



## Stanford eCorner

### Believe in Something Bigger Than Yourself [Entire Talk]

Marten Mickos, *Eucalyptus Systems, MySQL AB*

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In this lecture, Mårten Mickos shares the benefits and challenges involved in building businesses in the open source and cloud computing spaces. As the CEO of Eucalyptus Systems, Mickos identifies a vision for the future of his industry and shares entrepreneurial lessons gained from leading MySQL AB from its startup origins to becoming one of the largest open source companies in the world.



#### Transcript

So, without further ado, Marten Mickos. Thank you, Tina. Thanks for inviting me. It's a huge honor to be here today and it's just amazing to see this audience and all the Finns and the Danes and the Brazilians and Columbians and Poles and everybody. I must just immediately tell you that, when I joined Eucalyptus, where I'm now CEO, I was so excited because out of the founding team of six technical founders with one person from Russia, one from Poland, one from Italy, one from India, and two from the United States. And of the two from the United States, one was a little bit Polish, and the other one a little bit Finnish. So, it was a global thing getting going in small Santa Barbara, pretty little Santa Barbara on the Californian coast. Well, I'm here today to talk about entrepreneurialism and my learnings over the years. And you should know that I am a slow learner. It took me many, many attempts before I could be successful in the business in the way that Tina just explained.

I did six startups in Finland before jumping on the MySQL opportunity. And I believe that entrepreneurialism is essentially a belief system, meaning you must believe in something that is bigger than yourself, something that is bigger than the business you are attempting to address, something that is bigger than the VCs, bigger than everything. You must have belief in something absolutely enormous that you can do for this planet or for this universe or for these multi-verses. You must have a belief in something, an unwavering belief that there's something you can do that nobody else can do and if you do it, the world will be a better place. You must have that as part of your entrepreneurial soul. You must also believe in yourself and you don't need to be arrogant and you don't need to be especially bold or anything, but you must have a basic fundamental belief that you are useful, that you can do something important if you can make a difference here and you must keep having that belief through all the stages, because if you don't believe in yourself who would. And being an entrepreneur is about convincing other people of things that don't really make sense until everybody has agreed with them and then they make sense for everybody, but until then, they make sense to nobody and so you must believe in yourself. And all of this I knew for a long time, but what I've learned only in recent years was that I reflected over the fact that thirdly you must always have somebody who believes in you. And you must have somebody who believes in you more than you do, more than you can believe in yourself, because a human being wakes up every morning asking him or her herself, am I useful? Am I needed on this planet? Am I okay, am I doing okay? And we have this nagging doubt, self doubt that follows us throughout life. And when we are in a startup business or in the entrepreneurial world, we will face challenges, challenges that seem insurmountable, really bad situations.

And then you have this double whammy that just when it is bad, it also feels bad. And you're sitting there as the entrepreneur and realizing that you don't really trust yourself. You are not sure you can make it through the day. You're not sure you can solve the problem or the challenge you have. So, you have those moments of self doubt just when you cannot afford them. And that's the moment where you need somebody else who believes in you and who reminds you that you are capable and who reminds you that you are a wonderful entrepreneur and it's actually much worse for everybody else. But this

is a thing we cannot remind ourselves. We need somebody external to do it. And for me, I think, I didn't realize it until recently, but in my youth, I think it was my mother who was that person, and, I come from Finland, so it was a Scandinavian style. So, maybe the most encouraging comment that I worked from her was perhaps, you are not too bad.

But - so, I don't remember any specific encouraging words. I just remember this that in her mind it was absolutely clear that I would survive. And that just stuck with me all the time. And then when I joined MySQL as CEO, we got John Warrin, a famous Swedish entrepreneur as our Chairman and he believed in me. And we had an episode immediately after my joining which could have killed the company, could have derailed all of MySQL and it didn't and partly it was - I was going to say, "Oops, this was not what we expected." I was nearly ready to give up and he said, "No, now, we are not giving up. Now, we're doubling down." And I'll come back to that. And then a few years later, that same role was additionally taken by Danny Rimer of Index Ventures and Kevin Harvey of Benchmark Capital, who as we grew the MySQL business and then we ran into new challenges that, could have killed the company, just somehow believed in me. And I don't know why they did it? And I'm not sure they know why they did it and maybe they doubted why they did it, but they did it and it always got me back on track. And one specific time it was my management team who rescued me, because I had a moment of serious doubt and I thought I had failed. And I think they thought I had failed too, but they didn't let me fail, they said, "Let's try one more thing.

