

Adam Judelson of mePrism

Speaker1: [00:00:04] This is the Investor Connect podcast program. I'm Hall Martin and the host of the show in which we interview angel investors, venture capital, family offices, private equity, many other investors for early stage and growth companies. I hope you enjoy this episode. The Investor Connect is a 501 C three non-profit dedicated to the education of investors and startups for fundraising. Please consider donating \$100 to the program to help others in their investor and entrepreneur journey. You can find the Donate button on the Investor Connect org website. Well, hello, this is Hall Martin with Investor Connect today, I'm here with Adam Judelson, president and CEO at mePrism. mePrism is an app that will organize your data and place it in your PRISM data bank account. Adam, thank you for joining us.

Speaker2: [00:00:52] Thanks so much, glad to be here.

Speaker1: [00:00:54] So where are you calling from today?

Speaker2: [00:00:57] I'm based out of Los Angeles, where I've been for the last couple of years. Originally in NorCal native but lived all over East Coast, overseas, et cetera. But L.A. is my home now.

Speaker1: [00:01:07] Great. And so what was your background before joining meprism?

Speaker2: [00:01:11] Yeah, you know, it's a funny question I've really realized over the last couple of years that even though I didn't deliberately choose these things in a meaningful way, I've always worked with data and I've always been at places that worked with data. I started my career as a national security analyst looking at our foreign enemies and started to build respect for data privacy. They're continued as an early employee at Palantir Technologies, where ultimately led Palantir's efforts with Palantir Gotham, one of its platforms that it sells in the market, focused on investigative government and commercial work, co-created a class at Georgetown, focused on data analytics. And over the last couple of years, I've been in a rapid fire series of of efforts with various different startups, both as an advisor and consultant, and also full time always dealing with data, one with political data, one with data from outer space, one with video and now me prism on the data privacy side.

Speaker1: [00:02:08] Great. So what led you to start work in the data space? What? Why did you choose that one?

Speaker2: [00:02:14] Well, you know, specifically this time around, it's it's going to sound a little bit grandiose, but it's really around our freedom and our ability to consume the information that we want to consume, not the information that we're being told to consume. And I think one of the difficult realizations, even as a data person, but one who largely worked with enterprise data and is now starting to work with consumer data is that I started to learn that the world that you and I see is not actually the same world. And that is a very disconcerting notion because it means that your opportunities are different from mine. What I learn about what's happening in the world is different from what you learn is happening in the world, and ultimately we are sort of beholden to whoever is the highest bidder for our eyeballs. And so I felt that it was extremely important to join a data privacy startup that would be focused on correcting that imbalance in power and making sure that the consumer is actually at the center of any transaction for their data so that we're providing consent and we're only being influenced when we are willing to be influenced.

Speaker1: [00:03:24] Right, so there's been a great deal of talk about data, is the new oil. How do you react when you hear that phrase?

Speaker2: [00:03:31] Yeah, it always kind of makes me chuckle. And you know, this is, I guess, the the the blessing of being an insider in an industry. Things always feel like they've been boiling for a long time for you, even when they first get news attention later on. And I think, you know, if we're if we're all honest with ourselves and kind of look back through the history. Google launched AdWords in the year two thousand Facebook, even though it initially was completely without ads, added ads in two thousand seven. So the idea that corporations are taking our data and monetizing it sort of without our consent is actually something that's been going on for decades, and it's something that I've been thinking about a lot. And, you know, if you if you kind of, you know, for the for the consumer who's listening and trying to understand what's really going on here, there's kind of two big buckets of what's going on. One side of things is that we've got ad auctions and we don't really think of them as ad auctions. But

Facebook, Google, even Amazon, Spotify, all of the companies that deal in our data have ad auctions that are available to enterprise buyers who want to get access to people's eyeballs. And that's one place where that data economy is taking place and has been taking place for a decade plus. And the other side is the data brokers side. There's a whole class of company that are basically born out of the idea of collecting our data literally without our consent, without our involvement, even at least in a transaction with a Google or a Facebook or an Apple. You are actually a subscriber to the service, so you have some knowledge that that company may be acquiring information about you. But in the case of data brokers, they're collecting that information through things like public records or through other companies that gather data through other means. And then they're buying and selling that information to corporates completely without the consumer in the loop. And so this is really something that if you've been looking closely or you've ever been on the buyer side of it, then you know that it's been happening for a very long time. So, you know, when I hear data is the new oil, I think, well, I'm glad people are starting to realize that because it really is starting to impact us.

