

Team Members: Akin Akinola, Temilade Adelakun, Wole Agbede

Press Release: Booth MBA Students Launch an AI Agent That Could Have Foreseen Failures like Theranos, Better Place, and WeWork— Potentially Saving VCs Billions.

Wall Street Journal, March 13, 2025

In a groundbreaking development, a team of MBA students from the University of Chicago Booth School of Business has created an agentic AI system that could revolutionize the venture capital industry. The AI, dubbed "Dolphin AI," has demonstrated an uncanny ability to predict the trajectory of high-profile startups, including accurately forecasting the downfall of companies like Theranos and WeWork, potentially saving investors billions of dollars.

Unlike generic large language models (LLMs) that often exhibit optimism bias, Dolphin AI integrates quantitative data, qualitative information, and even pitch decks to assess investment viability. Dolphin provides VC analysts with a powerful tool to avoid costly investment decisions. The system's success in identifying red flags in these notorious cases has caught the attention of industry veterans and is poised to reshape how VCs evaluate potential investments.

Building on the success of its predictive capabilities, Dolphin AI leverages a sophisticated multi-modal analysis approach. The AI system processes a wide array of data sources, including financial statements, market trends, social media sentiment, and even the visual and textual content of startup pitch decks. By employing advanced natural language processing and computer vision algorithms, Dolphin AI can extract key insights from both quantitative and qualitative data. This holistic approach allows the AI to identify potential red flags, assess market fit, and evaluate the strength of the founding team – factors that are crucial in determining a startup's long-term viability. The platform's ability to synthesize this diverse information into actionable intelligence sets it apart from traditional VC analysis tools, offering a more comprehensive and nuanced view of potential investments.

The Dolphin AI team, led by MBA students from The University of Chicago Booth, is currently refining the AI system through rigorous testing and validation. Prof. Bradford Levy, an Assistant Professor at Chicago Booth and expert in AI and financial markets, serves as an advisor to the project. "Our goal is to create a tool that not only predicts startup trajectories but also provides actionable insights for VC analysts," said Levy. "We're focusing on developing robust performance metrics to ensure the AI's accuracy and reliability across a diverse range of startups and industries." The team is collaborating with select venture capital firms to beta test the platform, with plans to expand access in the coming months. As the AI continues to learn and improve, the students anticipate Dolphin AI will become an indispensable tool for the VC industry, potentially revolutionizing how investment decisions are made.

Frequently Asked Questions:

1. What is Dolphin AI and how does it work?

Dolphin AI is an agentic AI system designed to predict the trajectory of startups and assist VC analysts in making investment decisions. It analyzes a combination of quantitative data, qualitative information, and pitch decks using advanced natural language processing and computer vision algorithms to provide comprehensive insights on potential investments.

2. Why is Dolphin AI superior to the commercial-off-the-shelf Gen AI solutions?

Dolphin AI integrates with comprehensive public, real-life datasets and uses chain of thought reasoning to analyse startups, allowing for more realistic and unbiased investment analyses compared to the COTS Gen-AI solution which often display excessive optimism. If investors had followed the generic model's recommendations, they would have invested in nearly all the failed startups, resulting in significant capital loss. Conversely, our trained model would have correctly rejected the majority, substantially lowering the overall exposure. (Figure 1 and 2)

3. How does Dolphin AI differ from traditional VC analysis tools?

Dolphin AI stands out by offering a holistic approach to startup evaluation. Unlike traditional tools that focus solely on financial metrics and generic framework, our AI system is trained to think like a VC uses multi-level agents to analyze financial statements, market trends, social media sentiment, and visual content from pitch decks. This comprehensive approach provides a more nuanced view of potential investments. Moreover, it reduces the due diligence timeline from 1–2 weeks to under 5 minutes, all without compromising quality.

4. Will Dolphin AI replace human VC analysts?

No, Dolphin AI won't replace human VC analysts. Rather, it complements them by reducing decision fatigue and mitigating biases, significantly boosting overall performance. Yet, it never supplants the essential critical judgment that only humans can provide, making it an invaluable digital teammate for any venture capital team.

5. What types of data does Dolphin AI analyze and how does it analyze it?

The system processes a wide array of data sources, including financial statements, market trends, social media sentiment, pitch deck content (both visual and textual), founder and team information, and industry-specific metrics.