Let's go this way and see what happens." And then now everybody knows MySQL's fantastic success story from \$700,000 in sales back in 2000 to a \$100 million business that was acquired for \$1 billion by Sun Microsystems and then helped Oracle acquire Sun and is now one of the most fundamental pieces of the web infrastructure. So that today Facebook runs on MySQL, Google's revenues run on MySQL, Twitter runs on MySQL whatever it is. The special effects of the Lord of the Rings movie run on MySQL. The terrestrial control station for the Mars Rover runs on MySQL. And of course maybe the height of the fame was in the movie The Social Network, the most famous quote I have ever seen in that movie, the only quote I remember from that movie when Zuckerberg is sitting with his laptop and he says, "I need MySQL backend." So, all of that feels just fantastic to have all of that, but you must have a belief. So at MySQL, we believe that we must bring superior database technology to the world, make it available and affordable for all. And that's the belief we followed all through the years and still - those still work for the company, still follow. And that was the driving mantra for us and the motivation everyday. And you could say that before MySQL and - you may not have seen that, but relational databases were a little bit like handwritten bibles, very few, very expensive and only allowed by the high priests to use. So, relational databases was a very exclusive group of people and businesses and they cost millions.

And then somebody invented a printing press and it wasn't Gutenberg, but it was called Open Source. So, suddenly you could produce the same goods at much higher quality, much higher speed and for broad distribution. And we took that printing press called Open Source, applied it to the database and said we will go out and disrupt the whole database industry just like Gutenberg disrupted handwritten bibles. And not that handwritten bibles go away and not that they've lost any value, they're probably more valuable today, but books today are available to anybody and everybody. And we went out to become what we call the IKEA of databases. Modern Scandinavian design, you have to do a little bit of assembly yourself, but it's much cheaper, much faster, much more modern and if you don't like it, throw it away and buy the next one. So, we believed in that. Now a CEO of Eucalyptus, we believe that we must bring cloud power to you. We must let you try it at home, that's what we believe in. We believe that there will be more than a hundred times more connected devices in the world, devices with an IP address, typically a mobile device, a phone, a Kindle, an iPad, a gas meter, electrical meter, a medical device, a vehicle, a building, anything.

There will be a trillion of them. And you guys will be developing services that run on those connected devices. And we want you to be able to do that with no worries about how it is served. The only way to serve that amount of connected devices is with cloud infrastructure. We will need public clouds. I think Amazon EC2. We will need private clouds, hybrid clouds, virtual private clouds, all kinds of clouds. So, if you think of Amazon EC2 as the Peet's Coffee of computing, you can go there at any time, they are all over the place, you can buy one latte or a million lattes. They will always serve you. It's the same price.

You know it is very convenient. That's Amazon EC2. But then we have some of you who are going to search. You go home in the evening and say, I'm dreaming of an espresso machine. I love Peet's Coffee, but at home I want to make my own coffee. I want to try with different beans and different this and different that and I will run my own business. That's Eucalyptus Systems. We make the best espresso machines in the world, metaphorically. Meaning, if you want to run a private cloud of your own, we think you need our software and we believe we must deliver that to the whole world so that everybody can build their own cloud infrastructures, combine them with the public cloud or not combine them. So, that's clearly what we believe in and that's what's driving us every day.

When we go to the office and we realize we have all these problems in the business. We need to hire people and we are delayed and we're not sure about the pricing and marketing and positioning. So, then we go back and say, but what do we really believe in, what is it that we must do and it helps us streamline the strategy and decide to go for something specific that we are doing. So it's very, very important to have it, to go back to it and look at and say what is it really that we are up to?

Because you easily in a startup, you drive so fast that you get blind, you get tunnel vision, you don't know how fast you're going, whether you are going slow, you don't know where you are heading, you see some lights here and there and you drive there and every now and then you must rise up and say where are we really, what do we believe in and where are we heading. And that's what allows you to be successful and allows you to stay on track. But of course, like all entrepreneurial advice they always come with a caveat and there is always a contradiction in every piece of advice. So, if I tell you, stay your course, stick to your strategy, believe in your beliefs, all of that, then tomorrow I will tell you, remember, if you need to, you pivot. If you change - need to change your strategy, do it. And then say so which one is it. Well, we never know.

Advice always comes in two shapes. There is, you know, the advice against doing something and the advice for doing something and you need to decide how you would receive advice. And that was a very important learning for me. In one of these episodes, the first that nearly killed MySQL. So, I joined as CEO. We had a partner in the U.S. I traveled to them, I said, hey, we love your partnership but this paper we signed isn't really a partnership and you are not living up to your side of it and, you know, we need to renegotiate and get a new model going. And they negotiated with us but they said, hey, what is this? You signed this paper, we now have these rights. We have the right to use your trademark in the U.S. and we own this and we own that.

