



AI Start-Ups: The Perils of Fishing for Whales

(War Stories from the Entrepreneurial
Front Lines)



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Introducing SeeChange

2018

arm INSIGHT PLATFORM



2020



Wholly owned
Arm subsidiary

A real-time recognition
platform targeting Health &
Safety / Fraud Reduction AI
solutions for retail

2021



Spun out as
independent
start-up

Winner
Most Innovative ML Solution

*Computing AI & Machine
Learning Awards 2022*



It Seemed Like a Good Idea at the Time...

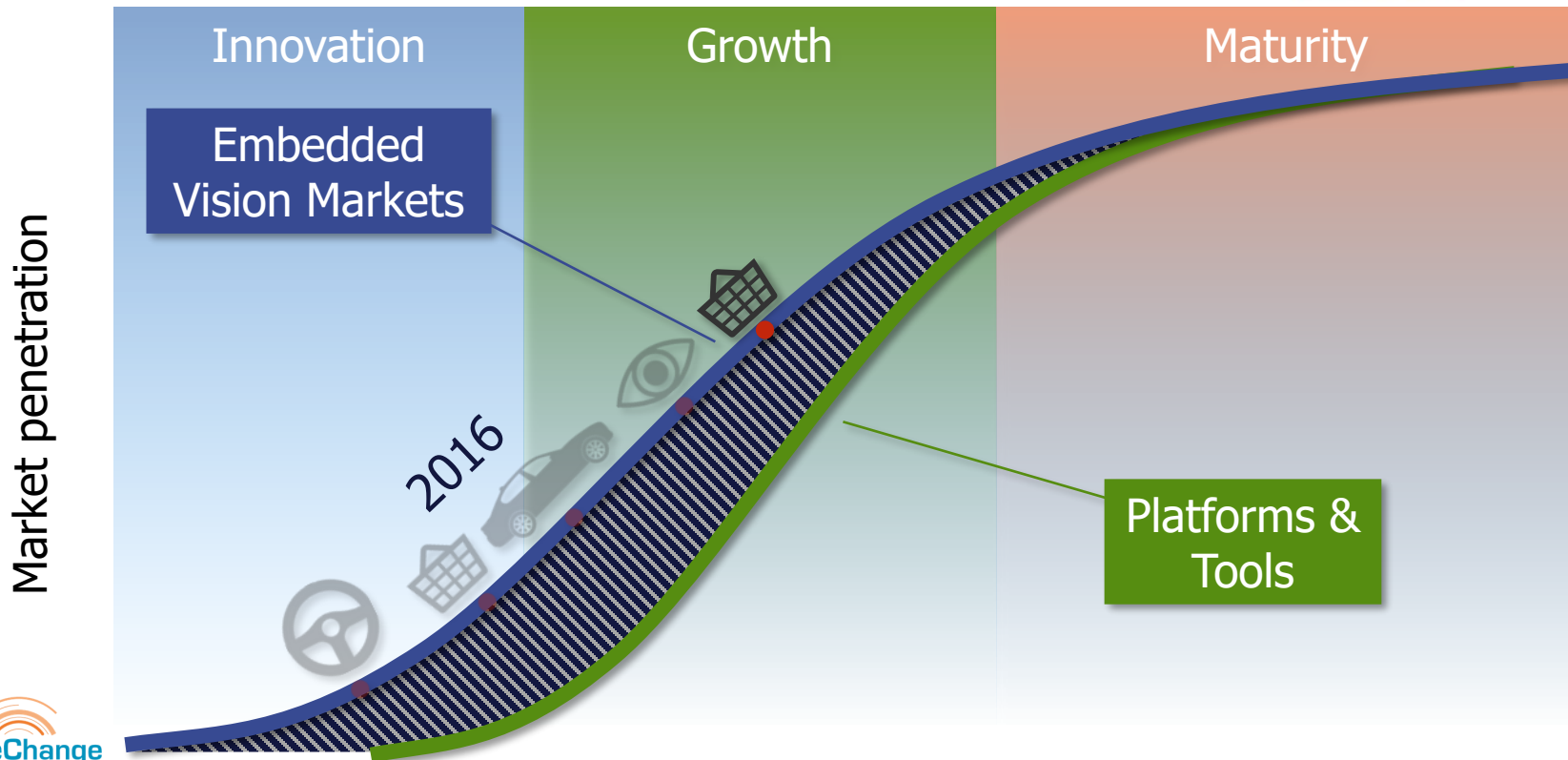
The start-up checklist

- A great idea
- The perfect team
- Product fits market
- Competition landscaped
- Funding in place



Let's go!

The AI Landscape for Retail



The AI Landscape for Retail

Market penetration



Competitive Landscape

- Large number of AI retail start-ups already jostling for position
 - First \$100m+ valuations appearing
- Retailers bombarded
 - PoCs, RFPs, RFIs everywhere
- Competition is intense
 - “Start-up promises” are making things challenging



Differentiation is everything

Fishing for Whales Technique #1



Whale Fishing: Technique #1

Sell to the biggest end user!

