



Stanford eCorner

Savi Technology Creates the Internet of Things

Vic Verma, *Savi Technology*

November 10, 2004

Video URL: <http://ecorner.stanford.edu/videos/1219/Savi-Technology-Creates-the-Internet-of-Things>

Savi Technology has been called an overnight success 15 years in the making. Vic Verma, president and CEO of Savi Technology, talks about what he wanted to do as a Stanford student, the path that led him to Savi, and Savi's various clients and purpose.



Transcript

It has been a long time since I sat where you're sitting. I was thinking about it when I was putting together some of my thoughts for this. We all have marketing departments that put out very slick presentations. But the more I thought about it, I've sat where you're sitting and watched some slightly overweight and balding guy give a speech on business and tell you about the philosophy on business. And I found that that wasn't that much worth it. So, that's not what I'm going to do. I'm basically going to tell you a little bit about my experiences since I left Stanford. I left here in 1990. I was working on my PhD candidacy. And I took a little ride to the campus, I guess, Career Action Center.

And I met a guy and he was in the process of starting a company to track children. Interesting idea. I was bored. I was working on my dissertation. I had finished all my classes. I figured, "What the hell? I'll take a few weeks off and help this guy start this company." And I guess I've been on my leave of absence ever since then. It has been an interesting ride. Part of what I'll do is I'll tell you a little bit about my experience as we built up this company. It's not so tiny now. We'll do in the neighborhood of about 100 million this year.

We've had the opportunity to build it up. We had the opportunity to sell the company. We had the opportunity to buy it back. We've raised about \$100 million in venture financing. We've literally helped create an industry around radio frequency identification technology. And what we've done is use it to track containers as they move through supply chains as well as their contents, basically the Internet of things. As far as I can remember, I always wanted to be involved in building a company but I didn't care what kind. When I was at Stanford, part of what I had wanted to do was I wanted to start something but I had three goals. I wanted to build something that mattered, something meaningful that lasted. I wanted to work with people I liked and respected because life is too short to work with jackasses.

And I wanted to make some money, but in that order. I was not interested in the get-rich-quick scheme. I wasn't interested in just working with people I liked if the goal was not to build something meaningful. And I got lucky. Savi today will do, as I said, between 90 and 100 million this year. We've grown the company 100% a year for the last three years. Our customers range from the US Department of Defense with every container. Every air cargo pallet that is shipped to Iraq is tracked using our stuff. We literally have a database in the Pentagon which can tell you what is inside every container, where it is, what's inside it and that it is secure. For some reason, the thing that the Pentagon tracks the most of is toilet paper.

We don't quite know why but I'm sure it's classified. Our stuff is deployed in 46 countries, in I think 1400 locations. Other

customers, we track coffee. We make sure that the coffee comes to the United States and that it is secure and people don't put weird stuff into coffee like bombs or cocaine. That one is important because I think our economy would shut down if we had no Starbucks coffee coming in. We track toilet seats coming in from Turkey. But I'm not quite sure what the application for that is. We track railroads in Africa. We literally have increased the utilization of locomotives for Spornet from 30% to 80%. And we basically are involved with people like Woolworths, Dow Chemical, etc.

So we've got a whole series of customers or a whole series of different industries but with one common vision; we track stuff. We fundamentally looked at the whole market and we figured out that if you can track stuff and you can figure out what is inside that stuff, fundamentally you've built the Internet of things. So literally, if you think about the analogy to the physical world versus the electronic world, what is the Internet? Packets of information moving around. What is a supply chain? Containers filled with something moving from one part of the world to the other. If you can track the container, you know what's inside the container and you can make sure that you know the status of the container, you know where it is, you've fundamentally built a virtual warehouse. And with the increasing globalization of economy, we find ourselves in the right place at the right time. We're far from being a success but I think somebody made a statement. The Wall Street Journal called us an overnight success that was 15 years in the making. It's an interesting analogy but you're never successful until the day you die. I mean, literally you keep building the business.

Every day you make it better. Every day you make it better.