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The AI was trained to use a chain of thought prompting it to analyze key drivers of investment decisions like consumer behavior, competitive landscape, team structure, market size, trend, etc.

6. What does the output of the report look like?

The final report is produced by the General Partner, who functions as a digital supervisor for two analyst agents. After reviewing the analysts' findings, the General Partner delivers a recommendation that explains whether the idea is a sound investment or not, and provides constructive feedback on what could have been done differently to make the idea more appealing to investors, offering valuable guidance to founders. (Figure 3)

7. How accurate is Dolphin AI in predicting startup success?

While we're continuously refining our system, Dolphin AI has already shown remarkable accuracy in predicting the trajectory of high-profile startups, including accurately projecting the challenges faced by Theranos and WeWork. In tests involving 11 failed startups, the system registered a 100% rejection rate for 8 of them and recommended rejection at a 60–80% rate for the remaining 3. We are currently partnering with select VC firms to further validate and refine our accuracy metrics.

8. Is this tool only useful for Investors?

No, Dolphin AI can also help entrepreneurs validate their ideas and get recommendations on how to strengthen their ideas and make them backable with our General Partner recommendation and advice.

9. Do I need a background in data science or AI to use Dolphin AI?

No, Dolphin AI is designed to be user-friendly for VC analysts and investors without requiring a background in data science or AI. The system provides clear, actionable insights that can be easily interpreted and incorporated into your decision-making process.

10. How does Dolphin AI handle potential biases in its analysis?

We're acutely aware of the potential for bias in AI systems. Dolphin AI is designed with multiple safeguards to minimize bias, including diverse training data, regular audits of our algorithms, and transparency in our decision-making process. We also provide users with context for our recommendations, allowing for human oversight and interpretation. To confirm that Dolphin AI

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doesn't merely reject opportunities, we tested it on successful companies such as Facebook, Uber, Airbnb, and Amazon, where it excelled at identifying high-potential investments. (Figure 2)

11. Can Dolphin AI analyze startups from any industry?

Yes, Dolphin AI is designed to evaluate startups across various industries. Our AI models are trained on a diverse range of sectors, allowing for comprehensive analysis regardless of the startup's focus. However, the system's performance may vary depending on the availability and quality of data in specific industries.

12. How often is the data in Dolphin AI updated?

Dolphin AI uses a search AI agent to get the most recent information about an industry or idea every time it analyses a startup. This includes real-time market data, recent news, and updated company information as it becomes available.

13. Is my data and usage of Dolphin AI kept confidential?

Absolutely. We prioritize the privacy and security of our users' data. All information processed by Dolphin AI is kept strictly confidential and is not shared with external parties. We employ industry-standard security measures to protect your data and usage information.

14. How can I get access to Dolphin AI?

Currently, Dolphin AI is in a beta testing phase with select venture capital firms. We're planning to expand access in the coming months. The beta version can be accessed [here](#) for the next 72 hours, please contact our team for more information.

