

# AI-powered solutions to sort recyclable materials with Sorted

*Creating a startup is always challenging. Founding one during a tech downturn, cost of living crisis and recession seems near impossible. However, with risk comes reward and many of the world's most successful companies were founded during times of economic uncertainty. As part of a series with Antler, Maddyness has interviewed founders hoping to become the entrepreneurial success stories to emerge from this time of crisis. This week, Maddyness spoke to Luis Espinosa Andrade, cofounder of Sorted.*

Temps de lecture : minute

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Climate change is a pressing matter, some people believe that building a company within climate equals building a charity or an NGO. We believe there is a great opportunity for building a very good business that brings a positive impact to the world. This is how we started, from Arthur's (my co-founder) experience in the waste management industry, he saw that the prices of recycling plastic have been increasing over the last years, to the point that it is more expensive than virgin plastic, environmental benefits aside (I hope we can all agree recycling is good), it represented a good opportunity to capture value while doing good for the planet.

## Can you share your elevator pitch?

We help waste management companies sort their recyclable materials by leveraging Computer Vision, Spectroscopy and a Laser System to augment the performance of the humans picking waste inside the recycling facilities.

The plastic recycling market is worth today around \$50B a year, and according to the Alliance to End Plastic Waste, there is an additional missed opportunity of over \$133B for not properly recycling packaging plastics. The recycling industry is still very labour-intensive, and according to the UN, manual sorting jobs are expected to grow by almost 1 million within the next decade. We want to revolutionise the waste sorting industry with our first product relying on humans but making them better by leveraging Artificial Intelligence, solving an immediate pain from the industry while setting the foundations for the future.

## Can you tell our readers about your engagement with Antler?

Arthur and I met just before joining the Antler cohort in 2022, we both wanted to start a company but we weren't sure about what. We saw in Antler a huge opportunity to test our working relationship, validate some hypotheses and get some initial funding to get started. Since then, they have been very active in helping us grow Sorted, from helping us plan our fundraising strategy to some day-to-day support.



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## Tell us about the working culture at Sorted?

Our jobs shouldn't define us, however, as we spend more than  $\frac{1}{3}$  of our "waking up hours" working, we want to make it a pleasant place. We both have worked in a lot of companies of different sizes in the past, so we are aiming to create the working environment we wish we had back then. We value outputs rather than inputs, we are hiring the best talent we can find and empowering them to deliver the best results they can, we work hard but we also make sure to have time to decompress and enjoy life. This is why we even have a policy that the last Friday of every month is off for everyone (that's 12 extra days of holiday per year), is not yet a 4-day workweek but a step forward.

(Controversially) we are an office-first company (3 days per week), although we acknowledge and value the advantages of working remotely, we also recognise that as a startup, we are still figuring things out and having that “quick 5 minutes chat with a whiteboard” can unlock way more than a back-and-forth of messages or even virtual meetings. This doesn't mean there is no flexibility, if someone needs to run a personal errand in the middle of the day, they are free to do so.

## What has been your biggest challenge so far and how have you overcome this?

Getting started, as usual, the hardest step is usually the first one. After that, there are different challenges but we are confident that we can overcome them. Getting customers is a tough one, however, thanks to Arthur's vast experience in the industry, he has a lot of contacts we can tap into. I can't imagine trying to build something in this space without having some network (some companies that have done it but I imagine it's quite challenging). Our first customer came from that network and the second one too, we expect we can build the credibility we need to start from that network and getting the next round of customers shouldn't be that hard (said no one ever).

## What's in store for the future?

For now, we have customers in the UK and FR, and we want to focus on these two markets to prove our value proposition. After this, we will look into the rest of Europe and eventually the holy grail for European startups, the US. Although we are leveraging humans in the short-term we are not that naive to believe this job is going to keep being manual forever, but we are building that stepping stone that will prepare us for the future.

# How has the cost of living crisis and the tech downturn impacted your experience building Sorted?

For us, although challenging, it has been very positive, it has forced us to build a self-sustainable business that solves an actual problem for our customers and that doesn't rely only on VC funding (shocking, right!?). As everyone's budget is tight, our customers included, this has pushed us to really understand their problems today and the ones that might arise in the future, and by solving the problems of today, puts us in a better position to build the long-term plan.

Regarding funding, as VCs are more cautious than usual, getting that extra fuel to build our company has proven rather difficult, but on the bright side, it has also pushed us to validate our business model from our customers as we need the revenue to maintain the business. Last but not least, from the talent perspective, unfortunately, all the layoffs that have been affecting the ecosystem have opened up an incredible pool of candidates to join our team, and the fact that we are mission-driven gives us an extra edge when trying to onboard the best talent.

# What barriers have you faced in realising your entrepreneurial ambitions? How can we make entrepreneurship more accessible in the UK?

As mentioned before, the hardest step is the first one, as an immigrant it was not so easy to navigate the landscape, I believe creating opportunities for people from different backgrounds to meet and explore would enable businesses that were not possible otherwise. When you have a family it is not that easy to leave a steady corporate job to pursue

your dream, Arthur and I were lucky enough to have savings and supportive partners, but I think spaces such as Antler would provide access to more people wanting to build a business but not knowing where to start.

## What one piece of advice would you give other founders or future founders?

Building a VC-backed business is just one way of being a founder, you need to really understand your customers and their problems, this way you are going to nail the solution and build a business that not only relies on external funding.

## And finally, a more personal question! What's your daily routine and the rules you're living by at the moment?

This one is tricky, although we foster balance in the team, being a founder is not an easy thing, we find ourselves sending each other the occasional message on a Sunday night, or because our customers run physical recycling facilities we have to travel relatively often to meet them, so taking a plane or a train on a random hour is not unexpected. Having said that, our non-negotiables are our personal relationships, we both have long-term relationships (Arthur is married and I live with my partner), and both have dogs, so we always find time for them.

Luis Espinosa Andrade, cofounder of Sorted.

*Antler is one of the world's most active early-stage investors. With 1000 portfolio companies in 27 countries, they have a global community of early-stage founders addressing the world's biggest challenges.*



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