Speaker1: [00:05:41] So there's been a great deal to talk about, you know, the the end users data and how valuable it is. It seemed like the end users becoming aware of this now. I don't think people were quite aware what value the data had and how important it was before. But what is the implication of this?

Speaker2: [00:06:00] Yeah. I mean, I think part of the reason why people are noticing now is that we have all seen a pattern of the data being used not only for our interests because there is plenty of benign interest for using data personalization. So you get good product recommendations, that sort of thing. But what's happened is we've all had an experience now where we have seen data used against us. Sometimes it's less nefarious, like an advertisement for an unwanted good, and sometimes it's more nefarious and includes messaging or information that is incorrect, that is trying to lead us down a particular path. And so the implication in my mind is that in a new economy where data is key, consumers need to have consent and their permission needs to be requested and received before a corporate entity can use that information because otherwise the consumer has really lost control. And fundamentally, what we're seeing change in the law over time is that data is actually the property of the consumer. It is, is your property and is my property, and it's our right to ultimately control it and control who we give it to and when we give it to them.

Speaker1: [00:07:13] Great, well, governments are putting more controls on data. What do you think is the impact on businesses that rely upon data? How do you see them in reacting to that?

Speaker2: [00:07:23] Yeah, I mean, it's very early to say there's been a lot of activity around this, but you know, Europe passed its GDPR a couple of years back and California passed a similar piece of legislation a couple of years passed that was recently amended to add some additional restrictions. But ultimately, the enforcement for a lot of this work in the United States is just barely being born. A lot of these regimes don't actually come into it in force in a serious way for, you know, another year or so. Whereas over in Europe, we've seen hundreds of millions of dollars worth of fines and the frameworks have been laid out for a lot of that in the United States. But we haven't quite seen how this is going to play out in the U.S. economy. And so I think where we are in the moment is in sort of a cat and mouse game where the old guard entities are ironically saying that they don't have to comply with the new regimes because they're already compliant with the old regimes. And the new regime doesn't cover us because we're compliant with the old regimes. That's something we've seen a little bit on the financial side of the house. There's a lot of regulation around consumer data privacy on the financial side or on the health side. And so a lot of those players are basically trying to parry and say, Hey, we don't have to actually follow these new rules yet. And what hasn't yet happened is the wave of new lawsuits where consumers and consumer advocates go and fight that battle and the courts ultimately decide what's going to happen.

And so, you know, without the businesses getting into too much trouble yet, it's a little bit hard to say how it's going to evolve. But one thing is very clear, and that is what I was just mentioning, which is that data is increasingly seen as the consumers property. And if it's the consumers property, a lot of things are happening right now that are very, very concerning. The most important of which is that people are paying to access our eyeballs and they're paying to access our eyeballs based on what's in the data, and they're doing so without asking our permission. And so that is something that we're seeing in all the different states that are starting to work on privacy legislation. We see some provision in there around improving the consumers ownership over that. The consumer's right to not only have access to the data, but to also download the data themselves is an important new right that we're seeing. And an even more important right is to have the assistance of what the law is calling an authorized agent of the consumer to go help them get the data. Because if you think about it, if you or I want to

collect our data, we've got to go talk to hundreds or maybe even thousands of different companies that we have relationships with in order to get that information.

Speaker1: [00:10:08] But we see the European governments leading the way in regulation. Where do you think the data regulation is going to come down in U.S.?