Figure 1: Results of COTS LLM decisions on investing in failed startups

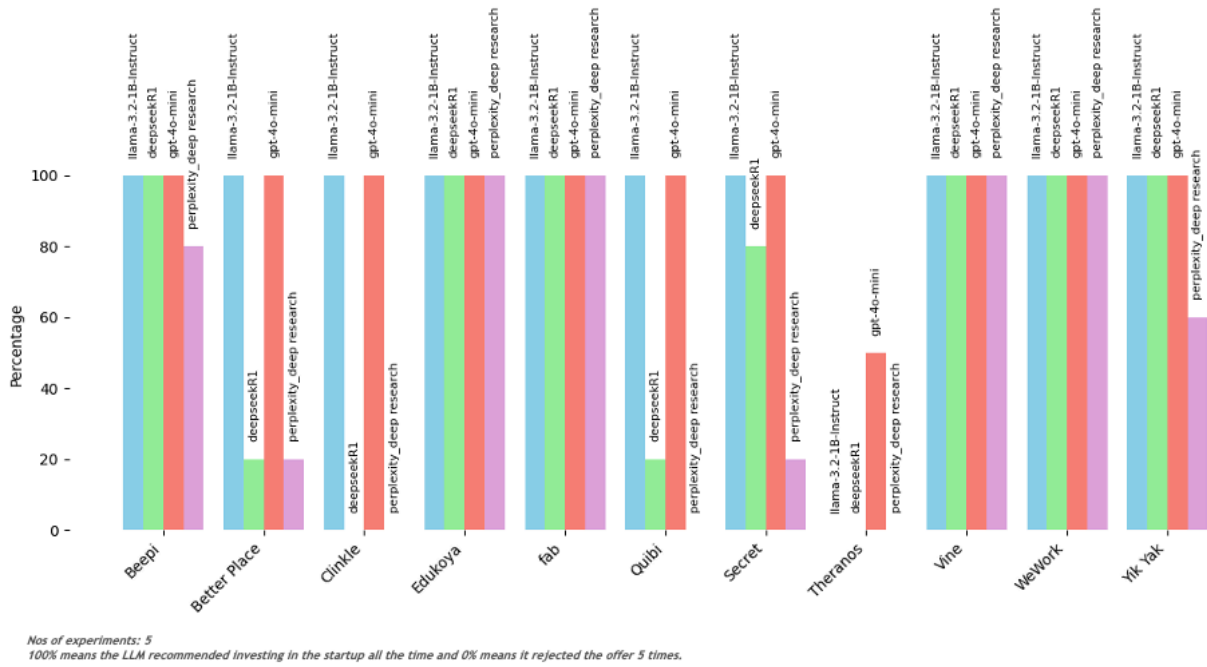
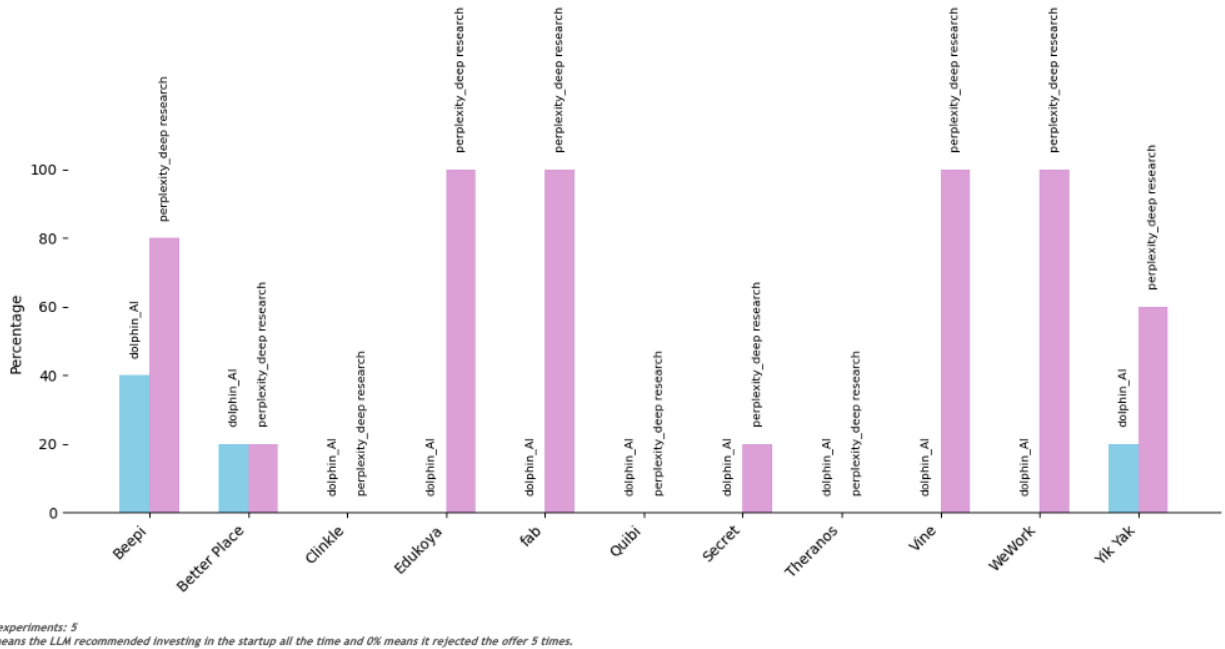


Figure 2: Result of the comparison between Dolphin AI and Perplexity Deep research



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Figure 3: Sample output of Dolphin AI report for Theranos and Uber

Dolphin AI - Your digital teammate for better investment decisions

Enter the pitch text or upload a pitch deck. Then our agents will evaluate the startup and deliver a final investment recommendation to your email address provided.