I said what is this? And suddenly one day when we were negotiating with them on the last Friday they said could we take a break. We took a break and David Axmark and myself, one of the co-founder and me, we came back at 5:00 p.m. to their office and we were met by - we were, had traveled from Scandinavia - were met by a local sheriff in the corporate office. And he said, "Are you Marten Mickos and David Axmark?" I said, yes. And he hand us two yellow envelopes and said, "You are hereby served." So we got sued by a public U.S. corporation when MySQL was not even a company. MySQL back in Scandinavia consisted of four different companies of the founders, we hadn't raised any capital yet, we had term sheets signed a few days earlier, but we had no money. And I went back to John Wattin, our Chairman to be and said, "What do we do now? We can't afford the lawsuit, we have no company, we have no money. What do we do?" And I was ready to give up. I thought I had been here just a few months.

This isn't what I ordered. I thought this would be a business build-up. But John said, "Marten, now, let's figure out something really bold here." So we decided to go back to all the VCs and say, guys, good news and bad news. Bad news, we've been sued in the U.S. Good news, we will give you twice the amount of shares for your money. And now Scandinavia's pride is at stake. You are not allowed to withdraw. And of course, any smart VC would have withdrawn. You don't invest in a company that is just being sued, but we used all our methods of influencing and said, you cannot withdraw because the Norwegians aren't, so you Swedes cannot. We have VCs from Norway, Sweden and Finland.

So, ultimately, we got all their money, we spent half of that money on the lawsuit. We ultimately won. It was settled, but we got paid - a payment and it was the best marketing campaign ever for MySQL. The little company from Scandinavia being sued by a big nasty U.S. corporation. It worked. So that shows how you must have belief and somebody must believe in you for this to happen. And then, we had a second incident which was probably even worse. So, those of you who know MySQL as a product may know that there is a two-tiered architecture, there's a database engine, and the storage engine and somehow the most popular and best storage engine was written by another Finn and - who had his own company called InnoDB - oh, that's the name of the product. So we negotiated with him of buying InnoDB.

We said, hey, we will buy your company because we need to combine the two. And he negotiated with us and everything went well, but at some point, he started hesitating and wasn't sure about our intentions and whether we would pay a right price and he got worried. And in a series of missteps by me and the board and whoever and I don't know what really happened, suddenly we got a call - I got a call from Charles Phillips, President of Oracle, who said, "Marten, I would like to tell you that this morning we acquired InnoDB and we did not do it to slow you down." But there we had one of the most vital parts of our products being acquired by Oracle, the biggest database company on the planet. And I was ready to give up. I felt so bad, I felt I had betrayed the people I had hired, I had hired them to a fantastic story. I said this will be the biggest business ever. We'll go public. We'll acquire these companies. We will get InnoDB on board. We'll embed it tightly in the product and suddenly the product was acquired by somebody else.

And I flew back from London where I got the news back to the U.S. That was the worst flight I have ever been on. I sat the whole time just thinking of how bad and lousy and just unsuccessful I was, 10 hours. But when I came back, the - my management team had already gotten together while I was flying and they said, "Let's meet at your home tomorrow in two hours." So we had a meeting at our house and they came in and said, Marten - they didn't say but I could see they were disappointed, but say we are not letting this go. We will support you. Here's a plan on how to do it. So, we, in four hours, created a plan for how to go out even more boldly in the market. And on Monday, we told the press that - because people thought this would kill MySQL. We said trying to kill a dolphin and you know our mascot was a dolphin - trying to kill a dolphin or trying to kill MySQL by buying InnoDB is like trying to kill a dolphin by drinking the ocean. And that single statement just changed everything.

We went out to prove that there are many storage engines and InnoDB is just one. There is a whole ocean of open source software and whatever your competitors buy away from our land, we will replenish, it's open source. And it worked so well that the next spring of MySQL User's Conference, we appointed Oracle partner of the year. We didn't tell them in advance, but we thought, you know, let's be bold. And this is a lesson on one of the successes, and I will sort of come to it later, but if you are a disruptor, you must play bold and fun game with the big guys. You must make fun of them one way or the other just like you see IKEA making fun of antique furniture and you see Southwest Airlines making fun of the big guys. You see Virgin Atlantic making fun of the big guys. You must do it. You must seek this David versus Goliath situation. And it was just wonderful when we appointed them partner of the year because they reluctantly dragged themselves up on the stage to receive it.

Of course, they couldn't - not do it because they were in the audience but they didn't really like the fact, but that's actually how we handled the situation. And it all worked because my management team believed in me when I thought that I probably should resign or I will be fired the next day or something. And there was a third thing as well, which is probably even more difficult to discuss and talk about and I won't go into too much detail, but we did have a complete fallout with the CTO and founder of MySQL in later years. This could have derailed the whole company. I was running the business and I was realizing or concluding or thinking or erroneously thinking, I'll leave that to you to assess that the founder wasn't being productive anymore. Didn't produce what he was supposed to do, didn't lead the way he was supposed to do, didn't let others lead the way they were supposed to lead. So I removed him from all important roles. We left all kinds of nice job title so it looked good. But we essentially stripped him of all responsibility because it didn't work. And he responded by starting to sabotage my work as a CEO.

