Stanford eCorner

From Academia to Venture

Gurjeet Singh, *Ayasdi*

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CEO Gurjeet Singh tells the story of moving from conducting research in academia to launching Ayasdi, in conversation with Ann Miura-Ko. According to Singh, the path included building solid use cases, thorough customer development, and admitting he needed to learn how to run a company.

Transcript

So then Gurjeet take us through then the history of that. Going from this, four sets of papers that you've written that are more mathematical in nature, and how does that turn into the notion that you're going to build a company? Yes, absolutely. So just to back up, right as Gunnar said around the year 2000 or so actually DARPA and NSF realized that the way people did science had changed. They realized that people had started doing science by creating new large complex datasets. As opposed to the past where people would create confirmatory datasets, people had started creating exploratory datasets. And new science would happen when they discovered something new from those exploratory datasets. And so they had this idea that people who were doing the best science or creating the best datasets were probably not the best people to analyze those data. So they felt that they might draw incomplete or incorrect conclusions. And so they sort of wanted to find a brute force way of approaching this problem. This could you compute your way out of this problem? And so to that end they started financing research efforts in fundamental mathematics, and topological data analysis, the research that we were involved in was one such effort.

So academically as Ann pointed out, we were very successful based on the same core set of ideas. We published in areas as broad as image compression to neuroscience to cancer research, to protein folding. And so by the time we were done with the research we were pretty certain that we could actually have a meaningful impact in the world. We knew that the sort of, the process of taking a more automated approach to taking large sets of data and converting it into insights would have a lot of value. And we knew that we did not want to do it within academia. So we published all of our research, left Stanford, at least I did, with Harlan our other co-founder, and we started building Ayasdi. And when we started out in 2008, we did not have a product. So we had all this research and it was a challenge to see where might we apply this research? So, basically for the next 2.5 years, we did not grow the company significantly. We were still - we remain as small as possible and I met Ann during our first- I guess second-year of operations in 2009, because at one point the three of us basically... We had a decision as to who is going to be the CEO.

And I wanted to be, so yes I was stuck being the CEO. And I realized that I knew nothing about running a company. So I started taking the Stanford ETL lectures. You should pay attention, it actually helps. And we took a class by Steve Blank which was talking about entrepreneurship, that's how I met Ann. And what Steve Blank, the one thing that he said which stuck with us was basically get out of the building. And as soon as we had a prototype ready, we got out of the building. So I wrote another program to spam, Stanford Alumni this time, and we went out and met with anyone in a business setting who would take a meeting with us. So over about a three month period we met with some 40 or 50 odd people in a large number of industries and got thrown out of roughly half the offices. And to their credit actually, those people that we would go meet, we were not the best at explaining what we did.

And so we were going to these meetings and talk about a bunch of math and people wouldn't get anything. But the other half of the meetings were very significant because we came back with a prioritized list of use cases and people would say "oh, if only you could make this work for this problem in my organization, it's going to be worth this much, this is what I spend, these are the resources." And after like three months' worth of searching we had a long list of use cases. Also I remember there was one point where someone said "Wow! I will write you a $50,000 check if you will just give it to me right now." And the point where from a venture capitalist perspective you start frothing at the mouth is, Gurjeet said, "I think this is worth far more than $50,000," and then he left the room. Yes. In fact that contact I actually had met after an ETL lecture. There you go. Your customer may be in the room. Yes. So at that point I went back to Ann, we said "look Ann we've had a lot of fun working with you, I have learned a lot," I certainly learned quite a bit from Ann. And at this point we are ready to actually start pouring some resources into the company and growing it.

I knew what to do at this point.