INNOVATORS IN CLOUD, IOT, AI & SECURITY

FINAL

Driving & Funding Innovation - How to Tap Into Investment, Media, More Investment, Customers and Success)

Chair:

Janice Roberts - Partner, Benhamou Global Venture Partners

Panellists:

Hiro Rio Maeda	Managing Director - Draper Nexus
Joe Jasin	Managing Director - DNA Partners
Curtis Feeny	Partner - SVDC
Dave House	Investor, Entrepreneur & Chairman of the Board - Brocade

Janice Roberts

Okay. Good afternoon, everyone. I have a few introductory remarks to make and they're going to be brief, not because I fear the shark but because we do need to keep moving. I apologise for my voice; I had a bit of a cold this week, actually.

I'm very pleased to be here and I'm looking forward in particular to meeting and grilling some of our hot start-up finalists.

Now, Mark asked me to make a few remarks about innovation, and I know that you know that you need some combination in order to build companies of a differentiated technology, a great product, a brilliant team, a huge market, an inspirational vision, perfect timing, enormous amounts of money, and of course, that's just the start of the journey.

Now, we're going to see some great examples of this coming up, but I did want to make a few points about the current environment and how entrepreneurs might need to think a little differently in order to build a successful business.

Let's start with Silicon Valley. Now, some things don't change, like - you can't see it in here, but the weather, it's pretty much the same. I've been here 25 years and rain comes and goes occasionally but it's pretty much the same. But there are some challenges and there are some changes so you may have noticed that everybody is here. Now, you notice that because of the traffic, the high cost of housing, which makes it harder to recruit talent and to move around. Before I came in here, we talked about the fact that cars aren't going away but hopefully they're going to be autonomous and hopefully they're going to be safe. But this we believe, given that there's no public transportation, will be easier for us to get around.

But also we have the political environment becoming an issue. When I first came here we had the odd visit from the President or a candidate, and now, without getting into a political discussion here, we are dealing with impending issues of immigration. As you know, a large number of tech founders, company CEOs and much of the tech workforce comes from another country, or they're in another country. The great news is that many of our CEOs and technology leaders have stepped up, so I wanted to reinforce to you that people aren't just sat here waiting for these changes to happen, they're really stepping up and trying to adapt and really make the environment much better.

Now also in Silicon Valley, you may have heard, we've been in the news. There have been data breaches, fake news, election interference, stories of sexual harassment, problems with lack of diversity, high-profile company challenges such as Uber, unicorns on the edge and the collapse of some, such as Jawbone, the demise of over-hyped companies. You've probably heard the Juicero situation, the major juice-maker, the [unclear] for juice and the challenge there after lots of money went into this company that people found out they could just squeeze the juice from the pouches with their hands. I think this reinforces that you need to have a great value proposition as entrepreneurs.

It's very busy and it's very competitive, so it's harder for entrepreneurs and early-stage companies to stand out. Now, the good news is you have lots of different types of media to hand these days, particularly on the social side, but it does seem more difficult telling you this from the position of being a venture capitalist to get a company off the ground, and we are seeing less angel activity today - it's been huge, particularly in the consumer field for many years - and fewer seed deals and mainstream BCs are waiting and waiting and waiting for traction for customers and so on.

The great news is that entrepreneurial ideas and energy is as strong as ever. I walk from Palo Alto and I walk through HanaHaus there pretty much every day, and I'm so excited to see entrepreneurs collaborating, and there are workspaces and coffee shops of course up and down the peninsula.

Now, I said earlier that everybody is here. Now, of course, everybody can't be here. We're getting a little tight on space and in particular, infrastructure. But what is great about today is that every company is really a technology company. They're looking

for technologies to adapt their businesses and to build new opportunities for the future. So many companies are here now that were never here. They have a presence. So car companies, insurance companies, industrial companies, retail companies, health care companies, really looking to leverage innovations in automation, AI, machine learning, VR, AR, computer vision, IoT and so on.

We have seen today that Ikea is buying TaskRabbit and they've recently launched an AR app so that you can really plan out your room. Mercedes have announced that they're having drones - they've been testing out drones for deliveries, not vehicles, they're not delivering the vehicles with a drone, they're actually having drones on top of vehicles so that you can go out to a neighbourhood and you can send off the drone to deliver products of up to four pounds. These things are happening, which is very exciting. I have to mention one from own country, my own home town, which is Dyson which you may know from vacuum cleaners and hand dryers. They've just announced that they're building electric vehicles.

We're seeing these companies that have been around for a while really leveraging new technologies. These are huge opportunities for entrepreneurs to think about not just creating new white space in particular. The opportunities continue and they have evolved but some adaption is needed I think for success. We looked at innovation in technology but there's also innovation in business models. We talked about some of them today: go-to-market, leveraging existing technologies. Mobile has been a huge source of innovation in terms of how you do things differently. We've talked about payments just earlier.

Networks have always been important but the relevant network has evolved. I've talked very much just earlier about some of the traditional companies and I think it's really important for entrepreneurs to look to those companies in many different ways to build opportunities for the companies. Raising money, early-stage money is not easy. You need to leverage what you have and the great news is there are workspaces, there are incubators, there's university funding and a plethora of advisors who are willing to help you. Just look at our panel here today. Existing companies big and small, you need to get out there, you need to interact with these people. Every venture funding organisation is really looking for customer traction, more defined products, solutions and clear use cases.

The one thing that's always been the case and in particular is important now, funding is an ongoing process; don't stop and start. Have a plan, think about the next round when you're in this round. I think people don't like raising money but think about it, there's a learning process, you can learn along the way. Be thoughtful about investors. The great thing about companies coming to town that weren't here before is that they are bringing with them investment arms and there are more corporate VCs now than regular VCs, and this is an opportunity, because they're not the corporate VCs of old. They're looking to lead and they're looking to invest beyond their existing businesses, so it's actually quite exciting. But you do need clarity, you need refined thinking about product solutions, go-to-market and use cases. You need to make it hard for the VC to say no.

I think that one last thing I will say is that we can't have everybody here, and what I have noticed in Silicon Valley, in spite of the political landscape there is an orientation to change. So it's great if you're a company somewhere else other than here to have a presence here, have a connection here, and I would advise you all to build a bridge. But we're seeing great centres of innovation, we've seen Manhattan change enormously, we've seen Chicago change, we've seen Denver change, we've seen Portland change.

We're also seeing changes in other parts of the world. We've talked about China and India for a long time. I was in Berlin much of this summer; very exciting centres of excellence. I would encourage you if you're not here to build that bridge because you can leverage Silicon Valley. When I first came to the US I took my company to Boston and I thought, this is it. Then I moved here and I thought wow, this is it. I think this is still it for many different innovations, for many different ways to help you build your business.

So, network, leverage, clarity, purpose, energy, and this is what we're going to see today.

