



Saurabh Ranjan



Saurabh Suri

EDITORS' NOTE *Saurabh Ranjan previously served as Chief Operating Officer at UST Global. He was responsible for Operations, Marketing, and Strategic M&A. Earlier, he spent more than 12 years working for large IT product and service organizations like Cadence, Keane, and Covansys.*

Most recently, Saurabh Suri served as Vice President for Emerging Solutions, Innovation, and Investment at UST Global. Prior to joining UST, he worked in the U.K. with various IT and financial institutions and also ran a consultancy start-up. Suri has a degree in Neuro-computation and a research background in High Performance Computing from the U.K.

COMPANY BRIEF *CerraCap Ventures (cerracap.com) is a global fund headquartered in California and dedicated to early stage technology investments. Operating out of global hubs of tech innovation (San Francisco, Tel Aviv, and Bangalore) they focus on Enterprise (B2B) products and solutions in the emerging tech areas of Cyber Security, Analytics, and Healthcare Technology.*

Would you discuss your vision in creating CerraCap Ventures and the opportunity that you see for the growth of the company?

Ranjan: We strive to be the best early-stage technology VC in the world. We saw a significant gap in the market where many highly innovative, good early stage technology start-ups were flush with cash but would soon die out because of a lack of access to the right kind of clients or the lack of talent to help them scale effectively. All they had was capital but not the help that they arguably needed.

Hence, we spent significant time and effort in operationalizing two unique strategies: (a) our sales and scale model to provide the start-ups with enterprise clients in need of their innovations and (b) the approach to source globally and operate locally. Seeking out the best companies from around the world, it's about helping them move to the U.S. and operate locally from where most of their client base is (thus also enriching the North American innovation ecosystem).

This encompassed our vision of providing value beyond capital to these start-ups and helping them grow quickly and sustainably, in return providing exponential returns to our investors.

Value Beyond Capital

An Interview with Saurabh Ranjan, Founder and Managing Partner, and Saurabh Suri, Managing Partner, CerraCap Ventures

The opportunity for us to grow the fund with this model is tremendous as enterprises are clamoring for the latest tech innovations to help them stay relevant in this digital age and the start-up community is extremely vibrant in several areas to meet the demand.

Would you provide an overview of CerraCap's strategy and what differentiates CerraCap in the market?

Suri: Our collective experiences of running highly successful investments in the past and setting up the platform and ecosystem prior to launching CerraCap was the seeding ground of our expertise, reach, and relationships. We combined these together to form the basis of CerraCap's strategy and core differentiators.

First is our business model, of sales and scale. We have a deep understanding of the biggest challenges faced by large enterprises as well as where their technology CAPEX and OPEX spend is going. We then source and invest in the right companies and solutions that address these challenges. We then provide portfolio companies direct access and sales into these enterprise clients along with the talent to help them scale and meet the demand. This value we bring beyond mere capital is a huge differentiator and has helped us see phenomenal growth in start-ups in the past.

Also, early stage investing has been traditionally a riskier proposition. This sales and scale model significantly reduces our overall portfolio risk and enables us, in a way, to control our own destiny.

Second is our ecosystem. We have spent significant time building the right ecosystem to further provide value and growth to our portfolio companies and guide them to significant growth. This includes a highly influential advisory board, access to top universities (cultivating and in-sourcing ideas, research, and talent, which is accretive to our portfolio companies), and innovation labs to disrupt without destroying.

We also now have a corporate innovation model. Large enterprises have traditionally been bad at innovation due to their size, scale, and sometimes archaic approaches. The old-world approach of men in white coats doing research in a brick building does not work well in today's knowledge and network economy. We offer these enterprises our innovation ecosystem leveraging our established infrastructure of investments, universities, partners etc. to help

these enterprises get access to the innovations they need and give them the ability to adopt and deploy them extremely quickly. Several large corporates have already seen significant value from this.

Third, and finally, is our deal flow, which consists of proprietary and highly innovative companies sourced from the key innovation centers across the globe.

Where do you see deal flow today?

Ranjan: We operate on the principal of sourcing innovations globally but operating locally, tapping some of best centers of innovation in our focus area globally. As such, we see incredible cybersecurity technologies coming out of Israel (especially with entrepreneurs hailing from the intelligence units), healthcare companies from centers in the U.S. as well as Cambridge, U.K., and analytics start-ups in India and Europe. We pride ourselves in having exclusive access to several of these innovation hot beds and matching these technologies with the problem areas faced by enterprises across our key focus areas.

Would you provide an overview of CerraCap's portfolio companies?

