

STUDY GUIDE

WRITING
THE CHECK
IS THE
EASY PART



SOMETHING VENTURED

RISK, REWARD, AND THE
ORIGINAL VENTURE CAPITALISTS

MIRALAN PRODUCTIONS PRESENTS A GELLER/GOLDFINE PRODUCTION
NARRATED BY PO BRONSON MUSIC BY LAURA KARPMAN EDITED BY JEN BRADWELL GARY WEIMBERG
EXECUTIVE PRODUCERS PAUL HOLLAND MOLLY DAVIS
PRODUCERS DAYNA GOLDFINE DAN GELLER CELESTE SCHAEFER SNYDER
DIRECTED BY DAN GELLER DAYNA GOLDFINE

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How to Use this Study Guide

The entrepreneurs and venture capitalists featured in *Something Ventured* represent far more than their individual stories. They illustrate the motivations, problems, approaches and successes of entrepreneurs around the world. Students of business, science, engineering or other disciplines will grasp lessons and themes of entrepreneurship that transcend the years—lessons and themes they can apply to their own professional lives. *Something Ventured* gives students a framework for discussing and discovering the complexities of being a leader, an investor, and an innovator.

The *Something Ventured* study guide addresses four main themes in the film:

- I. Innovation
- II. Risk
- III. Success and Failure
- IV. Leadership

Each theme consists of three tools:

- I. Review Questions help instructors guide an analysis of the key themes of *Something Ventured*. These questions are supplemented with time codes pointing to relevant film sequences that can be replayed to reinforce understanding.
- II. Case Studies drive further discussion about how these companies helped shape our technology and lifestyles. These case studies provide a deeper appreciation for the companies in the film as well as what the leaders did—or did not do—to achieve success.
- III. Additional Readings expand the discussion beyond *Something Ventured* with Web-based content to enable students to explore the themes of the film in greater depth. These additional readings include articles from respected news organizations and scholarly publications.

I. INNOVATION

Innovation starts with an idea. For new product. A different approach to solving a problem. A breakthrough in science or engineering. The idea must then be developed, nurtured and built into a product or service that can be monetized. As venture capitalist Reid Dennis says in *Something Ventured*, innovation is about “creating something where nothing existed before.”

Review Questions

1.) How does an entrepreneur or venture capitalist know when they have the next billion dollar idea? What role does luck play in the success of an innovation?

0:03:39:27 – 0:04:20	<i>Arthur Rock explains he was lucky to be lucky first</i>
0:23:39:27 – 0:26:10	<i>Tom Perkins sees future in Tandem despite IBM's dominant position</i>
0:53:49:12 – 0:55:20	<i>Mike Markkula sees potential in Apple even though computers were rare</i>
0:59:07:08 – 1:00:00	<i>Software is a growing, timely industry</i>

2.) Are entrepreneurs motivated by a passion for innovation or by money? What are the motivations of the entrepreneurs and venture capitalists in *Something Ventured*?

0:04:24:10 – 0:07:50	<i>Gordon Moore says he was an “accidental entrepreneur”</i>
0:43:07:00 – 0:48:10	<i>Academic researcher Herb Boyer approached to start a company, not his idea</i>
0:53:36:29 – 0:55:20	<i>Mike Markkula comes out of retirement to assist with Apple</i>
1:14:23:20 – 1:16:00	<i>Sandy Lerner says she did not start Cisco to make a lot of money</i>

3.) Do the venture capitalists know before they get involved with a company that certain products or business models will be more successful than others? What does it mean for venture capitalists to disagree on the potential of a company? How often are their early assessments accurate?

0:13:11:06 – 0:14:10	<i>Arthur Rock sees potential for investing in companies in the West</i>
0:42:39:06 – 0:44:00	<i>Genentech started out of commercial desire for new drugs</i>
0:53:50:12 – 0:55:20	<i>Mike Markkula sees potential in Apple even though computers were rare</i>
1:01:21:01 – 1:03:30	<i>Dick Kramlich sees potential of PowerPoint, willing to go it alone</i>
1:06:42:27 – 1:09:20	<i>Don Valentine believed in Cisco when no one else did</i>
1:18:04:21 – 1:19:10	<i>Great things don't come out of the status quo, they require vision</i>

4.) Does innovation arise out of a market need or does a market change because of innovations that emerge? What does this say about the initial steps an entrepreneur takes in pursuing an innovation?