With that, I will just introduce briefly our panellists. I think you understand the process. It's three minutes presentation, five minutes also - Mark has given me a little bit of leeway on this - to grill our companies, and I would like a very brief introduction from our panel here. So, Curtis.

Curtis Feeny

Thanks, Janice. Very much appreciate your being our fearless leader here. I'm more the minnow on the shark tank; these are the sharks right here.

I'm Curtis Feeny, early-stage venture capital, software and data analytics. My firm is called Silicon Valley Data Capital. I spent 17 years at Voyager Capital investing in early-stage enterprise software. So again, early-stage software; we do $500,000 to $2 million, $3 million first-round investment. I serve on a couple of Fortune 500 boards, so I have a very clear into the enterprise view of technology and software. Then we have sister companies that are extremely deep in data science and data analytics so that brings a lot of oomph to our relatively small $75 million fund.

Janice Roberts

Dave.

David House

Dave House. I spent 23 years at Intel, 13 years running the microprocessor business in the early days from $40 million a year to $4 billion and went to be CEO of Bay Networks, President of Nortel, CEO of Allegro Networks. For the last decade or so I've been chairman of the board at Brocade Communications.

Janice Roberts

And you have a winery.

David House

And I have a winery; come up and taste their wine.

Janice Roberts

Yeah, I just have to promote it. It's beautiful, it's up in the hills in Saratoga. Fabulous. Okay.

Joe Jasin

My name is Joe Jasin and I'm with a seed investment firm called DNA Partners. Our geographies are USA and China. Like I said, we do seed $50,000 to $500,000 and we keep the portfolio split between China and USA. The vertical that we invest in is digital media value chain technologies, like end-coding, decoding in digital media, so infrastructure, digital media value chain technologies. We have three partners, and we're not a fund, and we're pretty agile out there. So that's our firm.

Then my background briefly, is 20-plus years in the mobile wireless industry, worked for two mobile operators, one USA, one in South Korea. The last 10 years of my career have been primarily spent in the USA and Asia, I am spending at least 30 per cent of my time now in China. Also I have been advising the US Department of State for the last five years until the new Administration, advising them on 5G spectrum allocation, in alignment with China's government body called MIIT.. Then the last note, here in Silicon Valley locally for the last 15 years, I have one audience member that I know that attends my meetings. I founded a mobile software developer group here in Silicon Valley and ran it for 15 years. I try to balance my career from the bottom-up and top-down, in the marketplace of mobile wireless and software.

Janice Roberts

That's great, and you've still got to work on the connectivity issue here in the Valley.

Joe Jasin

Absolutely.

Janice Roberts

It's just embarrassing. Anyway, Rio.

Hiro Rio Maeda

Hi, good afternoon, everyone. I'm Rio Maeda from Draper Nexus. We invest globally in US, Israel and Japan, and sometimes in other parts of Europe as well. We try to invest in enterprise solutions and industrial solutions. What else can I say? The fund size, $225 million.

I myself have been in the Valley investing since 2004 but this Draper Nexus is something that we launched about four years ago. We are not investing in consumer tech but we believe in enterprise technology-centric company who could disrupt the market. So that is the things that we are looking for.

Janice Roberts

All right. Thank you all. Now we're on with the show. Can I just ask who's going to press the shark button after three minutes? Okay, thanks.

I think first of all we have Apstra coming up. So a good round of applause for Apstra. Thank you.

[Applause]

Okay. Ready, [unclear], go.

Mansour Karam, CEO & Founder, Apstra

All right. Very excited to be here. I'm Mansour Karam, CEO and founder of Apstra. We were founded to enable business agility through autonomous infrastructure. The founding team is the same that recognized the opportunities with Google, VMware and Arista. We were founded in 2014 and have been revenue-generating in both US and internationally since last year.

What problem are we solving? Every organisation out there needs to embrace those new technologies that are changing everyone's lives, IoT, machine learning, cloud, artificial intelligence. And if you think that by 2025 you will have 80 billion devices interconnected, at the core of all of this is the network and yet the network in 2017 is being operated the same way it was in 1995, manually using arcane commands that are device-specific. This means there is $60 billion of wasted expenses; this means that companies are having outages. Since 80 per cent of those outages are caused by manual operations, needless to say there is a massive gap here and a massive opportunity to jump in.

The product that we brought to market is called the Apstra Operating System, AOS for short. It's the first and only intent-based networking system that is vendor-agnostic. What it does is that it's software that sits on top of infrastructure and enables operators to operate the network as one system as opposed to per box, in the process automating every aspect of designing, building, deploying, validating and operating the networks.

The three core attributes that we identified are that it needs to be intent-based, closed-loop and vendor-agnostic. If I were to take a self-driving car analogy, intent-based is the notion that you just punch in your destination and your car gets you there. The only way the car can do that is by collecting telemetry on a continuous basis and through a process of continuous validation, getting situation awareness of what it is and getting a notion of actual states, comparing that to desired state and making the right adjustments or alerting the driver in case the driver needs to take control.

The alternatives on the market are either you go with the hardware vendor solutions, since most infrastructure out there and an increasing number of infrastructures out there need to be hardware-agnostic where you have more than one hardware vendor. You do want to decouple your choice of operational model from the hardware underneath. Therefore, it's a trap to embrace hardware vendor solutions. The other way to do it is by building it yourself. The problem with building it yourself is that it's extremely hard to hire the right software folks, it's hard to keep them, you end up with software that doesn't deliver what you want and that is unmaintainable, and of course

there is always the do-nothing option which means that you will be unable to compete. Thank you.

Janice Roberts

Thank you. Well done.

[Applause]

Janice Roberts

Okay. Please don't leave. Who's going to start with the first question? Dave, this is your area, right? Go.

David House

Well, I've got, two questions. This is a product - you're going to sell to large organisations with well-entrenched suppliers. How are you going to get - what's your channel? How do you get to these people? You're up against people who have been doing network management forever, there's a lot of different products out there. If you do a good job with it, they're going to do what they did just a little bit later, they're going to have account control. How do you handle distribution?

Mansour Karam

Great question. Well, I think that there's been a big change in the last five years where we saw APIs on devices. That didn't exist in networking before; the only interface was a manual one. This means that now you have a programmable infrastructure where these APIs are actually available to all.

David House

But they're available to all the installed base. The people that have products out there now and the big companies that are supplying networks have access to those APIs, just like you. What's your advantage?

Mansour Karam

Well, the barrier of entry there is extremely high and ultimately we have to have the right team to deliver on it. There is a very challenging state management problem here in terms of how to collect data, how to store data, how to scale the data reliably and then represent it in a way that enables the logic of the software to [unclear] the data and also to provide visibility into this data. It is a very hard problem to solve.

David House

I know it's a hard problem, you've got big guys with lots of resources attacking this problem and they've got account control. What's your distribution plan? How do you sell this product?

