Venture, AI, and Search

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500+

- Foundations
- Frontiers

30+
years of investing

300+
investments

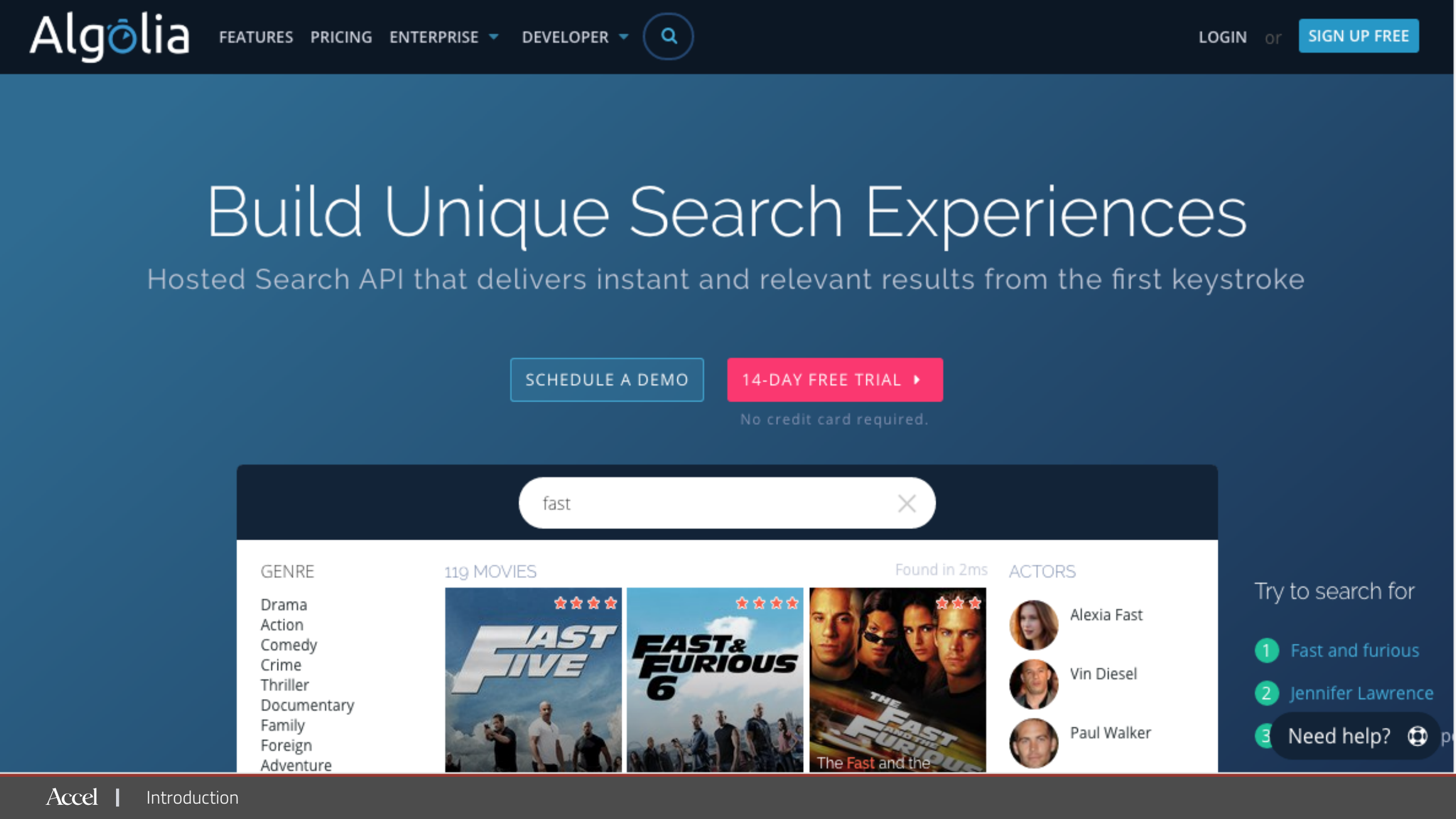
125+
mergers or sales

100+
public offerings

airwatch™ Atlassian Braintree cloudera®
Dropbox DJI facebook. dropcam
flipkart.com hootsuite KAYAK lookout™
lynda.com mopub myfitnesspal nimble storage
gofundme™ qualtrics responsys® riverbed
slack Spotify® SQUARESPACE SUPERCELL

Investing Around the Globe

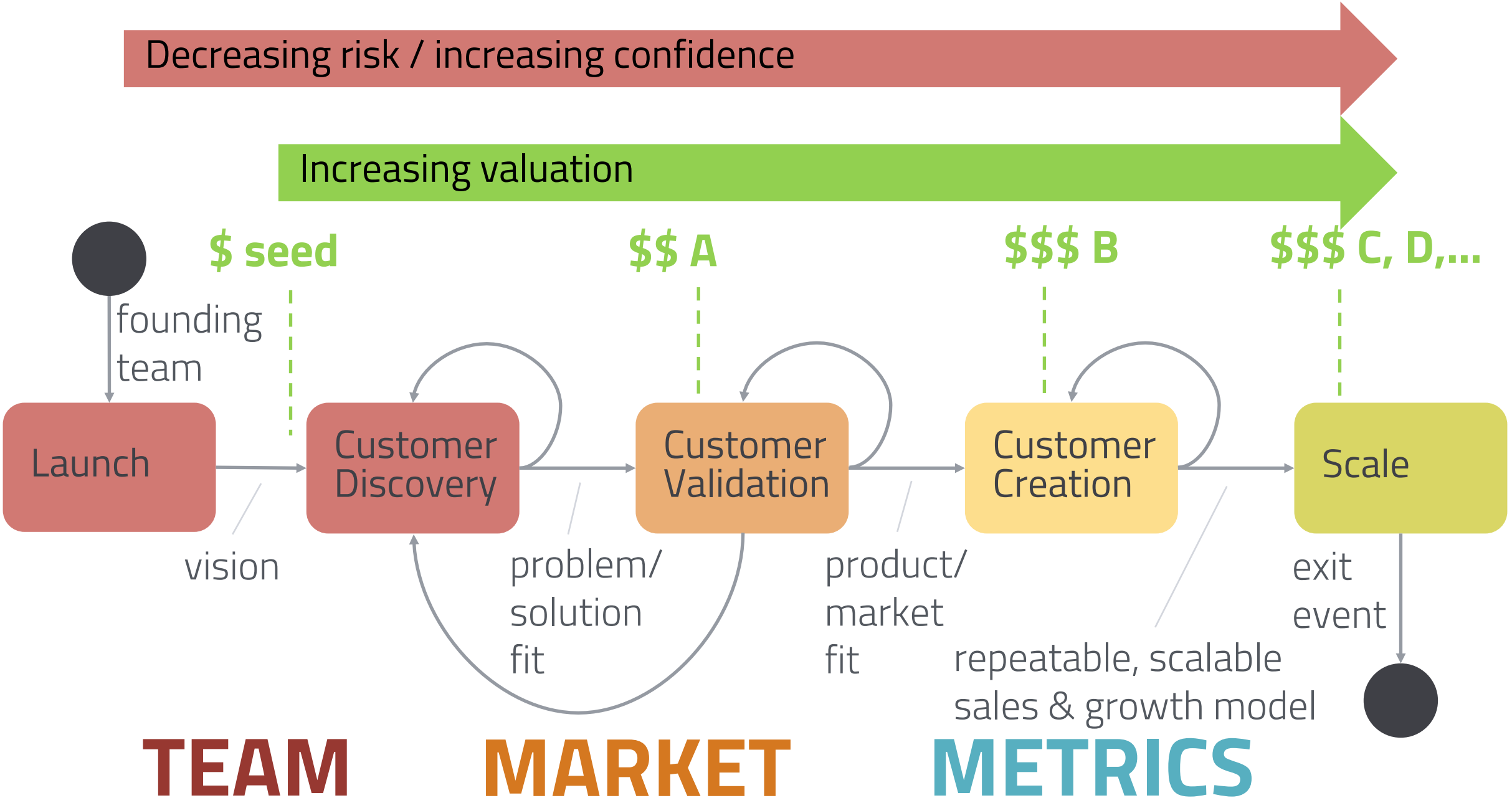
* The map above only shows a small sampling of current and past portfolio companies


