



Stanford eCorner

Building a Team and Picking the Right VCs

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Worthington talks about how the founders understood that the key to creating a successful company was picking only the very best people at every level of the company, especially the VCs and Board of Directors. Gajus sacrificed time (it took a year and a half to recruit some board members) and money (settling for a lower valuation from a better VC) to assemble the right team.



Transcript

So we have our big plans, but the reality again was something radically different. We had to raise some money in a very difficult environment and bought our first oscilloscope and toast it with a bottle of Scotch. So we were a long, long way with that little rubber chip that looked like I just told you, from achieving this dream. And indeed the stills that you see here, who was the other trio here at Stanford, often times told me I was absolutely crazy to think that we could get this old blue tiny little rubber chips to do all the things that we dreamed are possible. But we knew that we needed to recruit the very best people we could find, in every level of the company, to be able to achieve this. And fortunately, and luckily we were able to do that. Starting with the Board of Directors, we raised money from venture capitalists. We made a shortlist of the very best people that we thought that were in the Valley and then we just would not quit until we got one of them. Sam Colella was at the top of our list. He is unique among venture capitalists and that he actually help build the first real laser companies, Spectra Physics.

They had a very similar challenge to us. They had this really cool thing, a laser and then they had to figure out what to do with it and it was not you know, ray guns, and cutting steel, and all that other kind of stuff. The first real breakthrough applications were things like barcode scanners that nobody ever thought of when they first, you know, when Arthur Schawlow actually here at Stanford first thought that it will work. Angie Su is a venture capitalist with Lehman Brothers. Well Sam is somebody who has excellent operational insight and has been my mentor and guider now for years. Angie is also the kind of guy, when it comes to something like financing has just exquisite instinct and he's also the kind of person that once he is committed he won't give up. Angie actually invested in Fluidigm right after September 11th. We had a very, very tumultuous time in 2001 because we needed to raise money. We needed it badly because we were trying to scale up our technology. We went out into the fundraising environment in the fall of 2001, and started to get a syndicate together and then September 11 happened and as everybody knows, that was an absolutely apocalyptic environment to try to be raising money.

But I'd already gotten Angie kind of flipped and he had every reason to give up. Lehman Brothers' main office was gone. His apartment was gone. So he had every excuse to say, "Guys, look, I am really sorry, we can't do this." But, he had given me his word and he followed through with it. And that is exactly the kind of person that I wanted to be associated with Fluidigm and he's been absolutely excellent ever since. Kenneth Nussbacher is one of the founders of a very successful company called Affymetrix which is really the leader in biochips. They make something radically different to what Fluidigm does and they are not competitive to us. They are really the first company to establish this kind of model within the biopharmaceutical world. And then John Young, and I have to admit I am star-struck here, when it comes to John. John was the CEO of Hewlett-Packard for many years, and I am just amazed at the insight that this man has when he comes from a board meeting at Chevron and

comes to Fluidigm and is able to see with just an unbelievable position, what our next challenge is going to be, to keep me focused on what that is and to be able to look ahead and into the operations of a tiny company that is trying to build a market, trying to build a technology when of course it has been 50 years since he visited a company like that.

So the point here being that we really tried very hard to get the very best people that we could, and we sacrificed things. We sacrificed valuation, we got Sam Colella. We sacrificed time. I spent a year and a half trying to recruit John Young to the Board, and a lot of people were getting impatient. You know, you should, "Well, if you can't get John, then get somebody else." But we held our standards, and I can tell you, it was worth every minute and every penny because these people deserve an awful lot of credit for what transpired with Fluidigm which I will show you.