Mansour Karam

The distribution plan is either - well, we are partnering with large vendors which are promoting this model of a loosely-coupled architecture that is disaggregated where ultimately you have a choice of vendor at every one of those layers. This is happening

by necessity because customers do not want to be locked into the choice of hardware vendor. They understand that their operational model needs to be decoupled from that and therefore they are not interested in monolithic solutions by one vendor.

David House

Okay. None of the customers out there know about you now. How do you get them to know about you? How do you get present? How do you even get in the door? How can you ask for an order?

Mansour Karam

Last year we launched the company. We pioneered in 10 days networking systems. The analysts this year called it the next big thing. They thought that by 2020 we will have 1000 customers and after that, the largest networking company, the CEO stood up on stage and said that intent-based networking will redefine networking for the next 30 years. So we've got a lot of attention for a company our size. We also have revenue from customers since last year, both in the US and globally. We have announced a distribution with Tokyo Electron in Japan and we're very excited about the opportunity there.

David House

I would sell the company to one of the big guys.

Janice Roberts

Okay. Can we get another question? Curtis, you had a question.

Joe Jasin

Absolutely. I have positive intent here but I have the same tenor as Dave, and so I think about IBM-pervasive computing and all the - they have different layers of this. So maybe to ease the tension a little bit, maybe you could tell us really quickly one case, a customer that's right there that's using it and what they're happy about, but very quickly.

Mansour Karam

Yeah, absolutely. Let's say a large enterprise…

Joe Jasin

No, I want a specific example of a company. You've been around since 2014. What's a company name and what are you doing…

[Over speaking]

Mansour Karam

We're not announcing companies publicly at this point.

Curtis Feeny

Apstra was founded in 2014, and you're not announcing customers?

Mansour Karam

No, 2014 is when we started the company.

Joe Jasin

I know. OK.

Mansour Karam

Infrastructure software takes time. We launched the company last year, we have revenue but we are not announcing customers at this point.

David House

My question is very similar, and again a brief answer if you can, what is your ROI to whom for what? You can leave the name out but what is your customer getting, what are they paying you for, what they're getting - and a use case?

Mansour Karam

Let's take the example of a service provider. They are growing their traffic 50 per cent year to year and the customers are not willing to pay more for their plans, although instead of sharing photos like they did two years ago now they're sharing videos and next year they're going to be sharing virtual reality. So there is a massive pressure on the network, and the challenge for those operators is really to generate an ROI out of their networking investment. They can no longer be spending $4 of OpEx for every dollar of CapEx equipment, they need to massively streamline that through massive automation and so that's where we come in. We also allow them to leverage commodity gear rather than buying expensive equipment from the tier one vendors, enabling them to save money both on the CapEx side while massively reducing their operational expenses.

Janice Roberts

Okay. We're up on the five minutes, but very quick.

Hiro Rio Maeda

Okay, one last question. On the security side, orchestration is becoming a big trend, especially in the mid-to-small enterprise. I might see an opportunity with your approach within the small-medium enterprise. Do you see similar things?

Mansour Karam

Absolutely, yes. Smaller companies, they found a network that works. Ideally, they would also want to manage it from the cloud, [unclear] style. For them, having to go into every box and having to configure it by hand is a big burden, and so certainly there is opportunity with the small and medium customers. Thank you.

Janice Roberts

Okay, thank you. Thank you very much.

[Applause]

Janice Roberts

Cohesity, please.

[Aside discussion]

Mohit Aron, Founder and CEO, Cohesity

Hey, good afternoon. My name is Mohit Aron. I am the founder and CEO of Cohesity. A little bit about the company and my background. Before doing Cohesity I was the founder and CTO of a company called Nutanix. Before that I spent five years at Google helping build the Google File System. A lot of my team comes from these two companies along with a lot of other great companies.

Our mission is to redefine secondary storage. Secondary storage is the unsexy part of the data centre. It's the part that does not run production, the part that consists of backups, test and development, analytics, everything that's non-mission critical, everything that doesn't require strict SLAs. We are about simplifying that part.

Let's dig down on that part. Let's just look at the data protection of that part. This is what legacy daily production looks like. This is what big companies like Morgan Stanley, like Bank of America, this is what they use to back up their environment. They buy backup software from one vendor, storage from another one, a piece of hardware called a media server from a third vendor on which to run the backup software. Then they have a bunch of tapes and then they may use the cloud and then a cloud gateway. That's how messy data production is, right. That's what they're doing; everything bought from a different vendor, everything having a different UI. That's how complex it is.

In comes Cohesity. This is what we do. We replace all that. That is the simplicity we bring to the data centre, just one cluster that scales in a Google-like way, one UI to manage it all. That's the simplicity we bring to the data protection environment of our customers.

But we don't stop there. Like I said, we are all about secondary storage, not just about backups. Let's see what else is there in secondary storage. Well, you have perhaps some test and development environments, maybe some bigger environments running analytics, maybe some files and object storage, and that's yet another silo.

One of the big reasons for forming this company was the question why are backups or data protection just an insurance policy? Why do people buy billions of dollars' worth of infrastructure and yet do nothing with it? So our goal is to consolidate all that one platform, so that picture starts looking simple. With Cohesity, we consolidate test and development on us, we consolidate analytics on us and then we consolidate files and object storage on us. That's how simple the data centre should look like. That's a phrase that we refer to as hyper-converged secondary storage.

This is my last slide. We entered the market through simplifying data protection but our vision is to actually go way beyond that, reduce costs by more than 50 per cent, but we are not just a backup. We say that just a backup is a jab, it's kind of painful. We are not just a backup, what we are is we are hyper-converged secondary storage. We've brought the philosophy, our concept of hyper-convergence to secondary storage. That's what we are about. Thank you.

[Applause]

Janice Roberts

Okay. You guys are becoming efficient. I have a quick question first then I'll go to the panel. How do you make something that is not sexy sexy?

Mohit Aron

By making people do more with it, by making it not just an insurance policy. Imagine that you go buy a Tesla and then you have to buy insurance which is even more pricy than the Tesla, but what if I can tell you that using the money that you pay for that insurance you can actually do more with it, now it starts looking more sexy. By the way, Forbes recognised us just yesterday as one of the next billion-dollar start-ups so we must be doing something right.

Janice Roberts

How far along the way are you?

Mohit Aron

We are four years into the company.

Janice Roberts

Okay. Curtis.

Curtis Feeny

A question on your go-to-market. Who are you going to - who has the biggest problem where you know that's the best [first] market; have you figured that out and how are you going to go to that market?

Mohit Aron

Fantastic question. Any customer who has lots of data, especially enterprises, they are our sweet point. They have all that mess that I showed you. You asked about customers, we disclosed Morgan Stanley. This week we have the Royal Bank of Canada as our customer, we have Stanford Health Care as our customer, we have Shutterstock as our customer, we have Boeing as our customer. These are all the companies that have this bigger problem. Anyone who has lots of data has this problem.

Curtis Feeny

Similar to Joe's question, what's their ROI, what do they - in general, what's your average pay you receive and what's their average ROI back?