- Large retailers have 1,000s of locations
- Sell once – deploy everywhere

However...

- Cost of sale typically very high
- Cost of deployment also high
- Success in a single bound?



Whale Fishing: Technique #1

Challenges...

- **Expect a culture clash**
 - Large retailers work at a different velocity
 - They don't care about your burn rate
- **A PoC is not a contract**
 - Obviously... wishful startup thinking will interpret otherwise
- **Don't expect to be warmly welcomed by everyone ☹️**



Technique #1: Tales from the Front Lines

Health & Safety

- In-store slips costing retail \$100s of millions
- Industry pull for a solution to detect slip hazards
- And... we have one!

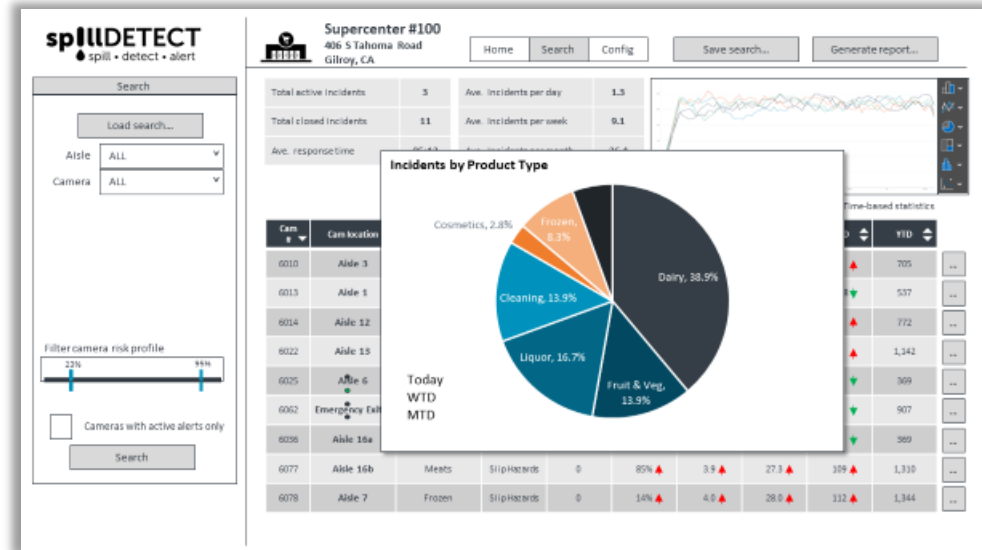
So why did it take so long?



Technique #1: Building Real-World Products

Thinking end-to-end from the outset

- Thrown-together dashboards to showcase analytics are not enough
- Stakeholders higher up will be more convinced by good product presentation and statistics



Fishing for Whales Technique #2



Whale Fishing: Technique #2

Integrate your solution into a major retail supplier's product and let them worry about...