Algolia
FEATURES
PRICING
ENTERPRISE
DEVELOPER
LOGIN
or
SIGN UP FREE
Build Unique Search Experiences
Hosted Search API that delivers instant and relevant results from the first keystroke
SCHEDULE A DEMO
14-DAY FREE TRIAL
No credit card required.
fast
GENRE
Drama
Action
Comedy
Crime
Thriller
Documentary
Family
Foreign
Adventure
119 MOVIES
Found in 2ms
FAST FIVE
FAST & FURIOUS 6
The Fast and the
ACTORS
Alexia Fast
Vin Diesel
Paul Walker
Try to search for
1 Fast and furious
2 Jennifer Lawrence
3
Need help?

Shift Technology
Home
Contact
Jobs
Fight fraud with AI
69,855,269
INSURANCE CLAIMS ANALYZED TO DATE

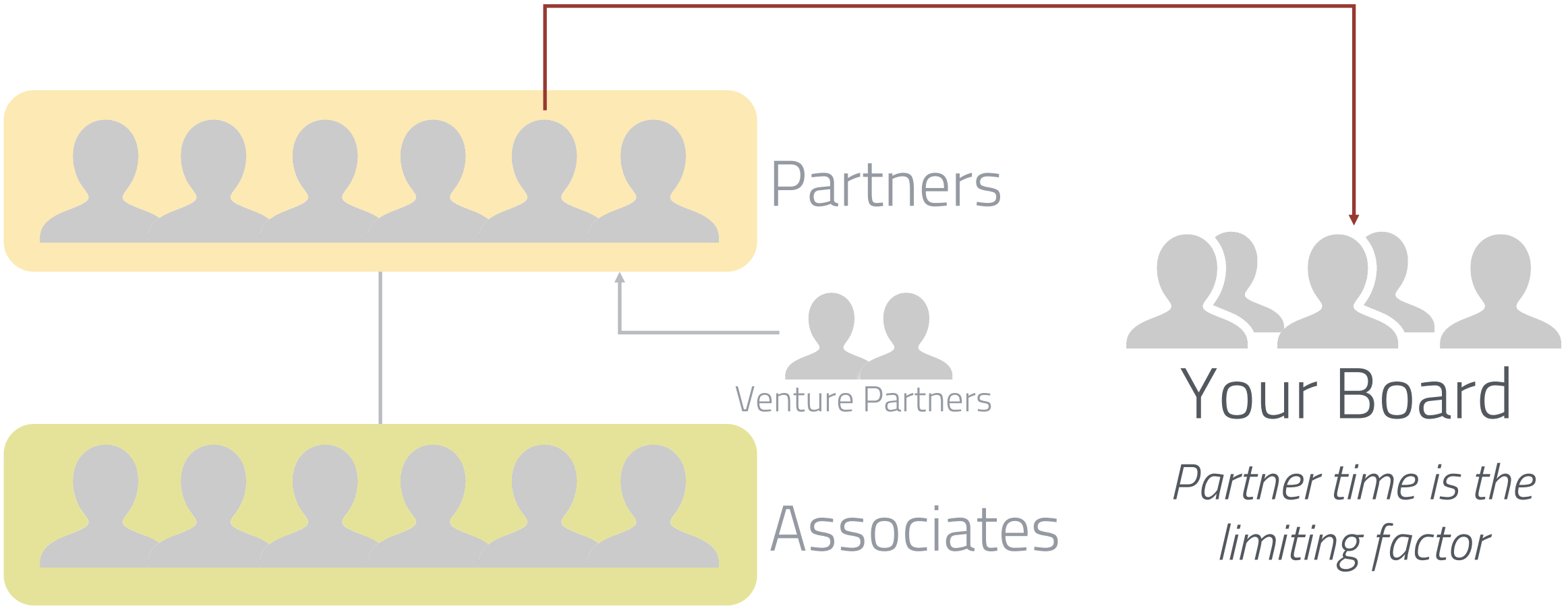
Agenda

- Investment and the startup lifecycle
- What business are you in?
- From research to reward
- Defensibility
- Can’t we just get acquihired for talent?
- Let’s talk about Rocket.ai…
- Advice for founders


Decreasing risk / increasing confidence
Increasing valuation
$ seed
$$ A
$$$ B
$$$ C, D,...
founding team
Launch
Customer Discovery
Customer Validation
Customer Creation
Scale
vision
problem/ solution fit
product/ market fit
repeatable, scalable sales & growth model
exit event
TEAM
MARKET
METRICS

A 7-8 year journey

You’re not competing for money…!



What business are you in?

