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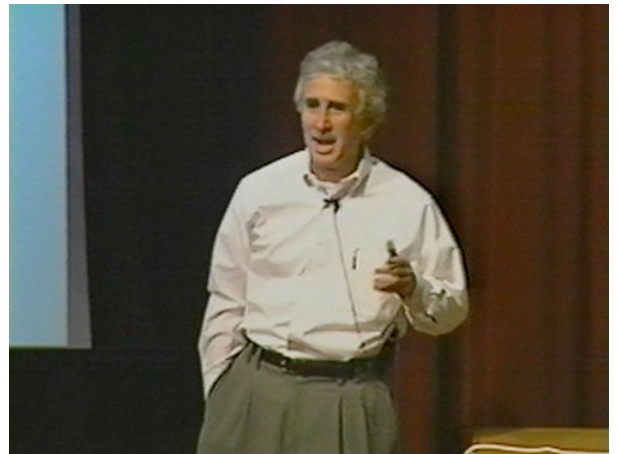
Why Go Public?

Frank Levinson, *Finisar Corporation*

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Video URL: <http://ecorner.stanford.edu/videos/668/Why-Go-Public>

A company's IPO is often a symbol of success, says Levinson, but with that success comes a great deal of stress and change. He talks about his company's decision to go public, and their reasoning behind the decision.



Transcript

Why did I choose to go public? Yes. I mean why not just keep it private? You obviously didn't need an exit strategy. It's interesting. We didn't. There's a couple of fund vignettes to tell about that. Why did we go public? The reason is to add enough people to keep fueling our growth at some point, we had to start giving stock options. The moment we did that, we lit a fuse for an IPO. That's absolutely the simplest way to stay up. We didn't end up not using venture capital. At the last one year before we IPO-ed we took in money for the company at a certain valuation but it was mainly to get people on the board.

It was a liquidity event for myself and my partner, a small liquidity event, but the money that they put in the company was still in the company the day that we IPO-ed to the penny. We didn't spend it. But we were pretty much cowboys. We weren't playing by all the rules that were expected when we went public so the year of that VC being on our board was the year of sort of IPO boot camp. What was it like to be a public company and still be able to fail, still make some decisions that were not so great and understand what those things were? Have a board of directors' meetings periodically. Up until that point for 13 years or 11 years or whatever it was, the board of directors was myself and Jerry and my wife and we never met; not once. I mean Jerry and I had meetings but that was pretty much it.