Mohit Aron

They typically save 50 to 80 per cent by going to us, and that's just in CapEx, but look at all the operational costs that they will save, look at all the copies of data that they'll eliminate by not having all those silos. Those costs are not even included in the 50 to 80 per cent that I talked about there.

Curtis Feeny

So in your go-to-market strategy, do you have salesmen? Do you personally go call on themselves or how do you get the product to go…

Mohit Aron

That's a good question. We absolutely have salesmen. We actually sell through the channel. We are 100 per cent channel fulfilled. We have two sources of doing lead generation, one is through marketing, one is through our channel partners. Imagine that we are new to a region, what we'll do is through marketing we'll close a few deals, give them to some channel partners. Then those channel partners get excited and they'll bring deals to us. They already know the customers in that territory so they'll bring the deals to us, so it will be 100 per cent channel fulfilled. So it's a combination of both marketing and the channel that makes it possible but we definitely have our salesforce that's doing all the hard lifting.

Janice Roberts

Rio.

Hiro Rio Maeda

Hyper-converged infrastructure market has been around for quite some time and I think you know very well that a company like Nutanix and Simplivity, they are both - well, Simplivity recently got acquired by HP, but how are you thinking about competing against them an what's your differentiated position that you are taking against those two ?

Mohit Aron

I just want to say that I am credited to be the father of hyper-convergence although it's always a team effort. I was the founder of Nutanix. First of all, hyper-convergence is all about doing multiple things on one platform. Your smartphone is hyper-convergence in the consumer space because it does phone, GPS, music player and so on and so forth on one platform. Nutanix, Simplivity and all these other platforms, they applied the concept of hyper-convergence to primary storage. They brought compute, networking and storage together in the realm of primary storage.

We're about that unsexy part of the data centre which is about secondary storage where we have workflows like backups, task and development, analytics, the cloud, file services, object storage, archival. Cohesity is about bringing all that together on one platform and therefore we refer to it as hyper-converged secondary storage.

Joe Jasin

I'll guess I'll be a little bit derogatory here. Dave asks where's your go-to market, I ask - I put my CIO hat on if I'm Coca-Cola CIO, what's your going-out-of-business strategy, because I have all my data with you, you're hyperconnected, you're hyper-volatile to me and you go out of business and I've given you all this. Have you thought about that policy of you going out of business and what are you going to do with all of our data at Coca-Cola?

Mohit Aron

[Laughs]. In my mind, the company is not just about simplifying the data centre, it's also about making the cloud connectivity possible, bringing the best of both worlds to the customers, the data centre and the cloud. So your data is going to be on Cohesity as well as on the cloud. If we go out of business for whatever reason you can certainly run a software client that can retrieve the data and restore onto any other device. We don't lock your data in, you can restore onto something else and retrieve the data if we go out of business.

Janice Roberts

What's your biggest worry about the business?

Mohit Aron

My biggest worry is how to keep hiring great talent as we scale very, very fast.

Janice Roberts

Okay. Thank you. That's our five minutes. So, a round of applause, please.

Mohit Aron

Thank you.

[Applause]

Janice Roberts

Apstra and Cohesivity were our two cloud data centre companies and just to remind you of the process, we the panel - and by the way, we've had some pre-reading before this so don't think just because we can't really see what's going on there we're not following. We'll be discussing and nominating our winners after lunch today and they'll be announced at the dinner this evening.

Now we're moving to IoT and we have OnDot.

[Aside discussion]

Janice Roberts

By the way, just as entrepreneurs or people going to VCs, connectivity and not getting ready eats up time, so I would encourage you when you go see a VC go 15 minutes before so you can get your presentation going. You can't do it here, I know, but just a thought. Are you ready?

Bharghavan Vaduvur

Yep.

Janice Roberts

Okay, off you go.

Bharghavan Vaduvur, CEO, OnDot

All right. If Ben Franklin were alive today, he'd say nothing in the world is certain except for death, taxes and security breaches. Hi, I'm from OnDot Systems and while you're still going to die and you still have to pay taxes, we can help you with security breaches, and here's how.

Fundamentally, everybody has got credit or debit cards, payment instruments, and pretty much everybody has a smartphone. So what we have done is created a solution that allows you the consumer to take charge so that you can control when, where and how your own payment cards as well as your dependant payment cards can be used. It's all about giving consumers control, so you can control your payment cards, you get communication in real time and these are contextual messages, like if you - many of you are coming internationally - as soon as you land in San Francisco you would have got a note saying hey, I notice you're in San Francisco, do you want to enable your payment card. Once you go back, that card won't work. So it's about enabling your financial institution to communicate with you in real time and for you to be able to respond to it and really not having to call the customer support centre at all.

So basic capabilities, number one control your card, number two react to instant messages or responses and the third, do self-service right from the app. That allows you the consumer to take control of your payment instruments and hence while you can't eliminate security breaches from happening, you can certainly mitigate the impact of that. And from a financial institution perspective, we have over 3000 financial institutions, eight of the top 10 card processors in the US, millions of cardholders, and what we have seen is a benefit of over 23 per cent in increased card usage, 16 per cent reduction in false declines and about 40 per cent in fraud cost.

Just in the remaining minute or so, I'll walk you through some examples. Now, if the phone had worked, connectivity had worked I would have given you a real-world example. I'll just walk through some screenshots. So I'll open up an app. This is what you see on the app. So I as a consumer can just say hey, turn off my card and it says hey, do you want to turn off your card? All your transactions except for recurring payments will be off. So I say okay. At this point, this card will not work. Now, if I want to turn the card back on I enable it and it says hey, do you want to turn it on for one transaction, five minutes until you turn it off, I can turn it back on. This is card on, card off.

But wait, there's more, and in fact, this is the part that really drives how consumers control their payment. You can set preferences by location, merchant type, transaction type and spend limit. For example, you can say your card is only active around you. So the card follows my phone. I'm in San Jose right now; the card won't work in San Francisco or Palo Alto. Many of you are going to take a flight back; once you are back in San Francisco it won't work here, once you go back to your home country your card will continue working there. So the card follows you for card present transactions.

Now, how about dependant cards? You can open up a region, basically open up a map and pinch the map in or out and say where the card can be used. As an example, my daughter goes to school in Los Angeles. I can open up a map of LA and pinch it in

or out so she can use the card around UCLA but can't go over to Las Vegas for the weekend and spend on me.

Likewise for international travel, again in the interests of time I'm going to keep this moving, you can set individual merchant types so that you are - let's say as a small business your employees can use the card for business purposes but not for age-restricted establishments or groceries. You can set certain transaction types, you can set spend limits and so on.

Let me just close with one really interesting use case. While these are all abilities to control the card, a lot of the time the critical thing happens, the moment of proof is when something untoward happens. Consider a case where - and all of you guys, right. So you are in San Jose right now, you've used your card walking down the street - let me maybe take 30 seconds more - you get…

Janice Roberts

[Unclear] time, you will be quick.