0:15:25:19 – 0:16:50	<i>A business plan, even if rough, explains purpose</i>
0:31:16:02 – 0:34:20	<i>Atari envisioned Home Pong, which proved popular though arguably not “needed”</i>
0:48:10:07 – 0:49:10	<i>Genentech able to discover gene after investment</i>
0:59:35:19 – 1:00:00	<i>PowerPoint arises out of need for a better way to make presentations</i>
1:06:36:07 – 1:07:30	<i>Cisco founded to solve the challenge of connecting computer systems</i>

Case Studies

A) Tandem Computers.

Jimmy Treybig, as an entrepreneur, and Tom Perkins, as a venture capitalist, understood the need for a fault-tolerant computer. They say, “We knew... that if we could figure out a different kind of computer architecture to solve this problem, that we could create a big company.” How do ideas like Tandem represent the beginning of innovation? Is it fair to say that all innovation-based companies arise from a market need?

0:23:39:27 – 0:28:40 Something Ventured *describes the founding and funding of Tandem*

B) Genentech.

Venture capitalist Bob Swanson contacted researcher Herb Boyer with the idea of creating a company based on genetic engineering—a new science with an even newer market. What convinced those involved that this was an innovation worth pursuing? What made their product(s) innovative?

0:43:05:00 – 0:50:20 Something Ventured *describes the founding and funding of Genentech.*

C) Apple Computers.

What was different between the market for Tandem’s fault-less computer and Apple’s personal computer? Is either of these products or companies more innovative? How does one judge a company’s innovation quotient? How does Apple maintain its high level of innovation? What are other modern companies that are considered highly innovative?

0:50:25:22 – 0:57:50 Something Ventured *describes the founding and funding of Apple Computers*

Additional Readings

- [The New, Faster Face of Innovation](#) – The MIT Sloan Management Review evaluates the effects of technology on innovation, suggesting that innovation is happening faster and cheaper.
- [The Era of Open Innovation](#) – Harvard Business Professor, Henry Chesbrough, discusses how companies are rethinking the ways they generate ideas.
- [Choosing a Product and a Market](#) – The U.S. Information Agency considers the steps an entrepreneur should take to come up with an innovative idea.
- [The Making of America: Thomas Edison](#) – Time Magazine author, Bryan Walsh, describe Thomas Edison’s devotion to science and innovation.
- [Outsourcing Innovation](#) – What are the implications of outsourcing innovation on job growth and wealth creation?
- [The Importance of Startups in Job Creation and Job Destruction](#) – Kauffman explains that both small and large companies continually create and destroy jobs.

II. Risk

Business is inherently fraught with risk. In a startup, these risks might revolve around accessing capital, building a strong leadership team and making good strategic decisions early on. With a growing company, risks could include scaling to meet market need or responding to increasing competitive forces. And in the case of large companies, risk might focus on entering new markets, contending with new competitors or growing by acquisition. Entrepreneurs and venture capitalists negotiate risk every day—and they understand that with big risk comes the possibility of big rewards.

Review Questions

1.) Did the investors and inventors have a particularly high tolerance for risk? How does the possibility of gaining or losing money play a role in the amount of risk they were willing to take on?

0:05:13:08 – 0:06:20	<i>Arthur Rock sees potential in Gordon Moore and Intel</i>
0:21:43:06 – 0:26:30	<i>Tandem poses a big risk for Kleiner Perkins</i>
0:34:37:02 – 0:36:40	<i>Nolan Bushnell believes in Atari and is willing to start a nascent market with \$250</i>
0:45:39:28 – 0:47:50	<i>Herb Boyer and Tom Perkins recognize risk in Genentech</i>
1:00:33:19 – 1:03:30	<i>PowerPoint almost fails, Dick Kramlich willing to go it alone</i>

2.) What role did instinct play for these investors and entrepreneurs when starting a company? Was it intuition or optimism that helped them believe during tough times? In what ways does luck play an important factor in their success?

