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Arjun Gupta:

# 5 Decades of Venturing and Adventuring!

Arjun Gupta,  
Chief Believer, TeleSoft Partners

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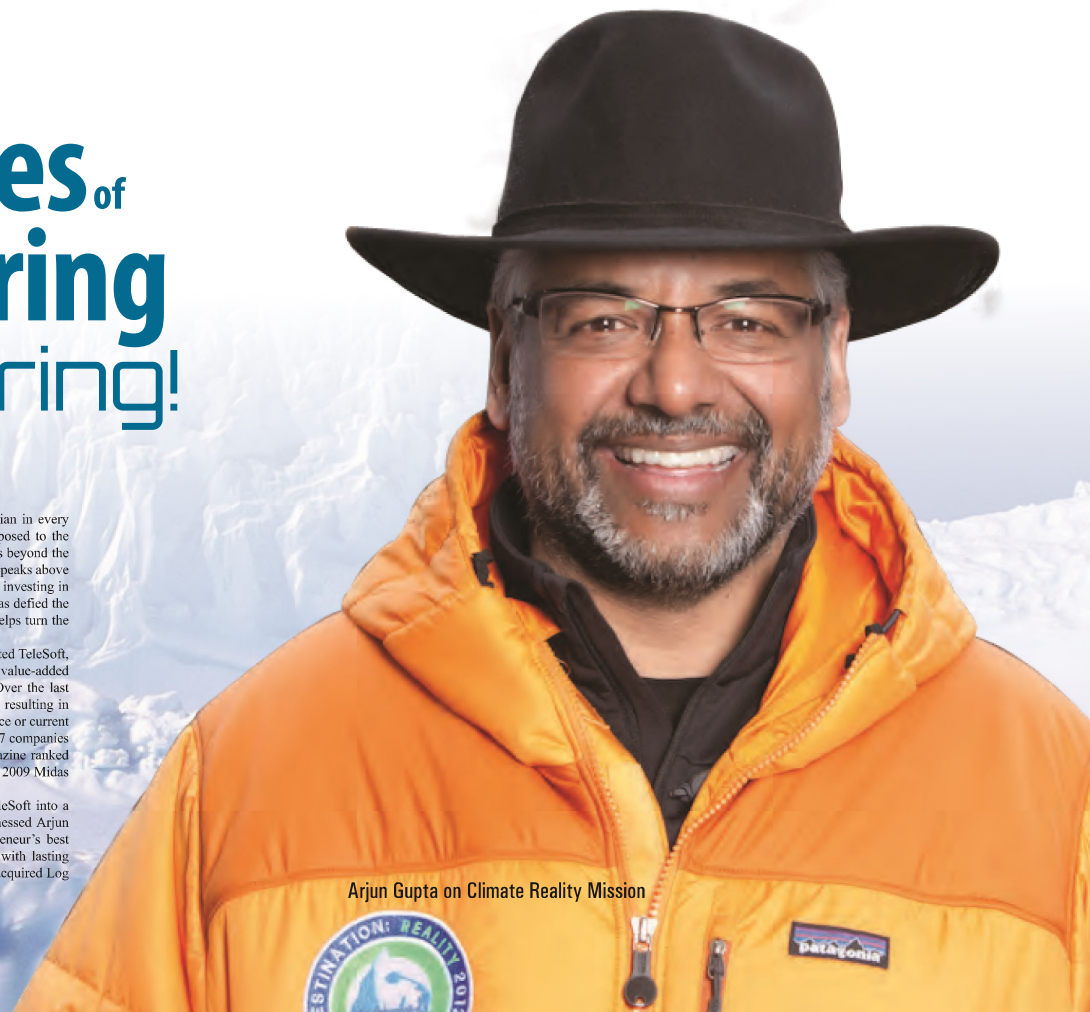
Arjun Gupta:  
**5 Decades of  
Venturing  
and Adventuring!**

By Rachita Sharma

**A**rjun Gupta, the Founder of TeleSoft Partners, is a contrarian in every sense of the word. Having taken roles and decisions opposed to the common consensus, his life is an array of accomplishments beyond the ordinary. From climbing with six Himalayan expeditions to peaks above 20,000 feet and skiing to the North and the South Poles, to investing in companies and technologies which others rejected, Arjun has defied the mundane. Today, the Chief Believer of TeleSoft Partners helps turn the dreams of small startups into reality.