Speaker2: [00:10:16] Well, like I said, many states are considering new regulations and a few states have actually passed those those those different pieces of policy. And I think, you know, the interesting thing is a lot of times when a market is dependent on regulation of some sort, it's an easy market to to stay away from because regulation can take a long time. And certainly these are monumental changes that change the way that the economy is constructed and how data flows from one place to the other. But I don't think it's a good bet to assume that we won't see action, in part because this is one of the few issues in our in our body politic right now. That is not all that partisan. In a way, it's hyper partisan because conservatives want data privacy for one set of reasons, and progressives want data privacy for a different set. But they actually both want to see this type of reform happen, and they both want to see the consumer have more power in this process. So I think what we're going to see is one state at a time will continue to pass legislation that will add to the rights that consumers have. And eventually, I think there'll be enough pressure at the federal level for Congress and the Senate to take action and and at least implement some of the lowest hanging fruit across those different sets of regulations.

Speaker1: [00:11:33] And so how do you see the new blockchain technologies, the Web three impacting the data ownership issue?

Speaker2: [00:11:40] Yeah, great question. There's a lot of there's a lot of ways. You know, one of them is that something we felt was really important in the early days at me. Prism and is not always immediately transparent to to folks when they come and check it out is that we felt that every single time a consumer trades their data and sells it to somebody who's interested in buying it, that that activity should be captured immutably on a ledger. And so one of the core product features kind of under the hood of me, prism is the ability to make sure that whenever you transact, it's permanently recorded and that that record could be audited. Now, right now, that auditing is sort of behind the scenes. You'd have to come in sort of inside the me prism firewalls. We still need to figure out a way to make sure that that auditing can happen where

you don't actually leak more consumer privacy in order to enable this this function. So that's one one way that blockchain comes into the technology is to make sure that that people can actually prove who they said could have their data, who they said could not have their data and then have accountability when somebody is misusing that data. I think another vision that's really exciting is around actually distributing the ownership of the data to the user throughout the web.

And I think that's a really exciting and exciting model. Tim Berners-Lee has an interesting project called Solid, where, you know, basically your data is stored in a distributed manner across across the web, if you will, and you're really the only one who has control of that. And I think that's a phenomenal model for us to to work toward. And as those technologies mature, I know me person will be happy to adopt those as possible ways to control your data because ultimately we want the consumer to have as much power over this asset as they would have over the cash in their bank account. It is theirs. They should be able to inspect it, look at it whenever they want. But you also have to keep in mind that part of what is interesting about blockchains is the mutual ability to confirm what's actually out there. And so there's a delicate balance here because you also want the consumers privacy to be respected. So you don't necessarily want everyone to know that you sold your data to a particular brand or didn't sell your data to a particular brand.

Speaker1: [00:14:06] So do you see people Able to monetize their own data?

Speaker2: [00:14:10] Yeah, absolutely, I mean, this is the core of what PRISM is doing, and we're early on in that journey, but we are seeing buyers come in and we're seeing sellers come in and people are transacting in the marketplace and they're starting to show that it is viable to take your data footprint and earn some cash for that footprint. And you know, sometimes people come in and they say, Well, you know, you know, maybe it was only a few dollars. Maybe it was 10 dollars, 15 bucks, 20 bucks for their profile. But what people often forget is that in the actual market, in the current ad auctions, a consumer's data is sold for thousands and thousands of times, and we calculate that our average user has lost something like seven thousand five hundred dollars in potential sales that they could have had from their data. And so once you know, right now we're early on, we just did a private beta. We're in open beta right now. There's not that many bids in the product, there's a couple in there. But you know, we're still bringing on buyers. And what consumers need to understand is it's not just about five, ten, fifteen

dollars one time, it's about as this thing picks up speed and velocity. You could sell your data if you're interested in selling your data ten times, one hundred times, maybe even a thousand times in one calendar year. And so in that manner, the the value really racks up quickly.

Speaker1: [00:15:30] So how do you see this working? If I wanted to monetize my data, would I need to do to make that work?

Speaker2: [00:15:37] It's pretty simple. You download the Me Person app and we walk you through a process where we act as your authorized agent to go collect that information from the different companies that have it. Right now, we have access to Google data and Facebook data through the app. We're also working on Apple data coming soon and financial transactions coming through as well. And so you would go into the app, you'd basically sign into those accounts. We claim the data with you and we put it into your personal bank account. Once it's there, you can begin accepting bids. The longest part of the process is actually waiting for the companies like Google and Facebook to actually collect and gather that data on your behalf and give you access to it. Once they do that, it's pretty quick to get it into B PRISM and begin monetizing it.

