



## Stanford eCorner

### The Benefits of Stockpiling Cash

Hugh Martin, *Pacific Biosciences*

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Video URL: <http://ecorner.stanford.edu/videos/2150/The-Benefits-of-Stockpiling-Cash>

Hugh Martin, Chairman and CEO of Pacific Biosciences, is proud to point out that his previous enterprise, ONI Systems, was the first to be taken IPO after the dot-com crash of 2000 - and that they raised over a billion dollars in just a few short months. Maximizing the cash value of the company was a huge benefit to its longevity, says Martin, and being conservative with their holdings was an inexhaustible asset.



#### Transcript

Another thing we did well is having enough cash, so we had several points where we needed to raise money and though it was the middle of the Bubble, there were a number of telecommunications crashes through that entire period. And because I never focused on ownership, I always focused on how do we get the maximum amount of cash in the company, we never had a problem. We eventually were able to go public and because the story was so strong - you may remember March of 2000, there were a lot of dot-com companies that ceased to exist - we were the very first IPO that happened in 2000 after the dot-com crash. We went public on June 1, 2000. On the day we went public, we raised \$180 million and we were worth \$3.2 billion. Five months later, we did a secondary because I thought it was really important to get more money because we saw the beginning of the end and so we did a secondary and raised \$850 million, so over a billion dollars cash raised in a five-month period at very nice valuations. At the time we raised the money, the secondary, the company was worth \$14 billion. So we really maximized and took advantage of that opportunity.