

ELEMENT AI

Artificial Intelligence | Montreal, QC | Founded: 2016 | Employees: 331 | <https://www.elementai.com/>

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COMPANY OVERVIEW

Founded in 2016, Element AI develops artificial intelligence (AI) business applications for large corporations through an innovative AI-as-a-service (AlaaS) model. Element AI leverages its expertise in deep learning to help their enterprise customers use AI to achieve their business strategies. Element AI performs and partners with academic research on AI and deep learning, and incubates AI projects.

SENIOR MANAGEMENT

Jean-François Gagné: Co-Founder, and CEO (2016-Present). Previously: Chief Product Officer, JDA Software (2012-2015); Product Manager and CEO, Planora (2007-2012); Product Manager, Logiweb (2002-2007). Education: N/A

Yoshua Bengio: Co-Founder and Deep Learning Pioneer (2016-Present). Previously: Founder, MILA (2016-Present); Full Professor, Université de Montréal (1993-Present) Education: B.Eng. (1986), Electrical Engineering, M.Sc. (1988), PhD (1991), Computer Science, McGill University.

Nicolas Chapados: Co-Founder and Chief Science Officer (2016-Present). Previously: Co-Founder and CSO, Imagia Cybernetics (2015-Present); Co-Founder, Chapados Couture Capital (2013-Present); Consultant, JDA Software (2013-2016); Consultant, Desjardins Global Asset Management (2004-2008); Education: B.Eng. (1995), McGill University; M.Sc. (2000), PhD (2009), Computer Science, Université de Montréal.

Anne Martel: Co-Founder and SVP Operations (2016-Present). Previously: Owner and Director, Genie Audio (2009-2015); HR, May & Stephens (2003-2006) Education: BComm (2011), Concordia University; MBA (2018) Kellogg School of Management.

HISTORY

After years of research on Deep Learning at McGill University, Dr. Bengio opened an incubator aiming to prepare students for a career in AI. This incubator quickly gained attention from serial entrepreneurs and Prof. Bengio's previous colleagues, Jean Francois Gagne and Nicolas Chapados. Element AI was launched in October 2016, with support from Montreal venture capital firm Real Ventures.¹ In February of 2017, Element AI acquired MLDB.ai, an open-source machine learning database.² Then in June 2017, only seven months after launch, Element AI raised the largest Series A round for any AI startup to date at US\$102 million. In January 2018, Element AI opened a European headquarters in London,³ and opened another location in Toronto in April.⁴

FUNDING

On December 12, 2016, two months after incorporation, Element AI secured an undisclosed investment from Microsoft Ventures, , with additional funding from 500 Startups Canada (venture fund and seed accelerator).⁵ In June 2018, Element AI raised US\$102 million in a Series A round, led by a \$25 million investment from the California-venture capital firm Data Collective with the remainder invested by eight firms including Business Development Bank

¹ <https://www.newswire.ca/news-releases/machine-learning-veterans-launch-element-ai---a-montreal-based-artificial-intelligence-startup-factory-598510761.html>, accessed July 31, 2018.

² <https://betakit.com/element-ai-acquires-mldb-ai-open-source-machine-learning-database/>, accessed July 31, 2018.

³ <https://www.elementai.com/en/news/2018/element-ai-opens-london-office>, accessed July 31, 2018.

⁴ <https://www.newswire.ca/news-releases/element-ai-expands-in-toronto-678750533.html>, accessed July 31, 2018.

⁵ <https://www.businesswire.com/news/home/20161212005362/en/Element-AI-Announces-Funding-Microsoft-Ventures>

of Canada, Hanwha Investment Group, Intel, National Bank of Canada, Nvidia, and Real Ventures.⁶ In November 2017, Element AI established a \$45M global AI fund with SK Telecom, Hyundai Motor Company, and Hanwha.⁷

KEY CORPORATE DEVELOPMENTS: <https://www.elementai.com/news>

- July 4, 2016:** [Yoshua Bengio launches a deep learning incubator called Element AI](#)
- Oct 25, 2016:** [Artificial Intelligence Startup Factory Element AI launches in Montreal](#)
- Jun 14, 2017:** [Element AI raises \\$102M in Series A funding](#)
- Jan 23, 2018:** [Element AI opens London office for European presence](#)
- Apr 4, 2018:** [Element AI opens Toronto office, second in Canada, and fifth worldwide](#)

BUSINESS HIGHLIGHTS

STRATEGY

Element AI has pioneered the AI-as-a-Service industry based around AI thought leaders, such as co-founder Yoshua Bengio, a pioneer in deep learning. Through the Element AI Fellow network, Element AI collaborates with over 20 academic experts in AI from several institutions. These partnerships allow them to provide unique insights for clients.

PRODUCTS AND PRICING

Financial Services

- Insurance: The primary goal for this line is to limit risk and fraud for their clients.
- Asset Management: For these clients they work to increase returns while limiting risk and volatility.
- Commercial Banks: These clients are constantly looking for consumer trends and spending patterns.

Supply Chain

- Retail: Years of sales trends these companies are constantly looking for profit and growth levers.
- Transportation: Extra time on the road is waste and AI battles traffic and packaging strategies.
- Manufacturing: digitization is rapidly changing this industry and AI finds new inefficiencies that people can't

Within all these verticals they provide a horizontal service, Cybersecurity. They inherently use and collect a lot of data to successfully create solutions, the risk of holding this data has become so apparent that they provide cybersecurity as an ancillary service. *Note: prices deliberately vague and unstated*

TECHNOLOGY

Element AI's strategic partners including universities, tech companies, and machine learning institutions allow their technological teams to be leaders in the industry. Mr. Bengio has a firm foothold in McGill's AI research lab. He also chairs and founded the Montreal Institute for Learning Algorithms (MILA). These connections and their 250 technological are paramount to their ability to offer low-cost, cutting edge AI solutions.

DISTRIBUTION / LOGISTICS

Element AI is based in Montreal stemming from their partnerships with McGill. They expanded to Singapore, South Korea, Toronto and London, to access the greater business markets, however their research labs remain in Montreal. Despite these limited offices, they do service internationally.

MARKETING

Element AI's thought leadership stemming from its employees and partner labs provides the base of their prevalence in the industry. Between these publications and inherent support from their strategic investors they have become industry leaders. As well, due to the capital investment of the industry, the players are limited which makes it easier to remain a market leader

⁶ <https://blogs.wsi.com/cio/2017/06/14/element-ai-raises-102-million-as-new-learning-model-sparks-interest/?mod=WSJBlog>

⁷ <https://www.newswire.ca/news-releases/sk-telecom-hyundai-motor-company-hanwha--element-ai-create-45m-usd-global-ai-fund-657843853.html>, accessed July 31, 2018.

COMPETITORS

Element AI operates in a niche area where they generate and implement full scale AI solutions. Perhaps off the shelf AI solutions and open source, DIY operations could be used as a substitute, but certainly not to be considered direct competition.

1. [Avata Intelligence](#) – (Santa Monica, CA) Avata focusses on practical AI solutions that fight operational challenges of current day businesses. They also employ a top to bottom implementation strategy however they rely on their geographic proximity to likely customers rather than technological experience.
2. [Integrate.ai](#) – (Toronto, ON) Integrate.ai is an enterprise data and software platform that leverages AI to drive customer insights using data and provides an AI SaaS platform.