



VC Industry & SDN

John Vrionis

April 2012

Agenda

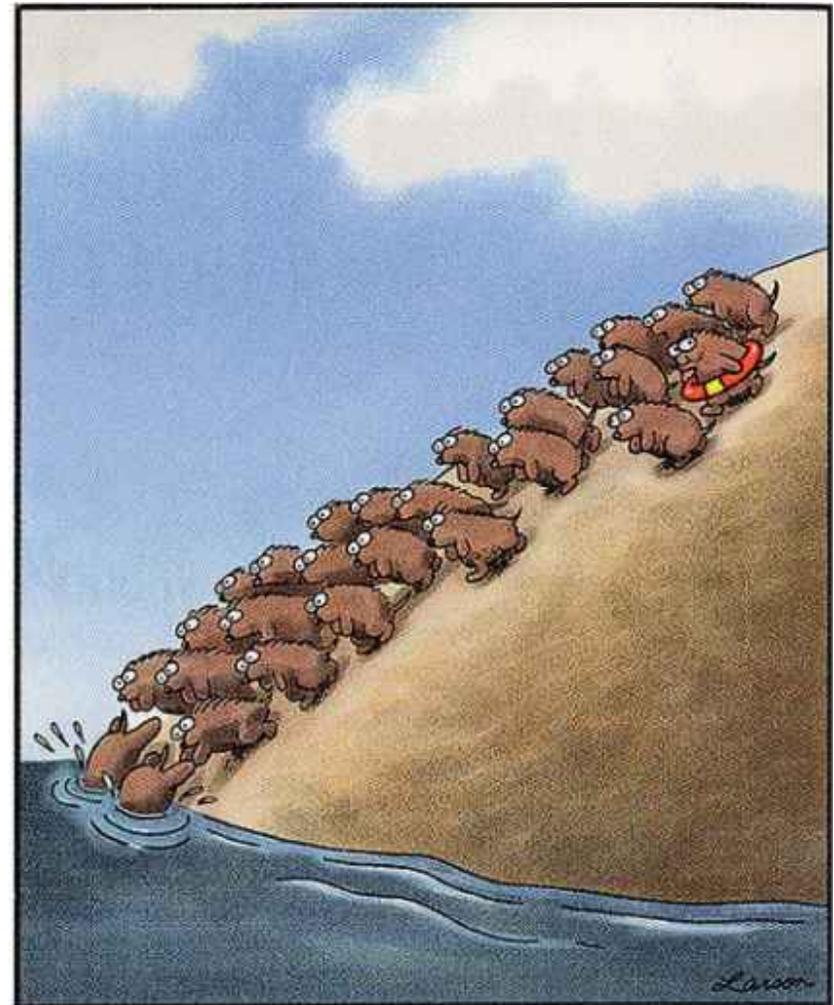
- **(Very) Short Personal History**
- **Venture Capital Industry Dynamics**
- **Virtualized Networking**
- **Parting Thoughts**

