

Sedai Raises \$20 Million for the First Self-Driving Cloud

The platform reduces cloud costs and prevents system outages by taking action with patented AI technology.



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SAN FRANCISCO, CA, June 12, 2025 — [Sedai](#), the self-driving cloud™, today announced a \$20 million Series B round, led by AVP (Atlantic Vantage Point). The new funding, which also includes investments from Norwest, Sierra Ventures, and Uncorrelated Ventures, will fuel innovation across Sedai's patented AI platform, so engineering leaders can safely and effortlessly manage the cloud.

Worldwide, the cloud will cost more than [\\$700 billion](#) this year, due to the rise of generative AI models that require vast computing power. A typical company now needs a small army of engineers to manage its cloud environment: an ever-growing array of complex microservices. Sedai uses its own AI to understand each unique environment. The platform then acts to prevent availability issues and eliminate wasted resources, through a patented process that Sedai's co-founders invented.

“Every company needs a self-driving cloud,” said Suresh Mathew, CEO & Founder of Sedai. “Modern cloud environments are too complex to manage with simple automation, meaning that AI is the only safe solution for this problem. Fortune 500 companies that use Sedai save more than \$5 million a year — plus over 22,000 hours of engineering time. This isn’t a future vision. It’s mission-critical technology, already in action.”

Sedai deeply integrates with all major cloud service providers, including AWS, Microsoft Azure, and Google Cloud Platform. Customers build trust with Sedai until they’re ready to let the AI platform take action across their cloud infrastructure, without human intervention. These “self-driving” actions include:

- **Self-scaling:** Sedai replaces the risks and inaccuracies of traditional autoscaling with Smart Scaling. Powered by a patented deep reinforcement learning system, Sedai’s Smart Scaling continuously determines the exact resources each application needs, under varying traffic conditions. It predicts demand using live traffic, historical patterns, and application behavior. Sedai then scales vertically, horizontally, or both — precisely and safely — to prevent overprovisioning and improve performance.
- **Self-healing:** Sedai detects critical production issues, such as degradation, failures, or outages. It then takes immediate, autonomous action to resolve them. In many cases, Sedai prevents incidents before they impact users, by spotting early signs of failure. While most tools provide alerts or suggestions, Sedai acts in real time to fix or prevent issues, avoiding disruptions.

“For our business to move fast, we need our cloud to operate at peak performance,” said Venkat Gopalan, Chief Technology Officer at Belcorp. “Sedai gives us that confidence. The AI manages and optimizes every application, every second of the day, so Belcorp’s cloud is always efficient and reliable. Sedai dramatically reduces our costs. But more importantly, it speeds up the pace that our engineering team can innovate.”

The core of Sedai’s platform is its proprietary Decision Engine, which orchestrates multiple AI agents each focused on a different goal. The agents use reinforcement learning to optimize based on cost, performance, and availability goals. Sedai also adapts to changes in a customer’s cloud environment, leveraging a combination of seasonality and causality modeling, anomaly detection, predictive analytics, and topology inference. The company holds a portfolio of U.S. patents that protect its ability to safely take action in the cloud.

"Sedai is a game-changing tool, both for our cloud strategy and for me personally," said Matthew Duren, Vice President of Engineering at KnowBe4. "From a cost perspective, Sedai reduced our spend by up to 50% in production and by up to 87% in development,

which meant it very quickly paid for itself. And from a personal perspective, Sedai helped me become a key strategic leader at KnowBe4. It frees up our team to focus on more valuable projects."

Sedai will deliver a number of world-first capabilities in the months and years ahead. These innovations range from a **self-driving operating system** for SRE and DevOps teams, **autonomous management of data platforms** like Databricks and Snowflake, **self-tuning for LLM-based applications**, and **GPU optimization for AI workloads**. Across the board, Sedai will pioneer the next generation of cloud management.

The Series B financing will accelerate Sedai's already rapid growth. The company increased revenue by 7X in 2024, headlined by deals with multiple Fortune 500 firms. For Sedai's investors, the market opportunity is clear:

"As cloud adoption increases, companies are now struggling to improve the availability and performance of their infrastructure, while also reducing cost," said Manish Agarwal, General Partner at AVP. "FinOps, as a category, has emerged to help companies get visibility into their cloud spend. However, we feel that visibility is only a small part of the solution. What enterprises really need is a way to optimize their cloud environment, in real time. Our view is that AI agents are uniquely positioned to address this need and enable autonomous cloud management. Sedai fits squarely into that thesis, and we are honored to be part of the company."

"The rise of AI has led to both revolutionary new products and runaway cloud costs," said Matthew Howard, General Partner at Norwest Venture Partners. "I see Sedai as a foundational tool in the enterprise stack, because it empowers engineers to build powerful AI systems, without wasting millions of dollars. There's an enormous opportunity to make GPUs more efficient, and Sedai is in the perfect position to lead the charge. We're thrilled to be part of its story."

"Sedai doesn't just save money, it rewrites the physics of how engineering teams operate," said Tim Guleri, Managing Partner at Sierra Ventures. "It's the first AI system we've seen that turns cloud infrastructure into a competitive advantage, not a cost center."

"There was a time when we had to write every line of code by hand and install servers ourselves, just like cars used to have manual transmissions," said Salil Deshpande, General Partner at Uncorrelated Ventures. "Those days are over. Today, AI can optimize cloud resources and fix performance issues, at all hours of the day. Driving stick isn't the best way to get around anymore, and neither is manually managing your infrastructure. Sedai has shown that the future of the cloud is self-driving."

About Sedai

Sedai is the world's first self-driving cloud.™ Our platform uses patented AI to safely optimize your compute, storage, and data — freeing your engineers from routine work. Whatever your cloud looks like, Sedai learns how to drive it and fixes issues in seconds, before they waste money or cause outages. Today, we save millions of dollars for engineering leaders at Palo Alto Networks, Experian, and McGraw Hill. See for yourself: sedai.io

About AVP

AVP is an independent global investment platform dedicated to high-growth, tech (from deep-tech to tech-enabled) companies across Europe and North America, managing more than €2.5bn of assets across four investment strategies: venture, early growth, growth and fund of funds. Our multi-stage platform combines global research with local execution to drive investment. Since its establishment in 2016, AVP has invested in more than 60 technology companies and in more than 60 funds with the Fund of Funds investment strategy. Beyond providing equity capital, our expansion team works closely with founders, providing the expertise, connections and resources needed to unlock growth opportunities, and create lasting value through meaningful collaborations.

For more information, visit our new website: www.avpcap.com

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