And managing this conflict between a hired gun, a CEO who came onboard and the founder is a huge stress for anybody. And I can tell you it happens in nearly every startup. It's amazing how or not amazing it's sad how common it is, that you get conflicts between founders themselves or between founders and the new guys. And you have to manage it somehow and you have to figure out a way out of it. But it's very common and it can happen to any one of us that the one who is the biggest asset can the next day be the biggest liability. And as human beings, we don't like to acknowledge it, but it does happen. And it happens all over in life where you see people who have done something amazing, built something amazing and then comes a time when you realize that they shouldn't be doing it anymore. So, these are very difficult things for a CEO to handle. But again, I believed in the mission of the company - make superior database technology available and affordable for all. So it was okay to build a business, it was okay to give it out to everybody.

We kept doing that and the board supported me in all of this and kept me going although I was ready to say, hey, founders, I came onboard to build this for you and you are not letting me build it. I mean, you can have it. I'm done. I was ready - many times I was ready to just walk out. But then of course you look around and see we have 300 people in the company. I've hired half of these. I promised them a great future. I can't walk out no matter how much I'm personally feeling that I'm suffering. I just have to keep going and thank God I did. Because MySQL was just the best experience I've ever had in business.

That's the most amazing thing that we did. And we just did it. And we had so many great learnings that we did and this were the traumatic ones. Then we had good ones that just worked. So one was the realization that came slowly that company culture is what drives and defines a business. And Peter Drucker, who is my all-time superstar, when it comes to leadership and management and everything. I think he is among the smartest guys we have seen in the last 1,000 years. He said, culture eats strategy for breakfast. Meaning, you need the culture first and then you can have a strategy. But, the strategy without the culture is meaningless.

And we were very deliberate at MySQL at developing our culture and this is what I think made the organization so strong that we took this David versus Goliath culture. So we were a little bit sort of like Robin Hood out there doing things on our own, doing things the opposite way. When the logo was designed for us, the logo of the dolphin, our designer first painted it as a dolphin jumping up to the right like everything in the western world. Everything in the western world must up to the right because where Gartner and everybody have their magic quadrants. But we said no, we are contrarians. We will have the dolphin jump from right to left just to make a point, so we did that. And we chose the dolphin because we said dolphin is fast, intelligent and kind and in groups they kill sharks. So, we were very deliberate on this on building a culture. We were very global so we had influence from every culture on the planet. We had people in 110 major locations, 32 countries, 18 time zones.

So, we had nearly everything onboard. But we took some specific things from Nordic heritage and one was openness. So, we really drove openness and we said we must share anything we can share with all employees. So, we shared our problems, we shared the financial numbers, we shared our plans and we tried to be as open as possible with people. Because when you show openness to them, they will respond very favorably. And that's the difference I have seen in other parts of the world where openness isn't given. But in the Scandinavian countries public government for instance a document is by definition public unless it is declared secret. Most other governments say our documents are by definition secret unless declared opened, but not in the Nordic countries. And in Nordic countries there's a thing called right to public access meaning, anybody can use

any land, any unused land. So, if somebody owns a big, big forest you can't lock people out.

You can build fences all you like. But people have the right to climb over them and use the land. So there is sort of an idea of shared ownership of the land, which lends itself to open source and having a shared mission and sharing responsibility with people. So, we learned to push out responsibility far out in the organization and I've always tried a CEO to do make as few decisions as I could. When they came to me and said, "Marten, how should we do this, what date should we have this on?" I said, "Why do you need me to decide it?" Because people have this tendency to believe in authorities. We have it from our childhood when we believed our parents. And then in business we think the same but we try to turn it around and say, no, you are the smartest people and you got out and do it. And I said, but what if you don't agree with me? I said, it doesn't matter you are in charge. And many times my organization made decisions I would never make. And I would look and think what is this, what have I created a culture where they do all these things which I find stupid.

Well, most of the time it turned out they were smart and I was the stupid guy. So, luckily I could restrain myself and sort of use duck tape to tie my hands to my seat or the desk to just not intervene. So, it worked very well and this notion of building a culture became so important that we had a culture that stipulated how we operate. And when we made decisions, we reiterated, we said, hey, our culture is to be open therefore we are now opening up this thing. Our culture is to have fun, therefore we do this. Our culture is to be contrarians that's why we are now doing this. So, for decisions we pointed them back at some specific principle of our culture. So, the people would understand us, oh yes, this is how the culture works. And fostering and building a culture is hard work, but I think its worth, work the pace off because then it means that the organization can operate on its own. Which you can now, I think I can probably state you can see with the MySQL team all the decimated still at Oracle, inside Oracle operating along those same principles and practices.

