VALOSSA

Video Content Intelligence for Businesses Working with Video

Company Location
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Website
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Products
Video content analysis software and analytics tools

Valuation
USD 8.7M (2017)

Financing sought
USD 4.35M

Current investors
01 Ventures, Butterfly Ventures, Reaktor Ventures, angels

Status
In-market; Q4-19 avg revenue: USD 68K / month; Total Revenue 2019: USD 380K

Use of funds
Sales, Marketing, Product development, IP protection

Exit
IPO or strategic acquirer

Management
Mika Rautiainen, CEO
Sami Niska, CSO
Otso Kassinen, Chief Arch.

Number of Employees: 12

Year of founding: 2015

Raised so far: USD 3M in grants and capital

Current Burn Rate
Approximately USD 85K/month

Problem: The volume of created video is growing at accelerated speed. Cisco Visual Networking Index predicts 82% of IP traffic will be video by 2022. This accelerated production makes it impossible to curate and extract value from videos at scale by traditional ways of working, i.e. human labor. Additionally, video is increasingly needed to build competitive, next generation cognitive systems where video data works as an input to intelligent function in video delivery services, autonomous systems, such as self-driving cars, human machine interaction and smart monitoring of spaces.

Solution: Valossa, as a high technology university spin-off from 2015, has been recognized as a pioneer for rich media use cases (ABI Research, Gartner, Forrester, Goldman Sachs, NVidia). As the early innovator, Valossa has been engaging with client needs and developed a comprehensive, *full-stack, video content analysis framework Valossa AI*, for industries that need to analyze, profile and extract insights from their video assets for new value creation. During the past years, Valossa has curated best revenue opportunities out of tens of use cases across industries by engaging with companies working with video.

With unique approach through breadth of recognition capabilities and inferencing of context, Valossa AI delivers high-level video interpretation and solutions that are in highest need by the industries: **Autopreview** for automating multi-platform digital video content marketing with AI highlights, **Inappropriate Video Profiling** to automate compliance and moderation for video distribution, **Video Recognition API** to analyze broad asset archives in the cloud and on-premises for asset management and new video applications, **Human Behavior Analytics** to gain insight on driver and passenger behavior inside vehicles for autonomous transportation, **Live Behavior Analysis SDK** for interactive cognitive applications at the edge, and **Visual Search of Industrial Videos** to support machine manufacturing and employee training in industrial production.

Target Markets: Online video and traditional TV media, Automotive/transportation, Industrial manufacturing

AI solution markets (MUSD in 2022): Dynamic online ads (264), Cognitive media applications (1440), Automotive (2872), Retail (5034), Manufacturing industry (5378)

Marketing and sales strategy: First, Valossa will strengthen its position to a leading European video intelligence company via lead customer collaborations and testimonials: Nordic C-More video-on-demand service and YLE public broadcaster for AI Highlights (production contract finalizing, YLE pilot started); Volvo/CEVT for driver behavior analytics (second offer pending); Siemens for industrial production (third PO obtained). Additionally, Valossa will use its established partnerships to increase volume use of its video recognition API; Valossa will generate targeted outbound campaigns for new solutions to identified customer personas and contact its 700+ registered companies to promote new solutions that we completed in 2019; Valossa will attend trade shows and hire sales force to support sales operations; Enterprise sales builds commercial momentum on European and UK Enterprise customers, then expands to US with complete solutions.

Channel and reselling partners: Resellers, in progress: Images&Technologie (Canada), Itochu Cable systems (Japan), Aviteng (Turkey); Channels, in progress: Vidispine, Vintage Cloud, Artec Technologies, AccuratePlayer, Mjöll

Competition -> Market Positioning: Large cognitive service cloud vendors (Google, MS etc) –> Valossa delivers more targeted end-to-end solutions with options for both cloud and on-premises deployment ; Emotion analysis companies (Affectiva, Kairos) –> Valossa will specialize in more comprehensive behavior analytics for in-car intelligence ; Media AI companies (Promomii, Vilynx) –> Valossa has developed superior solution for AI-based video highlights with Valossa AI, which cannot be replicated by starting companies who do not have full-stack AI development maturity, accumulated customer data repository for training, and enterprise customer exposure.

Business model: Sales process:
1. Leads generated from trade shows, inbound sign-ups and outbound marketing
2. Mid-sized/Large enterprise prospects qualified
3. Product demonstrations and samples via online tools (inside sales)
4. Choosing the right deployment option (public cloud, secure isolated cloud, on-premises)
5. Paid pilot with license + customization work
6. Integration to production
7. Live production licenses and subscriptions

Pricing: (1) Basic volume processing of videos with public API: minute pricing with tiered consumption-based usage. (2) on-premises video recognition: annual volume licensing of software. (3) AI solutions: annual platform license fee for Valossa AI + annual volume licensing of the software. (4) Live behavior SDK : annual licensing per use context. (5) Professional services for enterprise customizations.