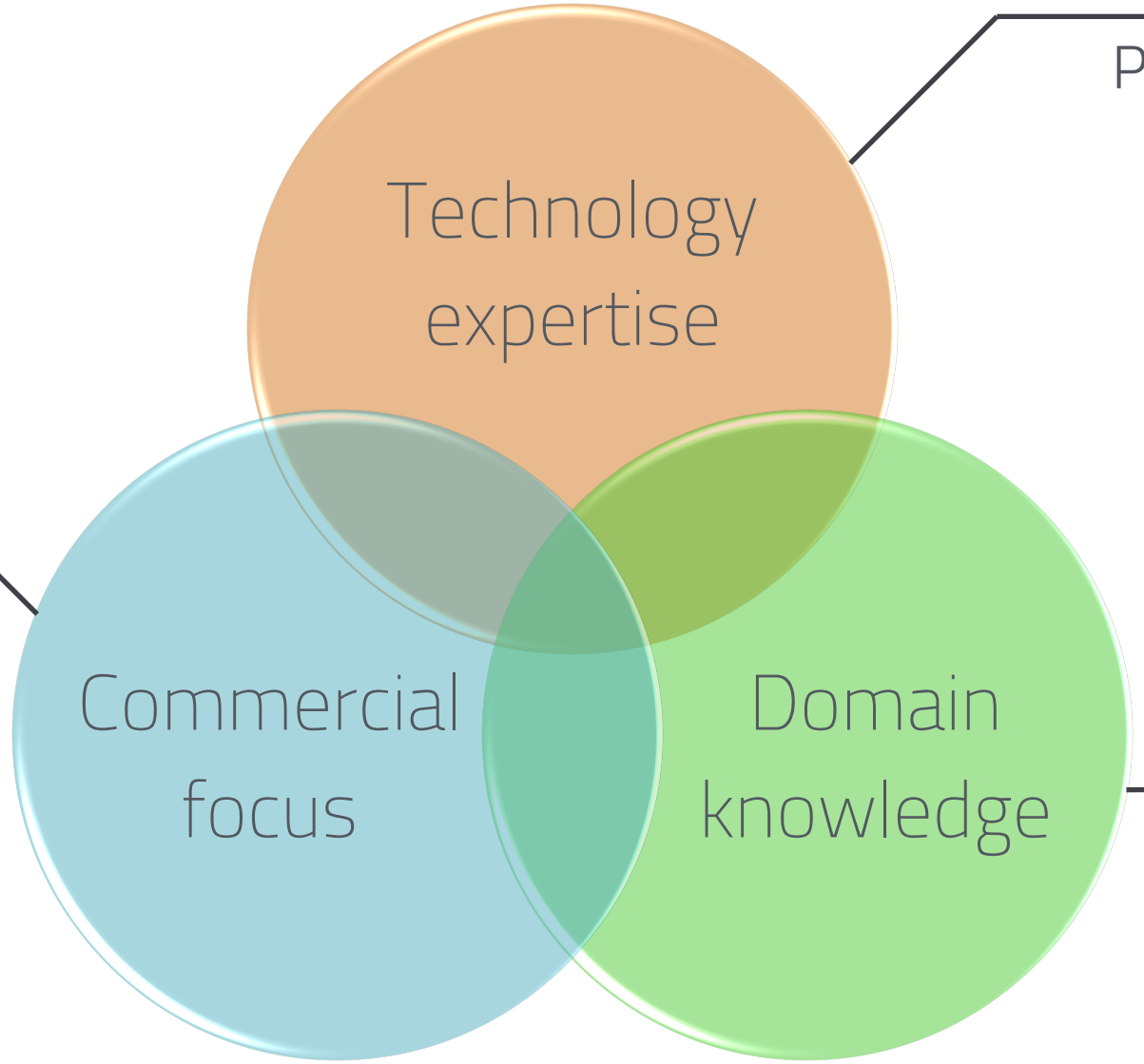
Foundational AI Technologies

All enterprise departments & industry verticals experiencing change

Legal | HR | Accounting | Security | Sales | Marketing | Dev Tools

Next generation of vertical software will be AI-enabled

Who’s in your team?