Bharghavan Vaduvur

Okay. Yeah. You get an alert and it's not yours. [What would] enable this for you to be able to initiate a dispute instantly and still keep the card open until you get a replacement card. That way you're not left hanging out to dry while you're still in San Jose.

Janice Roberts

Okay, thank you. A round of applause.

[Applause]

It seems that I can make my threats a reality of cutting off my daughter's card when she's spending too much money. But questions please. Rio.

Hiro Rio Maeda

Yeah. I bet your daughter doesn't like you for not letting her spend money in Las Vegas. Including that, you as a company will have extensive visibility into all kinds of transactions and I'm wondering if you have any secondary business model that you're having behind?

Bharghavan Vaduvur

That's an important point. Usually the setup takes a little bit more time. We are a technology provider. In the US today there are four - I'll give you the US model and then the world model. There are 14,000 financial institutions that issue cards. They are handled typically by about 10 major card processors, people that most of the folks might not have heard of like TSYS and FIS and Fiserv and Vantiv and so on. We have partnered with eight of the top 10.

Our software is already installed in their data centre, so nothing is coming outside of an existing [PII] and closed ecosystem, of course, this is all critical information. Our software is already installed in these processors. Our processors together have a total

addressable market of a little over 12,000 financial institutions, including several of the top 100. When we go to global financial institutions, we install directly in their data centre, folks like HSBC and a few more. When we go direct to card processors we install in their data centre; now it's really a SaaS model with respect to your typical banks, mid-tier banks.

Janice Roberts

Okay, Joe.

Joe Jasin

This is difficult to evaluate without a technical architecture slide so we really don't know where your technology resides. You said a little bit just in the last sentences but it's really hard to evaluate. We just don't know if it's sitting on the client only, if it's client-server, if you're actually working with the credit companies, extranet-type initiatives, we have no idea.

Bharghavan Vaduvur

Sure. It's only three minutes, right, so if you cut it down from five to three...

[Over speaking]

Joe Jasin

Yeah, but you've got to address who, what, where, when, why and how. Let's just talk about the marketplace for one minute. That was a long time to talk about the marketplace. We've got to know where the technology sits in the architecture in order to evaluate your intellectual property.

Bharghavan Vaduvur

I just told you, it sits on the card processor.

Joe Jasin

Okay. (…sigh)

David House

But it has to also - you must have an agent on the client, on the phone itself?

Bharghavan Vaduvur

Yeah. This is typically exposed to the cardholder either as a standalone card management app or typically the larger financial institutions into their digital channels, their mobile banking, their online banking channels.

Curtis Feeny

What's your approximate revenue run rate, how much equity have you raised to date and do you have a top 10 bank as a customer?

Bharghavan Vaduvur

Yeah. We have, like I said, 3000 financial institutions in the US. I'll give you some examples.

Curtis Feeny

No, I'm wondering, there's 15,000 to 20,000 financial institutions in the US counting credit unions and everything. Do you have any top 10 banks?

Male

Yes. HSBC, [Ally 42:14], BMO, UBS.

Joe Jasin

And these are contractual accounts, you have actual signed contracts with these entities?

Bharghavan Vaduvur

Yeah. You seem surprised.

Joe Jasin

Okay, I'd like to see those contracts

Bharghavan Vaduvur

Say that again?

Janice Roberts

Okay, Curtis, the rest of your question?

Curtis Feeny

Yes, revenues and equity-raising.

Bharghavan Vaduvur

Yeah. We are a private company, we [unclear] that. It's sub-100 [unclear].

David House

What's your defence against competition? Often you get a leader who gets out ahead with a good idea but somebody comes along and really takes it to the bank.

Bharghavan Vaduvur

Yeah, that's a good point. That also goes back to the question of where we are plugged in. I think the critical thing is this ecosystem is to make sure that you are in the authorisation stream so that you can influence the outcome. We are plugged into the authorisation stream of our processor partners and that's a hard place to get into, it's a hard place to yank out of.

Janice Roberts

Can you just remind me how you make money, the business model?

Bharghavan Vaduvur

Yeah. Our financial institutions - that's why I just shot you some numbers in terms of why they would care. We get paid either as a licence model or on a per-usage fee, essentially a monthly model.

Janice Roberts

Okay. Any other questions from anybody here? Any follow-up questions? No?

Bharghavan Vaduvur

Thanks, guys.

Janice Roberts

Thank you. A round of applause.

[Applause]

Janice Roberts

Our second IoT company, we have NetFoundry, please.

[Aside discussion]

Galeal Zino, Founder, NetFoundry

Hello, everyone. We're all now familiar with how we can spin up virtual machines in the cloud, compute in the cloud. We know how AWS and [Azure] has enabled us to do so. What if we could do the same thing for global, application-specific networks on demand via APIs and web consoles, spin up not only application-specific but application-driven networks? That is what NetFoundry provides. That's what NetFoundry provides today.

It's interesting today; it's even more interesting tomorrow with digital transformation. We know software ate the world; we know the next step is to connect all that software. The current methods of securely connecting that software are down to specific CPE, private circuits and PLS. They are the exact antithesis of digital transformation. The whole reason we are doing digital transformation is agility, business velocity, OpEx models and meanwhile we have a network anchor.

NetFoundry flips the script. With NetFoundry we are an enabler to that digital transformation. We make the network as agile as the applications that the network is made to deliver.

The market opportunity is measured in billions. The arbitrage, so to speak, between private networks and public internet is on the order of magnitude of 300 to one. The ability for us to fit into that market from a product market fit has already been proven with actual customers.

Although we just launched this year, we have a Fortune 100 customer. We have named customers who are using our platform, using our technology in innovative ways that we didn't even think about, which is exactly what we want. We are putting the network into the hands of the developers, into the hands of the business units, into the hands of the integrators. As we've seen time and time again, when you hand a

powerful tool to a developer or an innovator, you see results, you see innovation, you see collective innovation that we hadn't even seen previously. Thank you.

Janice Roberts

Okay.

[Applause]

Janice Roberts

Thank you. So we're going to move to questions. Who's ready with a question? Somebody's got a question. Dave, go.

David House

What's your go-to-market strategy? How do you get to the buyer?

Galeal Zino

Dave, we believe that the new gatekeeper of the enterprise is actually the developer and the engineer. We feel that increasingly over time we come in on the grassroots level and by the time the CIO goes to you and says Dave, I need a solution for multi-cloud or IoT, you say well, I've been playing with this NetFoundry API and here's what I did to connect to connect my IoT device to his OR.

David House

But how do you get to that first person? There's a lot of developers, there's a lot of engineers. That makes the problem even harder because there's more people to get hold of and there aren't established channels.

