IDEA GENERATION: A PERFECT STORM

Born out of a perfect storm, misinformation brought into the forefront of culture and politics. Lyric recalls comparing Facebook news feeds with two friends – one local from Cambridge and the other visiting from Spain – and being struck by how different each was. “This was my ultimate ‘aha’ moment,” he says.

FROM WHATSAPP TO THE WORLD: LOGICALLY

“We help platforms and governments fight against misinformation. And the bigger opportunity in front of us is to empower regulators around the world to hold platforms accountable and work with platforms to ensure their compliance in all jurisdictions.”
– Lyric Jain, Founder & CEO, Logically

BY LEXI HENKEL AND CYAN BROWN

Logically is a company with a mission to “improve civic discourse, protect democratic debate and process, and provide access to trustworthy information.” Through a combination of artificial intelligence (AI) and human expertise, Logically analyzes online information to assess its credibility and veracity. Logically has offices in the UK, US and India.

Although he was on track to follow a traditional corporate path after completing degrees in engineering, finance and computer science in the UK, Lyric Jain – Logically Co-Founder & CEO – always had an itch to become an entrepreneur. “It wasn’t a single “lightning bolt” moment that sparked the idea for Logically, but rather a confluence of personal experiences and geopolitical events over a number of years. Lyric explains, “It was really a series of strange events that brought me to Logically — both what I was doing academically and personally, as well as geopolitics at the time.”

Building a Prototype

As he worked towards an MVP product, Lyric studied competitive offerings and found a gap in the market: “Misinformation is a really different problem than general content management. Existing options have a ceiling on how effective they can be. I knew there had to be a better way than throwing generic machine learning models and black box models at the problem.” This resulted in what Lyric describes as an “almost philosophical belief” in the company: blending fact checking and open source intelligence with artificial intelligence, “bringing expert intelligence and artificial intelligence to bear.”

Lyric began putting pen to paper at the MIT Media Lab, ultimately building a simple technology that could identify misinformation on Facebook (before they had this technology in-house). Though in a primitive state, the technology was impressive enough for advisors and professors to encourage Lyric to incorporate a company around assessing online content. And so Logically was born.

Website: https://logically.com/
EVOLVING THE BUSINESS MODEL
In the early days, Logically pursued a D2C model, in the hopes of empowering end users (consumers) with healthy ways to consume information and engage in discourse with each other. They built a consumer app with objective summaries and headlines of news events, incorporating fact-checking into each piece they posted. The product took off during crisis events, with a significant portion of their market entry happening during election cycles. During the early days of the COVID-19 epidemic – a peak “crisis event” — Logically gained hundreds of thousands of daily active users. During the 2020 US presidential debates, the team built features to light fact check debates, attracting a quarter million users to the app.

However, at the end of these pivotal moments and crisis events, users dropped off the platform. After struggling with user retention, Lyric and the team decided to pivot away from the consumer app and engage with social media platforms and the public sector. Lyric explains, “Accelerated by COVID, we transitioned from delivering impact through a bottom-up model to a top-down model, where we ended up supporting public sector partners whose responsibility is to manage risks from public health to public safety, election integrity, and national security due to online and non-online mis-and disinformation. We were also involved in the regulatory landscape.” This transition set Logically on the path they’ve followed for the past two and a half years, offering expert intelligence, paired with an AI-powered threat intelligence program for governments and private sector organizations, and fact-checking services and media literacy programs for social media platforms.

GO-TO-MARKET
Logically’s go-to-market and sales techniques are tailored to each specific customer. One of the most crucial value-adds in this market is the ability to collect and measure data. However, given the death of data and analysis that exists today, there is no “gold standard” for how to assess technological capabilities and ensure models are up to date. To solve this, Logically maintains generic metrics showing statistics for each model based on credibility, veracity, and individual discrete models for specific countries, among others.

However, the way the team communicates their data to customers is tailored and varies widely. Lyric explains, “Sometimes it’s raw metrics and other times it’s case studies, i.e., ‘working with us adds X in operational value and prevents 100 threats to election officials.’ We ask ourselves, ‘What is the outcome the customer/partner really cares about?’ It’s all about communicating it to them in those terms and contextualizing our technical capabilities.” When they have to start with a “blank slate” with no data or case studies, Logically does a pilot for a few weeks to a few months and then shows them what success could look like.

While private companies – such as social media platforms – pay Logically’s independent fact-checking unit, Logically Facts for their services, Logically, the side of the business conducting government and private sector work, self-funds all public-facing projects (e.g., disinformation in Russia). Logically is committed to spending 20% of its time on non-commercial impact initiatives, which acts as a marketing and brand loyalty strategy as potential partners see their work in action. Lyric says, “One of the best ways in which we can market ourselves is by showing people what we can do. We choose to focus on particularly impactful opportunities, which is a way we can demonstrate our capabilities.”

COMPANY FORMATION: FOR-PROFIT VS. NON-PROFIT?
In the first few years of operations, Lyric and the team were laser-focused on building a product: “In the first first 18-24 months, we didn’t have any appetite to commercialize – we just wanted to solve the problem and get greater conviction
that the technology we were building was indeed the right answer and would have a great deal of efficacy.” It turned out the quickest and most efficient route to developing the product and becoming a for-profit entity and raising capital. Lyric received advice from advisors to move quickly: “If we achieved our initial milestones, we would have greater access to capital, which meant we could scale our impact.”

In addition to moving fast, Lyric was determined to maintain the company’s independence. He explains, “Being independent was important to us as a business, especially with our top-down approach working with governments and platforms. We did not want to be connected with large donors, which often colors large institutions’ opinions.” The importance of this increased with the politicization of the misinformation space.