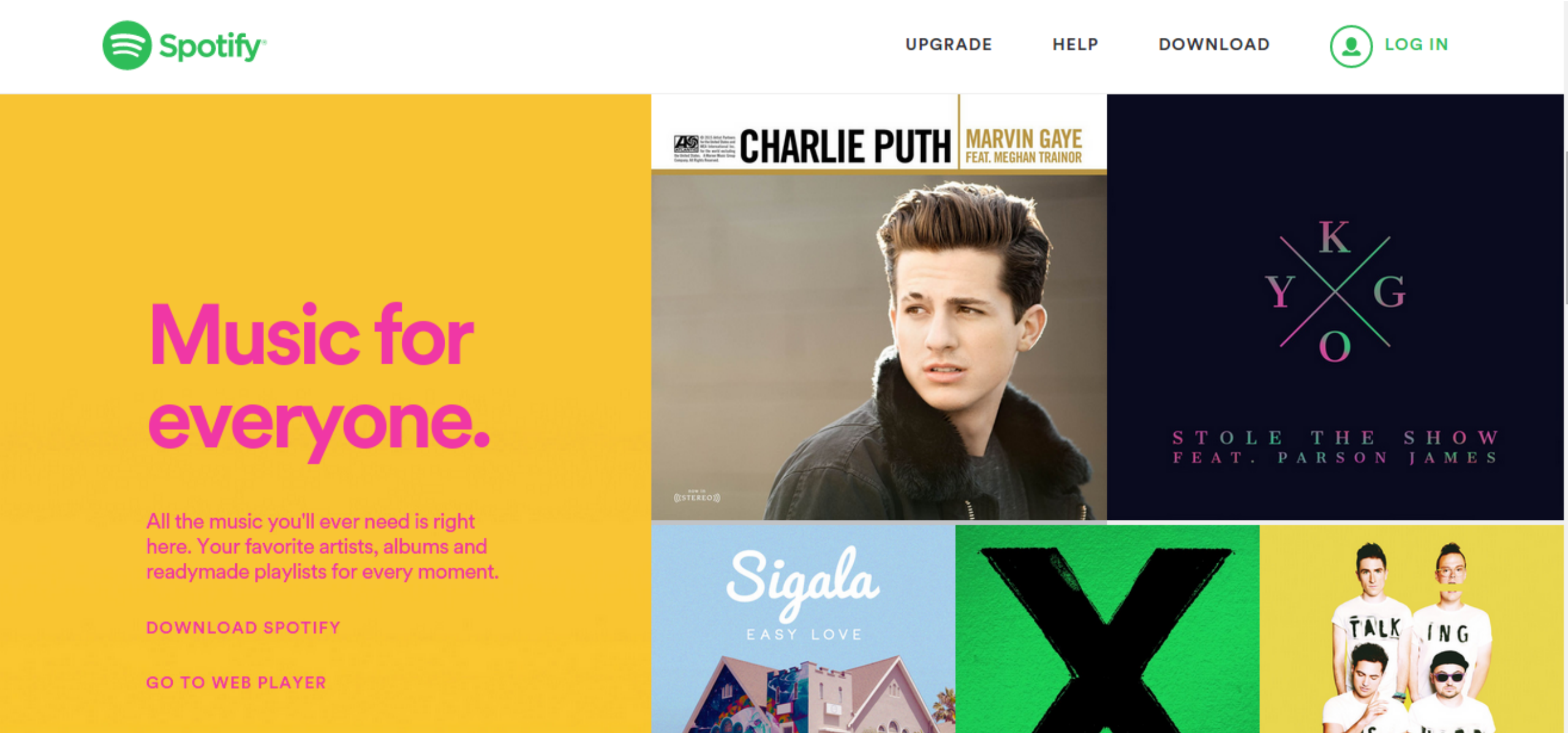


Pure & *Applied.*
Product, Service, DevOps…

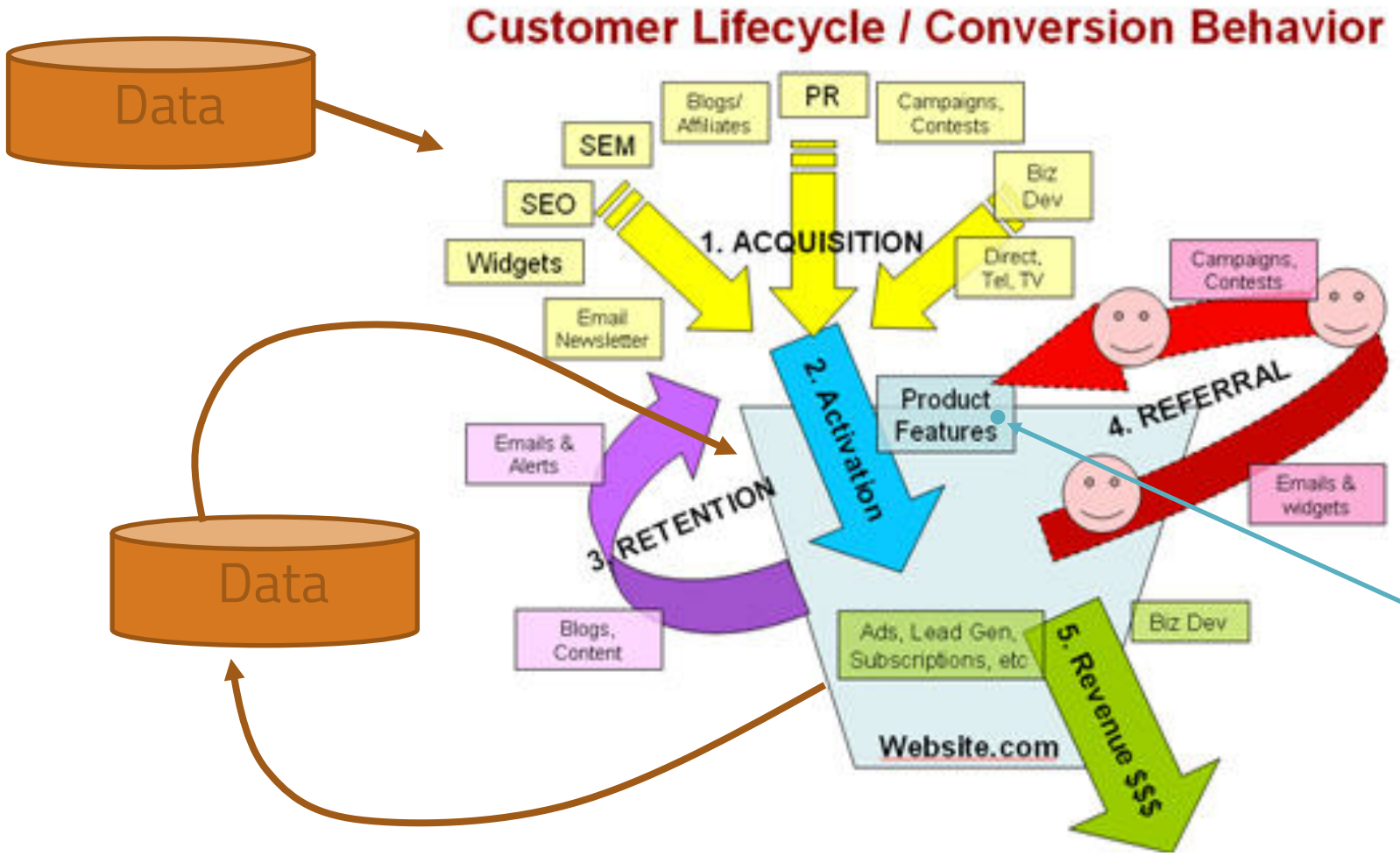
Want to make money!
Understanding of business model, go to market

Strong empathy with customer.
Know the industry and how it works.
Contacts

How do you get a #1 hit single?



A business machine



Core idea from your research

Image: http://500hats.typepad.com/500blogs/2007/09/startup-metrics.html

Dave McClure's Metrics for Pirates

Going the distance

(aka defensibility)
(aka castles and moats)

- Proprietary data?
- Proprietary algos?
- Rate of innovation??
- Virtuous cycles
- User experience
- Brand
- Ecosystem
- Pricing model???
- …?

What gives you the right?

