



Stanford eCorner

Reaching Critical Mass in Tough Times

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Video URL: <http://ecorner.stanford.edu/videos/428/Reaching-Critical-Mass-in-Tough-Times>

Estrin explains how it is difficult to reach critical mass in a tough economic environment, which prevents startups from growing enough to compete. She gives a personal example of Precept attempting to enter the market, but not reaching critical mass by the time Microsoft entered the market as well.



Transcript

It is hard to get critical mass in a tough economic environment and one of the problems you have with a startup is if you don't get to critical mass within the first couple of years, then the big guys come in to the market and the whole idea of a startup is you have to get big enough by the time it takes the big companies to come in there that either you can get bought or you can successfully compete. And if because nobody has any budget or if you're requiring some technology infrastructures not there that you can't get that critical mass, you run into a problem that the big guys come into the market and you're not developed enough. And so you have... That happened to us at precept. We were depending on Multicast. Multicast did not get deployed. We couldn't get the critical mass and then Microsoft came in the market. So three years into it. Luckily Cisco was in and was soon buying us. But that's an analogous situation.