Galeal Zino

Absolutely. It's a great question. We are not, to be clear, building our own developer ecosystems. Fortunately for us, our partners have done the hard work to win the hearts and minds of those developers and we give them additional arsenal. For example, EdgeX Foundry, the latest Linux Foundation effort, IoT Edge democratised open source WAN Edge compute. We're embedded in that platform as essentially a [micro-server/service] so that the developers that they already have and the developers that already love using their product can now use our product.

David House

Okay, so that's an example of your channel. That is, how you're getting to the customers, through partners.

Janice Roberts

Can you talk a little bit about a specific customer? You named in your summary a couple like BMO, [unclear] and so on. Could you just talk through briefly what you add to one of those customers, what difference you make?

Galeal Zino

Sure. If there's something we're proud of, actually, it's the way these customers have used our technology. Integron would be a great example. Integron manages about a million IoT devices, primarily in health care. We're participating in a clinical drug trial. We leave the hospital, they hand us a goodie bag. In that goodie bag is an Android tablet and some software. We go home, we take our meds, we eat, we drink, we sleep, we behave, we record that in the app.

That app then needs to securely and reliably get that data to the large pharmaceutical, to the hospital, to the institution that's conducting that clinical drugs trial. You or I, we might be on our home Wi-Fi, we might be on a coffee shop Wi-Fi, we might be on 3G. We're on uncontrolled networks, networks where you cannot put SD-WAN and [CPE] or you cannot lay private circuits. Our software, Integron then uses our SDK to securely and reliably transmit that data back to the parties who need it without exposing it to the folks who should not have access to it.

Janice Roberts

Okay. Other questions? Could you just - health care makes sense to me. Any other verticals that you really feel that are strongly important for you?

Galeal Zino

A little bit longer term, Janis, but manufacturing. As they go to just-in-time manufacturing and we need to connect the production line to the supply chain in real time across multiple networks, multiple clouds and multiple providers, you need a network-agnostic, CPE-agnostic way to connect them in real time. Our software will do that, so connected factory and smart factory, but even more specifically just-in-time manufacturing with complete integration all the way from supply chain to production line.

Janice Roberts

And competition?

Galeal Zino

Competition today is primarily the private network folks, and I don't want to trivialise that. Listen, it's expensive to buy private circuits, it's expensive to buy custom CEP, but they're secure and folks are comfortable with them, and they work. They do do their job. We do have a challenge to convince the folks that have invested heavily in those areas that there is a better mousetrap. On the other hand, Janis, there are a lot of greenfield opportunities, especially in areas like IoT and augmented reality where those networks don't exist yet. Manufacturing is a perfect example; it's mostly an offline world today. As that world comes online, they don't have to repeat what we've done in IT to build networks for client server architecture, they can actually build application-specific networking using software like NetFoundry.

Janice Roberts

Okay. Joe, you've got a question?

Joe Jasin

I just have simple questions. What year were you founded, number one?

Galeal Zino

This year.

Joe Jasin

Okay. How many employees are you?

Galeal Zino

We are 25.

Joe Jasin

Okay.I have a comment. I learned more about your company in the question-and-answer period than I did in your presentation. Just a note.

Galeal Zino

Thank you.

Janice Roberts

Okay. A round of applause for NetFoundry.

[Applause]

Janice Roberts

Now we're moving on to our cybersecurity finalists. We are leading off with Javelin. When you're ready.

[Aside discussion]

Greg Fitzgerald, Chief Operating Officer & Chief Marketing Officer, Javelin Networks

Okay. My name is Greg Fitzgerald. I am the chief operating officer or chief marketing officer of Javelin Networks. I was also the founding chief marketing officer of Cylance, the world's best antivirus in the world. I say that because I want you to know or question what is the matter, what is common with every single one of these companies on the board?

Not only have they been publicly embarrassed, had huge financial hits, but also an incredible legal liability because they all got compromised, but more importantly, they've participated in defence, spending in the $25 billion market segment of vendors selling endpoint security, detection and response security and credential-based identity management and security. $25 billion, and the problem is still not being solved.

So what is the problem? The problem is the fact that the attackers know how to get past and will get past any preventive defence that exists today. The challenge is the customers don't have an answer. It's not their fault; the problem has been around for 17 years. It was caused by Microsoft when they introduced the concept of an active directory. Ninety per cent of the world's organisations have an active directory. An

active directory is nothing more than a simple IT management tool that connects every device in an organisation together.

The problem has been the fact that we in the security community haven't been protecting assets, individual assets, a desktop, a laptop, a mobile device, a server, a database, but the reality is once they're all connected it only takes one device to be compromised to compromise the entire organisation. So, a team of military-trained secret intelligence red team attackers who train for 10 straight years specifically how to compromise the United States, China, North Korea, you name the country and the organisation they've done it. When they got out after 10 years to work in the commercial sector, they recognised there is not a single tool in the world that could stop the type of attack that they were trying to do. So they decided to create a solution for it. They created the world's most sophisticated and yet at the same time most simple domain protection platform.

Now, what this really means is recognising that the attacker is going to get on an endpoint in some way, shape or form, phishing, drive-by website attack, place malware, even a USB stick insider attack. The key is what do they do next. What they do as an attacker is that they use the native applications, the native queries to the directory and go where did I land, whose computer is this and what credentials are there, what computers is this connected to and how do I get there. That's four questions not a single technology can detect today. Javelin created a dissection technology on the endpoint but actually obfuscates the active directory and now anytime they touch a false object it alerts and the attacker gets no information that's useful for them. Simple as that.

Going to Q&A about the company.

Janice Roberts

Okay, we're done. Okay. Now over to questions.

Hiro Rio Maeda

So, Greg, good to see you again.

Greg Fitzgerald

Thank you, sir.

Hiro Rio Maeda

I used to invest in Cylance so I know him well. Definitely you're going after a huge market, it's a lateral move is the biggest problem in the cybersecurity and I believe you're trying to augment active directory and try to judge the authenticity of the access that is happening to the AD. But what is the signal that you're getting from other sources around a network or from the endpoint that makes your decision or judgement on if this is the right access or not?

Greg Fitzgerald

Good question.

Hiro Rio Maeda

How is it different from what the [scene] has?

Greg Fitzgerald

Good question. This actually runs totally independent - thinking of it as a false image of the environment from the perspective of the attacker. He's on a command line and it's a great example. The real active directory will tell you each and every person sitting at each and every desk with their actual names. In Javelin's world, this same image would have another 100 people in here with names and addresses, emails, but completely being false. So now there is no interaction with the other security devices or applications, it's just a small image on the endpoint that the attacker has to run into. So they, meaning the attacker, have to choose the right person with the right credential on the right device for them not to be detected. Does that answer your question?

Hiro Rio Maeda

Yeah. What's the - is that the agent base on the endpoint?

Greg Fitzgerald

Yes, it's an agent-based - we call it agent list but for all intents and purposes, it's a very small image that fits into memory.

Hiro Rio Maeda

Okay, got it. Thank you.

Janice Roberts

Okay. Curtis.

