



TECHNOLOGY

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Veritone, Alteryx team up for AI

AI Amplified in OC; Alteryx, Veritone Partner

Costa Mesa Firm's Stock Sees Resurgence

Veritone Inc. Chief Executive **Chad Steelberg** believes his artificial intelligence company's recently announced partnership with **Alteryx Inc.** is a step towards making Orange County an AI powerhouse.

Costa Mesa-based Veritone (Nasdaq: VERI), whose market cap is now trading above \$1 billion for the first time in three years, last week said it is integrating its advanced AI capabilities—including the usage of video, images, audio and text—into Alteryx's (NYSE: AYY) data analytics platform.

"This partnership with Veritone will enable our customers to quickly transform disparate, unstructured data into actionable intelligence and valuable AI-powered insights for quick business wins," said **Nitin Brahmkankar**, vice president, strategic partnerships at Alteryx.

Veritone, the creator of the **aiWARE** operating system for artificial intelligence, announced the partnership with Alteryx on Jan. 11.

1-2 Punch

Steelberg said the two companies are working together after entering the market at "two very different places" in terms of process automation and AI-machine learning.

"That both [companies] happen to be in Orange County is going to create a true 1-2 punch that will land Orange County on the map in terms of being a powerhouse for the AI future," Steelberg told the Business Journal when the Alteryx arrangement was announced.

The software of Irvine-based Alteryx, whose market cap now runs about \$8.1 billion, lets companies manipulate huge amounts of data to find insights for business decisions.

Veritone's aiWARE operating system helps analyze unstructured public and private audio, video and text data for clients in a variety of markets, including media, entertainment, legal, compliance, energy and government to provide actionable intelligence in a searchable database.

Stock Rebound

Veritone's stock has seen a rocky ride since its



- **FOUNDED:** 2014
- **HEADQUARTERS:** Costa Mesa
- **CHAIRMAN/CEO:** Chad Steelberg
- **PRESIDENT:** Ryan Steelberg
- **BUSINESS:** artificial intelligence
- **OC/COMPANYWIDE EMPLOYEES:** 135/286
- **NOTABLE:** partnership with Alteryx for artificial intelligence

initial public offering in 2017, as the company worked to prove the relevance of its artificial intelligence. Its shares were trading under \$2 for parts of 2020 as the pandemic ravaged world stock markets, well below its prior heights in 2017.

Veritone shares traded around \$39 apiece last week, up about 38% since mid-December.

The company reported third-quarter aiWARE SaaS Solutions revenue climbed 43% to \$3.4 million. It reported overall third-quarter sales rose 18% sequentially to \$15.7 million; the company receives revenue from aiWARE and its advertising sales.

Steelberg sees the agreement with Alteryx as a validation for Veritone's aiWARE from Orange County's most highly valued public software company.

Alteryx reported third-quarter revenue of \$129.7 million, up 25% year-over-year.



Chad Steelberg
CEO
Veritone

'Strong Collaborators'

The Veritone chief executive said the two local companies are "working together as strong collaborators, similar to what you see up in Silicon Valley where companies like **Intel**, **Microsoft** and **Google** have created ecosystems of collaboration."

Steelberg said the arrangement with Alteryx does not contain any "economic transfers" or incentives, and that he hopes to work with others in the area going forward.

"We're working with a number of other companies here locally that are in the robotics space, etc., which are really exciting that are happening right here in your backyard," according to Steelberg. "If you were to throw a rock from our headquarters to Alteryx to some of the other Tier 1 companies in the robotics space, we're within a couple miles of each other."

'Actionable Intelligence'

Veritone provided some concrete examples of how Alteryx customers can benefit from the new arrangement:

■ **Insurance companies** for in-depth claims analysis of call, image and video evidence to detect policy risk and fraud, leveraging behavioral patterns and transaction histories

■ **Retail banks and credit unions** for using text analytics of customer communications for greater customer insight and the ability to offer relevant products and services, assess risk and improve customer experience across channels

■ **Healthcare providers** for extraction of insight from image scan test results for a more complete view of patient health history

■ **Oil and gas companies** for analyzing satellite video and images to make more informed exploration decisions for drilling and bidding