0:03:19:22 – 0:04:20	<i>Arthur Rock says he was “lucky to be lucky early”</i>
0:19:00:02 – 0:21:10	<i>Dick Kramlich partners with Arthur Rock while Reid Dennis leaves American Express</i>
0:27:18:02 – 0:27:50	<i>Pitch Johnson’s investment ratifies the concept of Tandem</i>
0:32:53:29 – 0:34:00	<i>Don Valentine believes Home Pong has huge potential</i>
0:43:39:17 – 0:45:10	<i>Tom Perkins sees Bob Swanson as prescient for seeing the potential of gene splicing</i>
0:51:43:28 – 0:55:20	<i>Don Valentine and Mike Markkula see beginning of PC market with Apple</i>
0:59:50:22 – 1:00:40	<i>Dick Kramlich: “When you see it, it just goes right through your bones”</i>

4.) How does venture capital help a company grow? What are the costs for entrepreneurs?

0:15:28:25 – 0:17:40	<i>Arthur Rock raises financing for Intel and takes 50% of company</i>
0:33:11:24 – 0:36:30	<i>Venture capital brought distribution and connections to Atari</i>
0:43:51:24 – 0:46:30	<i>Bob Swanson brought the idea for commercializing research to Genentech</i>
0:53:50:15 – 0:57:30	<i>Mike Markkula needs disciplined management and planning, Steve Jobs must conform</i>
1:07:33:28 – 1:09:10	<i>Valentine brings structure to Cisco, but Sandy Lerner loses control of her company</i>

5.) Has the entrepreneur’s risk quotient changed over the years? Do similar barriers exist for companies like Facebook, Google and YouTube? How have companies of the past open doors for the future?

0:32:05:18 – 0:32:30	<i>Most companies featured sell hardware. What are most startups today focused on?</i>
0:46:38:09 – 0:47:50	<i>Risk of funding pure research. How do investors today view funding pure research?</i>
0:59:02:04 – 1:00:00	<i>PowerPoint was a software company. How has software investments changed?</i>
1:06:24:24 – 1:07:30	<i>Cisco paved the way for the Internet. What other companies opened up new markets?</i>
1:18:58:11 – 1:19:20	<i>Which industries listed at the end of the film hold the most promise and why?</i>

Case Studies

A) Tandem Computers.

With IBM as the dominant computer company during the 1970s, it was a tremendous risk for Tandem to enter a market already so established and valuable. Why did the entrepreneurs and venture capitalists involved in Tandem feel they had a product that would be competitive? Would it be possible for a computer company to start up in today's market? What makes today's computer industry different from that of the 1970s?

0:23:39:27 – 0:28:40 Something Ventured *describes the founding and funding of Tandem Computers*

B) Genentech.

Genentech's success depended on finding a breakthrough in genetics. This breakthrough would not have happened without investment in research and development. What are the difficulties for a venture capitalist or entrepreneur to start a company when the innovation has yet to be developed? Describe ways to reduce these risks. How does an entrepreneur know a product or business is worth the risk involved?

0:43:05:00 – 0:50:20 Something Ventured *describes the founding and funding of Genentech*

C) PowerPoint.

As PowerPoint continued to lose money and investors started to turn away, Dick Kramlich decided it was a product worth pursuing. What risk did Kramlich take on in deciding to fund PowerPoint himself? In your opinion, was the risk worth taking?

0:59:35:19 – 1:04:40 Something Ventured *describes the founding and funding of PowerPoint*

Additional Readings

- [9th Commandment for Building a Growth Company](#), from [The 10 Commandments](#) – Steven Brandt describes the 'unyielding dedication' required to start a company and the risks associated with it.
- [Seven Risk Management Hotbeds](#) – Bloomberg Business presents a slideshow describing what it believes to be the crucial risk management categories.
- [Rules For Growth](#) – The Kauffman group discusses various legal policies and possible reforms that may encourage growth and reduce the risks associated with innovation.
- [Financing Risk and Bubbles of Innovation](#) – A Harvard Business School publication that describes the influence of risk on investing in innovation.
- [How to Rethink Your Business During Uncertainty](#) – The MIT Sloan Management Review describes the changes business make during times of recession, uncertainty and high risk.

III. Success and Failure

Ask ten business leaders to define success and you're likely to get ten answers. For some, it might be money or a powerful position. For others, it's realizing a dream or beating a competitor. Failure can also look different to different people. Entrepreneurs and venture capitalists are driven by many different motivations and there's no single formula that can be considered superior. The key is to clearly understand how *you* define success and failure.

