



Stanford eCorner

Introduction to Hummer Winblad and Mobius Venture Capital

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February 25, 2004

Video URL: <http://ecorner.stanford.edu/videos/788/Introduction-to-Hummer-Winblad-and-Mobius-Venture-Capital>

Ann Winblad, co-founding Partner of Hummer Winblad Venture Partners, introduces herself and venture capitalist Heidi Roizen, who was not able to be there. She says that now is a very exciting time for entrepreneurship because there are lots of holes to fill in the software market and in the business landscape. She explains the founding and progress of Hummer Winblad Venture Partners and Mobius Venture Capital.



Transcript

I'm really excited to speak this year. Tom has invited me many years to come here, challenging years, boom years, bust years, but I actually think 2004 is actually one of the most exciting years. As Tom mentioned, my career in software started a long time ago. I have an undergraduate degree in Mathematics, and an undergraduate degree in Business Management, and a minor in Computer Science and a masters in International Economics. Heidi has an undergraduate degree from Stanford and an MBA from Stanford, so she went here not only once but twice, and that's why she really regrets not being here today. So I've seen the software industry from the time I started a software company the same year as Microsoft in 1975 until today. And this year is actually one of the most exciting times. In the last few days, I've actually spent time at Intel, at Hewlett-Packard, at Microsoft folks, and they all have asked me the same question: do you know what company that does this? Do you know what company that does this? How come we can't find a company that does this? And that means that there is a lot of holes in the software market and in the business landscape. So I'm here to encourage you to become entrepreneurs and talk about what it means to be an entrepreneur today. Just a little bit about our fund.

We started our venture capital fund. I co-founded the fund with John Hummer, who has a Stanford MBA here. He was in the class of '80, a famous class that included Vinod Khosla, Scott McNealy, Doug Bergan, a bunch of other people who have gone on to be even more successful than John. We started our fund as the first fund focused exclusively on software. Nobody liked that idea, so to raise our first \$35 million we had 113 meetings. We're now on fund 5. We raised our fund 5 in about 60 days and closed it in 2001. It's \$420 million. It's about a third invested, so we are actively investing as we have in the last couple of years. We primarily do early stage investing, meaning we really like companies at the starting line.

We co-lead our ideals with other leading venture capitalists and we funded over 90 software companies today. Heidi's fund was originally called Soft Bank Venture Capital, and some people know the firm as Soft Bank. It was renamed as Mobius Venture Capital a few years ago. And they have accumulated \$2 billion under management. They're investing their fund 6, which they raised in 2000. It's quite a large fund, \$1.25 billion. They focus not just on the early stage but all stages. If you're going to do later stages as a starting point, you're going to be putting in bigger chunks at that time and need a larger fund. And since 1996, they have done about 100 investments. Heidi herself primarily focuses on early stage investments.

And one thing that you may or may not know about Heidi and myself, we've been colleagues for a long time in the software

industry, and Team Maker, Heidi's software company, was Hummer Winblad's first investment and it had a 5xROI. We were entrepreneurs once, and just for Tom, I threw that old picture in there to prove that we have goofy pictures of ourselves. Now this is what you don't want to tell Heidi. Heidi has not seen this picture. And I, in funding Heidi, do not ever remember a gorilla being in her office. But I'm pretty sure that's her co-founder, Roy Ferros, who's a serial entrepreneur himself dressed in a gorilla suit, because I know Heidi has two children and three dogs and no gorillas in her--and one husband in her house. And Tom, the diskette is cut off here. I think half the people in this room has never seen a diskette before, but that does date what year this picture was in.