It is this attitude of putting faith in things out of the ordinary that has catapulted TeleSoft, a special situations venture capital firm, into the major leagues. TeleSoft provides value-added capital for technology, communications and energy value chain companies. Over the last sixteen years, Arjun has overseen investing in and helping build 61 companies, resulting in 37 mergers & acquisitions and IPOs to date with a combined cash acquisition price or current market equity value equivalent to a mammoth \$17 billion! By the same token, 17 companies did not make it and 7 companies are still private in the portfolio. Forbes Magazine ranked Arjun in the Top-100 technology venture investors on the 2006, 2007, 2008 and 2009 Midas Lists.

"Over the last several years, I have watched Arjun systematically build TeleSoft into a world-class and highly successful VC firm. Time and time again I have witnessed Arjun combine great intellect with commitment and charm, making him an entrepreneur's best friend. His proven track record is enviable in building successful companies with lasting value," says Vivek Ranadive, CEO of TIBCO Software, Inc. In 2012, TIBCO acquired LogiLogic Systems for \$130 million, which was incubated at TeleSoft.



Arjun Gupta on Climate Reality Mission



Arjun Gupta, Art Lover in Aspen

## Counting persistence as one of his key strengths, Arjun has embodied this into the core of TeleSoft's Culture

### Pit-stops on the Journey to TeleSoft

A franchise like TeleSoft is not built in a day. Looking back over the last five decades of Arjun's successes, failures and struggles, credit goes to his high-energy entrepreneurship and his extraordinary spirit. His climb to the top echelons of the business world started with climbing a mountain in the Himalayas.

"When I was 11 years old my parents split, which shattered my world. My siblings and I went to boarding schools where you had to

either sink or swim. I was a science geek, not a gifted athlete. One day the school principal announced we would climb a 15,000-foot peak. I had never done anything like this before and I was very slow, sweating it out all the way. However finally when I got to the top it was life altering. It was an exceptional feeling to accomplish my goal on my own two feet." From that experience, a new world opened. Arjun went on more expeditions where he learned the mountaineering skills of focus, endurance, calculated risk and teamwork.

After attending Mayo College boys boarding school and St. Stephen's College in India, Arjun arrived in the U.S. on an exchange program in 1980. At a macro level this was an opportune time in the tech world as personal computers were picking up pace and mainframes were becoming obsolete. The stage was being set for the next wave of technology.

Arjun had a mere \$2,000 but he was brimming with dreams and aspirations. He earned a BS and MS in Computer Science from WSU. Thereafter he got a job at Tektronix as an operating systems software engineer. Initially he started out writing code. However, his outgoing personality drew the attention of a vice president who decided Arjun would be good with customers. "I worked maniacally to make my customers successful, which led Tektronix to promote me to a Field Applications Engineer and then to a Market Development Manager for new product introductions in the US, Germany and Japan. I loved developing products and I loved working with customers."

Arjun went on to earn an MBA from the prestigious Stanford business school in 1989 and spent a summer at Morgan Stanley, in New York. Post business school, Arjun joined McKinsey & Company where he led top management projects for Apple, AT&T/PacBell, AMD, Siemens/

ROLM, and PacTel/Vodafone.

Roland Wolfram, now Global Head of Soccer at Nike, says, "Arjun worked for me at McKinsey on multiple projects over three years at Apple and at PacTel Wireless. At Apple, one of our projects was to create the business plan for General Magic, which was spun-out and went on to become a public company. Arjun brought an infectious enthusiasm and an incredibly hard work ethic to the projects we worked on together. In addition, he has extraordinary client and relationship skills. Each client invariably wanted to hire Arjun. I have invested in TeleSoft and Arjun from day one and we are delighted to invest with Arjun again. Arjun's track record is exceptional and speaks for itself."

Around this time, Qualcomm's Dr. Irvin Jacobs was trying to convince Pactel Wireless that CDMA is the way to go (not TDMA). Arjun worked on the Digital Transition Project at PacTel, which eventually helped get Qualcomm CDMA funded. Reminiscing, Arjun recounted, "These were my first experiences of ideas being pitched, going through an evaluation process of the vision and technology, getting financed and thereafter growing into big public companies."