Curtis Feeny

You've got a pretty good track record getting above the noise with Cylance but how do you get above the noise in this space? You've got an RSA and there's 1000 companies and they all say they do everything, so how do you get above the noise?

Greg Fitzgerald

That's a great question. We take [NAS] attack. We don't do everything, we do one thing better than anybody else and that is protecting the active directory. To your point, we are just a black [hat]; 800 vendors, not a single vendor mentioned corporate domain active directory. They mention credential theft but that's a very nebulous term; that's like you're saying we stop malware. So we said we're going after that; not a single company can do that.

You bring up an interesting challenge though, because we split between protection, like prevention proactive and this whole concept of endpoint detection response, on the endpoint. We're filling a hole that again it's interesting being from the vendor community, we completely ignored for 17 years, just not recognising that the attacker really isn't doing anything malicious, they're just doing reconnaissance, they're just

gathering information but with correct information, valid information, they mimic the real…

Curtis Feeny

This is a follow-on. How have you been able to prove that you're getting traction? Can you talk about your market success?

Greg Fitzgerald

Yeah, great question. We have six paying customers. One in particular, the largest US government attack in the history of our government just bought two days ago, as an example. The traction is coming on. It is still a growing opportunity for - I want to call it people in the know. It's very fascinating in this world as everybody knows, there are very few people who actually know what the heck goes on in cyberattacks. Even the sophisticated ones still think that they are preventing attacks or finding the attacks, but the reality is they're not. That's why Equifax; it's not the fact that someone violated a vulnerability, to me it's why did the attacker exist there for four months undetected, taking all this data and nobody know? That's the problem. Yes, sir.

Joe Jasin

My question is kind of pointed and I really do not know the answer, so if you could answer three parts here. It's all in respect to Adobe, so hopefully it's correct here. Does Adobe have this product right now?

Greg Fitzgerald

Adobe themselves, I do not know.

Joe Jasin

Okay. Do you think Adobe could build this product in the near future?

Greg Fitzgerald

Well, Adobe, yeah. This is a Microsoft problem.

Joe Jasin

Okay, but Adobe could go in and evaluate the advertisers as well?

Greg Fitzgerald

Help me out on that. Advertisers?

Joe Jasin

I thought you were going in through ads.

Greg Fitzgerald

No, no. We are an image of the active directory which is a database of every user, computer in the organisation.

Joe Jasin

Okay. Maybe I misunderstood. Okay. I'll ask my third part anyway. Could Adobe license your technology?

Greg Fitzgerald

Absolutely, yeah.

Curtis Feeny

Could I ask to follow on to Rio's question? You said that you provide an obfuscated active directory to the bad guy.

Greg Fitzgerald

Yes.

Curtis Feeny

But there are reasons to access the active directory. It's there for a reason. This bad guy who's in one of the devices is collecting all this information and is going to imitate real world when they go in there and you're going to have to decide between a legitimate access versus the bad guy. If you start rejecting innocent correct accesses, you are really screwing up the network, and if you miss one bad guy you really screwed up. So your line of differentiation, when to present the obfuscated one versus the real one, that's…

Greg Fitzgerald

Yes. I love that question because the answer is twofold. One, the architecture of this product is designed so that the privileges that are on a computer will automatically make it so that if you were like a super-user, you don't see this image so your business life is not interrupted. If I'm a helpdesk guy I'm going to go check on Sally the secretary, I will see it because I don't have those privileges, but I do have the ability to lower the shield, do my work, raise the shield. The company knows that I have that information so now we've reduced the potential violators to a known entity group. Now, let's say Sally the secretary is on her desktop. She will not ever - she'll be on a different plane of interaction with the network than what the attacker is. The attacker is coming into command line area, she's coming into application.

Janice Roberts

Okay. I'm sorry, we're going to have to bring that to a close.

Greg Fitzgerald

Sorry. That's all right.

Janice Roberts

Okay. Thank you very much. A round of applause for Greg and Javelin.

[Applause]

Janice Roberts

We have our last but by no means least companies. Zimperium. Okay, here we go.

[Aside discussion]

Janice Roberts

Okay, off you go. Thanks.

JT Keating, Vice President of Product Strategy, Zimperium

My name is JT Keating. I'm the vice president of product strategy for Zimperium. We're in the space called Mobile Threat Defense by Gartner, which I'll talk about here in a second.

They estimate there's going to be five billion smart devices by 2020 and there's going to be 20 billion interconnected IoT devices in the same year. Our mission at Zimperium is to protect all of those devices and the sessions and apps that they end up having as a part of that.

Our core strength, we have two core strengths as a company. The first one is the most proven and effective and comprehensive machine learning base detection across what we call DNA of mobile security, device attacks, network attacks and app attacks. Device attacks can be compromises, network attacks are man in the middle, app attacks of course being malicious apps.

We actually can deploy that out in one of two ways. It can either be deployed as a standalone app that protects that device and the data 100 per cent of the time, usually tied in with the MM products, mobile device management products if you're part of a corporation. It can also be deployed out as an SDK into any mobile app, which will enable that app in its sessions to be protected. Wells Fargo, for instance, might not care about protecting your device but they want to protect the banking session that you're having with Wells Fargo.

Our second strength is the ability to actually OEM this and provide it to other people. We've had some great questions about go-to-market strategies. We believe that we should be protecting every consumer, we should be protecting every business. We also believe that it would be foolhardy for us to go ahead and do that ourselves.

The proof points. We have $60 million invested from Warburg Pincus, Softbank, Samsung, Telstra Ventures and Sierra Ventures. We have hundreds of customers throughout the world. We have multiple partners, including some of the largest mobile operators in the world who actually have products in the App Store or the Google Play Store. That is actually our engine driving that. We are going to be announcing over the next week or so one of the major mobile device management providers is also dropping our stuff into their product.

We sell directly here in the States but we are augmenting that with a reseller channel. Seventy per cent of our 15 million endpoints are outside of North America because of partnerships with guys like Deutsche Telekom, Softbank, Telstra, SmarTone, et cetera. We are also going to be announcing an OEM deal with one of the major security providers whose entire consumer product is going to be powered by our solution.

We're also particularly proud of the fact that Deutsche Telekom grabbed a million licences and used that to protect the German elections this last fall, and one of the largest metropolitan - one of the largest cities in the world is going to be announcing very quickly that they are going to be protecting all of their citizens with a private label version of our product. It again is our mission to protect anybody in a mobile scenario and we believe that we'll be able to extend that via the APK into IoT scenarios as well. Thank you very much.

Janice Roberts

Thank you.

[Applause]

Janice Roberts

First question.

[Curtis Feeny]:

How do you get paid?

JT Keating

Great question. The question is how do we get paid. It's on a per-device licensing model, annual subscriptions.

Janice Roberts

Who do you compete with? The challenge is in this space - you talk to a lot of your partners who - it's sometimes fuzzy to know who does what and where one product ends and another starts?

