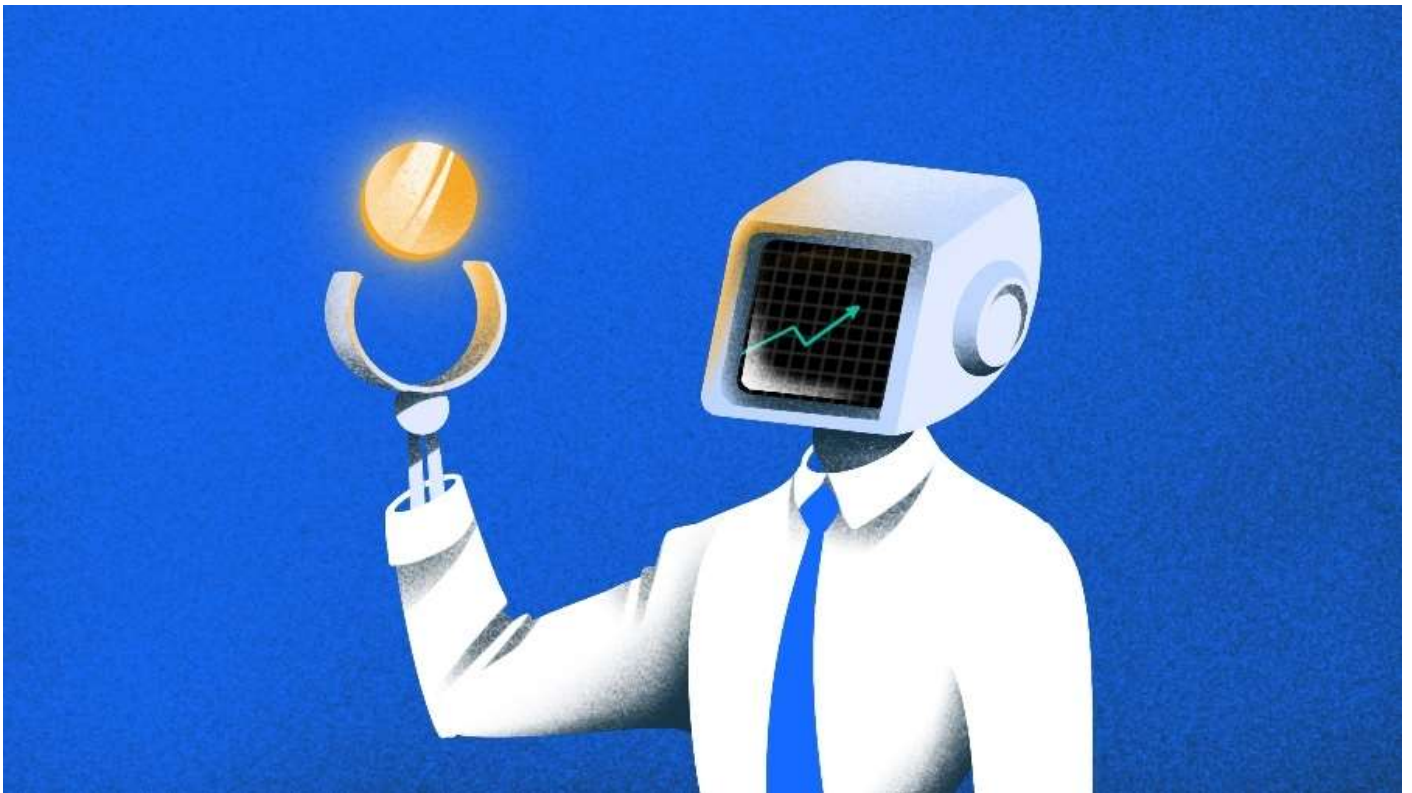


ARTIFICIAL INTELLIGENCE AND ROBOTICS

A Bessemer Partner On What's Driving The Firm's Billion-Dollar Bet On AI

Gené Teare May 22, 2023



[Bessemer Venture Partners](#), one of the oldest and more established venture firms in the U.S., earlier this year said it was earmarking \$1 billion of its most recent fund solely for investments in artificial intelligence.

The firm's massive bet on the future potential for AI reflects its belief that the technology is a seismic shift that will fundamentally change the way billions of people work, said [Sameer Dholakia](#), a partner on the firm's growth team.

“Literally trillions of dollars of value gets created when you have these massive tectonic shifts,” Dholakia said in an interview.

“We’re creating an ecosystem around the entrepreneur and around our firm broadly, where we’re getting some of the best and brightest minds from generative AI to partner with us,” he said.



*Sameer Dholakia,
partner at Bessemer
Venture Partners*

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The billion-dollar AI commitment comes after Bessemer raised the largest fund in its history in September, seemingly in defiance of market conditions. This milestone announcement was made long after the private and public market slowed down, and the firm’s own cloud report charted what it refers to as the “[SaaSacre](#)” in software startups.

Shifts as consequential as the leaps in AI playing out now take place roughly once a decade, said Dholakia, who has spent 28 years in the software industry in various capacities.

Prior to joining Bessemer, he was the CEO of [SendGrid](#), which he took public in 2017 before the company was acquired by [Twilio](#) in 2019 for \$3 billion. He

experienced the [Netscape](#) moment in 1995, the iPhone and [AWS](#), and the cloud in 2006 to 2007.

But the AI transformation will play out in a very different way, contrasting with past technological leaps, Dholakia predicts

The “adoption curve on this one will be mind-blowingly fast,” he said, predicting that AI will be easier to adopt than previous platform shifts.

The cloud comparison

The adoption of cloud “was really hard, really painful,” upending software businesses, he said. For decades, companies sold an upfront enterprise license with software deployed on-premise.

The new model was “I’m gonna rent it to you for a fraction of the cost of what these other folks used to charge you,” he said. “But you’re gonna have to pay me forever.” For enterprises this meant change across their entire business through impacting contracts and pricing.

“Everything about what they did was now different,” said Dholakia. “This time it’s an API call to a large language model.”

Much like the SaaS landscape, Bessemer predicts there will be many winners. Dholakia anticipates growth within verticalized language models that are specialized for a given task, just like a version of PaLM from [Google](#) is specialized for medicine.

Bessemer portfolio companies

Two Bessemer portfolio companies using generative AI are scaling quickly.

One is [Jasper](#), a generative AI content strategy engine which recently launched Jasper Brand Voice for companies to build content using their brand assets.

“Jasper is probably one of the largest generative AI-based applications out there on the planet in terms of revenue and ARR,” said Dholakia.

The second is Cologne, Germany-based [DeepL](#), a machine translation engine built with their own language models by Ph.D.s and experts in the field who have their own application built on top of their models.

Several other Bessemer portfolio companies have adopted AI into their existing products. Customer service company [Intercom](#) launched Fin using GPT-4, while chatbot provider [Ada](#) has integrated AI. Online design firm [Canva](#) has launched [five products using generative AI](#).

“We are about to see the creativity of the entrepreneurial ecosystem around the world unleashed, and we couldn’t be more excited,” Dholakia said.

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