Post McKinsey, Arjun learned some tough but valuable lessons in failures. Between 1993-94, he incubated a software company called Interactive Artists at KPCB based on 3DO, a famous platform at the time. The platform had a lot of sizzle but ultimately fizzled out. In the process, Arjun lost all his savings and had to go back to work so he could pay his bills. He joined the Chatterjee Group/George Soros in New York, where he got an opportunity to learn the investment business. His fortunes turned around quickly, as he got to invest in and help build three companies: Omnipoint, OSI and BPL Cellular. Two companies went public and one was acquired.

Omnipoint went public, then merged with VoiceStream and subsequently, the combined entity was acquired by Deutsche Telekom for \$50 billion to form T-Mobile USA.

These early successes were the impetus for Arjun to want to do more. In 1996, the US Telecom Act ushered in the deregulation of telecommunications, and Netscape going public was the first sign of the internet becoming ubiquitous. Arjun, together with an associate, wrote the business plan for TeleSoft-1 at nights and on weekends, and sent

over one thousand business plans before they closed \$20 million! Thereafter, TeleSoft was licensed as a Small Business Investment Company (SBIC). Ultimately TeleSoft-1 raised a total of \$163 million, in private capital and government leverage, one of the largest first time funds, and delivered over 6.5X returns. In 2000, this was followed by TeleSoft-2 which raised a whopping \$460 million and is expected to return 1.5-2X returns, during a decade when many venture funds will not return capital.

### Arjun's Venturing

Total = 61 Companies

37 M&A and IPOs, 17 did not make it, 7 remaining in portfolio

Year	Company
2012	LogLogic acquired by TIBCO for \$130 million
2010	Calix IPO priced at a market capitalization of \$570 million
2008	Tele Atlas acquired by TomTom for \$4.3 billion
2007	Zantaz acquired by Autonomy for \$375 million
2006	Jungo acquired by NDS for \$108 million OnFilter acquired by Qwest Communications for \$107 million
2005	Tele Atlas Public Offering priced at a market capitalization of \$2.6 billion Matrix acquired by SanDisk for \$250 million Ikanos IPO priced at a market capitalization of \$377 million BPL acquired by Hutchison for \$1.2 billion
2004	Internet Photonics acquired by Ciena for \$150 million
2003	Provide Commerce IPO priced at a market capitalization of \$160 million SigmaTel IPO priced at a market capitalization of \$502 million
2001	Kymata acquired by Alcatel for \$117 million Lara acquired by Cypress for \$225 million VxTel acquired by Intel for \$550 million
2000	OSI acquired by Agilent for \$665 million CoSine IPO priced at a market capitalization of \$2.3 billion Vina IPO priced at a market capitalization of \$378 million VoiceStream acquired by Deutsche Telekom for \$50 billion, T-Mobile USA Triton IPO priced at a market capitalization of \$507 million Promatary acquired by Nortel for \$778 million
1999	ConvergeNet acquired by Dell for \$340 million Cerent acquired by Cisco for \$7 billion Omnipoint acquired by VoiceStream for \$4.5 billion
1996	BPL acquired by operating partner for \$228 MM Omnipoint IPO priced at a market capitalization of \$718 million
1995	OSI IPO priced at a market capitalization of \$579 million



Horse treks in New Zealand, Morocco and Tanzania

**The TeleSoft Approach**

These credentials tell the story of an organization which focuses on making a difference. Arjun describes the TeleSoft approach as an “ecosystem” which combines operating roles, technology backgrounds, commercialization strategy, corporate partnering and venture capital skills. Arjun believes in being held accountable for building value post-investment and focuses his team on six key parameters for each portfolio company:

- product roadmaps
  - raising capital
  - recruiting the team, board, advisors
  - distribution channels
  - strategic partnerships
  - anchor customers
- TeleSoft is stage agnostic and focuses on special situations and invests in seven different segments:
- early-stage pre-product
  - mid-stage initial market launch
  - late-stage ramping-up sales
  - PIPEs
  - corporate spinoffs
  - restructurings
  - control positions

To extend their ecosystem, TeleSoft has established partnerships with Alltel, AON, Bechtel, Deutsche Telekom's T-Ventures, Intel Capital, Salesforce.com and Symphony Technology Group.