Review Questions

1.) How did the investors from *Something Ventured* define success? Compare the level of success of these entrepreneurs to those of today. What is the most noticeable change between then and now? Take into consideration the financial outcomes described after each case study.

0:11:01:12 – 0:11:50	<i>Creating companies where you can share in the profits leads to success</i>
0:28:27:17 – 0:30:20	<i>Valentine gets into investing and has a vision of “doing something consequential”</i>
0:48:34:10 – 0:50:10	<i>Genentech makes money and helps the world with medicine breakthroughs</i>
0:57:41:27 – 0:59:00	<i>Investors will not always have success, maybe 1 out of 200</i>
1:01:11:25 – 1:04:20	<i>PowerPoint finds initial success; Campbell sells Microsoft without taking stock</i>
1:14:40:16 – 1:15:50	<i>Sandy Lerner starts Cisco, but then moves on to start other organizations</i>
1:16:45:20 – 1:19:00	<i>Arthur Rock says he is most proud of the companies he helped to start and grow</i>

2.) What did the film subjects learn from their failures? Is their definition of failure universal?

0:14:31:23 – 0:15:20	<i>Gordon Moore and Robert Noyce learn from Fairchild and start Intel</i>
0:22:38:10 – 0:23:40	<i>Kleiner Perkins' Snow Job fails, but partners learn to “do things differently”</i>
0:30:58:29 – 0:31:20	<i>Nolan Bushnell inspired to start Atari because of mismanagement at Nutting</i>
0:51:26:04 – 0:52:50	<i>Investors chose not to invest in Apple. Is not investing a sign of failure?</i>
0:57:41:27 – 0:59:00	<i>Investors won't always have success; are the “living dead” considered failures?</i>
1:00:37:12 – 1:02:20	<i>Dick Kramlich saves a failing PowerPoint</i>
1:07:32:22 – 1:12:20	<i>Sandy Lerner had a strong personality, but was committed to customer satisfaction</i>
1:14:40:16 – 1:15:50	<i>Sandy Lerner goes on to start other successful ventures</i>

3.) What did those that found success choose to do with their personal fortunes?

0:19:00:02 – 0:20:10	<i>Arthur Rock was successful, but looked to start all over again with Dick Kramlich</i>
1:15:11:11 – 1:15:50	<i>Sandy Lerner starts Cisco, but moves on to start other organizations</i>
1:19:34:28 – 1:19:40	<i>Arthur Rock works for a better educational system</i>
1:19:51:24 – 1:20:10	<i>Pitch Johnson continues investing, teaching classes, with some political involvement</i>
1:20:14:20 – 1:20:40	<i>Dick Kramlich and Reid Dennis travel, have important collections (art, model trains)</i>
1:20:51:14 – 1:21:20	<i>Bill Draper and Don Valentine help non-profit charities</i>
1:21:24:26 – 1:22:00	<i>Tom Perkins pens novel, continues engineering with a clipper ship and submarine</i>

4.) Consider the reasons entrepreneurial innovation fails. How do the venture capitalists from *Something Ventured* define failure? To what extent does this offer a universal definition of failure?

0:12:14:27 – 0:12:50	<i>Fairchild suffers because employees held no ownership</i>
0:21:31:20 – 0:23:40	<i>Tom Perkins explains failure of motorcycle snowmobiles</i>
0:58:07:07 – 0:59:10	<i>Explaining the “living dead” investments</i>
1:00:33:19 – 1:02:10	<i>PowerPoint almost fails</i>

Case Studies

A) PowerPoint.

Dick Kramlich believed in Rob Campbell and his idea to reinvent how presentations are built and displayed. Ultimately, however, PowerPoint is sold to Microsoft for \$14 million. Consider the reaction of Kramlich, as a venture capitalist, and Campbell, as an entrepreneur, to this acquisition. Is it a success or a failure? Explain Campbell's "greatest mistake."

0:59:35:19 – 1:04:40 Something Ventured *describes the founding and funding of PowerPoint/Forethought*

B) Atari.

According to the documentary, one third of consumer entertainment spending in the U.S. is on video games. Considering the difficulties Nolan Bushnell and Don Valentine had in marketing and distributing Home Pong, how did they know it would be a popular product? If an entrepreneur finds a level of success like that of Bushnell's Home Pong, would their perception of a "successful venture" change?