They decided therefore that building a for-profit, independent organization was the best way to maximize Logically’s impact. Reflecting on that experience, Lyric says, “It’s a slightly different ecosystem today; impact-focused venture capital and private equity did not exist back then – and certainly was not mainstream like it is today. We were constrained to small pre-seed levels of capital from traditional investors.” However, Lyric is encouraged by the growth in impact-focused investors: “It’s been interesting to see that as we’ve scaled, so has the impact-focused investor community; it feels like it’s a parallel model for social entrepreneurship that has increasingly gained traction over the past five years.”

**FUNDING THE BUSINESS**

Logically is a Series A company with ~$37 million raised to date. Though in hindsight Lyric is clearly focused on being an independent investor-backed company, this was not always the obvious decision. He explains, “In our early days, we had the opportunity for an acqui-hire presented by a large platform – which was pretty appealing to a 22 year old fresh out of university. But I viewed it as a commentary on how quickly and effectively we could scale this.”

With that decision behind him, Lyric started meeting with investors to find the most suitable partner to maximize Logically’s impact. He says, “We were very conscious that any sort of funding would have a large implication on our brand and future growth potential.” Logically received government grants (one from the UK government focused on research and development of AI) and funding from MIT in the early days. He and his family also bootstrapped the company throughout.

Lyric was incredibly cost-conscious, pulling every lever to keep Logically’s cost basis as low as possible. In 2019, Logically raised a seed round from its first institutional funds, Mercia Equity Finance and XTX Ventures. They funded Logically with the goal of understanding how misinformation was impacting financial markets. However, as Lyric describes, “COVID hit us across the face and became the bigger challenge for us to work on.”

In 2022, Logically raised a Series A from Amazon Alexa Fund and Vitruvian Partners, a private equity and growth equity fund with an ESG mandate. Both of these investors bought into the long-term vision: “We made a convincing argument that being impact-focused and well-rounded correlates well with shareholder returns.” This alignment enables Lyric and the team to make short-term investment decisions that are consistent with impact-focused and non-profit companies. Lyric describes, “Alignment on long-term vision for what the company could become is the most important factor in partnering with an investor. We seek to be an independent source of technology and services that governments around the world can rely on, as well as large social media platforms”

**LEADERSHIP VALUES & CULTURE**

Being mission-focused and remaining independent (and therefore trusted by the public) have always been at the centerpiece of Logically’s identity. The most important aspect of building a
strong culture at Logically, in Lyric’s mind, is hiring the right people: “One thing we remain consistent on is our focus on mission. We’re all missionaries at Logically, and that’s a huge criteria that we hire against. This gets at the sense of alignment among our people — no matter the priorities on teams, this acts as a North Star and helps to attract talent that a startup otherwise couldn’t afford as an early-stage startup.”

Another value that weaves through the Logically culture is their commitment to remaining independent, which helps them build trust with all the stakeholders with whom they work: “Given the nature of our space – regardless of who we work with – there is a social contract between the general public, society at large, and our company, even though we’re not as consumer-facing as we once were.”

Lyric also acknowledges the growing pains they have faced and some lessons learned along the way: “There are traits that worked for us in early days that perhaps work less today as we move into the scale-up part of our journey. One of my biggest regrets is not bringing in our people team a lot sooner. It’s an area that I needed a lot of support on, and we weren’t able to formalize a lot of our values and culture. This has been an evolution in the company over the past 18 months.”

**LOOKING AHEAD**

As Logically enters the scale-up aspect of its journey, Lyric believes they are only “scratching the surface of the problem.” In order to dive deeper, he and the team are focused on expanding their services within existing partnerships and developing the product to solve the problem more effectively. He explains, “One of our key focuses is adapting to how dis- and mis-information have evolved. Initially, it was about English and text-only, and it only existed on large social media platforms; today, we are focused today on adapting our technology to be multilingual and multi-modal, and across platforms.”

Though it may seem counterintuitive, Lyric and the team are supportive of regulation and view it as a go-to-market tailwind. The team has also been inspired by the renewed focus of the national security industry on what they are building. Lyric says, “It’s been eye-opening to understand where the gaps in the national security community have been.” Logically has been deeply involved – particularly in the US and some other markets – in helping prevent adversarial influence in elections. While many of its peers have decided to work with either governments or platforms, Logically has for a number of years now served both clients independently of one another and in April 2023 the organization launched its separate business unit Logically Facts, to further solidify the two sides of the business in terms of client deliverables.

In addition to these areas, the Logically team is focused on expanding globally. As of 2023, the company has grown from two countries to 12. Lyric has set the goal to expand to 36 next year, and he knows the rest of the business will have to keep pace. Lyric reflects tongue-in-cheek, “Hey, we were just going to be a news app, and here we are.” More seriously, he says, “It was our timing and our execution – our horizontal approach to supporting organizations.”

**KEY INSIGHTS**

Be flexible; your first go-to-market strategy likely won’t be your last.

“Accelerated by COVID, we transitioned from delivering impact through a bottom-up model to a top-down model, where we ended up supporting public sector partners. This transition set us on the path we’ve followed for the past two and a half years.” – Lyric Jain
Set your values early and don’t stray.
“Being independent was important to us as a business, especially with our top-down approach working with governments and platforms. We did not want to be connected with large donors, which often colors large institutions’ opinions.”

Pick partners who are aligned with your long-term vision.
“Alignment on long-term vision for what the company could become is the most important factor in partnering with an investor.” – Lyric Jain

People matter; formalize that function early.
“One of my biggest regrets is not bringing in our people team a lot sooner. It’s an area that I needed a lot of support on, and we weren’t able to formalize a lot of our values and culture. This has been an evolution in the company over the past 18 months.” – Lyric Jain

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