“In my forty years in Silicon Valley,” says Bill Coleman, Founder and former CEO of BEA Systems (the fastest software company to reach a billion dollars in sales which was acquired by Oracle for \$8.5 billion in 2009), “I believe that Arjun's model of patient, smart money is unique and he has proven it to be highly successful. Even during 2000-2010, often referred to as ‘the lost decade’ for venture capitalists, Arjun made significant returns for his investors. Having worked with Arjun on several investments, I have witnessed how his personal commitment and ecosystem-based model have made the difference between success versus failure for his companies and for his investors.

“On a lighter note,” adds Coleman, “my frustration is that even though I have been a ski racer for most of my life and Arjun just started, he is already winning more ski races than I am!” Unknown to most people, Arjun's ski teams won The Directors Cup Pro-Am ski races in 2012 and 2013.

Counting persistence as one of his key strengths, Arjun has embodied this into the core of TeleSoft's culture. “We are value added, long term investors who believe in sticking with the right companies through the ups and downs. We invested in Calient and Calix in 1999-03 and have supported them for 10+ years and through multiple downturns,” says Arjun.

TeleSoft's persistence paid off when Calix went public in 2010 with an IPO priced at a market capitalization of \$500 million and Calient is doing well.

“Arjun and TeleSoft have been an excellent co-investor for Intel Capital,” says Arvind Sodhani, President of Intel Capital and EVP of Intel

Corporation. “In the last few years we have co-invested in seven companies with TeleSoft, including Nexant, Validity, Ikanos, Aarohi, Baypackets/ Genband, Jungo, and VxTel. I value his expertise as a VC to help our portfolio companies. Arjun is a trusted and valuable syndicate partner for Intel Capital, and has become a close friend.” Since 1991, Intel Capital has invested approximately \$11 billion in over 1,250 companies in over 50 countries with over 500 exits.

**Insights from the Great Outdoors**

Arjun's many expeditions and outdoor adventures enable him to step back from his business pursuits and evaluate both himself and the world. This allows him a rare perspective and creates a balance in his life, which is both healthy and productive. Whether on skis, on horseback, or in mountaineering boots, he follows his passions, recharges his batteries and clarifies his goals. Life is never dull with Arjun!

Bandel Carano, General Partner of Oak Investment Partners says, “Besides working hard, Arjun lives life to the fullest. Arjun and I have done five companies together,

“  
**The stage is set for  
 TeleSoft-3 to be  
 launched in 2013  
 and Arjun is gearing  
 up to ensure  
 success this time  
 around as well**  
 ”



Arjun Gupta in Antarctica

**Arjun's Adventuring:**

In addition to building companies, Arjun is a passionate outdoorsman. Over the last 30 years, his key expeditions include:

- Ski expeditions to the North Pole and the South Pole to commemorate the 100th anniversary of Peary and Amundsen respectively reaching the poles
- A scuba expedition with National Geographic to the Millennium Atoll in the South Pacific
- Six Himalayan expeditions to peaks over 20,000 feet

- The Arctic and Antarctic Expeditions on Climate Change
- Conservation and Human Well-being in Africa
- Polar bear, Grizzly and Spirit bear tracking safaris in Alaska
- Horse treks in New Zealand, Morocco and Tanzania
- Kilimanjaro in Tanzania, and Cotopaxi and Chimborazo in Ecuador
- New York and Chicago marathons

Arjun also served as a Liaison Officer with four international Himalayan expeditions for the Indian Mountaineering Federation.

including TeleAtlas and Nexant. For example, TeleAtlas went public and was subsequently acquired for over \$4+ billion, and Nexant is growing nicely. Arjun is a very savvy investor, and has built a solid firm in TeleSoft.” Since 1978, Oak Investment Partners have invested \$9 billion in over 500 companies around the world.

**The Next Waves of Technology**

Approximately every decade the world witnesses mega waves of innovation, when some breakthroughs fundamentally change the game. Arjun has experienced multiple waves including personal computers, the wireless wave, and more recently the internet. He is now focusing on next generation technologies such as power networks, next generation transportation and personalized digital medicine. As an example in the Power Sector, TeleSoft invested in and is the largest shareholder of Nexant Inc., a spinout from Bechtel Corporation.

