Stuck in the Chasm
(a less glamorous alternative to failing fast)

Paolo Prandoni, Quividi & EPFL
part 1: broad observations
the meme we’ve all heard

90% of technical startups will fail
in reality

liquidation rate for technical startups:

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>y1</td>
<td>25%</td>
</tr>
<tr>
<td>y2</td>
<td>36%</td>
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<tr>
<td>y3</td>
<td>44%</td>
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<tr>
<td>y4</td>
<td>55%</td>
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so what is “failure”?
measuring success

- IPO with high return
- acquisition at high value (40M+)
- enormous capitalization
- ginormous customer base
some figures

- in the US, 500K new business each year
- say 0.5% are tech companies

over 1000 new tech startups each year which will go on for at least 5 years!
the untold stories
the infamous “chasm”

Geoffrey Moore, 1991:

(illustration by Aaron Kim)
part 2: a specific case, Quividi
Quividi: the origins

• in 2006 Intelligent Sensing was a technology in search of a market
• Digital Signage was making inroads

idea: bring TV’s audience measurement paradigm to public spaces
the “intelligent” sensing...
the “intelligent” sensing...
metrics

- Entries in venue
- Opportunities to See (OTS)
- Viewers
- Visibility
- Frequency

- Dwell time
- Attention time
- Position
- Distance
- Emotions

- Gender
- Age class
- Staff or visitor

Available within 0.2 second, with a 80-95% accuracy
the workflow

**Video Stream**

- **VidiReports** (local automated processing)
  - Encrypted Audience Data
  - API calls to collect aggregated data for display in 3rd party app
- **VidiCenter** (cloud service)
  - Automated PDF reports
- **CMS back-office** (3rd party)
  - Online private dashboard
  - Real time audience description made available to CMS for triggering adapted content
  - Enriched proof of performance report with audience data, for audience per clip reports
the solutions

VidiReports (software for DS players)
- Real time face detection & classification
- People counting
- SDK

VidiCenter (cloud service)
- Data repository
- Sensor management
- Online & PDF reports
- API

VidiCube (device for special projects)
- Turnkey
- Multi-camera
Quividi today

**Est. 2006**
- Founded in Paris, France
- Opened regional HQ in Silicon Valley in Feb. 14
- Privately funded

**Technology DNA**
- Video processing
- Data Management and Analytics
- Embedded devices

**Global Reach**
- 250 end-user clients across 45 countries
- 8 Regional Resellers
# Checkpoint #1

<table>
<thead>
<tr>
<th>What We Did Right</th>
<th>What May Have Widened the Chasm</th>
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<tbody>
<tr>
<td>• solid team of founders</td>
<td>• won a lot of state grants &amp; subsidies</td>
</tr>
<tr>
<td>• wrote great code, no hacks</td>
<td>• tightened our belts a lot</td>
</tr>
<tr>
<td>• avoided sharkish institutional funds</td>
<td></td>
</tr>
<tr>
<td>• kept most of the equity</td>
<td></td>
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</tbody>
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advice bag #1

**team**
- think sailboat when choosing cofounders
- friends or not, put it in writing

**funding**
- walk the walk, no venue is beneath you
- beware of “risk-averse VC’s”
- keep most of the equity for the 2\textsuperscript{nd} round!

**realism**
- pay yourself reasonably as a sanity check
- careful about “vanity metrics”
case study: Amscreen

- Largest DS network in Europe with 7K screens, mostly in petrol stations.
- Announced in April 2013 they’ll permanently equip 100% of their screen with cameras and Quividi.
- « Audience Assured Advertising » concept:
  - Customer asks to be seen by X customers of a given profile
  - Based on their knowledge of the audience profile of each of their screen, Amscreen programs campaign optimally
  - Amscreen monitors daily progress and delivers final report, always on or above target.
- Fastest growing ad-based DS network in Europe, with strong CPM increase

"It’s revolutionary not because the technology hasn’t been used before but because of the [study’s] sheer scale and size, and because it’s a permanent, rather than temporary, installation. It’s a positive initiative."
Carolyn Nugent, head of digital, Kinetic
case study : Ocean Outdoor

- Leading specialist of large outdoor digital screens in the UK
  - One 60 m² videowall measured outside UK’s most visited mall
- Two high definition cameras to track tens of persons at once
  - up to 40K per day
- Real-time analytics to identify majority gender and target content accordingly
  - e.g. just play if there is 70% male now or over the last 10 minutes
- Automated campaign reports with proven audience
case study: Clear Channel UK

- Campaign commissioned by The Plan, an NGO promoting gender equality in education (Feb 2012)
- Fitted one bus shelter screen with a Quividi solution, inviting passers to experience a personal message which varied depending on their gender.
- Generated articles from over 1,000 press and TVs with general positive tone, delivering an estimated $3M in media coverage and boosting donations.
Quividi’s customers

CMS Publishers
- RMG
- BroadSign
- ComQi
- signage live
- dc media
- NET DISPLAY
- ICON Multimedia
- Working Solutions

Hardware Manufacturers
- AOpen
- BrightSign
- Cisco
- Digital View
- ONELAN
- iBASE

Research Agencies
- GfK
- Ipsos
- Mediametrie
major networks we equip

Industry leader with 200 DS clients in 45 countries worldwide, including some of the largest networks in key countries

○ = have or are deploying on 100% of their screens
Quividi’s key figures today

10,000 measurement points across 45 countries

1 Billion viewers counted and qualified
### Checkpoint #2

#### What we did right

- Set up a network of indirect sales
- Resisted customers’ feature requests
- Always nice on the phone!

#### What may have widened the chasm

- Accepted subpar deals out of budget necessities
- Naïveté wrt the intangible social side of business (world is not meritocratic)
advice bag #2

- **marketing**
  - don’t be a Dilbert, embrace marketing people
  - don’t be emotional in your pricing

- **exports**
  - get good local reps
  - if you want to sell in the US, you have to be there

- **ecosystem**
  - no startup is an island: you gotta schmooze!
so, why still in the chasm?

- A: good idea, but ahead of the market
  - hope that market catches up
  - however: “fresh” newcomers will be there at the right time

- B: good idea, but market intrinsically small
  - keep pivoting

- C: good idea, but marketing bad
  - embrace marketing

- D: bad but not terrible idea
  - you’re doomed
thank you
questions?