Suri: Let me start by providing an example of two of our portfolio companies. First is Fortscale: Over 85 percent of all data breaches result from malicious insiders or external hackers using compromised user credentials. Investments in traditional enterprise security solutions are unable to make one's organization safe through both outsider and insider threat detection – that is, identifying and preventing unauthorized access to corporate applications and resources while ensuring that only legitimate members of one's workforce were allowed access to one's network. Fortscale has the only award-winning UBA (User Behavior Analytics) solutions that combine expertise from the Israeli Defense Force's elite security unit, advanced machine learning, and big data analytics to create a solution that provides rapid detection and response to malicious user behaviors that truly matter – with an eye toward thwarting and preventing headline-grabbing data breaches. Plus, only Fortscale automatically and dynamically analyzes real-time and historic user behavior to identify and prioritize the highest-risk user access and activities associated with applications, devices, and services on one's network.

Another example is BlueDot. Led by three highly experienced and successful entrepreneurs,

BlueDot focuses, among other things, in healthcare to leverage a treasure trove of cutting-edge invention to create new markets and products that have the potential to positively impact millions of lives.

More than \$100 billion is invested annually in technology innovations at research labs around the country that will likely never see the light of day. Now imagine the impact of being able to leverage these cutting-edge inventions to create life changing products that actually have the potential to solve the world's biggest problems. Because solving the world's biggest problems also leads to some of the biggest market opportunities, we apply entrepreneurial skills to the vast amount of research already being conducted by those like NASA, National Labs, and universities to create successful enterprises aimed at productizing cutting-edge technology. All of this great innovation and research only becomes valuable when it is thoroughly explored and developed by those with an entrepreneurial vision – those willing to take big moon shots to create impactful solutions. This is where BlueDot comes in. BlueDot's business model involves licensing technologies developed at a research institution, then putting together a passionate management team to create a company around that technology. BlueDot owns the company, while the research center receives royalties as a payback on the government's investment.

CerraCap has placed a major focus on cyber and healthcare. Will these remain the two primary areas of focus for CerraCap as you look to the future?

Ranjan: For our second fund, the focus will continue to be on Cybersecurity, advanced analytics/AI, and healthcare since we're seeing phenomenal growth and need in the marketplace as well as extremely proprietary and high quality deal flow. In addition, these are specific areas where the end clients and our ecosystem has focused its spend.

Looking to the future, we see several technological areas emerging as key to the B2B/Enterprise space where we're focused, such as IOT platforms, SDx etc., which we will incorporate. We're also extremely focused on the next evolution of tech innovations in AI & cyber.

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CerraCap has a strong and experienced Advisory Board. How valuable has it been to assemble this level of talent for your Advisory Board and what role do they play for you?

Suri: We put in a huge amount of effort to set up a value ecosystem. Our Advisory board is one of the key results and originators of that effort. Our board has the right mix of leaders with incredible reputations and success, from former presidents to distinguished entrepreneurs to heads of the largest global corporations and folk with deep VC and financial backgrounds. This board helps us in the following critical ways: Through their networks, the advisory board helps us access untapped or unreachable centers of innovation. As an example, through Naveen Jain and our investment in BlueDot, we've been able to access significant healthcare research in areas such as NASA's Ames research center. Through Yuval Wollman (Former Director General of Israeli Intelligence) we tap some of the best cyber companies hailing from Israel.

Our advisory board also consists of business leaders and heads of some of the largest global organizations, which provides significant help and a monetization path to our portfolio companies and extends our reach into enterprise organizations. This helps in accelerating our path to liquidity.

In addition to guiding CerraCap with its strategy and critical decisions, our advisors work with our portfolio company CEOs, helping them truly grow and scale to their fullest potential. They also provide us with key insights into some of the largest challenges faced by enterprises today, which helps formulate our overall investment strategy and decisions.

What has made the relationship between the two of you work so well and how do you both focus your efforts?

Suri: At CerraCap we're an extremely tight-knit team that has worked together in several avatars and roles for over 15 years, predominantly in the technology space. I had an opportunity to work under Saurabh Ranjan's guidance during his tenure as the COO of UST. With his direction, we set up the investment arm for the company and ran it successfully for several years, trying several unique models and approaches, resulting in high value exits.

A deep respect for each other and trust built over several years has been the key to our strong working relationship. Saurabh Ranjan is essentially the visionary with a very keen eye for talent and strategy. He looks at the overall strategy and direction of the fund, our extremely high value relationships, and the talent within our organization and of our portfolio companies. I lead and execute the technology and business strategies in terms of working with our ecosystem to identify the key problem areas and trends, sourcing the best technology solutions and helping them grow.

As Saurabh Ranjan puts it, we uniquely amplify each other's strengths and act as force multipliers. He also ensures we bring on the right talent offering full coverage in all areas for our growth. ●

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