals in this set are Ploy's fast YC adoption, a \$3M-backed startup preparing an \$8M seed, and technical shifts toward long-range graph models, agent harnesses, and multi-model routing.

1) Funding & Deals

- **The clearest fresh raise setup is a company moving from non-dilutive funding into an \$8M seed.** The startup says it has about \$3M in primarily non-dilutive funding, is hiring its 6th employee, plans to add a CTO in the next few months, and expects to begin raising an \$8M seed round [1]. The team pairs a first-time founder with executives who previously had IPOs and acquisitions valued from \$500M to \$6B, and says it has strong relationships with strategic companies [1].
- **Groq's salary-for-equity bridge is a notable survival financing case.** With roughly three weeks of cash left, Jonathan Ross concluded layoffs would likely keep Groq from reaching the technical milestone it needed, so he asked employees to trade salary for equity through internal "Groq Bonds" [2]. Eighty percent of the company opted in, with nearly half dropping to statutory minimum wage, extending runway by about two months before the next round closed [2].
- **Rush Observability is still in company-formation mode.** The founder is seeking an equity-only business/marketing cofounder and says prior VC conversations were interesting but not with firms targeting very early companies [3]. The product thesis is a simpler observability stack

for the AI/agent era, built on a custom API/UI over ClickHouse with AI agent and anomaly-detection add-ons [3].

2) Emerging Teams

- **Ploy has the strongest combined pedigree and immediate usage signal.** Bryant Chou spent 12 years as Webflow CTO, where the platform now powers about 1.5% of the internet, and is back in the current YC batch with Ploy, an AI marketing platform; more than 13% of the batch is already using it within months of launch [4]. Chou ties the product to 15 years of accumulated industry frustration, and Garry Tan frames him as evidence that experience and judgment may matter more as build speed becomes broadly accessible [4, 5].

“The founder in their 40s with taste and discernment is the new gentleman unicorn founder” [5]

- **Rush Observability is worth tracking for vertical infrastructure depth.** The founder reports 25 years in Ops/SRE/observability and built a ClickHouse-based API/UI with AI agent and anomaly-detection add-ons after years of frustration with existing tooling [3]. The stated goal is a system that is simpler to roll out, manage, and scale as AI agents expand observability needs [3].

3) AI & Tech Breakthroughs

- **ALS is the standout pure research item.** The work claims infinite-range propagation with $O(1)$ memory, state-of-the-art performance on long-range graph benchmarks, and better results than Graph Transformer and Graph Mamba [6].
- **Agent infrastructure vocabulary is shifting from frameworks to harnesses.** Harrison Chase says the market has moved from agent frameworks such as LangChain, AI SDK, and LlamaIndex toward agent harnesses such as DeepAgents, Claude Agent SDK, and EVE [7]. He also notes that DeepAgents existed about 10 months before EVE [7].
- **Multi-model routing is becoming a design principle.** Bindu Reddy argues for a “mixture-of-agent” future in which prompts are routed to different LLMs based on intent, and says prompt-aware routing is the only workable path [8].

4) Market Signals

- **AI is expanding the software market while cannibalizing legacy SaaS budgets.** SaaStr cites Gartner figures showing total software spend rising from \$1.2T to \$1.4T, with growth accelerating from 12.8% last year to 15% this year, even as many software leaders see valuations fall [9].

The explanation given is that about half of new CIO spend is net new AI budget, much of it going to providers such as Anthropic, while older vendors are being cut or consolidated to fund that shift [9].

- **The winners are either attached to AI budgets or directly in the path of agent workloads.** SaaStr points to Palantir moving from 27% growth to 85% with projections above 100%, Twilio jumping from about 4% to 20% as agents need communications infrastructure, Datadog benefiting from AI hyperscaler usage, and Atlassian reaching 32% growth with Rovo [9]. It also flags Harvey, Artisan, and Monaco as AI-native companies with strong momentum and no legacy-customer drag [9].
- **Agent-friendly APIs are emerging as a defensible moat.** SaaStr argues that vendors chosen by agents surface in LLM recommendations, says Stripe was the only A+ in its API report card, and recommends exposing more data, more frequently, in structures agents can reliably consume [9].
- **Operating leverage from agents is moving from theory to benchmark.** SaaStr says it now runs with three humans and 21 agents, versus 20-something humans last year, and that its AI VP of Marketing plus AI VP of CS cost \$257 per month combined while replacing roughly \$500K of headcount and increasing output [9].

5) Worth Your Time

- **SaaStr on why software spend is up while much of SaaS is still struggling** — the best single read here on AI budget capture, software bifurcation, API moats, and agent-driven operating leverage [9].
- **Harrison Chase on the shift from agent frameworks to agent harnesses** — a concise framing of a tooling shift worth tracking [7].
- **Groq Bonds case study** — useful for founder psychology, employee alignment, and emergency runway extension before a round closes [2].
- **Puppet Robotics’ asbestos-removal pitch** — Elizabeth Yin highlights a “stacked team” building automation for a dangerous job category [10].

Sources

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