And boy, you know, Oracle's company culture is not the one we had at MySQL, but there's a little island inside Oracle where there are still contrarians, they share everything, they delegate authority to the lowest possible level and it seems to be working well. I have no inside information, but that's what it looks like. So that was a very positive experience. And then building the global distributed organization. When we had 500 people onboard, 70% worked from home. From home. It all started when I joined as CEO and our founder was in Helsinki and I was in a suburb outside of Helsinki. I mean it was half hour to drive between us but we never did. We're just sitting there in our homes working. We could have been in the same room, but we weren't.

And so the whole culture - and is - even earlier the whole culture became one of working from home. And I realized that offices are so last century. Man has existed for - 50,000 years ago we all came out of Africa, sort of, and during those 50,000 years, 300 years we have spent in offices, but only 300. It's not like it's some natural thing for us. The natural thing is to have work where you live and to have people around you who you love and have food that you like and the place you like. That's the natural state of being. We don't all need to be in offices all the time. It was an invention of the industrial revolution where human beings were used as machines and had to be channeled into a factory and they had to take time and how much work they did and then go back out. But that's not how the real world works. Look at fishermen or shoemakers or anybody working with a craft.

How do they go about it? Do they count their hours? Do they have vacation? Do they retire? None of that. They just work when work is to be done and they have fun, they have big feasts when there's time for big feasts. So, we created a culture of working from home and we just said everything goes online. Not just our business goes online but our lives go online. So, we had an e-mail alias at MySQL called [life@mysql.com](mailto:life@mysql.com). So, people send e-mails about things happening in their life. Because we felt that as we are not seeing each other at the water cooler or in the breaks, we need to share life things as well. So, we did that and people would send e-mails about 'I had a baby', yet another MySQL baby. Somebody sent a very touching e-mail about his father nearly dying in a surgery in the hospital the day before. So, we were all crying in our 110 different locations.

But we shared that completely online and it became a culture that worked. Our technical support team, they did virtual Christmas parties. And not - we stopped calling them Christmas parties because we realized not everybody is Christian. I mean, we stopped saying good morning and good evening because whatever you say, it's wrong. We stopped saying spring, because it's fall in Australia. We stopped saying remote because everybody's remote. But anyhow they still had a, sort of a holiday party and it was virtual. So, Tom who was the boss on IRC would say, Thomas, could you serve the eggnog and he pretended to serve eggnog to everybody and everybody was sitting all over the planet and then started giving Christmas gifts for each other. So, Victoria who had just moved from, I think, Kiev to Moscow, she needed an apartment, so they gave her a whole building. They gave her a skyscraper, because they pasted a URL of a picture of a skyscraper into IRC and said Merry Christmas.

And she clicked on it and there was a skyscraper. And you laugh at this, because in our childhood we want physical, hard Christmas gifts. But when you're grownups, it doesn't matter. It is as much fun to get a URL that has a genuine intention than to get something you must open, it's nicely packaged and it's from Crate and Barrel and all those places. You don't need that. The thought is what really matters and it works. So we built this global distributed organization and people then say 'but Marten,

how do you know that they work?' And you know what I say? 'How do you know that people work in offices?' Much easier to fake it in an office. I can tell you how. Dress nicely, smile, talk to everybody, go to every meeting, say stupid things but say things, break up a little bit early and say 'I must do this other thing.' You never have to do anything and people think you are very productive. When you work from home, the only way to communicate productivity is through productivity.

Show me the deals, show me the records you've brought into accounting, show me the code you've produced, show me the marketing you did, show me the webinar you run. So, actually it works better that way. So we had many of these experiences in this time at my MySQL and that's why I think it just was an amazing experience to go through and go through all those traumatic moments where you really needed somebody to believe in you, because you were ready to stop believing in yourself. But then also the joy of doing things that we felt nobody had done before and just doing them, just in spite, just to show the world that you can do it in a different way. And sometimes we did it just to show, because it was great entertainment. But it created very strong culture. And we don't have any secret handshake between former MySQLers, but there's a very strong sense of how to act online and quickly respond to e-mails and sort of cut out all the crap and just go to the point and get stuff done. And I think that is a model that will work for you as the younger generation. Because I am still a digital immigrant. I grew up in the non-digital world and I immigrated into the digital world 20 years ago.