Right to be forgotten

Explicit consent

Specific purpose

GDPR

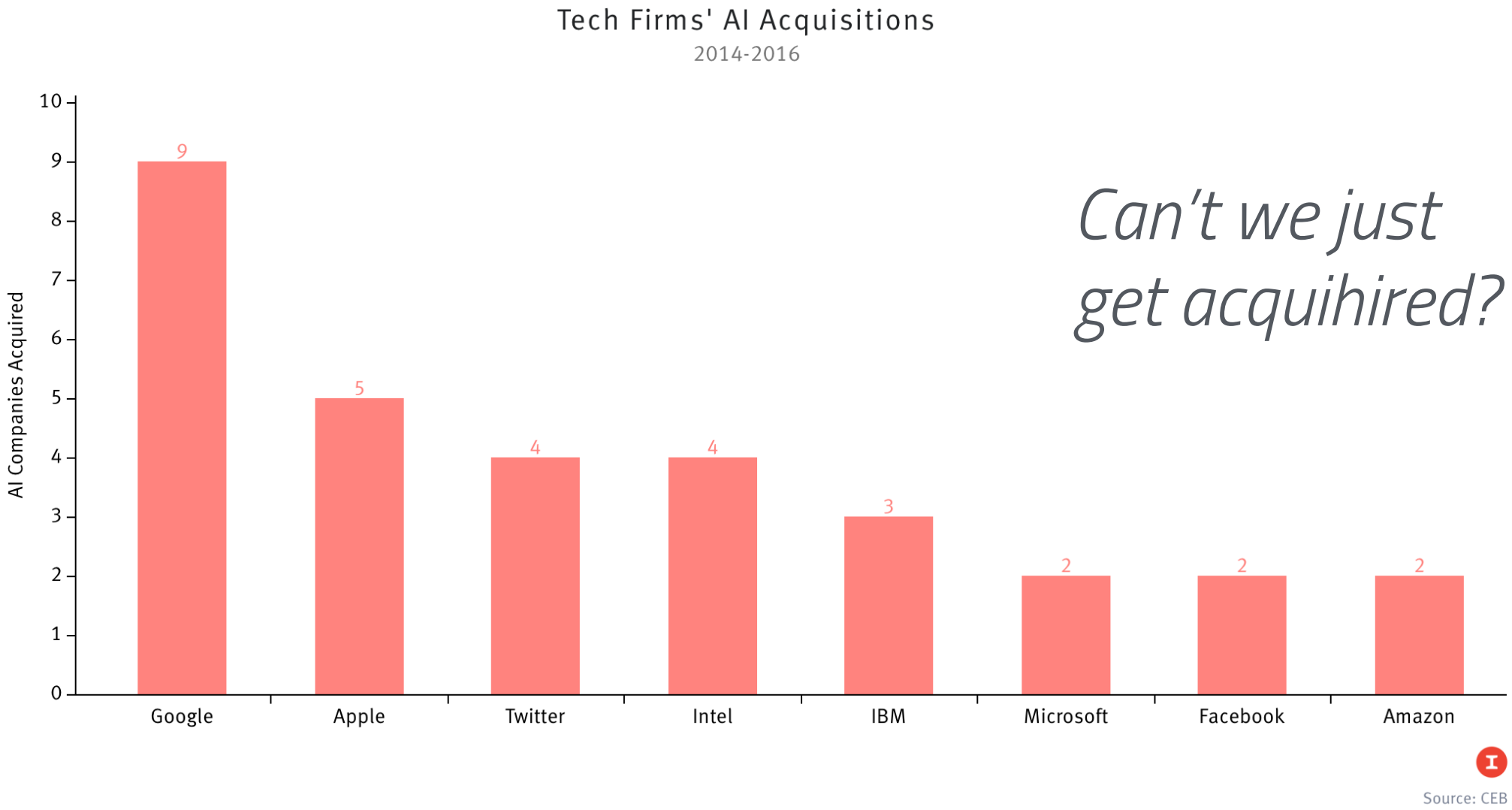
Right to data

Automated profiling

Right to an explanation

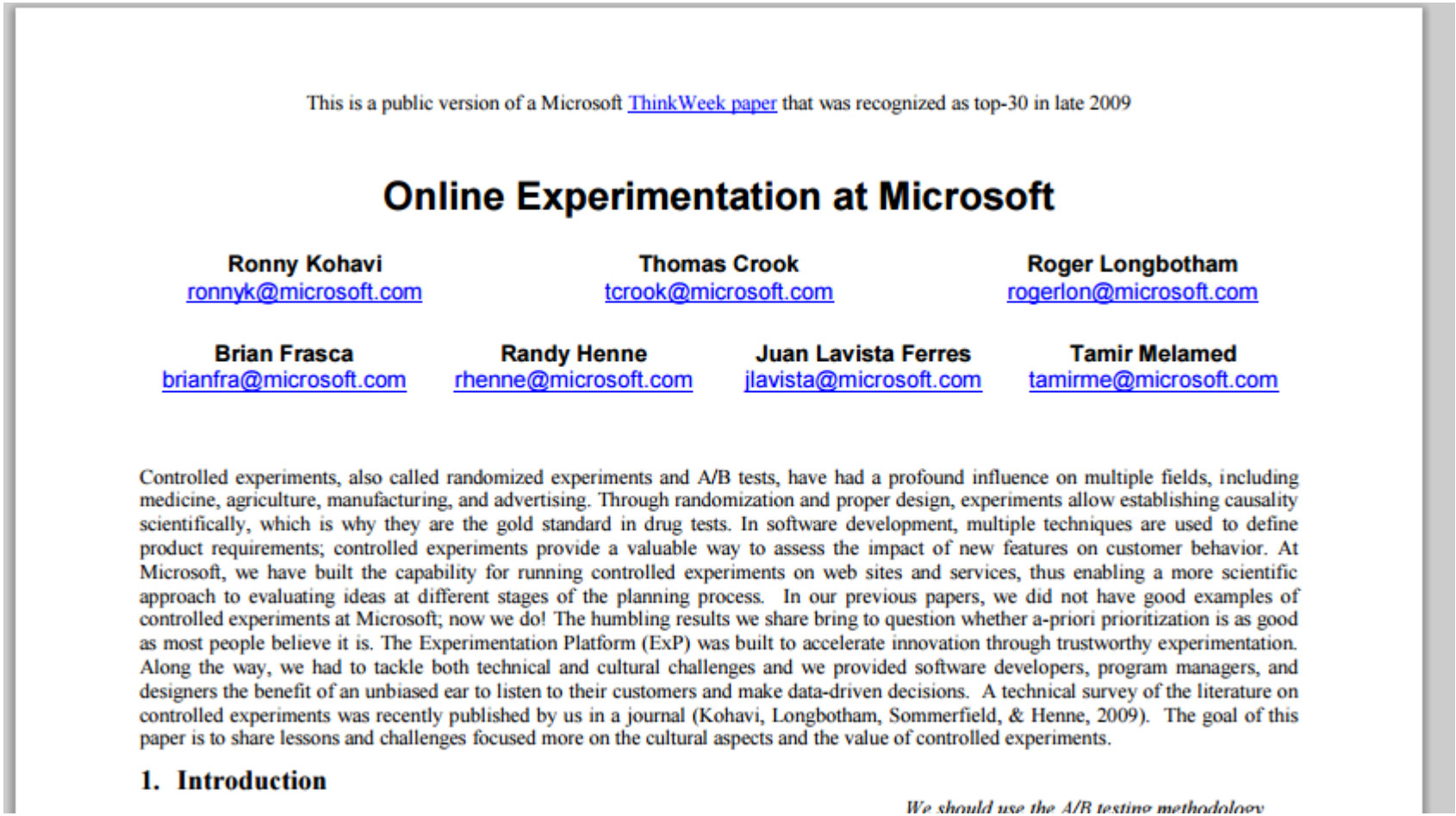
Non-discriminatory

Everyone's buying AI startups...



Can't we just get acquihired?

Go big or don't go VC



This is a public version of a Microsoft ThinkWeek paper that was recognized as top-30 in late 2009

Online Experimentation at Microsoft

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Controlled experiments, also called randomized experiments and A/B tests, have had a profound influence on multiple fields, including medicine, agriculture, manufacturing, and advertising. Through randomization and proper design, experiments allow establishing causality scientifically, which is why they are the gold standard in drug tests. In software development, multiple techniques are used to define product requirements; controlled experiments provide a valuable way to assess the impact of new features on customer behavior. At Microsoft, we have built the capability for running controlled experiments on web sites and services, thus enabling a more scientific approach to evaluating ideas at different stages of the planning process. In our previous papers, we did not have good examples of controlled experiments at Microsoft; now we do! The humbling results we share bring to question whether a-priori prioritization is as good as most people believe it is. The Experimentation Platform (ExP) was built to accelerate innovation through trustworthy experimentation. Along the way, we had to tackle both technical and cultural challenges and we provided software developers, program managers, and designers the benefit of an unbiased ear to listen to their customers and make data-driven decisions. A technical survey of the literature on controlled experiments was recently published by us in a journal (Kohavi, Longbotham, Sommerfield, & Henne, 2009). The goal of this paper is to share lessons and challenges focused more on the cultural aspects and the value of controlled experiments.