Atari paved the way for modern entertainment just as Intel and Fairchild Semiconductor paved the way for the computer industry. Its success naturally mean company growth and job creation. Does job creation results in more success or does a company's success lead to job creation? Is it possible to talk about one without the other?

0:30:26:14 – 0:36:50 Something Ventured *describes the founding and funding of Atari*

C) Cisco.

Sandy Lerner agreed with investors that Cisco needed more structure in order for the company to reach the next level of growth. Soon after, she was asked to leave the company she helped to start. Sandy received about \$170 million in compensation. Considering Cisco is worth approximately \$150 billion today, would Lerner consider this a successful investment of her time? How do these entrepreneurs and venture capitalists ultimately define success?

1:06:16:15 – 1:15:40 Something Ventured *describes the founding and funding of Cisco Systems*

Additional Readings

- [How to Succeed by Failing](#) – A Harvard Business Online writer describes that most successful entrepreneurs find their strength and success arise out of moments of failure.
- [The Making of a Successful Entrepreneur](#) – The Kauffman Foundation sponsors a research paper that asks founders and entrepreneurs what influenced the success or failure of different ventures.
- [Success and Failure Drive Innovation](#) – A video by Stanford Technology Ventures Program that discusses risk, innovation, success and failure. (00:14:00 – 00:22:00)
- [Small Business and Job Creation](#) – An investigation into the effects of a company's size on job creation and wealth development.
- [The Myth of Unbounded Growth](#) – MIT Sloan Management Review discusses how a CEO should consider both the costs and possible benefits of company growth.

IV. Leadership

There are countless books on the topic of leadership, and developing leadership skills is a life-long pursuit. Good leaders come in all shapes and sizes but they do all share one common characteristic: the ability to visualize and articulate where they want to go and then the ability to inspire others to help them get there.

Review Questions

1.) What are the leadership qualities most important in the early days of a company? Are there qualities that are more pronounced among successful investors and entrepreneurs?

0:06:13:01 – 0:08:20	<i>Arthur Rock has connections necessary to start Intel</i>
0:16:38:05 – 0:18:20	<i>Arthur Rock and Gordon Moore work closely, VC with entrepreneur</i>
0:23:39:27 – 0:26:10	<i>Jimmy Treybig is young but had vision for fault-tolerant computer</i>
0:29:19:09 – 0:30:30	<i>Don Valentine looks for entrepreneurs with vision</i>
0:34:17:17 – 0:35:30	<i>Nolan Bushnell believed in his product: Home Pong</i>
0:42:39:20 – 0:48:10	<i>Bob Swanson and Tom Perkins brought a business model to Genentech</i>
0:59:35:19 – 1:03:10	<i>Dick Kramlich persistent with PowerPoint when partners do not see the potential</i>

2.) How must leaders change as a company grows? Does a company need certain qualities from those in leadership positions? How can you tell if a person has such qualities?

0:12:29:29 – 0:15:20	<i>Fairchild engineers slowly leave; Gordon Moore and Robert Noyce form Intel</i>
0:30:58:29 – 0:31:20	<i>Nolan Bushnell leaves Nutting to start Atari because he didn't like management</i>
0:43:39:17 – 0:46:20	<i>Bob Swanson was not just the VC, but also the first CEO of Genentech</i>
1:04:43:17 – 1:06:10	<i>40% of companies change presidents within 18 months</i>
1:08:56:09 – 1:09:40	<i>Sandy Lerner and Len Bosack accept new roles at Cisco</i>

3.) Describe the difference between a founder and CEO. Can this be the same person?

0:34:04:16 – 0:36:30	<i>Nolan Bushnell lacked polish; Don Valentine brought Sears to Atari</i>
0:43:39:17 – 0:45:10	<i>Genentech research led by Herb Boyer, but company managed by Swanson</i>
1:04:43:17 – 1:06:10	<i>40% of companies change presidents within 18 months</i>
1:08:56:09 – 1:09:40	<i>Sandy Lerner was a great founder, but didn't prove to be a great manager</i>

4.) Is there a difference between professional leadership qualities and personal character? Is there a difference in character between entrepreneurs and investors?