But many of you grew up with this, you are natives. And for you it may not sound as amazing as it sounds to people of my age and older. So, let me stop here with the presentation. I would be happy to take questions. I think Tina will help with them. I'm sure you'll agree that was terrific. So, I will take questions from the audience and - but I want to start with one. Okay. So, I'm so fascinated with these distributed offices. And I am curious: a) is there any downside? And b) how often do you actually see each other? Did you actually have to have a face-to-face relationship before this type of distributed working could work? Yeah, there's always downsides with everything you do.

So, sure, not all people like to work from home. We didn't really have distributed offices. We had people working from home, which could be a little bit different. But yes, so not all people like it. Some people need that daily interaction or somebody seeing them so that they are in sort of the cadence of getting work done. You have to be very self-driven to do it. And for instance we - just as an anecdote we sometimes saw that young men who didn't have any other activity could sort of get too immersed by job and it go overboard. So we tried to make sure that they had a girlfriend or a mother, or a cat, or a dog, or a hobby, or something that they did. So, yes, so that's the downside. Then if you need to do error correction, it's much more expensive.

You have a guy in Brazil and he is not motivated or it's not working out, what do you do? You send somebody there for two weeks, yes? Or you ask him to come to your place for two weeks? Yes. That's expensive. But we took - the money we saved on offices we spent on travel and these things. And then absolutely, you need to get together, but when people work from their homes, when we have the all hands meetings - and had them at MySQL, people just loved to see each other, because they hadn't seen each other in many months. If you have an office and you do a retreat. You know, you'll have people who won't really stay there. They'll sneak out and go to a bar nearby or something, because they've seen enough of their colleagues. And, especially in the software industry, many people say I love my colleagues but I don't need to see them every day. So, getting them together was important. And specifically if you had a very creative stage of something, building a new user interface, then we would let them meet every month or even spend a month in the same place.

Because that's where you need that absolutely immediate, low latency interaction and body language and all the things that you don't really have online. Great, thanks. Questions? We talked about in our discussion class that you'll hopefully visit after this, about a model where for a couple of days of the week people would go into the office and a couple of days they'd be at home. What do you think of a hybrid model like that? Yes, I think whatever works. Could you repeat the question? Oh, sorry, yes. So, your question was a hybrid model where two days a week you are in the office, three days a week you work from home. Absolutely, it can work. It's about - I think it's about culture and the discipline that you decide that you will have. That if people work from home, how do they communicate? And we're trying to install that now at Eucalyptus, which started in one location. But we say if we make a decision, the decision must be documented and distributed to everybody.

If we discuss something, we need to let everybody know. So, we're trying to take pictures of things and make sure that those who are not in that very location are aware of it, or those who are working from home. So, I believe that all these models can work, but I do know that human beings look for structure as well. So, you can't keep it completely messy. Okay. Over here. In what way is Eucalyptus culture the same or different than MySQL? What have you learned in applying new things at Eucalyptus, from a culture point of view? So, that's a great question. So, what's - in what way is the culture at Eucalyptus different from the one at MySQL? I think they couldn't be more different. And I have to remind myself that now I'm CEO of Eucalyptus, I'm not experienced, I'm a new guy, I need to learn, I need to build this on my own. I can't just come in and think I knew - and I know how to do it.

Because MySQL was a disruptor of the old. Eucalyptus is an innovator of the new. That research project funded by NSF was the first private cloud software platform in the world. And it was founded by six PhDs on a PhD program. MySQL was more

like college dropouts. And all those things work, it doesn't make one better than the other, but it does change the culture. So, the Eucalyptus culture is different. We don't have any sort of big Goliath that we are disrupting. We are deeper in the infrastructures. We sort of have potentially mathematically more difficult things we are dealing with, like building distributed software, which a cloud platform is, is more difficult.

So, we are more of a serious organization, whereas MySQL was more like a wild bunch. And there are other differences as well. So, as a CEO, and why I joined Eucalyptus, was I thought the founding team was just astonishing. And I felt, wow, I want to work with these people. And I felt that the culture they had built was a good foundation to build on. When a CEO comes in, you have to change the culture somewhat, so we made us more outgoing, more focused on customers and the open source world and many changes we are doing, but we're keeping those basic principles of very high integrity, serious attitude towards how software is built. And - so it is a different culture and I'm enjoying it. I'm so happy that it's a new thing. I'm learning something new. I get to test some ideas and I have to - I can take some of my learnings from MySQL but not at all - all of them.

So, I'm going to ask another question. Yes, go ahead Tina. Speaking of learnings. You were a technology - you were a physics major in school, right? And then you transferred into becoming a CEO. Are there things you wished you had learned when you were a student or when you were younger that would have helped you on this path? So, I will answer your question very honestly, which isn't necessarily what every professor would like me to say. But I applied - I sort of when I was young decided that Helsinki University of Technology was the best school in Finland so I'm going there. And then I looked at the different departments and saw that technical physics is the most difficult to gain entry to. So I said 'okay that's mine.' And I was happy to know that it was the least technical one, because I'm not technical. I don't understand mechanics and construction engineering or chemistry or any of that. So, I thought okay, if I do physics, I'll be sort of a little bit secluded from all that technical stuff that I don't really understand.

