



In the News

Going From Zero to Millions Takes A Lot of Listening

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IN SILICON VALLEY, you are who you know. But what if you don't know anybody?

When Vani Kola of San Jose, Calif., for instance, started her software business, her only place to turn for advice was the Sunnyvale public library. "All I had was gut instinct," she says.

But three years later, the 34-year-old Ms. Kola is surrounded by Silicon Valley luminaries. She has accumulated \$11 million in capital. And she is winning customers for a product priced at \$250,000 and up.

"Vani is a CEO on steroids," says her financial adviser, Stan Meresman, former longtime chief financial officer at Silicon Graphics.

Ms. Kola and her husband, both engineers, emigrated from India in the mid-'80s for graduate school. Later she worked at Control Data and Consilium Inc., helping to manage development of so-called enterprise software, which links far-flung operations across big companies.

But in 1995, the exploding Web convinced her that enterprise computing was destined for a revolution that would leave the incumbent vendors behind. So she quit to set up a company, now called RightWorks, determined to build heavy-duty "Web-native" corporate computing systems.

After exhausting the public library's resources, she turned her attention to raising money. She attended a speech here on literacy in India given by Prabhu Goel, a former top IBM technologist and start-up veteran himself. Introducing herself after the speech and following up with phone calls, she impressed Dr. Goel not just with youth and energy but her deftness of approach. "She was very persistent, but in an engaging, not obnoxious, way," he says. He became a key adviser.

She also phoned Suhas Patil, celebrated founder of Cirrus Logic, whose counsel is in such demand that he gives entrepreneurs five minutes to audition for a 30-minute meeting. Ms. Kola, however, won hours, days and weeks of his attention -- and ultimately more than \$2 million in seed money.

A HALF DOZEN seasoned engineers joined her effort even though she had no plans for the usual get-rich-quick public offering. "My pride will come from creating a half-billion-dollar company," she says, "public or not."

Working through her network, she won a breakthrough appointment with Doug Leone of Sequoia Capital, which helped launch some of the hottest companies in the history of the valley. Mr. Leone is known for being difficult to please. He rejected her appeal, chiding her for bringing him "a fuzzy R&D effort that didn't have any customers." But instead of getting her back up, Ms. Kola

drained the financier of priceless advice. "Doug was brutally honest," she says. "That's very valuable and very rare."

To sharpen her focus, Ms. Kola invited senior Silicon Valley executives to share their frustrations and hopes about enterprise computing, hoping to uncover the killer app for her Web-based technology. In came officials from Cisco, Silicon Graphics and other leading companies. Says Dr. Patil, "There is no way people like that would give her their time unless they thought she could understand their needs." Adds Ms. Kola: "My antennae are very sensitive."

Ultimately, she and her engineers found their focus: honing her Web-based technology into a start-to-finish corporate procurement system. Before long she was pitching the product to top officials of Fujitsu's U.S. computer operations. "In walks this woman with an articulate vision for solving a real problem," recalls Kevin Parker, Fujitsu's senior vice president of finance. "It was uncanny."

ALAS, HER PRODUCT turned out to be incompatible with another key system already in use at Fujitsu. Ms. Kola had no hope of a sale -- until 45 days later, when she returned with a new version that connected seamlessly. "They take feedback like no other company we've ever worked with," says Mr. Parker, who is now rolling out the RightWorks system.

Within her widening circle of supporters, marvel grew over Ms. Kola's combination of corporate savvy and personal guilelessness. She sent Fortune 500 CEOs a product pitch printed on oversize cardboard that no one could throw away. Though pregnant with her second child and showing, she refused to delay posing for a print advertisement. The baby was still nursing when it accompanied her through an East Coast road show to demonstrate the product to technology reviewers.

But Ms. Kola knew she needed a big new round of financing to go to the next level. So recently, she made a return visit to the tough-talking Mr. Leone of Sequoia Capital.

This time, he noted, she had customers, "very, very happy customers." Her team had grown to 50 people, which she encouraged a shocked Mr. Leone to interview at length and in private. Entrepreneurs usually resist giving investors such access, he says, but "this is a woman with zero insecurity on the business front."

Earlier this week, Sequoia became Ms. Kola's first major venture-capital investor, kicking in \$4 million. Starting a business is an act of supreme self-confidence. But Ms. Kola's is of a more nuanced sort: the confidence to acknowledge one's own limitations, to seek a helping hand instead of just a handout, to trust the best intentions of those coming through with aid. Ironic, isn't it, that the most self-assured entrepreneurs are also the most humble?

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