

Starting In Silicon Valley

A. van Hoff

Arthur van Hoff is a well-known name in Silicon Valley and beyond. Currently, he is chief technology officer of Marimba Inc., an almost three-year old startup in Silicon Valley. Marimba was one of the first companies to actively market push technology using Java to distribute content and applications within and between organizations. He is a member of the Twinning Network, and we found him happy to write about his own experiences in starting a new company.

In February of 1996 I started a high-tech startup in Silicon Valley together with 3 friends. This turned out to be quite an experience, and not exactly what I had expected. It was my 3rd startup attempt. Right out of school (HIO in Enschede) I joined a small startup called AD-Software together with a school friend, Harrie Kodden, to develop software for the Macintosh. We did some amazing work together, but the market for the software, which was aimed at Orthodontists, never materialized. My second attempt was the Turing Institute, a management buy-out from Strathclyde University in Glasgow, Scotland. Our focus on applications in Artificial Intelligence did not provide for an expanding market either.

So in January of 1993 I joined Sun Microsystems in Mountain View California, where I ended up working with James Gosling and Bill Joy on the Java programming language. I played an important role in completing the language, implementing the Java compiler, and the development of the HotJava browser. The sudden popularity of the World Wide Web and the Java language presented an excellent opportunity for my third attempt at starting a high-tech company.

So in December of 1995 Jonathan Payne, Sami Shaio, Kim Polese, and myself had many meetings outside work to discuss the possibility of leaving our successful careers at Sun behind and do the thing that every engineer in Silicon Valley dream-

s about: form a startup company and take it public. We had invited Kim Polese to join, because her experience as the Marketing brains behind the Java project would be extremely value in a startup. After lots of debate, lots of advice from friends, and after several business plan drafts, we handed in our notice and left Sun Microsystems to form Marimba Inc.

Silicon Valley provides a wonderful environment for starting a new company. It is easy to get everything you need, except office space. We were lucky to find a small one-room office above a bookstore in Palo Alto, across the street from a coffee shop. We agreed to an initial starting capital of \$60k, which we raised out of our own pockets. That means we had plenty of money to get the essential equipment of every startup: furniture, computers, cables, phones, Internet access, snacks, and lots of coffee.

During next 6 months we did everything possible to increase the value of our newly formed company in anticipation of our next round of venture capital financing. We incorporated the company, wrote a business plan, developed a prototypes of our products, signed up our first customers, printed business cards, created a web-site, got a bank account, etc. This was a very exciting time. In June of 1996 we presented our business plan to several venture capital investors, and as a result, we secured \$4M of funding from Kleiner-Perkins in return for a minor-

ity share of the company. This money allowed us to grow. We could start hiring employees and gather a first class executive team. Now two years later, after another round of financing worth \$15M, we are now 140 people and business is great. We have become the leading solution providers for Application Distribution and Management on the Internet.

I've learned a lot from starting Marimba. It is very important to understand the motivation of your investors. The venture funds in Silicon Valley exist to make money, and that means that they want you to be successful. They have no desire to run your company or to control your destiny, unless it is to avoid disaster. Our main investor, Kleiner-Perkins, has been extremely helpful in many areas, including executive recruiting, finding business partners, finding customers, defining our strategy, etc. Another thing I learned is that there is a big difference between ownership and leadership. It is not necessarily the case that the founders are automatically the right people to run the business. Founders often assume management positions for which they are not ready, and this will discourage investors. A founder should think as a shareholder and do what is right for the company, even if that means becoming a regular employee of your own company.

At Marimba every employee is a shareholder, which means that we are all committed to Marimba's success. It is a great way to attract good people to join a startup, especially in the early stages of the company. Everybody is working hard to turn the company into a candidate for a successful IPO. Stock options are a valuable tool in recruiting and to get commitment for your employees.

Starting a high-tech company in Silicon Valley is a great experience for anyone with guts. It can be

frustrating and tiring at times, but when it works it is a great feeling that I can recommend to anyone.



Arthur van Hoff is Chief Technology Officer and a Co-Founder of Marimba, Inc., a privately-held software company whose products enable developers to create, deploy and maintain robust, network-managed applications and multimedia experiences within enterprises and across the Internet. Prior to co-founding Marimba, he was a Senior Staff Engineer at JavaSoft until early 1996.