So, that's why I studied engineering physics or technical physics. And I never could have become a physicist, you know, I didn't get it well enough. But at the same time I'm so thankful that I learned all those complex things, because in my business dealings I see nearly everything as some sort of mathematical formula. And I see Schrodinger's equations here and there, and the Heisenberg. And we do have those analogies in business, we'll say, is this like a Heisenberg situation? And people nod. So, I'm very thankful that I learned technical physics, because it helps me structure problem. Like in mathematics, you know, how do you solve a different mathematical problem? Well you change to a different coordinate system and suddenly you can solve it. So, you do those tricks to the equation to make it solvable. And I realized in business you can look at the problem from a different angle and it looks like a different problem. So, I'm very thankful I did it but I'm no - I don't do proper credit to that institution, because my fellow students they became famous physicists and they are solving real world problems and they are building nuclear reactors and stuff that I don't think I could ever do.

That's terrific. Any other questions? We have a big debate in our class about the pros and cons of a commercial open source business model, you being the godfather of that model. So, as - what - in a decade, what's changed? What were the lessons learned and how does that impact your strategy at Eucalyptus? So that's a good question. It's one on commercial open source and what does it mean? How has it changed? It's a controversial topic, as you said. So, there's this big world of open source and there's a big world of successful software companies. And I believe - I have this absolute belief and conviction that there's a Venn diagram. And in the middle you can have a very successful open source business, which makes money and produces open source code. But not everybody agrees with me. Some people think that if you do open source, you mustn't make money or if you make money you mustn't do open source. I happen to believe that it's doable.

And I haven't learned yet, so I'm doing it again, I'm again building a business. And we meet people who don't like the business model of Eucalyptus. And I'm telling them this is the best way to bring the power of your open source code to yourselves. This is how we reward those who actually produce the code. So, what I've learned is this sort of unpleasant truth that I believe open source is by far the best way to develop software. You will produce better software, faster. At the same time, to build a massive business and go up and challenge those big vendors of closed source software, you must have revenue model. And we've concluded at Eucalyptus as most open source companies have by now that you must have some features that only the paying customers can obtain. And this is the controversial thing that not everybody agrees with. But look at any of the companies out there, they have something in their product offering that you only get when you pay money.

And that's true for SugarCRM and it's true for Zen, then it's true for all of them, it's true for Eucalyptus. But it doesn't get universal acceptance in the world. But then we also learned at MySQL one thing: if nobody is against you, you're not really popular, you know. It goes with popularity and fame that some people are opposed to what you're doing. And this - can I keep going? So, this is something I learned from Jonathan Schwartz, CEO of Sun Microsystems, he told me that he had realized or maybe learned from somebody that in these things there's a 70/20/10 rule. That when you state something or you do something publicly, 70 percent of your audience, or those following it, don't care what you think or what you said, 20 percent will always support you. They are always in favor. And 10 percent are always against, no matter what you say. But then he said, but what you really need to know is that those 70 percent who don't care about what the decision was or what the model

was: they care about how you treat the 10 percent. So it's very important when you deal with detractors or those who disagree with you, to deal with them respectfully because it's not just about them, even if they are minority, it's about the vast majority who wants to see the world as a fair place where we treat each other fairly and where we have respect for the individual.

So you must remember that when you go into this fierce battle in Open Source of business models and greed and openness and everything and community that whatever viewpoint people present, you must respect it and think that they have a rational reason for thinking the way they do. So, it's a complex topic. Yeah, that's terrific. Another question? Yes. Why did you decide to leave Sun Microsystems? The question was why did I decide to leave Sun Microsystems? I can tell you that, I came to a conclusion that Sun would never be successful again so I left. And I will explain it more; I don't mind and I didn't mind when I joined the Sun had troubles, I love companies with trouble; it means there's something to do. But when I realized that there wasn't a way out - I think Sun's board was completely misguided about what they were doing. So sort of was hopeless. The MySQL business was doing very well and they handled the acquisition masterfully. And the press has written about Sun not handling acquisitions well or not handling the MySQL acquisition well, that's completely untrue.

