

Scortex: Developing a Machine Learning-based Industrial Solution

Executive summary

Scortex, a technology-focused start-up based in Paris, develops an applied artificial intelligence (AI) solution for an industrial setting that combines hardware and software. Its simple-to-use machine learning solution for visual controls can be implemented without needing a team of data scientists or experts.

In its first year of existence, Scortex's technology has been successfully deployed with its first customer, where it demonstrates the benefits of saving both visual inspection time and reducing the number of quality inspectors required. The CEO is now considering how best to deploy the €1.8 million C-round funding it has just raised.

The market is potentially huge, but IBM (with whom he formerly collaborated) has launched a competing offering. Not only must he decide who to sell to and through which channel, but who to hire and where to locate. He must decide where the technology will have the most impact and the best way to bring it to market, scale and grow the business.

The case centres on the first year, from the founding of Scortex in May 2016 to June 2017, notably the strategic concepts when bringing a new technology to market such as value drivers, willingness-to-pay, how and to whom to position the product. It urges students to consider the ramifications of installing a new technology from both the technology supplier and user perspective. Introducing a new technology to customers takes time, with ramifications for scaling-up and speed of growth. On the client side, it involves significant (and often underestimated) change management. Sellers need to guide users through this process and adjust their pitch according to the stakeholder.

The case will give students and executives an overview of artificial intelligence and machine learning –new technologies that executives think they should be using, but rarely know how, and that have venture capital chasing them.

The case microsite allows instructors to access additional materials, including audio interviews with the CEO of Scortex, in which he describes the business journey and his key challenges.

Keywords

Machine Learning, Artificial intelligence, Automation, Machine Vision, Start-up, B2B, quality control