1. Introduction

We should use the A/B testing methodology

1/3

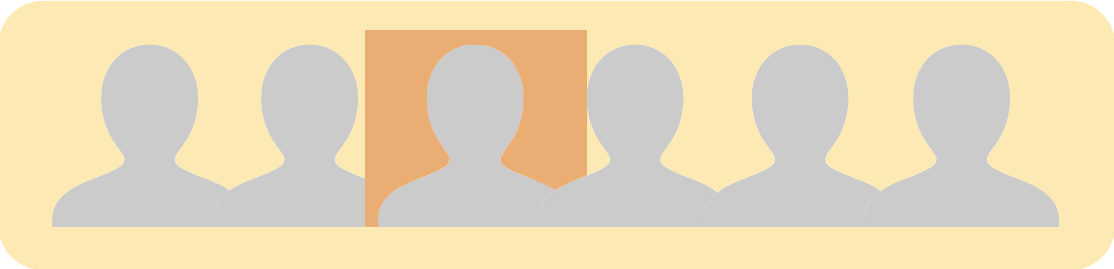
1/3

1/3

Distribution of winners

"Long tail" by User:Husky - Own work. Licensed under Public Domain via Commons - https://commons.wikimedia.org/wiki/File:Long_tail.svg#/media/File:Long_tail.svg
Unicorn: http://discoverie.deviantart.com/art/Winged-Unicorn-400901130

Ownership implications



Reminder: you're competing for a partner's time…

- When the company wins big, the fund needs to win big too
- Often prefer to invest *more* money in return for a meaningful ownership stake

20%

Recap: some of the things we look for

- Team
  - Passion
  - Technical & domain expertise
  - Commercial instincts
  - Situational awareness
- Market size
- Metrics (& Models)
- Defensibility
- Data flows

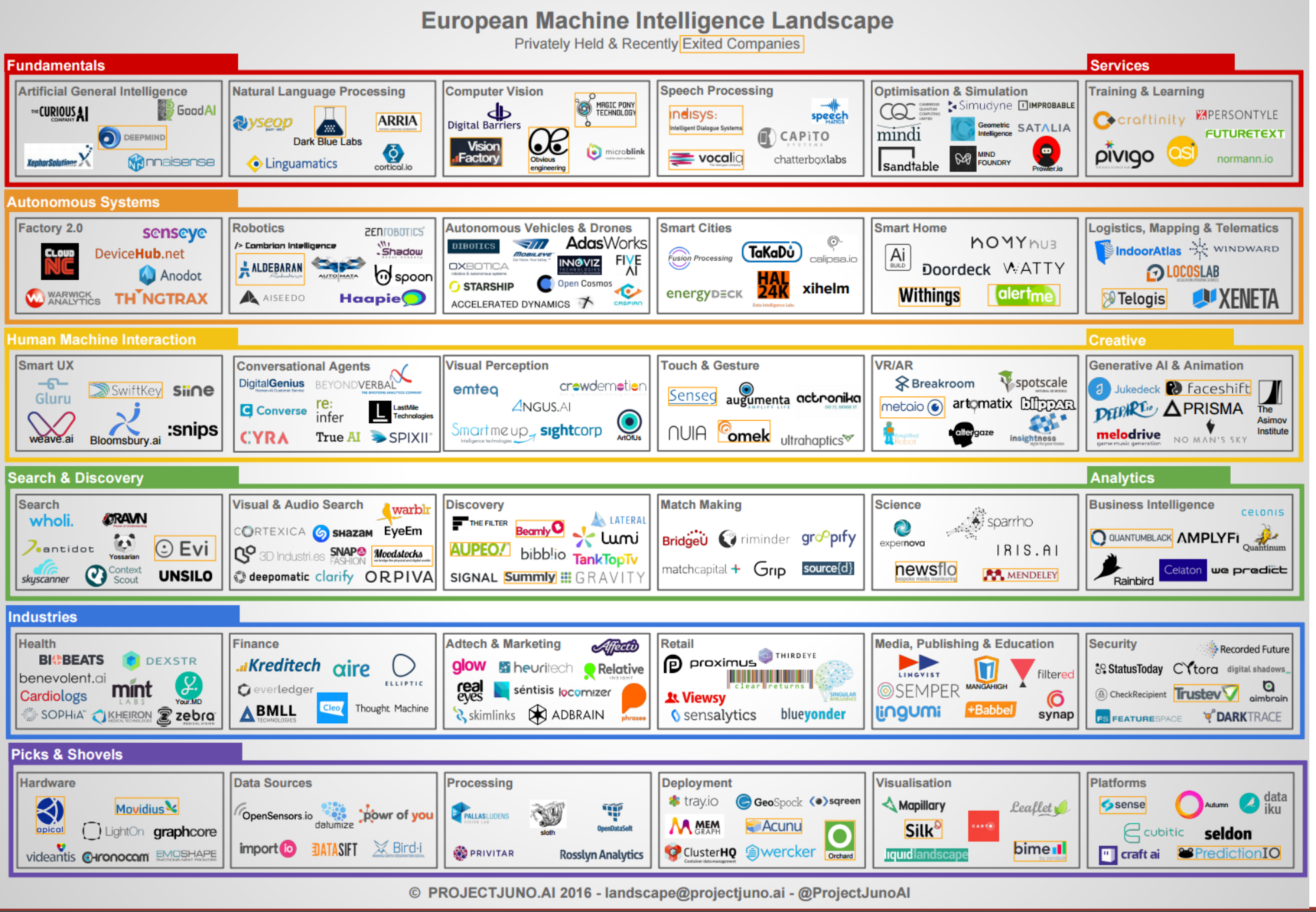
- Preference for companies towards the top of the stack
  - but not exclusive
- A good story!
- Deal structure

https://teespring.com/rocketai2016#pid=369&cid=6527&sid=front

So you’re doing AI/ML/DL/…

AI in Europe 2015

Source: *Machine Learning Prepared Mind, Sep 2015*


European Machine Intelligence Landscape
Privately Held & Recently Exited Companies
Fundamentals
Services
Artificial General Intelligence
Natural Language Processing
Computer Vision
Speech Processing
Optimisation & Simulation
Training & Learning
Autonomous Systems
Factory 2.0
Robotics
Autonomous Vehicles & Drones
Smart Cities
Smart Home
Logistics, Mapping & Telematics
Human Machine Interaction
Creative
Smart UX
Conversational Agents
Visual Perception
Touch & Gesture
VR/AR
Generative AI & Animation
Search & Discovery
Analytics
Search
Visual & Audio Search
Discovery
Match Making
Science
Business Intelligence
Industries
Health
Finance
Adtech & Marketing
Retail
Media, Publishing & Education
Security
Picks & Shovels
Hardware
Data Sources
Processing
Deployment
Visualisation
Platforms
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Europe 2016

UK AI Landscape (Early Stage Companies)

