



ONE TO WATCH REPORT DATAROBOT

JUNE 2021

FAST FACTS

Headquarters: Boston, USA

Headcount: 1200

Year Established: 2012

Chief Executive: Dan Wright

Latest Revenue: Undisclosed

Operations: Global

Web Address: www.datarobot.com

Investor Status: Series F Investment (2020)

HQ Address: 225 Franklin Street, 13th Floor, Boston, MA, 02110, United States.

DATAROBOT - A SNAPSHOT

DataRobot are a global software business focused upon 'automated machine learning'. They provide what they call the world's only trusted enterprise AI platform and are driven to 'democratize AI'. Since starting the business in 2012, the company's founders (Jeremy Achin and Tom de Godoy) have driven the business to significant success in this exciting and fast-growing sector of the data marketplace. With a new CEO now in place (Dan Wright) the business is gearing up for an exciting future and armed with fresh Series F investment valuing the business at \$2.7b.

The company has grown extremely quickly in a relatively short space of time. They now employ over 1200 employees, have sold to businesses in 35 different countries and have very aggressive plans to build the business to become the undisputed leader in automated machine learning and AI. They have used the funding to not only expand their team and to increase R&D, but have made a number of bolt-on acquisitions with three coming in 2019 alone and the latest being Zepl in Spring 2021.

THE MARKET THEY ADDRESS

Data is hot right now. The race is on to outpace your competitor in how you make the most from the data within the business. It is the new oil. It's the gold rush for businesses around the globe. In order to make sense of data and to extrapolate meaning and action from that data, companies are recruiting teams of data scientists and investing heavily in technology such as data lakes, data warehouses and modern business intelligence tools. Data scientists have unique skills and because of the demand for this new role (according to PWC there are currently 40-60% fewer job candidates with data science skills than there are jobs that require those skills in the US alone) - and with multiple roles in the majority of large organisations - the cost per data scientist does not come cheap.

DataRobot market themselves as the world's only truly automated machine learning platform. They claim that DataRobot is better and faster than 99.9% of the world's data scientists. As such, by businesses working with DataRobot and installing their software, not only can they make sense of their data quicker, but also save significant time, money and effort recruiting teams of data scientists. The CEO talks of DataRobot giving users a 'super power' by bringing users together with computer intelligence.

FOUNDERS

The business was founded in 2012 by two data science enthusiasts, friends from University (University of Massachusetts) and colleagues at a well-known US insurance business (Travellers). The duo (Jeremy Achin) and his friend and colleague Tom de Godoy (now CTO) took the business from the kitchen of Tom's home to one of the fastest growing companies in the US and through Series F - quite some effort. Their passion for data science drove the founding team to real success and it is this passion for data and machine learning that really appears to still drive the business from the top.

The CEO role transitioned from Jeremy Achin to Dan Wright in early 2021 and no doubt the new leader will endeavour to maintain the technology passion whilst setting the business up for a new level of growth that awaits beyond late-stage fundraising. Armed with new investment, the leadership team are looking at how DataRobot can become an iconic company and use data to change the lives of people around the world.

HOW DID THEY GET HERE?

The company has grown significantly in just a few short years. The timeline looks as follows:

- DataRobot Founded in 2012.
- Raised initial seed-funding of \$3.3m in 2013. Series A investment of \$21m in 2014.
- First patent for predictive analytics in 2015.
- Series B (2016), Series C (2017) and Series D (2018) funding rounds.
- Multiple acquisitions (Cursor, ParallelM, Paxata) in 2019.
- 1200+ employees in 2020 and selling to businesses in over 35 countries.
- Series F investment values the business at \$2.7b in late 2020.
- 2021 - Dan Wright appointed CEO.

INVESTORS & PARTNERS

Investors are so vital for the lifeblood of new technology businesses and scale-up businesses. This is the case for DataRobot as they started their venture in 2012 when the appetite for AI and Machine Learning was far less developed than it is in 2021. One of their initial seed funding partners (Chris Lynch) is on the Board of Directors today and is testament to the vision and tenacity that early-stage funding partners need to have.