Pitch Text

Paste your pitch text here if you do not have a pitch deck...

Upload Pitch File (TXT, PDF, PPTX)

Theranos.txt 3.7 KB

Email address (To enter more than one email add, use comma to separate them)

Enter your email address to send the report to...

Submit

Startup Name: Theranos
Evaluation Year: 2004-2005
Summary of Analyst Reports

Market Opportunity Analyst - 7/10

- The laboratory testing industry is valued at approximately \$75 billion.
- Targeting consumer blood testing, with millions of patients undergoing tests annually.
- Initial partnerships with Walgreens and Safeway provided some validation.

Technology Viability Analyst - 4/10

- The Edison device claimed to perform a wide range of tests with just a few drops of blood.
- Concerns about reliability and accuracy, with limited tests being feasible.
- Lack of peer-reviewed studies and regulatory approval raised significant doubts.

Management Analyst - 5/10

- Elizabeth Holmes led with a compelling vision but lacked medical training.
- High-profile board members initially lent credibility but lacked relevant expertise.
- Reports of a toxic work environment and management issues.

Financial Health Analyst - 6/10

- Raised over \$700 million, achieving a peak valuation of \$9 billion.
- Initial revenue projections were overly optimistic, with actual revenues significantly lower.
- Increasing scrutiny from investors and regulators led to declining confidence.

Regulatory and Legal Risks Analyst - 3/10

- Faced investigations from the FDA and CMS, indicating significant deficiencies.
- Legal challenges, including fraud charges, posed severe risks to operations.

My Verdict: Reject
Overall Score: 5/10
Investment Risk Level: Very High
Scalability Potential: Low
Exit Likelihood: Uncertain

My Take:
Theranos presents a high-risk investment opportunity. While the market potential is significant, the technology's viability is unproven, and the company faces serious

Final Recommendation: DO NOT INVEST.

To make this idea bankable, the team should:

- Validate the technology: Conduct rigorous testing and obtain FDA approval for the Edison device.
- Strengthen leadership: Hire experienced medical professionals to guide product development and regulatory compliance.
- Improve transparency: Foster a culture of openness to encourage feedback and innovation.
- Develop a sustainable business model: Ensure that revenue projections are based on realistic assessments of technology performance and market conditions.

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Enter the pitch text or upload a pitch deck. Then our agents will evaluate the startup and deliver a final investment recommendation here and the email address provided.

Pitch Text

Paste your pitch text here if you do not have a pitch deck...

Upload Pitch File (TXT, PDF, PPTX)

Uber.txt 4.2 KB

Email address (To enter more than one email add, use comma to separate them)

Enter your email address to send the report to...

Submit

Startup Name: Uber
Evaluation Year: 2011
Summary of Analyst Reports

Market Analyst - 8.5/10

- The ride-sharing market is poised for explosive growth, addressing significant pain points in traditional taxi services.
- Regulatory challenges and competition from traditional taxis and new entrants pose risks.

Business Model Analyst - 7.5/10

- Uber's asset-light model allows for rapid scaling, but long-term profitability remains uncertain due to high operational costs.
- The reliance on independent contractors raises questions about driver satisfaction and retention.

Customer Analyst - 8/10

- Strong market acceptance among urban dwellers and tourists seeking convenient transportation.
- Customer acquisition strategies are effective, but ongoing monitoring of user feedback is essential.

Competition Analyst - 7/10

- Uber's first-mover advantage and technology-driven approach provide a competitive edge, but the landscape is becoming crowded.
- Regulatory scrutiny and potential backlash from traditional taxi services could hinder growth.

Team Analyst - 8/10

- The founding team has a strong background in technology and entrepreneurship, crucial for navigating startup challenges.
- However, the company may need to fill gaps in transportation expertise and leadership as it scales.

My Verdict: Invest
Overall Score: 7.7/10
Investment Risk Level: Moderate
Scalability Potential: High
Exit Likelihood: Favorable

My Take:
Uber presents a compelling investment opportunity with its innovative approach to transportation. The market demand for on-demand services is significant, and the compa