

Why We Invested in Arize AI – Unifying Observability for AI and ML



Adams Street is proud to announce that it led the \$70 million Series C fundraiser for Arize AI, the leading artificial intelligence (AI) observability platform that enables enterprises to monitor, troubleshoot, and explain AI systems across their lifecycle.

A Growing Need for Visibility

The rapid adoption of predictive machine learning (ML) and generative AI (genAI) models is reshaping the enterprise software stack, introducing additional complexity and creating a critical need for specialized observability solutions. Traditional observability solutions are designed to collect infrastructure-level metrics or application-level performance. However, they lack the capabilities to provide visibility into the unique challenges of predictive ML and genAI models, which include:

- **Lack of Visibility in GenAI:** Generative models, such as large language models (LLM), are non-deterministic, meaning their outputs can vary unpredictably even with the same input, making error diagnosis and decision interpretation difficult.
- **Evolving Complexity:** AI workflows are growing in sophistication and now involve agents, retrieval-augmented generation, knowledge graphs, tool usage, and function calling, creating intricate dependencies that must be traced and evaluated effectively.
- **Model Drift and Performance Degradation:** AI models often degrade over time due to shifts in input data or retraining updates, requiring continuous monitoring to detect and refine performance issues.
- **Model Sprawl:** Enterprises manage numerous AI models across predictive ML, vision, and LLMs, making manual tracking of performance, drift, and hallucinations impractical without a unified observability solution.



Jason Lopatecki
Chief Executive Officer
& Co-Founder



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Arize AI: The Purpose-Built AI Observability Solution

Founded in 2020 by a team of AI infrastructure veterans, Arize AI initially found product-market fit by addressing the critical pain points of ML engineers, providing solutions for traditional ML pitfalls such as model drift, performance degradation, and labeling errors.

Shortly after the launch of ChatGPT, Arize AI recognized the transformative potential of genAI and expanded its platform to address the emerging needs of LLM systems. Notably, Arize AI introduced Phoenix, the first open-source LLM evaluation framework, along with a comprehensive suite of production-grade LLM observability solutions. With over 4,600 Github stars and 6000+ active community members, Phoenix has gained widespread adoption among developers and is becoming the de-facto standard for LLM tracing and evaluation.

Today, Arize AI is a fully unified AI/ML observability platform that provides a single “pane of glass” for AI engineers to debug and monitor all their models with intuitive dashboards and automated insights. The Arize AI platform enables AI/ML teams to seamlessly transition from experimentation to deployment, ensuring end-to-end visibility and rapid resolution of issues. These observability capabilities ensure that AI engineers can identify and address performance, fairness, or reliability issues in real time.

Experienced Leadership with a Strong Track Record

Arize AI is led by an exceptional team with deep AI and enterprise software expertise. CEO Jason Lopatecki previously spearheaded AI strategy at TubeMogul, bringing hands-on experience in scaling AI-driven businesses. Co-founder and chief product officer Aparna Dhinakaran honed her AI expertise at Apple and then Uber, where she co-led the design and development of Uber’s first model lifecycle management system. This leadership team, along with a highly skilled group of engineers, has consistently demonstrated strong execution in building and scaling Arize AI’s platform.

Looking Ahead

We are excited to partner with Arize AI on its journey to define the future of AI observability. The need for AI observability has never been more urgent, and Arize AI is at the forefront of this transformation. With a best-in-class product, strong customer adoption, and an experienced leadership team, we believe Arize AI will play a foundational role in the AI-driven enterprise landscape. Congratulations to the Arize AI team on its continued progress and momentum. ■

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