A Little Personal History

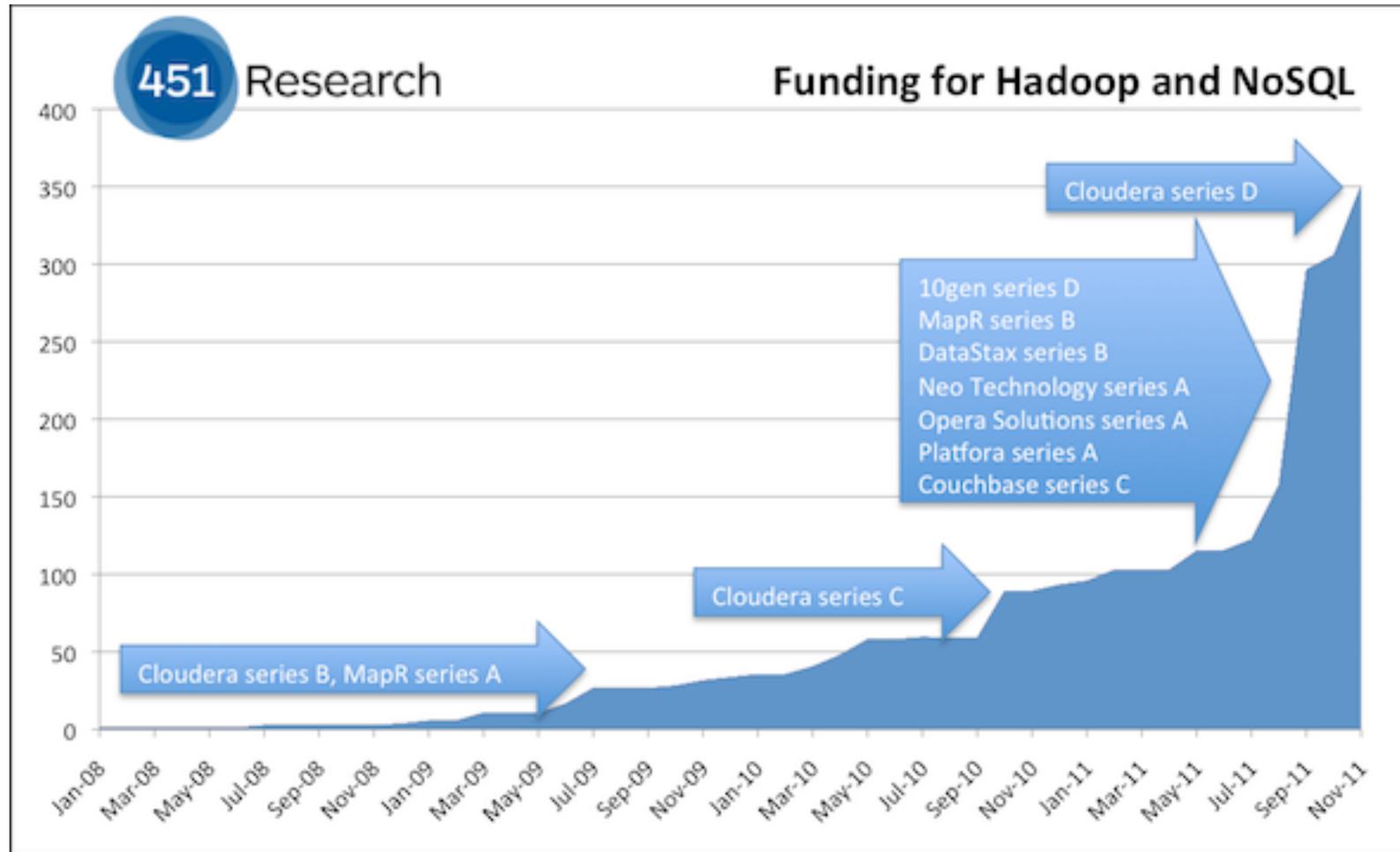


Venture Capitalists