0:09:25:01 – 0:10:30	<i>Young San Francisco businessmen brought money together for investment</i>
0:26:29:11 – 0:27:20	<i>Jimmy Treybig laughs about being less sophisticated</i>
0:32:53:29 – 0:35:10	<i>Don Valentine discusses Atari and Nolan Bushnell's character</i>
0:39:47:15 – 0:42:00	<i>Georges Doriot is a Harvard business professor that discusses "management"</i>
1:04:43:17 – 1:06:20	<i>Many VCs want to invest in the right people and not have to fire them later</i>

5.) When should venture capitalists to be problem-solvers? Advisors? Champions? Adversaries? How does venture capital avoid many of the scandals that have plagued the rest of the financial industry?

0:16:16:25 – 0:18:10	<i>Arthur Rock helps with management of and IPO at Intel</i>
0:33:36:27 – 0:36:50	<i>Don Valentine helps get Atari into stores, namely Sears</i>
0:46:38:09 – 0:49:00	<i>Tom Perkins outsources research for Genentech to reduce costs</i>
0:52:57:15 – 0:57:00	<i>Mike Markkula joins Apple and brings management and a business plan</i>
1:12:26:05 – 1:15:10	<i>Board fires Sandy Lerner from Cisco</i>

Case Studies

A) Intel.

As Fairchild bled talent, Gordon Moore and Bob Noyce left to found Intel with the help of Arthur Rock. What made these two engineers think they were ready to start a new company? What did they learn from Fairchild that led them to more successful leadership at Intel? What role did Arthur Rock play in the leadership of Intel in early days and during its IPO?

Would someone evaluating the success of Intel and Fairchild Semiconductor be able to conclude which company opened up more job opportunities? Also, Moore's Law is a key to Intel's success. Explain this law and how it relates to Intel's business strategy.

0:14:25:06 – 0:18:20 Something Ventured *describes the founding and funding of Intel*

0:03:39:27 – 0:14:20 Something Ventured *describes the founding and funding of Fairchild Semiconductor*

B) Apple Computers.

Using the film's discussion of Apple and any background information you have on the company, describe Steve Job's leadership style at Apple. What happened that caused Jobs to become one of the most respected leaders of American business? What qualities did he have to learn in order to be successful? Discuss the reasons for, and implications of, Jobs' firing in the early 1990s.

0:01:03:08 – 0:01:20 *Arthur Rock fires Steve Jobs*

0:50:25:22 – 0:57:50 Something Ventured *describes the founding and funding of Apple Computers*

C) Cisco Systems.

Sandy Lerner briefly discusses the difficulties of being a woman in a leadership position. Did Lerner's gender play a role in how other Cisco employees viewed her? Reflect on her statements, and the discussion of Cisco, and consider what personality traits are most important for a leader to have in the early years of a company. What characteristic of Lerner did other employees most respect? What was her perceived weakness?

1:06:16:15 – 1:15:40 Something Ventured *describes the founding and funding of Cisco Systems*

Additional Readings

- [Leadership & Management by Harvard Business School](#) – HBS documents a number of scholarly papers and articles on the concepts of leadership and development.
- [Natural-Born Entrepreneur - Lessons of a Serial Entrepreneur](#) – Dan Bricklin attempts to answer the question, “Are entrepreneurs born or made?”
- [How to Decide if Entrepreneurship is Right for You](#) – The Wall Street Journal describes some of the questions raised by Colleen DeBaise of *The Wall Street Journal Complete Small Business Guidebook*.
- [Do Techies Make Good Leaders?](#) – MIT Sloan Management Review considers how the technology sector views leadership and building leaders.
- [Steve Jobs Stanford Commencement Speech](#) – Steve Jobs discusses his life, including dropping out of college, getting fired from Apple, and being diagnosed with pancreatic cancer.

