

YourAIPlaybook

# AI Terminology Cheat Sheet

Plain-English definitions for the AI terms you'll actually encounter. No jargon, no PhD required.

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# The Basics

The foundational terms you need to know before anything else makes sense.

## Artificial Intelligence (AI)

Software that can perform tasks that normally require human thinking, like understanding language, recognizing images, or making decisions. It's an umbrella term for the whole field.

## Machine Learning (ML)

A branch of AI where software learns patterns from data instead of following hard-coded rules. The more data it sees, the better it gets at making predictions.

## Deep Learning

A more advanced type of machine learning that uses layers of processing (called neural networks) to handle complex tasks like understanding speech, translating languages, or generating images.

## Neural Network

A system inspired by the human brain, made up of interconnected layers that process information. Each layer picks up on different patterns in the data.

## Algorithm

A set of step-by-step instructions a computer follows to solve a problem or complete a task. Think of it as a recipe the software follows.

## Natural Language Processing (NLP)

The part of AI that deals with understanding, interpreting, and generating human language. It's what powers chatbots, translation tools, and voice assistants.

## Computer Vision

AI that can "see" and interpret images or video. It powers things like facial recognition, self-driving cars, and medical image analysis.

**Quick way to remember:** AI is the big idea. Machine learning is how AI learns. Deep learning is the most powerful form of machine learning. Everything else builds on these three.

# Generative AI

The terms behind the tools you're probably already using, like ChatGPT and Claude.

## Large Language Model (LLM)

An AI system trained on massive amounts of text that can understand and generate human language. ChatGPT, Claude, and Gemini are all LLMs.

## GPT

Stands for "Generative Pre-trained Transformer." It's a specific type of LLM architecture created by OpenAI. The name has become shorthand for any text-generating AI, but technically it's one approach.

## Prompt

The text you type into an AI tool to tell it what you want. Your prompt is your instruction. Better prompts lead to better outputs.

## Token

The smallest unit of text an AI processes. A token can be a word, part of a word, or even punctuation. Most AI tools have limits on how many tokens they can handle at once.

## Hallucination

When an AI confidently generates information that sounds correct but is actually made up. This is why you should always verify important facts from AI outputs.

## Fine-tuning

Taking a pre-trained AI model and training it further on a specific dataset to make it better at a particular task. Like giving a generalist additional specialized training.

## Context Window

The maximum amount of text an AI can "remember" during a single conversation. Once you exceed the window, older parts of the conversation get dropped.

**Good to know:** When people say "AI" today, they usually mean generative AI (specifically LLMs). But AI is a much broader field that includes robotics, computer vision, and more.

# Using AI at Work

The terms that come up when you start integrating AI into your daily workflow and team processes.

## Prompt Engineering

The skill of writing effective prompts to get the best results from AI. It involves being specific about context, format, role, and constraints in your instructions.

## RAG (Retrieval-Augmented Generation)

A technique that lets AI look up real information from a database or documents before generating a response. It makes answers more accurate and grounded in actual data.

## Agent

An AI system that can take actions on its own, like browsing the web, running code, or completing multi-step tasks. Agents go beyond just answering questions.

## Automation

Using AI or software to handle repetitive tasks without human involvement. Examples include auto-sorting emails, generating reports on a schedule, or routing customer inquiries.

## Workflow

A sequence of steps to complete a task or process. An "AI workflow" means some or all of those steps are handled by AI tools working together.

## API (Application Programming Interface)

A way for two software systems to talk to each other. When an app "connects to" an AI model, it's using an API to send prompts and receive responses.

## Integration

Connecting AI tools to your existing software (like email, Slack, or spreadsheets) so they work together automatically. Integrations are what make AI practical for daily work.

**Start here:** You don't need to build APIs or agents yourself. Knowing these terms helps you understand what's possible and have better conversations with your team or vendors about AI tools.

# AI Safety & Ethics

The terms that matter when you're thinking about using AI responsibly and understanding its limitations.

## Bias

When AI produces skewed or unfair results because of imbalances in its training data. If the data reflects historical biases, the AI will too. This is one of the biggest challenges in AI development.

## Guardrails

Rules and restrictions built into AI systems to prevent harmful, inappropriate, or dangerous outputs. They're the safety boundaries that keep AI behavior within acceptable limits.

## Alignment

Making sure an AI system's goals and behavior match what humans actually want. An "aligned" AI does what you intend, not just what you literally asked for.

## Explainability

The ability to understand why an AI made a specific decision or gave a particular answer. Many AI models are "black boxes," meaning even their creators can't fully explain every output.

## Data Privacy

Protecting personal or sensitive information when using AI tools. Always consider what data you're sharing with AI systems and whether that data could be stored or used for training.

## Responsible AI

A framework for developing and using AI in ways that are fair, transparent, accountable, and safe. It means thinking about impact before deploying AI, not just capability.

**Bottom line:** You don't need to be an ethicist to use AI responsibly. Just ask yourself: What data am I sharing? Could this output be biased? Am I verifying important information? Those three questions go a long way.

# Ready to put these terms into action?

Now that you speak the language, it's time to start using these tools with confidence. Explore guides, curated tools, and weekly strategies to build your AI skills.

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