Speaker1: [00:16:24] So for those who want to invest in this space, what's your coaching to them about this space? What do they know? What should they know about it before they go in there and write that check?

Speaker2: [00:16:35] Yeah, you know, a lot of companies in this space look very similar. Until you ask the question, where does the data come from and how much of it do you have? Exactly. And it may seem at the surface like that's not that insightful of a question, but ultimately different companies are taking different approaches in this space. And I don't think this is going to be a winner. Take all space. I think this is going to be a space where there's going to be a couple of different big companies that emerge in the market over time because each of us have a little bit of a different view as to where the consumer should be in that process and how much data is accessible. So to make that concrete, let's give an example some of the companies will basically help you take control of your data by saying, we're going to act as a browser extension that you can use, and we'll watch everything that you do on the internet and then we'll help you monetize that particular piece of information. And that's a really interesting approach because

it's saying, OK, well, I, the user know that when I click this button, I'm creating data, and that's the data that I know that I've given my consent to actually hand off to someone else. But the trick is what's not in that information? What other information exists or is created through the devices that we wear through our mobile phones through activity that's not on a web browser through things that we do with other people? And so that's really the key question that we have to ask is where does that data come from and how complete of a picture is it providing? And also what is the level of consent that the consumer is providing? Because consumers, we found, have very divergent behavior on data privacy issues, some of them are willing to sell their data very readily. Some consumers will never, ever sell any of their data, even if it's a completely benign piece of anonymized information. Right. And so different parts of this market are going to cater to different pieces of that. So I would be asking what data specifically are you capturing? How exactly are you capturing it? And what are your hypotheses about how the user behaves?

Speaker1: [00:18:44] Well, great, well, tell us more about mePrism and how does it fit into the overall landscape in this industry?

Speaker2: [00:18:51] Now, this is why it is so exciting to me, because in this landscape, we're the only company, the world's first databank that is actually helping the consumer claim everything that already exists and to do so on an ongoing basis. So if you think about each of the companies that you have a relationship with Google, Facebook, Walmart, Amazon, what have you? It could even be restaurants. It could be someone like a Chipotle or a Ralphs or any of those companies are maintaining some information on the consumer. And part of what's changed over the last few years is the regulatory environment has given the consumer the power to go and download that information. The problem is that for the average consumer, they have approximately 30000 individual data elements that are being stored on them across over 600 different categories of information. So to give an idea, one category of information could be your Google searches or your Nest Thermostat. One piece of information could be the specific search, or it could be one time that you change the temperature on your Nest Thermostat, and all of that information is being stored by the companies that you're working with that you have these relationships with, usually in exchange for what we think are free products. But in actuality, you're trading thousands of dollars of data value for those products.

And right now, if the consumer wants to go get all of that data and put it to work for themselves or if they just want to get it so that they can control it and stop other people from selling it without their consent, they have to individually work with every single one of those organizations. And the data that is presented to the user is just massive and it's complicated and it's ugly, and you can't just quickly sort through it and understand what you're dealing with. I remember when I first started having conversations with me, PRISM and advising the company, I went to go claim my data the manual way from Google, and it crashed my computer and it crashed my computer because it required so much storage space on my computer. Just that one data source that I couldn't go claim all the other ones, and then I couldn't even open it up. So there's a very practical problem for the consumer of if you want control of it, if you want to be the owner of everything that's out there, you've got to be able to go, actually grab it, touch it, pull it into your databank and then you can be at the center of that economy.

Speaker1: [00:21:18] All right. So what's next for me? Prism, where are you working on for the next generation?

