

Peter Thiel's VC firm just led a \$40 million investment into the self-driving startup ISEE. Here's why it's betting on the little-known player as top firms struggle.

Alexa St. John 5 hours ago



ISEE sees promise in automating trucks that operate in logistics yards. ISEE

Peter Thiel's venture-capital firm just led a \$40 million investment into a little-known self-driving-tech startup whose founders plan to help solve the supply-chain crisis.

Founded out of the Massachusetts Institute of Technology in 2017, ISEE isn't developing the next autonomous robotaxi or self-driving long-haul truck. It's working to automate the trucks that operate in logistics yards, where shipping containers chock full of stuff sit before being transported to a warehouse or distribution center.

Investors from Thiel's firm, Founders Fund — which has backed SpaceX, Palantir, and Stripe — along with the existing investors Maersk Growth, Eniac Ventures, New Legacy, and more participated in the \$40 million Series B. This brings ISEE's total funding to \$70 million.

The raise is sizable considering today's economic environment has seen less funding going toward mobility, including autonomous tech. PitchBook calculated 249 deals across autonomous driving, including hardware and software, totaling \$15.3 billion in 2021 but just 121 autonomous-vehicle deals totaling \$4.3 billion in the first nine months of this year.

That's part of why ISEE sees promise in homing in on the supply chain. It's a stable, rapidly growing space. It's desperate to increase capacity amid a driver shortage. It's always looking to optimize operations. And it needs safer yards.

"The yard, we believe, is the best use case, the first use case for us to go to market," Yibiao Zhao, the company's cofounder and CEO, told Insider. At least for now. "We want to do this general-purpose, AI autonomy that enables machines in a lot more applications," he said.

Grand plan for the logistics space

Not only has AV technology been challenging to develop and commercialize, but it's expensive and time-consuming. Last month, the Ford-backed AV business, [Argo AI](#), shut down. The self-driving-truck company TuSimple just [lost](#) its CEO. And Aurora could be [exploring a sale or going private](#).

Because of the uncertainty in building autonomous robotaxis and long-haul trucks, ISEE hopes to capitalize on bringing self-driving tech to controlled logistics environments — especially as e-commerce and other trends have the logistics business booming.

Though yards are well-defined, limited spaces, they also bring challenges: Other AVs operate on roads with distinct lane markings, traffic lights, other infrastructure points, and mapping for reference. Shipping yards can be a less predictable, unstructured, and mixed traffic environment. Tractor-trailer parking is another hurdle — and trailers are switched out frequently in yards, further complicating the role autonomy can play.

"In well-defined and constrained environments autonomous systems do well. Drop them into messy, vague situations with multiple edge cases, however, and they are frequently overwhelmed," the PitchBook emerging-technology analyst Jonathan Geurkink said. His advice: "Let humans oversee and manage the most challenging issues and let automation take care of the more straightforward tasks and heavy lifting."

But the 85-person startup says its advantage lies in tech that combines cognitive modeling, game theory, and deep learning. The company says it can upgrade trucks with hardware and software and have those vehicles start moving loads autonomously within four weeks.

Ambitious next steps

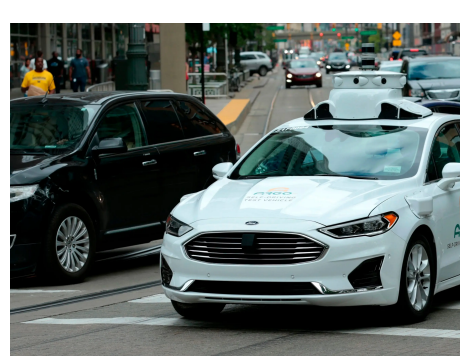
Few competitors are in the yard-automation space. One, Outrider, has raised \$127.3 million over the past five years, according to PitchBook. It's developing kits to make yard vehicles autonomous.

ISEE wants to move as quickly as possible: It plans to automate 100 trucks for its customers, including [BMW](#) and the logistics giant Maersk, in the near future, scaling up to automate 1,000 within five years.

"We don't build trucks," Zhao said. "We build the kits to retrofit and turn a truck into an autonomous driving truck."

"The software side is our main secret sauce."

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