FACT Sheet

ABOUT THE VENTURE CAPITALISTS

Arthur Rock	Early investor in Fairchild Semiconductor, Intel, Apple and Teledyne
Tom Perkins	Founder of Kleiner Perkins Caufield & Byers, early investor in companies like Genentech and Tandem
Don Valentine	Founder of Sequoia Capital; early investor in companies like Apple, Cisco, Oracle, Electronic Arts and LSI Logic
Dick Kramlich	Founder of New Enterprise Associates, investor in companies like PowerPoint, Juniper Networks, Macromedia and Dallas Semiconductor
Reid Dennis	Founder of Institutional Venture Partners
Bill Draper	Founder of Sutter Hill Ventures; Founder of Draper Richards
Pitch Johnson	Co-founder of Draper and Johnson Investment; Founder of Asset Management Company
Bill Bowes	Founder of US Venture Partners
Bill Edwards	Founder of Bryan and Edwards
Jim Gaither	One of the early developers of the venture financing structure still in use today

ABOUT THE ENTREPRENEURS

Gordon Moore	Founder of Intel; one of Fairchild Semiconductor's "Traitorous Eight"
Jimmy Treybig	Founder of Tandem
Nolan Bushnell	Founder of Atari
Dr. Herbert Boyer	Co-founder of Genentech
Mike Markkula	Second CEO of Apple
Sandy Lerner	Co-founder of Cisco
John Morgridge	Early CEO of Cisco
Robert Campbell	Founder of PowerPoint

ABOUT THE COMPANIES

Fairchild Semiconductor	William Shockley opened Shockley Semiconductor Laboratory in Mountain View, California in 1956. In 1957, a group of eight engineers, who became known as the Traitorous Eight, left Shockley to join Sherman Fairchild's Fairchild Camera and Instrument. The company made silicon transistors for the production of semiconductors, which are found in microprocessor chips that are used in most modern electronic devices. [Arthur Rock raised \$1.5 million to start Fairchild.]
Intel	Gordon Moore and Bob Noyce left Fairchild Semiconductor in 1968. With the ability to manufacture semiconductors, Intel capitalized on the need for memory chips. As the semiconductor industry grew more competitive, however, Intel switched to manufacturing microprocessors for use in personal computers, and, by the end of the 1980s, this decision had proven successful. Today, Intel continues to follow Gordon Moore's founding principle, which became known as "Moore's Law," stating that the number of transistors that can be placed on circuits double approximately every two years. This is important because more transistors results in more complex circuits that allow for faster processing in computers and electronic devices. [Arthur Rock raised \$2.5 million to start Intel, which, today, is worth approximately \$60 billion and has about 80,000 employees.]
Tandem Computers	Jimmy Treybig founded Tandem Computers in 1974 with the hope of creating fault-tolerant computers for online transaction processing. The Tandem computer system tried to eliminate outages that caused lost or corrupted data,

and this helped maintain reliable systems for use in ATMs, stock exchanges, and banks. Treybig drafted the Tandem business plan with the help of the venture firm Kleiner Perkins. Today, Tandem is now a division within Hewlett-Packard. [Kleiner Perkins invests \$1.4 million in 1974, and Compaq bought Tandem for \$3 billion in 1997].

- Atari
- Founded in 1972 by Nolan Bushnell, Atari shaped the consumer electronics industry with arcade games like and home video game consoles. With the success of Home Pong during 1975, Atari became a household name. Its brand of consumer electronics opened up the video game industry. Atari is now a division of Hasbro Interactive. [Bushnell founded Atari with \$250, and during the 1980s it was worth upwards of \$240 million].
- Genentech
- Many consider Genentech to be the beginning of the biotechnology and genetics engineering industry. Venture capitalist Bob Swanson and biochemist Dr. Herbert Boyer founded the company in 1976. Boyer and his colleagues were considered the first to discover the uses of recombinant DNA, in which DNA strands are fragmented and “glued” back together or to other plasmids or DNA strands. Using these principles of genetic engineering, Genentech still develops medicines that address clinical needs. [In 1976, Kleiner Perkins invested \$250,000 and in 2009 pharmaceutical company Roche bought Genentech for \$47 billion].
- Apple
- Steve Jobs and Steve Wozniak began to sell Apple I computers in July 1976 after founding Apple Computer with the help of investors Mike Markkula, Arthur Rock and Don Valentine. Apple has long been recognized as one of the founders of the personal computer era. In 1985, Steve Jobs was fired from the company, after which he went on to found NeXT and Pixar. As Microsoft continued to gain market share with software for cheaper, commodity computers, Apple saw its reputation decline. At this time, Apple was manufacturing models such as the Apple Lisa and the Macintosh LC. When Apple bought NeXT Computers in 1996, Jobs returned to the company. As CEO, Jobs introduced the Apple retail stores and branched out of the Apple product line to include other consumer electronic devices like the iPod (2001), iPhone (2007), and iPad (2010). In 2007, Apple Computers changed its name to Apple, Inc. to reflect this growing diversification. [In 1976, Markkula invested \$142,000, Rock invested \$57,000, and Valentine invested \$150,000 in Apple. The company today has an approximate market value of \$220 billion].
- PowerPoint
- Rob Campbell helped found Forethought, Inc. in late 1983 with partner Taylor Pohlman. Then, with the help of software Developer Dennis Austin, Forethought released a program called PowerPoint. Dick Kramlich of New Enterprise Associates provided Forethought with its initial round of funding. Though Kramlich became one of the few investors of the project, PowerPoint released Nutshell, FileMaker, and, in 1987, PowerPoint 1.0 for the Macintosh. Microsoft Corporation, though, in late 1987, purchased Forethought and PowerPoint for \$14 million. [The \$14 million acquisition was a cash-only transaction, leaving Campbell and investors without the benefit of valuable Microsoft stock options].
- Cisco
- Lee Bosack and Sandy Lerner founded Cisco Systems in 1984. Cisco was one of the first companies to sell commercially successful routers supporting different computer networks. A router is a device that coordinates and sends information across computer networks through the use and functions of the Internet. Don Valentine of Sequoia Capital invested \$2.8 million for a third of the company and introduced experienced management. Lerner was fired in

