



Stanford eCorner

NVIDIA's Prospects and the Future of the Industry

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Business at NVIDIA is going well -- they are selling new products and entering new markets. Though Chinese and Indian companies are threatening their American counterparts, Jensen is enthusiastic about NVIDIA's long-term viability. He does not believe that the industry is particularly scalable; having a thousand engineers is not as important as having the right engineers, and there is an advantage to being in the Silicon Valley where there is a spirit of innovation.



Transcript

We're a public company and we're in the process of finishing a quarter. And so, for all of the engineering students that are not familiar with being a public company you ought to take some courses on business to know what you're allowed to say and not allowed to say as you're the future CEOs of our industry. The answer is that business is fine. I look forward to telling you more about it in a few weeks as we report. Ultimately, I think that in our particular case, business is well because we have new products that we're showing to the market place. We have markets that we're going into for the first time. So we're gaining market share. And the consumers that enjoy our products, enjoy our products 12 months out of a year. And so, whether it's this quarter or next, my sense is that they were doing quite fine. In terms of engineers around the world, it is true that India and China particularly those two countries generate and produce some of the finest students in the world.

Culturally, those two countries take education extremely, extremely seriously. I would say that China even more so, that the way the kids are brought up. The things that the society values education is right up on top. It is the reason why they do almost everything. And when I was growing up and my education was the reason for almost every change that my mom and dad ever went through. Every country we went through was somehow related to my education someday. And so, imagine that replicated billions of times. And so, I think the production of extraordinary engineers in China is something that this country has to really be aware of. I happen to be a bit more enthusiastic about our long-term viability because I do believe that this is not an industry that is particularly scalable. Meaning that having a thousand engineers is not necessarily the most important thing to have.

Having the right engineers, having the right culture, being close to the events unfortunately. You know, being near Silicon Valley. Being close to a spirit of innovation I think is rather important. That's not to say that there aren't some parts of our engineering work that can be outsourced to the international arena. In our particular case, in the case of NVIDIA, we just haven't learned how to do it yet. I don't know how to start a design center in China yet because I don't have the relationships of knowing who to put, the leadership to put in the design center such that we can build a design center, or build a corporate headquarters there that we believe has a culture, set of value systems as consistent with those here in NVIDIA. Because those are really the limiting things for me.