Veritone has offices in Denver, London, New York and San Diego, in addition to the Costa Mesa headquarters. The company was listing 26 open positions on its website as of Jan. 11, including sales, as well as strategic planning and operations director, with more than half of them in Costa Mesa. ■



Photo credit: Steve Zyglis

CPRI preparing an expanded cyber test range, conference facility in UCI's new Interdisciplinary Science and Engineering Building

UCI Cybersecurity Group To Help Counter Threats

Cunningham Sees 'Bleak' Outlook as Dangers Mount

With cybersecurity taking on even greater prominence, the **Cybersecurity Policy & Research Institute** at the **University of California, Irvine** will be undertaking several initiatives to analyze and help counter increasingly dangerous computer threats.

"The UCI Cybersecurity Policy & Research Institute will continue our research and scholarship efforts in 2021 to meet the many cybersecurity-related challenges facing Orange County, the United States, and the world," said CPRI Executive Director **Bryan Cunningham**.

Every day seems to bring new threats, including the recently disclosed hacking of U.S. government departments and corporations, allegedly by Russian hackers working for the Kremlin to gather intelligence information.

CPRI is preparing an expanded cyber test range and conference facility in UCI's new Interdisciplinary Science and Engineering Building," Cunningham told the Business Journal on Jan. 5. That follows a virtual cyber response exercise late last year.

"UCI's cyber test range will combine hardware, software, custom programming, and immersive audio-visual capabilities to enable; bleeding-edge cybersecurity research and scholarship; advanced teaching and training; and participatory cyberattack response exercises for business and the community," according to Cunningham. He said much of the work is already under way.

CPRI is also planning collaboration between the **Donald Bren School of Information and Computer Sciences** and the **Claire Trevor School of the Arts**, according to the CPRI ex-

ecutive director Cunningham.

'Wild West'

As he looks to the future, Cunningham sees a cybersecurity landscape fraught with challenges and dangers. Here are his observations, lightly trimmed for reasons of space:

■ "For years, I have called cyberspace the 'Wild West' because of the lack of agreed or enforced norms of behavior in what is now clearly the most important battlefield between nations. For 2021, strap in for the wildest ride yet."

■ Many nations have taken the gloves off for this new decade. "We now know what we've long suspected—Russia has penetrated our national security, economic, and commercial infrastructure in deep, persistent, and troubling ways. No U.S. president has done anything remotely sufficient to stand up to Putin and other aggressive global cyber adversaries. Until they do, things are likely to get worse."

■ The difference between spying and war in cyberspace can be literally the click of a mouse. "I've been disturbed by how many otherwise well-informed commentators have said words to the effect that 'it was just espionage' and 'everyone does it.' What readers need to understand is that, in many cases, the difference between a spy tool (collecting sensitive information) and an implement of war (destroying vital information and critical infrastructure) is literally the click of a mouse. It may be months—if ever—before we know if the Russian malware has an attack capability and, if so, whether we can neutralize it."

■ "The risk of miscalculation—North Korea misjudges what the United States thinks is an act of war—will continue to leave us at grave risk of unintentional war. And I fear cyber war can turn into kinetic war much more easily than many commentators think."

■ "Something CPRI will be publishing on this spring: some cyber insurance carriers are now trying to exclude coverage for 'acts of war,' by which they are arguing can mean any cyberattack carried out by agents of a foreign government. If courts allow companies to deny coverage on this basis, it could decimate the entire cyber insurance ecosystem, leading companies to be insufficiently insured or not implementing sufficient cyber protective measures or both."

Cunningham's summary of what may be ahead: "The cyber outlook for 2021 and beyond, if nothing significant changes? In a word: Bleak." ■



Bryan Cunningham
Executive Director
UCI Cybersecurity
Policy & Research
Institute

UCI Cybersecurity Policy & Research Institute

UCI Cybersecurity Policy & Research Institute

- **HEADQUARTERS:** UCI
- **EXECUTIVE DIRECTOR:** Bryan Cunningham
- **MEMBERSHIP:** more than 80 participants from academia, critical infrastructure businesses, government and the privacy and civil liberties community,
- **NOTABLE:** plans expanded cyber test range and conference facility in UCI's new Interdisciplinary Science and Engineering Building