- Sales & marketing
- Deployment
- First line support & maintenance

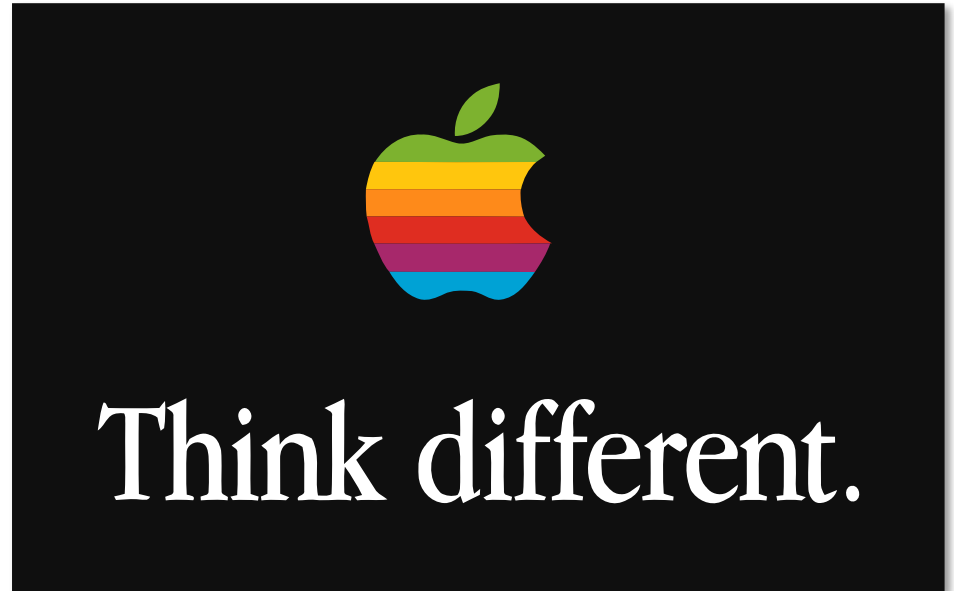
Destined to succeed?



Whale Fishing: Technique #2

Challenges

- Established retail suppliers are also bombarded by your competitors
 - You will need differentiation
 - Resist feature matching
- Culture clash also inevitable
 - Large corporations are not built for speed



Technique #2: Tales from the Front Lines

SCO Vision Use Cases



Benefitting use cases throughout retail stores



Technique #2: Building Real-World Products

Take control if you can

- You know the technology
 - That's the reason they're working with you!
 - Keep initial product aims modest
- Size isn't everything!
 - Ability to deliver not always proportional to an organisation's size
 - Resources will be limited within individual teams



NRF'23 New York: Fresh Produce Recognition

Following Through: Sustaining Your Success



Expect the Competition to React

Whatever you do right will be copied

- Don't expect your differentiators to last for long
- Any success will be used against you

Competitors will promise the earth to keep in the game



Key Takeaways

- **Retail is a complex and embattled market sector**
 - Fertile ground for start-ups
 - But fraught with traps
- **Working with whales has its rewards**
 - But there are no quick-wins or short cuts
- **Keep reminding yourself you're a startup**
 - Don't get too drawn into the ways of the whale



- **More on SeeChange**
 - Web: www.seechange.com
 - Diebold partnership: <https://prn.to/40aHjf9>
- **Forbes on Retail and Startups**
 - The 20 Best Examples Of Using Artificial Intelligence For Retail Experiences (Forbes): <https://bit.ly/3L2K5yP>
 - How Startups Can Sell to Enterprise Software Companies: <https://bit.ly/40cF2Af>
- **Challenges of AI in Retail**
 - Implementing AI in Retail (unite.ai): <https://bit.ly/3KCKz1L>
 - Barriers to AI adoption in Retail (RetailWire): <https://bit.ly/3L2yxeY>



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