JT Keating

That's a fantastic question. Greg and I have known each other for years in the Cylance side of the world. I expected endpoint protection players to come in. So far they're not; matter of fact, a lot of them are talking about licensing us. We've actually been leveraging their reseller channels. I expected them to come in but the real competitors are other Mobile Threat Defense companies as defined by Gartner. We are a leader according to Gartner.

We're also a leader according to IDC in their recent MarketScape. The biggest competitor we go against is [Lookout] here in the Bay. [Checkpoint] and Symantec by an acquisition are both also in the space. The biggest difference between us and them is because of the machine learning, including some capabilities we're announcing here at the event, is that we can do all of our detection on-device without requiring a cloud lookup. All three of the major players require going to a cloud to do detection.

The major - there's a bunch of problems with that but the biggest problem is one of the main attacks is a man-in-the-middle attack. If I compromise your network, there's no reason for me to turn around and take you directly to the source that's going to detect me. And by the way, some of that portion is exactly why we've secured a

number of sole-source deals with the federal government. We've had multiple seven-figure deals and so we're obviously driving a lot of success that way.

David House

So if you can do that on the device without the network, what's your footprint?

JT Keating

In terms of the footprint on the device itself?

Curtis Feeny

On the device. How much of the resource of the device, how much memory do you take?

JT Keating

Yeah, it's a great question and I don't know the exact specifics. I do know that one of the main questions people have asked has been less about memory as it's been about battery. So I can find out about the memory for you. But the battery hovers right around 3% of its running 100% on the device. Yes, sir.

Joe Jasin

All right. So once again, positive intent here, but in '99-2000 I started a mobile software enterprise company out of Nextel. To me, this is the third wave coming, so it's the same business model over the third wave. But maybe it's the difference between Friendster, Myspace and then Facebook. The third wave here, so timing could be correct.

You've been around since 2010, you're seven years old, you've got a okay footprint out there but there's been a lot of competition over the years, and especially from 2000 to 2004 there were 200 of these companies. I know you can differentiate yourself a little bit since then, so I guess what it really comes down to, and I wish I was talking to the CEO here, I think he's in the audience, but where is the differentiator in this product set compared to your competition? Good Technology Inc., Aligo and Telesync, Seven Inc.. MobileIron, many Chinese companies are doing this, so where is the intellectual property?

JT Keating

By the way, great question and thanks for dropping Nextel in. That was awesome. I used to work with Nextel and all the rest of them so it's kind of fun. The real thing is all of those guys, a lot of those guys you just talked about are all MDM [EMM] providers. We actually are integrated in with every single one of them. What we do is we actually detect the device network and application attacks themselves, whereas they're handling the MDM side. They're handling the ability to, for instance, wipe a device. Our threat matrix is actually tied in with theirs. We actually say if we detect a jailbreak, what are we going to do.

Joe Jasin

So they decided not to build that, decided to license from you?

JT Keating

Yes. Yes.

Joe Jasin

So that's a differentiator, okay. Thank you.

JT Keating

Thank you. It's a good question.

Janice Roberts

Okay. One last quick question. Hiro.

Hiro Rio Maeda

Yeah. One of the - there have been many mobile security companies around and one of the unanswered solutions is for the phishing attack on a mobile. The spooky text comes into your SMS application as a legitimate traffic and you cannot do anything to protect. The user, [unclear] or your CEO, clicks on the link of iicloud.com but with two I's and the user couldn't see the difference and they have then the credentials and there you go, everything happens afterwards. So how do you - I don't think you cover that portion but what's your view on that?

JT Keating

It's a great question, around the phishing side of things as yet another potential entry vehicle. One of the main things we believe, it's one of the main things Gartner believes is to have a comprehensive solution, particularly on mobile because it's different from an operating system, you have to be able to detect [DNNA] device exploits, network attacks as well as malicious apps.

Every single thing that we've seen across every one of our customers around the world has always been a kill chain and it's always ultimately been designed to compromise the device. Whether it came in as a phishing attack or whether it came in as a man-in-the-middle attack, ultimately they're trying to compromise the device. Because the rules still apply, you want to maintain a persistent foothold on the device itself. Right now we're not dealing with the phishing part specifically, but when it actually goes in and starts trying to mess around with elevating privileges or things along those lines is when we always flag it. Okay.

Janice Roberts

Okay. I think we're going to have to wrap this up now. Thank you, a round of applause for Zimperium.

[Applause]

Janice Roberts

Yeah. So you come up now, I'm done [laughs].

Unidentified Male

Okay, Janis. Thank you so much. Before you go, before you all go, I'd like to personally thank you all very much. I know you're all really busy people and we really appreciate your time and effort coming down for this session. So round of applause for these guys, thank you very much.

[Applause]

Joe Jasin

It was a good time, thank you.

Hiro Rio Maeda

Thank you.

Unidentified Male

Again, before you go, I know you're busy but just a couple of minutes, Janice. Would you like to give us just your personal round-up of what you thought of the hot start-ups?

Janice Roberts

First of all, I have a great respect for entrepreneurs. Without entrepreneurs we wouldn't be in business and I've been one myself and I know how hard it is to start a business and build a business. To stand up here and to be asked questions about things that some of them are hard to answer obviously in a very short space of time. So I really give everybody credit for building the companies that they have.

I think the key thing is that you always have to be able to explain your company crisply and clearly in a short space of time, and I think there's always work to be done there. I would just encourage you to keep thinking about that, because certainly when you go to VCs for financing, they give you no time. It's rare you can get past slide one or two. So keep focused on the message and really make sure that you answer the questions that we are going to ask. We ask questions each time about how do you make money, go-to-market, and the reason being is it's hard to go to market and to get those customers.

The more customer examples you can give us, I know you don't always want to speak about the specific customer but those things really help us to understand really the traction you have, really whether it's a vitamin or a painkiller-type situation, and really get clarity on the use case. So I would encourage you all to think about that, but really welcome the opportunity and enjoyed the interaction immensely, so thank you all who came up here today.

[Applause]

Unidentified Male

Okay. Unless any of the other sharks have any burning things they really, really, really want to say?

Curtis Feeny

I thought the companies were all doing very hard technical things and that was a little bit of the distraction because there was a lot of discussion about how hard technically some of these things were to do. Having customers that are delighted with the solution is what the investors are more interested in, so I just think a little bit of that. I will say, Zimperium got me because they thought all of our questions were really great, so that was smart.

[Laughter]

Joe Jasin

I just want to say I learned something from Accel Partners when I was pitching my enterprise software company in '99 out in Silicon Valley; it was a one-slide exercise. Who; what, who, what, where, when, why and how. It's really difficult to do but it's a unique exercise. If you can do it as a CEO if you can do this excersize as a CEO as who, what, where, when, why and how, it really keeps things tight. If you could do it on one slide for investors it's really great. Thanks. I appreciate all the effort today.

Unidentified Male

Great. Thank you. Thank you very much.

[Aside discussion]

[end]