Entrepreneurship - a personal journey

EPFL Venture Lab; 13.11.2012

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1994–1997 Research

Disco -- Running commodity Operating Systems on Scalable Multiprocessors, SOSP 97
1997 – “pre-commit”

• Obvious plan (“looking back”)
  • Commercialize “Disco” for high-end multiprocessors (e.g. SGI Origin, DEC Alpha)

• Better plan (“looking forward”)
  • Identify a more relevant problem
  • Develop a corresponding vision and strategy

• Identify the founding team
part #1 - VMware
(1998-2005)

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The plan

Start with desktops; then servers
January 1998 — commit point

• “To commit” - More than just “quit your current job”
• Finalize the team - 5 founders
  • Exp. CEO, Professor, 2x graduate students, 1x Sr. engineer
• Incorporate
• Start executing
  • Start from a clean room
  • Build proof-of-concept prototype ASAP
  • Recruit in-network only
1998 – the team
VMWare Mission

To be a pathbreaking systems software company whose software will become pervasive by the year 2000.

VMWare Statement of Purpose

To lessen constraints and facilitate innovation for other system builders as well as end-users of computers.

VMWare Core Values & Beliefs

Technical Excellence.
   Striving to do things right.

Innovative Product and understanding people’s needs.
   Always moving forward, innovation inspired by an understanding of the user’s problems. Product we are excited to bring to market.

Respect for and trust in the individual.
   Each person matters and is relied upon.

A fun and open workplace.
   Flexibility and humor in our day-to-day working. Full and honest communication between all facets of the company. Participatory management

Goal driven, results oriented.
   Objectives and roles are well-defined.
Incremental growth

- Disruptive technology with no prior market
- Financing & Revenue timeline
  - Jan. 98 - “seed” (~200k$)
  - Sep 98 “A” (~2M$)
  - March 00 “B” round (~20M$)
- Cash-flow positive since 99
Learning new skills

• 98-99 -- **member of the technical staff**, programmer, architect, release engineer, technical lead, hiring manager, project manager, customer support engineer, technical marketing, patent guy, ...

• 00-01 -- **director of engineering**, hiring, quality, scalability, ...

• 02-03 -- **chief architect**, enterprise-readiness, product management, sales, distribution, intellectual property, ...

• 03-05 -- **chief technology officer**, strategy, business development, PR, IR, AR, ...
Scaling the business

• Marketing - Product management
  • Managing the roadmap, not features
  • Become a platform; create an ecosystem

• Sales - Leverage the distribution model
  • Resellers and VARs
  • Server and Storage OEMs (IBM, HP, Dell, ...)

• Business development
  • Become the center of the industry
VMware today

- Acquired in 2004 by EMC; then IPO in 2007
- >10,000 employees
- $4.4B annual revenue
part #2 - Nuova Systems (2005-11)

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Legends of Silicon Valley

“MPLS”
Nuova – a “big play”

- Funding to go very big or go home
  - 05 -- “A” round - $10M
  - 06 -- “B” round - $50M (Cisco)

- Plan - build a datacenter product line
  - Unify data center fabrics
  - (post-Cisco): in addition, enter the x86 server business
2006 – plan to enter server market

**How:** Unify protocols. Virtualize interfaces. Integrate management

**Where:** Enterprise data centers with virtualization/automation
The execution of a big play

• Time-to-market window of opportunity
  • Launch to coincide with Intel “Nehalem” processor
  • Hire 100 people in first 12-18 months
  • Strike technology partnerships by launch (e.g. Intel, EMC, VMware, Emulex, Qlogic)
  • Maintain secrecy

• Go big or go home
  • Very competitive market
  • Cheaper to cancel product than to bring it to market
2009 – the launch
Closing Thoughts

Technology is a necessary but insufficient condition for success.

Timing is everything. Products often fail because they are too early

Always look forward (never backwards)
Enjoy the journey
(but be ready to commit)
Thank you.

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