Speaker2: [00:21:24] Yeah, we've got so many exciting initiatives coming up. Like I said, we just ran a private beta in the fall. We're just starting to open it up now to the entire market and we're going to grow the app. And really important right now is starting to onboard as many buyers as possible to make this app as exciting and interesting to the sellers so that there can be a full and exciting interplay between the buyers and the sellers. We're also working on Android. We originally launched on iOS and pretty soon we'll have an Android build that's ready inside of Q one. And I think, you know, some of the other things that are really exciting from my standpoint is we're going to begin working on controls for the consumer and the enterprise to get precisely the data that they want. Because one of the things that we've noticed is people really just don't have an appreciation for what's in this data. I mean, how could you right? How do you summarize to another human being? Thirty thousand unique data points across six hundred varieties, right? There's no easy way to summarize it, and we've got a couple of features in the app that attempt to do this. We have one called the data story that basically walks you through some examples of not only what is known, but what can be predicted about you based on that information.

Speaker2: [00:22:36] And we've got another feature called the Digital Footprint Explorer that lets you sort of zoom back in time and see, OK, what did I do? What videos did I watch on YouTube three years ago on this day? That sort of thing, but it is very hard to actually characterize all of that information. And so part of what we want to do for the consumer and the enterprise is to allow them to be hyper specific about what they are willing to sell and what they're not willing to sell and what the buyers are willing to buy and what the buyers are not willing to buy. Because contrary to popular belief, the buyers are getting savvy as well. They don't just want all of the information because they now know that it comes with a compliance burden as well, and they have to respond to your requests if you ask them to delete it or to update it, or to fix a problem with the data. So what we're really excited about coming soon is starting to work on the ability to say for the consumer, Hey, you know, these are these protected classes of data that I don't want to share.

For example, if my Social Security numbers in there don't ever share it, that's a really easy example. But a more complicated example might be I don't ever want to sell my location, or maybe I don't want to sell my location in the last three months, but I'm OK selling historical locations. And then the same thing occurs on the buyer side where we want to be able to say to the buyer, Hey, I'm interested in. For example, some of the interesting machine learning companies out there are interested in doing sentiment analysis, and they don't need financial transaction information from the consumer. But they do need every piece of text that you've written on your own, not as the machine, right? So a Facebook message, a wall post, a comment on Tik Tok that's content that you actually authored. And so a way to make it easy for them to get access to that as quickly as possible with the consent of the consumer. And to make it clear when you're dealing with this massive amount of information, which are the pieces that you are actually willing to part with and make money from, and which are the pieces that you want to fully control.

Speaker1: [00:24:35] Well, great, well, in the last few minutes that we have here, what else should we cover that we haven't?

Speaker2: [00:24:40] Well, you know, I think those are kind of the main points, but I think one other thing that I'm really excited about is, you know, I mentioned that I have a background at Palantir and one of the partnerships that we've struck is with Palantir. And this is very exciting to me because a lot of companies, if you think about the type of data that we're dealing with when

a buyer is interested in it and gets the consent of the consumer once they buy it, they're still left with a very complicated set of information. And for the largest companies on the planet, they have sophisticated systems like Palantir or other systems for dealing with that data. They've got high powered data scientists who can comb through it and find exactly the insight that will help you get a better product recommendation, for example, where a more personal experience, but for mid-sized companies and for smaller companies that might want to also improve their relationship with you. There's no way for them to easily take on that data without hiring an entire data engineering and data science team. So one of the reasons I'm excited about the Palantir partnership is it gives us the ability to work proactively with those companies and say, Hey, here is the data. And it's already set up in a system that is designed for you to rapidly and easily analyze it and be respectful of all the privacy implications and privacy rules that are going on under the hood. So I'm pretty excited about that as well.

Speaker1: [00:26:02] Great. So how best for listeners to get in touch with you?

Speaker2: [00:26:06] It's way to get in touch with me is on LinkedIn. Can find me Adam Jentleson on LinkedIn. Happy to communicate there.

Speaker1: [00:26:12] Great. I'll put that in the show notes, I want to thank you for joining us today and hope to have you back for a follow up soon. My pleasure. Investor Connect helps investors interested in startup funding. In this podcast series, experienced investors share their experience and advice. You can learn more at Investor Connect Talk. Paul T. Martin is the

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