B2B / B2C

Funding:
'Angel': <$500K 'Seed': $500K–$2M 'Early Stage': >$2M–$8M 'Growth': >$8M–c.$100M

MMC VENTURES

TECHNOLOGIES

Funding: Angel | Seed | Early Stage | Growth

Analytics/ Optimisation
Satalia, Mindi, Peak

Autonomous Systems
Accelerated Dynamics, FiveAI, Evolve Dynamics, Pathwise Robotics, Intelligent Robotics

Computer Vision/Perception
Emteq, Aurora AI, MicroBlink, Blue Vision Labs, GiveVision, Machines With Vision, Neurence, Visio Ingenii, Tractable

Conversational Agents/ Speech
Action.AI, Speechmatics, LastMileTechnologies

AI Enablers
Bloom.ai, Neo AI, Brytlyt, Hadean, Seldon, Semblent, ThinkLab.AI

R&D/Other
Weave.ai, Jukedeck, Daden, Greedy Intelligence, Bloomsbury AI, Prowler.io, Cambridge Quantum Computing, Mind Foundry, Focal Point Positioning, Intelligent Layer

SECTORS

Funding: Angel | Seed | Early Stage | Growth

Agriculture
Global Surface Intelligence, KisanHub

Education
BridgeU, Century, Kwiziq, Synap

Entertainment
Artomatix, Antix, eBlur, Jottr, Kompas, Sonalytic

Finance
Aire, Cleo AI, Silicon Markets, Oseven Telematics, TypeScore, Fractal Labs, Brolly, Ernest.AI, Plum, AlgoDynamix, Tallysticks, Semantic Evolution, Chip, FinGenius, BMLL Technologies, ForwardLane, Alpha I, Vortexa, Spixii

Food & Drink
IntelligentX, Nuritas, Gousto

Infrastructure
Alchera Technologies, TravelAI, Terrabotics, Biscuit.io, Calipsa, Limejump, Disperse.io, Gyana, OpenCapacity, Xihelm, Sky-Futures

Legal
Eigen Technologies, Luminance, ThoughtRiver

Retail
AI Build, Hoxton Analytics, Sanctum, Thread, Cocoon, Cortexica, Proximus, Third Eye, Emotech Ltd

Manufacturing
Flexciton, Senseye, CloudNC

Healthcare
Avalon AI, Kheiron Medical, Your.MD, Snap40, Babylon Health, Desktop Genetics, Deontics, BenevolentAI, PetaGene, Viz, Clinithink

FUNCTIONS

Funding: Angel | Seed | Early Stage | Growth

Business Intelligence/Analytics
Logical Glue, Almax Analytics, Knowsis, Hertzian, Telectic, Neon Century Intelligence, Massive Analytic, Simudyne, Krzana, Cytora, Amplyfi, Policy Radar, Ripjar, Singular Intelligence, Acuity Trading, Import.Io, Signal Media, Digital Contact

Human Resources
Context Scout, StatusToday, Potentially, Grad DNA, BioBeats, ThisWay Global, Quantize, Beamery, Saberr, Taylor.ai, Cyra

Information Technology
Celaton, Rainbird Technologies, Retechnica, Ravn Systems, Linguamatics, Grakn Labs, Boldmind, Automated Intelligence, Create Intelligence, Drayson Technologies, Skipjaq, Fantoo, Exonar, Redsift, Mentat Innovations, Ampliphae, Firedrop, Penteract28, Fedr8, Re:infer, Gluru

Marketing/ Advertising

Procurement
Keelvar, Quotable

Sales
Kluster Intelligence, GrowthIntel, Duedill, Drafter

Compliance/Fraud
Behavox, Elliptic, Onfido, AimBrain, Checkrecipient, Cybertonica, Ravelin, Featurespace, VendorMach

Security
Cyberlytic, Darktrace, Honeycomb Technologies, CyberSparta, Encode

MARKETING/ADVERTISING FUNCTION

Funding: Angel | Seed | Early Stage | Growth

Analytics/Process Optimisation
Black Swan Data, Perfect Channel, Decibel Insight, Nudgr, Crystal Apps, Metageni, Bibblio, Idio, StoryStream, LoopMe, Admedo, Realeyes, Insider, Iotec, Tumra, Permutive, Mercanto, Metafused, Machine London, Concured

Augmented Content
BoomApp, Blippar, Vyking

Sentiment Analysis
Adoreboard, Twizoo, DigitalMR, SentiSum, Echobox, TheySay, FindTheRipple

Advanced Targeting
Pixoneye, Visual DNA, Codec, Adbrain, Converstity, Otus Lab, Big Data for Humans, Suzu, Sweet Pricing, Popcorn Metrics

Language Generation
Assist AI, Hutona, True AI, Phrasee, DigitalGenuis

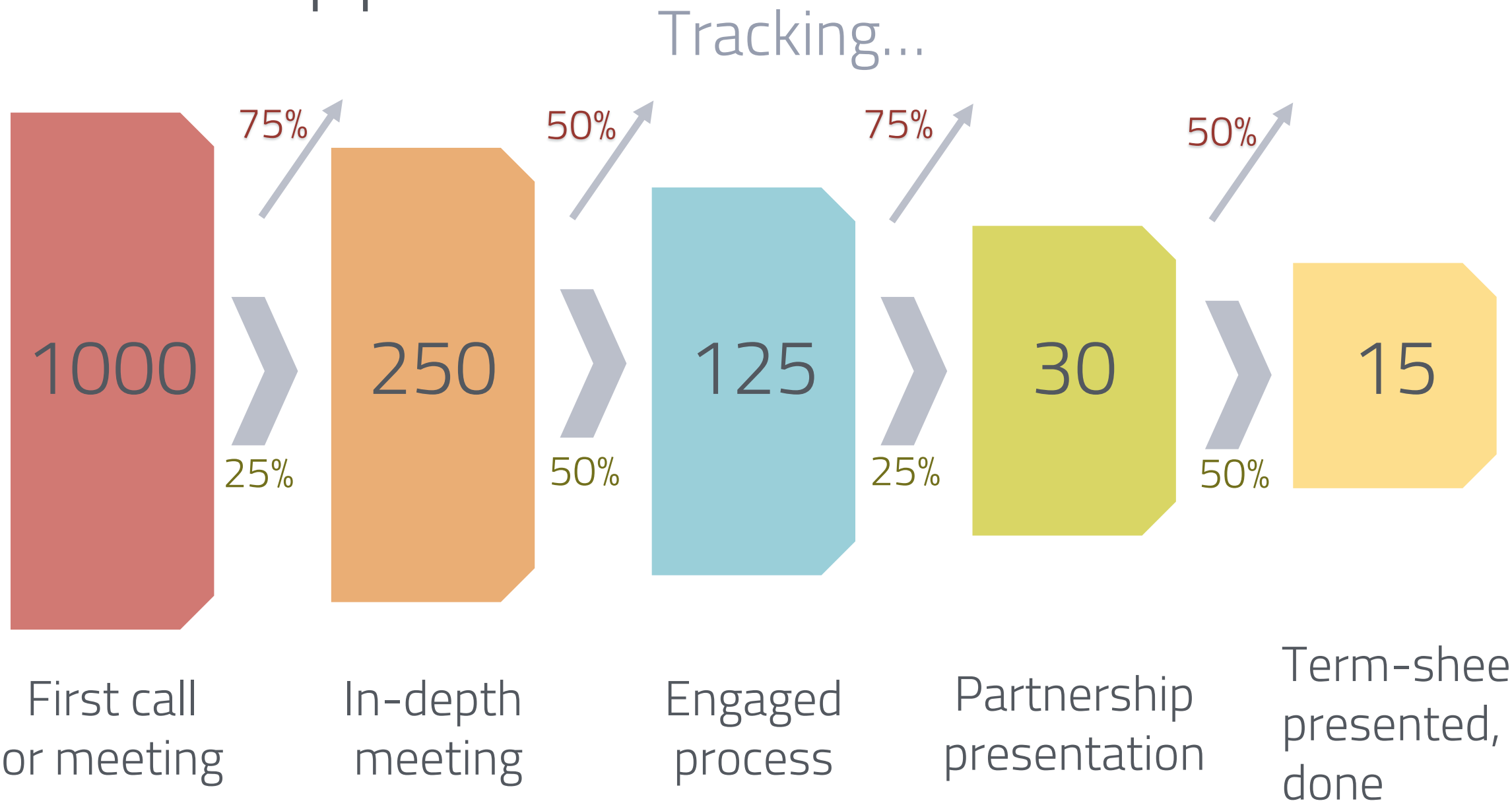
Purchase Discovery/ Recommendation
Swogo, SuitsMe, Visii