- Lemmings / Herd
- More original thought

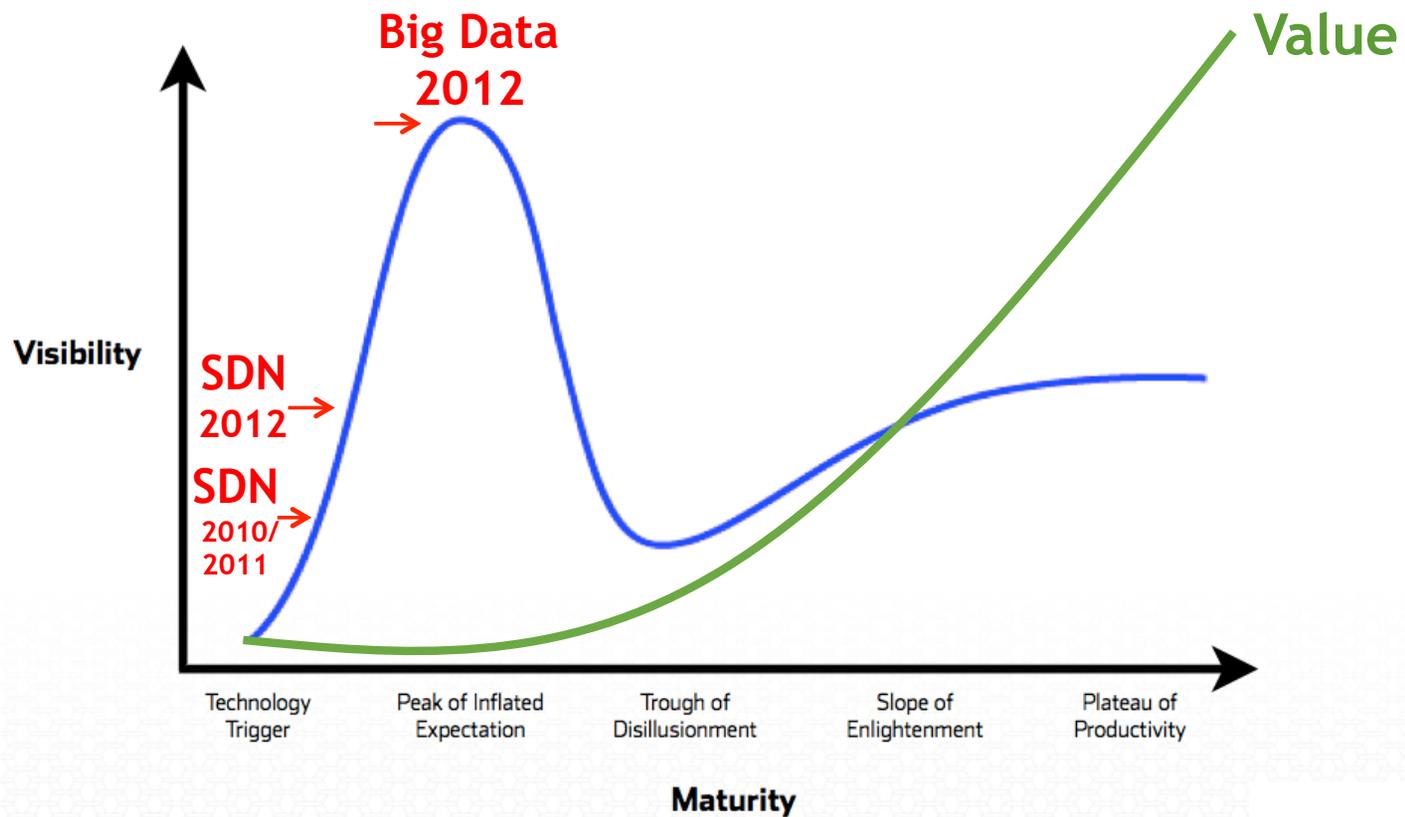


Example: “Big Data”