DataRobot completed Series F funding in late 2020 (November) led by Altimeter Capital which valued the business at double that which it was valued in Series E. They were joined in Series F by Salesforce Ventures and Hewlett Packard Enterprise (HPE) and the funding round brings the total invested to over \$750m.

CUSTOMERS

DataRobot calls some of the world's best known businesses their customers - companies like Deloitte, Reckitt, Hearst Magazines and Kroger. Partnering with the major Business Intelligence vendors (e.g. Tableau) and Cloud Data Warehouse vendors (e.g. Snowflake) helps customers to learn about DataRobot and to take advantage of the capabilities of the tool where they are needed the most and at the most appropriate time.

The area of enterprise AI is applicable to almost any sector and to almost any size of business. Accessing data and using AI and Machine Learning to make sense of that data is today a competitive advantage but tomorrow we suspect it will be common practice. As a fast-growing IT supplier, perhaps the most difficult challenge will be fighting for brand awareness and also communicating a new subject to a largely new audience. Although many IT and business leaders will now be aware of the terminology (AI and Machine Learning) we suspect that a sales-cycle will also require a portion of education and training in the need and application of the DataRobot technology.

WHY THEY ARE 'ONE TO WATCH'

Viewpoint Analysis believes that DataRobot is certainly 'One to Watch'. The founders got started in this niche really early with a start-up in 2012. They have been able to steal a march on their peer group and with their exceptionally fast employee growth and level of inbound investment, they have set the bar exceptionally high. DataRobot have already completed a number of acquisitions and have broadened out their capability very quickly and we imagine that there is still more exciting investments to come.

DataRobot have already completed Series F funding following the latest investment round at the end of 2020. However, the industry is still in its infancy. Businesses across the world are really only getting started in this space and the rise of the 'Chief Data Officer' is still relatively new. Many businesses don't know what a data scientist is - never mind what one looks like. For this reason, if DataRobot can continue their trajectory, we anticipate that the business will continue to claim new ground and win new customers.

We note that the executive leadership team is rapidly being built out in order to bring experience and outside knowledge to the business. Dan Wright has recently been appointed CEO and comes from senior leadership roles at AppDynamics. Tom Levey and Parm Uppal joined him from the same employer as Chief Go To Market Officer and CRO respectively. The latest appointment comes in the key CFO role - bringing in industry veteran Damon Fletcher from Tableau. Installing experienced software leaders in key roles is clearly going to be a major benefit to smooth and accelerated growth on the way to becoming a larger (and in Dan Wright's words) an 'iconic' company.

The business opportunity makes a great deal of sense. Customers need to turn data into value - achieving that using computers and AI saves a great deal of manpower and creates predictability. The focus that they put on democratizing data and focusing the user experience upon a business analyst rather than a data scientist also makes sense - even though at first glance it may seem counter-intuitive as this role is the high-growth role in many businesses right now.

If a business analyst can simply bring data and a problem to solve, the use-cases are going to be many and varied and therefore so is the demand for DataRobot software. They aim to promote the role of a Citizen Data Scientist and this would be a impressive achievement in the drive to exploit the data opportunity. The CEO talks of the opportunity to build apps on the AI platform - which potentially could be a game-changer.



VIEWPOINT ANALYSIS

ABOUT VIEWPOINT ANALYSIS

Viewpoint Analysis Ltd is a Vendor Insight Analyst. We spend our time understanding the global IT vendor community so that our customers don't have to. We use this deep understanding to then guide end-user businesses to find the right technology vendors to meet their needs and help the IT vendor community through promotion services to help them stand-out from the crowd and find new pipeline.

Based in Leeds, United Kingdom, the business was set-up to promote the global technology marketplace and to build bridges between the IT vendor community and the end-users that need them.

Contact Viewpoint Analysis:

Email - Contactus@viewpointanalysis.com

Telephone - +44 113 5129252

Twitter - [Viewpoint_tweet](#)

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