How billionaire Romesh Wadhwani is using his own fortune to build SymphonyAI to take on IBM, Microsoft, and Google by creating an enterprise AI giant

Romesh Wadhwani

- **Two billionaires are aiming to create the AI enterprise of the future —Tom Siebel with C3.ai and Romesh Wadhwani with SymphonyAI — with a strategy that differs from top tech giants like IBM and Google.**
- **Wadhwani has already committed $1 billion of his own fortune in his quest to expand SymphonyAI in the next five years to 18 companies that together total over $2.5 billion in annual revenue.**
- **"I didn't want to follow someone else's business model. I wanted to create a whole new business model," he told Business Insider.**
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It's a battle of the billionaires for the future of enterprise AI.

Tom Siebel is said to be aiming to take his firm C3.ai public in 2021 while fellow billionaire entrepreneur Romesh Wadhwani has been beefing up his firm, SymphonyAI, too.

SymphonyAI — the umbrella organization for eight industry-specific companies like Concerto HealthAI, Symphony IndustrialAI, and Symphony AyasdiAI — has "breadth and depth of vertical coverage, technology, and extraordinary growth trajectory," according to Wadhwani.

It also has a similar model as Siebel's startup: Both are aiming to create something of a "one-stop-shop" for all things artificial intelligence, with multiple bespoke technologies to solve the distinct challenges facing sectors like finance, healthcare, and manufacturing.

That differs from the mission that IBM, Microsoft, and others are on to create more general-purpose AI that would effectively be able to surpass human abilities in nearly every task, as well as the slew of software-as-a-service-startups that are tailored to a single industry or business vertical.

Many of the tech giants, however, still have some sector-specific offerings that operate on their respective cloud platforms. But Wadhwani says it's unlikely the firms focus too heavily on evolving those products because each "requires very deep and specialized knowledge domain knowledge and may only represent a few billion in market size."

Perhaps the closest major competitor is IBM, which offers its Watson AI platform to industries like healthcare and advertising. But Wadhwani brushed aside the potential rival, claiming its efforts to-date have only resulted in "mixed success."

"We respect what they're doing but we're focused on different business solutions which are often complementary to what IBM is doing," he added.

Business Insider spoke to Wadhwani several times over the course of the last year to learn more about his ambitions for SymphonyAI and how he hopes it will challenge tech giants like Google, Facebook, and IBM to become the AI enterprise of the future.

'I didn't want to follow someone else's business model'

Wadhwani's first found success (and began amassing his fortune) when he sold his firm, Aspect Development, to i2 in a deal valued at $9.3 billion in the '90s.

After that, Wadhwani ran Symphony Technology Group — a private equity firm he founded in 2002. But as he was approaching 70 years old with no plans to retire, Wadhwani wanted to try something new and decided to found his AI group in 2017.

"I didn't want to follow someone else's business model: I wanted to create a whole new business model," he said. "There was an opportunity for me to take all the knowledge I have, the capital I have, the ability I have to attract talent, and try to create the largest private group of companies that will transform the enterprise with advanced AI solutions."

Wadhwani committed $1 billion from his own fortune to start Symphony AI, which so far has eight companies in its portfolio. Over the next five years, he's hoping to increase that to as many as 18 companies with over $2.5 billion in total annual revenue — a sizeable jump from the $350 million run rate the company is projecting for 2020.

"Vertically-focused business solutions built on powerful AI platforms will be the winners in the race to deliver value and transform business," Wadhwani said. "We're building SymphonyAI for exactly this reason, with exactly this business model."

To grow the collection of companies, Wadhwani is currently on an acquisition hunt: The ideal target is an investment between $50-$100 million, but the company is willing to go as high as $200 million for the right opportunity.

SymphonyAI's most recent purchases are medical imaging company, TeraRecon, which it bought in March, and finance-focused AyasdiAI, which it bought in 2019. Although neither firm disclosed terms of the deal, AyasdiAI had a $455 million valuation prior to the acquisition, according to PitchBook.

"There are way too many organizations jumping in and saying they do AI when frankly they don't. They are putting a clever user experience on top of a boatload of open source," said current Ayasdi CEO Simon Moss, who took the helm in January. "Ayasdi is up there as an innovator with the likes of Google and Microsoft."

Tapping into his own fortune

When a startup joins SymphonyAI, Wadhwani provides all the seed and Series A funding, as well as most of the Series B round, out of his own fortune.

Outside investors are then invited in at either the Series B or C rounds. Healthcare-focused Concerto HealthAI, for example, raised $150 million in Series B funding in January. The model allows the portfolio organizations to focus on revenue growth, customer acquisition, and creating a strong leadership team, per Wadhwani.

And unlike C3.ai's approach that has all its functions underneath the main organization, SymphonyAI operates each portfolio company as a unique entity with its own CEO.

"The subject matter expertise needs to reside in highly-focused, highly-myopic companies that can talk the language of the buyer," Ayasdi's Moss said.

While each company runs independently, the leaders meet regularly to brainstorm and share technology between each other. The structure also makes it easier to add services from other portfolio firms into the tech stack each sells to clients.

"It's a competitive advantage, absolutely," said Dominic Gallello, CEO of manufacturing-focused Symphony IndustrialAI.

As the pandemic swept across the US, SymphonyAI's portfolio companies was forced to pivot quickly to address client needs during the coronavirus pandemic, and Gallello's firm in particular sprang to action:

The company sells tools to help corporations better manage the health of their machines (a booming industry often referred to as predictive maintenance), and during the pandemic, it helped firms restart factories that were shuttered when workers were sent home.

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