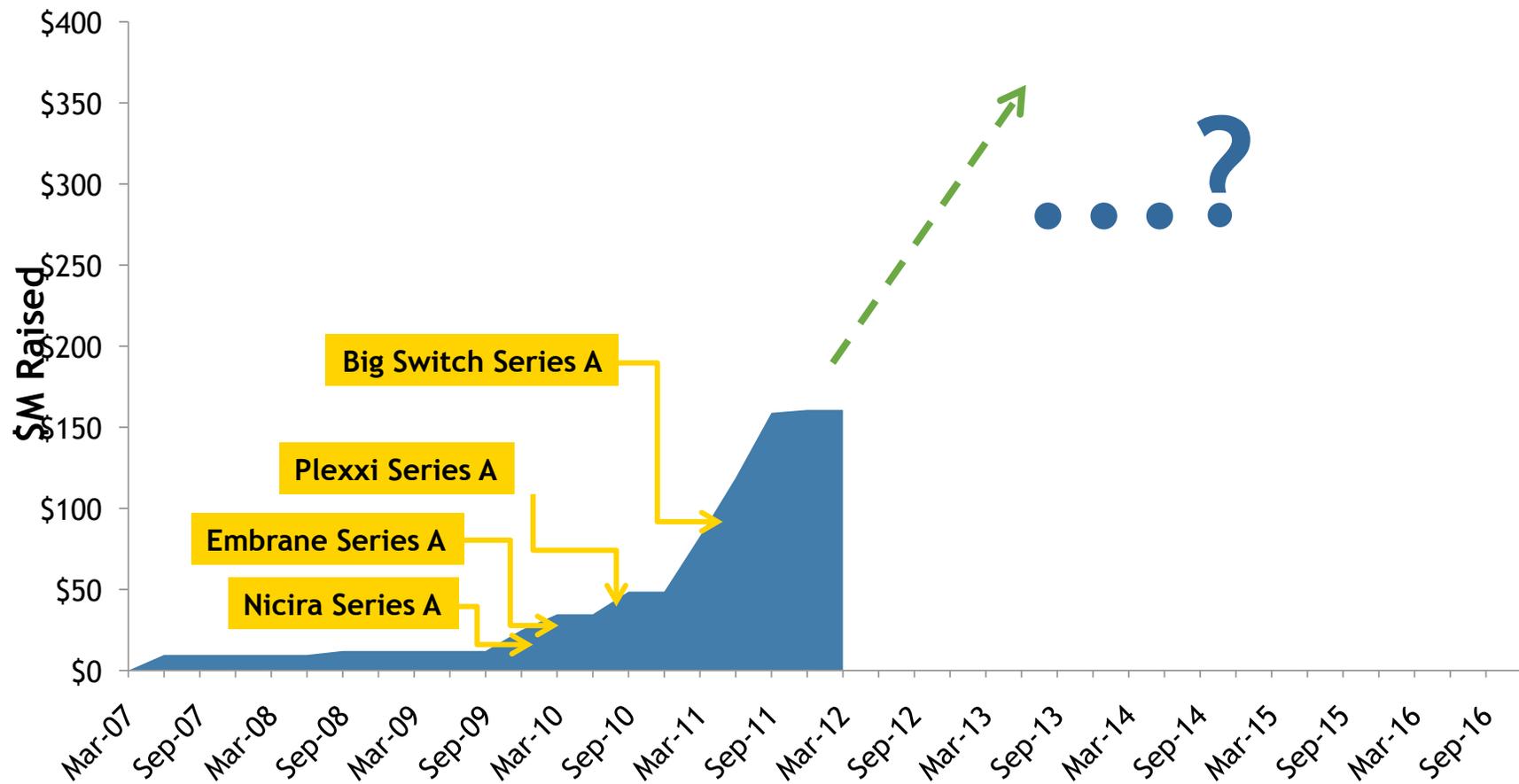
Time to Value

Gartner hype cycle.



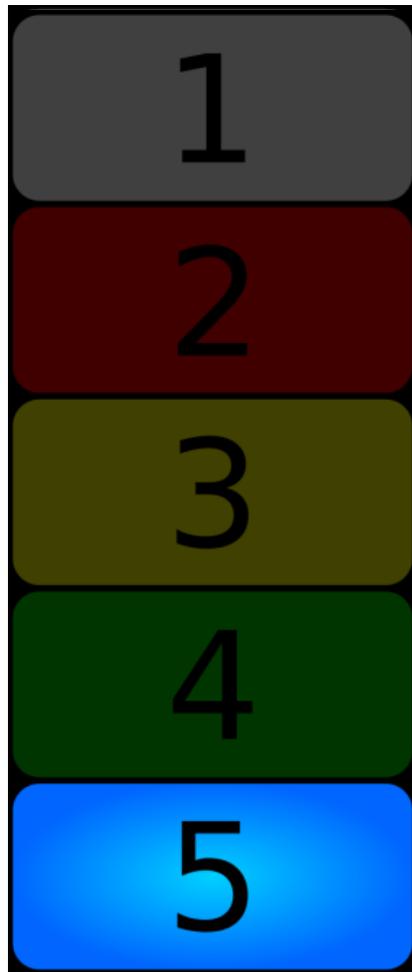
Source: Gartner

What about SDN?



Source: Dow Jones VentureSource, Lightspeed research

The Venture Readiness Condition



Initial liquidity event



Value Proposition for mass market understood



Broad interest from *technical* community + use cases

Bleeding edge enterprise adoption + initial VC funding

Academic research / Technological breakthrough



Why aren't we at VC-CON 1 yet?

- **Macro**

- (1) Fewer VCs with money to invest
- (2) Fewer VCs focusing on Enterprise Infrastructure

- **Micro - most VCs and even some startups are missing something...**

The BIG Idea

- SDN is NOT about:
 - ◆ Supply chain economics, OR
 - ◆ The same protocol soup for cheaper
- This IS about solving TODAY's business problems
 - ◆ Virtualization, Big Data, Cloud, Performance Tiers
- And it IS about SPEED
 - ◆ Program Principals NOT Protocols
 - ◆ Rapid service creation
 - ◆ Innovation Curve

Track Record of Networking Success



Past Investments ⁽¹⁾				Current Portfolio	
 Initial Public Offering NASDAQ: CIEN	 Acquired by Sycamore Networks	 Acquired by Marvell	 Acquired by Conexant		 Powering the Agile Network
 Initial Public Offering NASDAQ: BRCD	 Acquired by Texas Instruments	 Acquired by PMC-Sierra	 Acquired by Cisco		
 Initial Public Offering NASDAQ: TERN	 Initial Public Offering NASDAQ: RVBD	 Acquired by Broadcom			

(1) Lightspeed Managing Director investments

Let's Talk

- **What other opportunities?**
- **Shh...**
 - ◆ Entire ecosystem ripe for disruption
 - ▶ Monitoring
 - ▶ Security
 - ▶ Management



Thank You

john@lightspeedvp.com

www.lightspeedvp.com