“At the end of my very first breakfast with Arjun, he orally committed to the Nexant investment,” reflects Basem Sarandah, CEO of Nexant. “Even though Arjun was new to the energy industry, he has one of the fastest learning curves. Thereafter, Arjun became Chairman of the board, and was the key proponent of Nexant's transformation from an energy services provider to an energy software and solutions provider, including raising \$50 million in growth capital. Over the past four years Arjun has applied his unique experiences as a multi-industry investor in over 60 companies to help reshape Nexant's growth strategy and build a software team. He has been invaluable, and we are a terrific team.” Over the last five years since TeleSoft invested,



Arjun Gupta on South Pole Expedition

Nexant's revenues have grown from approximately \$60 million in 2007 to over \$165 million in 2012.

#### Leadership Models and The Henry Crown Fellowship

In 2001, Arjun started a foundation to support community projects in education, medical research and the arts. He highlights what he calls "inflection points" in his life, critical moments where others have helped steer his trajectory. "I cannot underscore this enough: the real difference in my life has been the people I've met along the way, like my boarding school principal who got me to start climbing, my first boss who hired me during college, my boss at Tektronix, many close friends from business school, and the Henry Crown Fellowship at the Aspen Institute. Becoming a Henry Crown Fellow was an inflection point in my life."

Bill Mayer, Chairman Emeritus of The Aspen Institute and former Dean of the Business School at the University of Maryland, says, "I first met Arjun in 2001 when he was a Henry Crown Fellow. I became Arjun's mentor and got to know him outside of a business environment. He is very smart and has a very quick mind. He is also very perceptive and aware of what is going on around him. Most people in his position do not take the time to listen to other people. Arjun is different, as

he listens to others and asks a lot of questions. As a result, he learns about people and how they think, and he also learns about himself, how he thinks and how he processes information. Arjun is a giver who likes to help people and, as a result, people like to help him. All this makes him a very good problem solver and a fascinating person to be around."

A key trait of Arjun's leadership is a tireless vitality. Dropping traditional hierarchies, Arjun has created his own model for leadership, a role he fits authentically by raising expectations high, yet understanding human needs and shortcomings. Through it all, his internal compass points unerringly to the lessons he has learned in the outdoors.

Justin Sherman, an executive coach explains, "In my work with Arjun over the last few years he has consistently been one of the most dedicated learners I've ever had the privilege of working with. He is deeply curious about the world around him and applies his striking intellect in far-reaching domains. Arjun generates extraordinary energy and passion that is infectious. I've never seen Arjun anything less than fully engaged and engaging. All of this supports Arjun's deep commitment to growing his effectiveness and impact as a leader. He has worked tirelessly to better optimize and better serve key relationships amidst all of his organizational affiliations. While highly committed to financial results, Arjun also understands that how he leads greatly influences the ultimate impact he can have as a venture capitalist. My guess is Arjun has always been *inspired*, but as he takes more of his vast knowledge and experience and translates it into leadership wisdom, Arjun becomes increasingly *inspiring*."

The Aspen Institute, where enlightened leadership is a strong tradition, will honor Arjun for his outstanding qualities of

entrepreneurship and philanthropy this summer. "You have inspired our young leaders with both your words and your actions," wrote President Walter Isaacson on behalf of the Socrates Society.

#### The Road Ahead

The stage is set for TeleSoft-3 to be launched in 2013 and Arjun is gearing up to ensure success this time around as well. "I have the best job in the world because I get to work with young people, new ideas and we are constantly creating substantial value," says Arjun.

Atiq Raza former CEO of NextGen and RMI, and currently CEO of Calient, says, "Arjun loves building companies. He is smart, focused, hard-working, and works at the intersection of business and technology. As a result he has an extraordinary track-record of success. After running TeleSoft for over fifteen years, Arjun now has significant experience and a broad set of contacts he can call upon for his companies. In addition, he thinks out-of-the-box and gets things done. We have done six companies together, including VxTel acquired by Intel for \$550 million, Cerent acquired by Cisco for \$7 billion, Matrix Memory acquired by San Disk for \$250 million, Ikanos Communications went public, Validity in finger print sensors (still private and doing well), Calient in optical switching (still private and doing well), and Violin Memory (still private and getting ready to file to go public)." This is exceptional praise coming from Atiq, a technology pioneer and seasoned CEO in the tech industry.

Arjun's experience at traversing unknown terrain, be it in the Himalayas or in the technology industry, inspires confidence. Persistence, tenacity and undying belief have pushed Arjun to conquer new heights, as he continues Venturing and Adventuring! 