August 1990, and upon hearing the news, Bosack resigned. The company still relies on its routers to maintain its position as one of the most valuable technology companies. [In 1987, Sequoia Capital invested \$2.8 million in Cisco. In 2010, the company was worth more than \$150 billion—down from its value of \$500 billion during the dot-com boom in the late 1990s].

About SOMETHING VENTURED

ABOUT THE FILM

SOMETHING VENTURED tells the story of the creation of an industry that went on to become the single greatest engine of innovation and economic growth in the 20th century. It is told by the visionary risk-takers who dared to make it happen: Tom Perkins, Don Valentine, Arthur Rock, Dick Kramlich and others. The film also includes some of our finest entrepreneurs sharing how they worked with these venture capitalists to grow world-class companies like Intel, Apple, Cisco, Atari, Genentech, Tandem and others.

THE DIRECTORS

SOMETHING VENTURED is directed by Emmy Award-winning filmmakers Dan Geller and Dayna Goldfine. For more than 20 years, Dan and Dayna have created critically acclaimed, multi-character documentaries that cover such diverse topics as the arts, education, history and culture. Their documentaries have screened theatrically and been broadcast in the U.S. and internationally. Their films have also been recognized at major festivals around the world, including Sundance, Toronto and Berlin.

THE EXECUTIVE PRODUCERS

Paul Holland is General Partner of Foundation Capital, a leading venture capital firm that manages over \$2.5 billion across several funds. Prior to Foundation Capital, Paul served as SVP of Worldwide Sales at Kana Communications. Before Kana, Paul was a VP and general manager for Pure Software, where he helped grow the company's market value to over \$1 billion. Paul is past president of the Western Association of Venture Capitalists and remains a member of its board of directors.

Molly Davis is a founding partner of Rainmaker Communications, a Silicon Valley marketing and communications consulting firm. For almost 20 years, Molly has worked with technology companies—from startups to global industry leaders. She has also counseled venture capital firms, investment banks and strategy consulting firms.

ZEITGEIST FILMS

Zeitgeist Films handles educational and private screenings worldwide. For information about private screenings of **SOMETHING VENTURED**, academic use of the film or other distribution questions, contact Ben Crossley-Mara at ben@zeitgeistfilms.com or 212-273-1989. For more information on Zeitgeist Films, please visit www.Zeitgeistfilms.com.

PRODUCTION CREDITS

Executive Produced by
Paul Holland and Molly Davis

Directed by
Dayna Goldfine and Dan Geller

Produced by
Dayna Goldfine, Dan Geller and Celeste Schaefer Snyder

Edited By
Jen Bradwell and Gary Weimberg

Original Music By
Laura Karpman

Narrated by
Po Bronson

Cinematography
Dan Geller

Sound by
Richard Beggs

MORE INFORMATION

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