For insights into AI visit **medium.com/mmc-writes**. Landscape additions or corrections? Email us at insights@mmcventures.com.

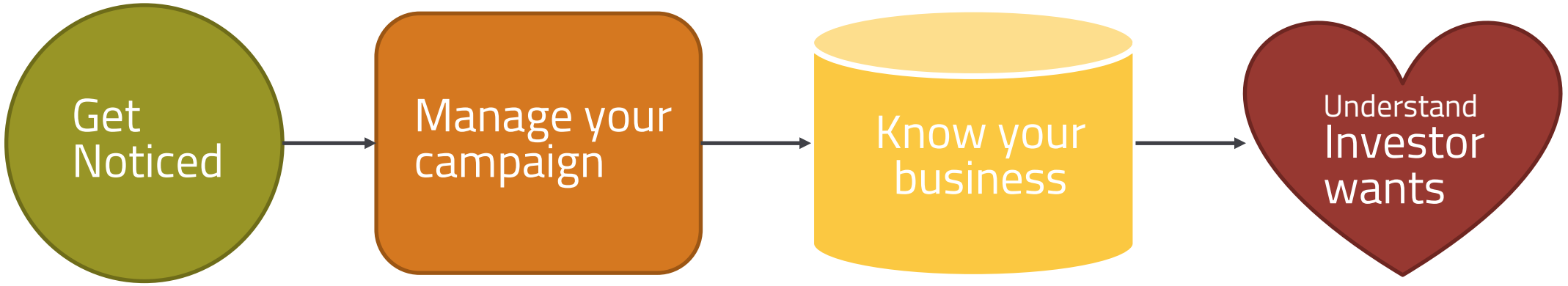
Sources: MMC Ventures, Beauhurst, Crunchbase.

Just the UK, 2017

Investment pipeline



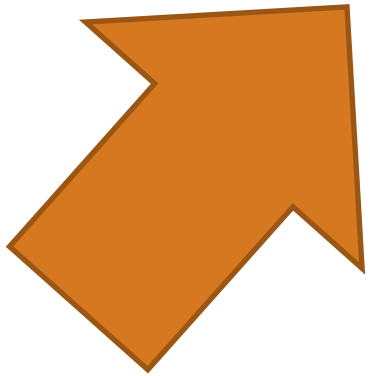
Fundraising advice



Company building advice

Start small

Think big



Grow in control

(Ruth Rogers, on starting a restaurant business)

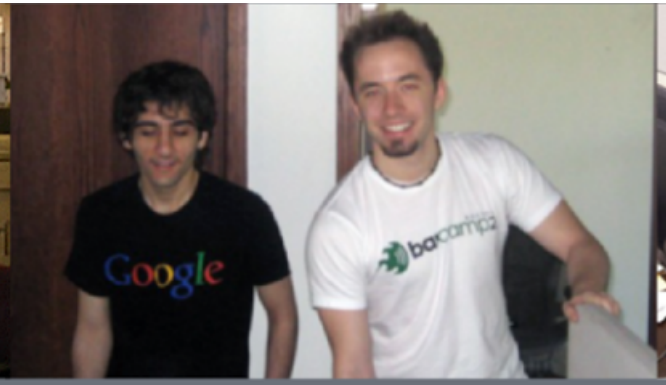
Advice from Nicolas Dessaigne, CEO Algolia

- Forget about TREC! Find a real problem that customers care about :)
- One of the next big trends is going to be conversational UIs (not limiting ourselves to chatbots here). It's a super interesting area as search is going to be at the core of it, having knowledge of both the application data and the users intent.

Remember: everyone starts small…

Atlassian

Mike Cannon-Brookes and Scott Farquhar's first office, based out of the local Kinko's

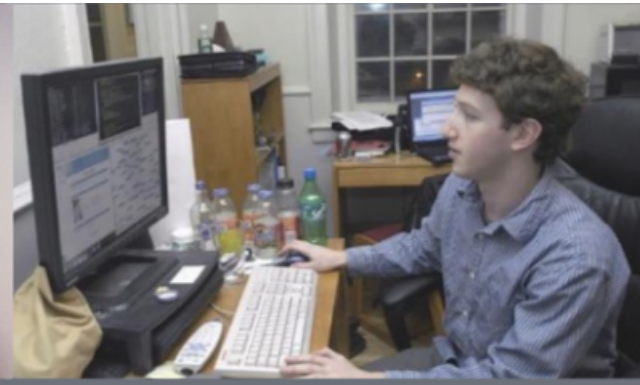


Dropbox

Drew Houston and Arash Ferdowsi's apartment in 2007

slack

Stewart Butterfield working out of Tiny Speck's first office in 2010



facebook

Mark Zuckerberg's dorm room in 2005 where the first versions of Facebook were built

SUPERCELL

Ilkka Paananen sitting at his cardboard desk in 2010

freshdesk

Girish Mathrubootham in FreshDesk's first office where rent was $160 per month

cloudera

Cloudera founding team in their first office in 2009

flipkart.com

Sachin Bansal and Binny Bansal in 2008 at their first office, which was also the warehouse

Accel

Thank you!

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