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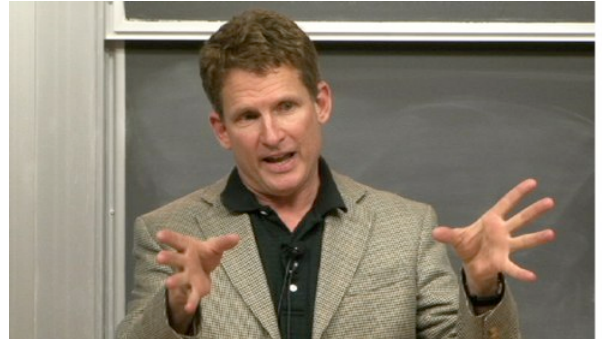
Bravely Take On the Big Players

Hugh Martin, *Pacific Biosciences*

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Video URL: <http://ecorner.stanford.edu/videos/2151/Bravely-Take-On-the-Big-Players>

The more dominant a single brand is in the marketplace, the easier it is for an innovator to compete with them. So says Hugh Martin, Chairman and CEO of Pacific Biosciences, who headed the start-up that once competed with dominant telecoms like Nortel, Lucent, and Alcatel. His reasoning? Monolithic entities in a sector get lazy, lose touch with their customers, and become overly confident with their price point, creating tremendous opportunities for competition. Upstart entrepreneurs should never be afraid to slay a giant.



Transcript

The other thing, I want to talk briefly about ONI is never, ever, ever be afraid to go up against big dominant players in the market. In fact, the bigger they are and the more dominant they are, the better it is. That sounds counterintuitive, but if you have three players sharing the market which is what happened in the telecom space; it was Lucent, Alcatel and Nortel, three of them sharing the market, they're all tuned to fighting. They're all worried about a percentage point shift plus or minus in share. They're focused on the customers, and it naturally causes them to be very competitive. If you have a big dominant player, they get lazy, they don't focus on the customers, pricing doesn't become important and it's far easier to compete with them. In this case, we learned the hard way because these guys were all extremely focused and it was very difficult.