They were the most wonderful professional acquirer of a company like MySQL. It was absolutely fantastic. So I would work for such an organization any day. I just couldn't stand the fact that they - that I didn't see any way for the whole corporation to be successful again and that's why I left. Yes. Do you think the success for MySQL was creating a demand that didn't exist so far like find the known customer for this kind of software, to apply this solution? So, the question is, did the presence of MySQL create demand for the solution like MySQL. I think that's a very philosophical question, meaning I think that there's more demand in the world than we can ever serve. There's demand for massive, massive things or for stuff - massive amounts of things, but we'd never have the time to consume them and we'd never have the time to produce them. So, I would say that the need for MySQL was there all along and it was growing with the growth of the Internet but sure what we maybe did was we made it an attractive alternative among all the things a person could do. And I believe that Open Source and the LAMP stack and MySQL made it attractive to create web startups.

So, the reason we have so many web startups today, I think is that people looked and said, "Wow! I take this old crappy hardware, I download the LAMP stack and I'm ready to go." And I think therefore we had more startups than we would have had if it had been like in the '90s where starting a company cost you 20 times more. So yes, I think we affected the demand, but I don't think - I do think it was latently there all along. Heidi. When you're not being an entrepreneur and running companies you've spent some time hanging around some venture capitalists and - being an entrepreneur in residence, right - or being an associated with venture capital for instance. I'm - you know, a lot of people here are going to deal with venture capitalists in the future, can you talk just a little bit about your experience hanging out with them and what you look for in a financial partner? Okay so, the question was that I hang out with VCs and what do I think about them and what do they look for. Actually I would - What you look for, not what they look for? I would be opposed to that. I don't care about VCs. I don't care about investing. I care about building businesses. Yes, I was an entrepreneur in residence at both Benchmark Capital and Index Ventures because I loved it.

I didn't spend a single moment in the office. I didn't hang out with the VCs, I hung out with CEOs of startup companies. So, when I decided - you know, when you realize that time is limited and you can only do so much in your life, I've decided that my passion is startup companies and specifically CEOs of startup companies. I think it's the most scarce resource this planet has and if I can help grow it, then will do so. The VCs will follow. There are more VCs than we need. There's more money than we need. Money is not the issue, the issue is leadership and driving a business. So, sort of - people think that I'm some sort of investor and it - you know, I'm not offended by it, but I sort of - to me it misses the point. That's not my passion.

I may have made a few angel investments because I believe in CEOs, but my rules - I don't do them anymore, but, when I did angel investments I had two rules. Rule number 1, don't do them. Rule number 2, if you find a CEO who is brilliant and who you like to spend time with, violate rule number 1. And I did a handful of angel investments but I just love building businesses and building themes. Yes. So, after MySQL is acquired by Sun, what do you think of the future of - acquired by Oracle, what do you think of its future? So, the question is, what do I think about the future of MySQL now as it is part of Oracle. I think, you know - I think I predicted it correctly back in 2009 when you know Fortune or Forbes interviewed me on the topic. Oracle has so far developed the product masterfully. So, they followed the roadmap. They have had fewer delays than we had.

So kudos to them for that, they're doing great work engineering-wise. I believe that their business is growing nicely as it should, but I don't have information of it, but I think so. I don't think Oracle understands Open Source community. I don't think they care that much about the community. I don't think they care that much about partners. So, I think it's changing the nature of the world. When we had MySQL AB, the Swedish corporation, we would have everything in one place; partners, Open Source people, money, non-money everything in one place and it was one brand. Now you see it splintering that Oracle stands for the developmental of the product and selling to commercial customers, but many of the so-called community activities are now handled by small companies outside or by the main customers. So, still today Google, Facebook, Twitter, Amazon and a few others have such strong MySQL knowledge that they can keep the product going even if Oracle would stop. So, I don't



think there's a risk that we would lose MySQL, but I do think that we see a difference in mindset.

It's not the fun, you know, wonderful, disruptive MySQL AB anymore. But that is also the victory of Open Source. Imagine, Larry Ellison who has everything on this planet, he spends billions to become an Open Source guy. He buys Java and MySQL for billions and billions. I mean, that's more than he has paid for all his jets, and yachts and cars and houses. So, I do think we must see it as a huge victory for Open Source. That Open Source is now inside a company like Oracle, inside a company like Microsoft, inside all those - they all have an Open Source strategy. And initially they were completely against it, but they've bought into it. So, we won. Okay.

Sajat. So, I've got a question, you have a really innovative approach to company culture and management and how did you come into this innovative approach or like what influences, especially when you were a student or soon after being student, affected you and really drove you to have this vision to do all these innovative practices? So, the question is what lead me to these innovative approaches to management and culture and leadership? I don't know. May be it's my lack of discipline that I don't like to do the same thing over and over again so I invent a new thing to do just for the sake of doing it and that somehow then spawns new ways. And I just believe in the very special value of individual human beings and it so annoys me when I see companies treat human beings like machines. I mean we have enough machines already, can't we treat human beings as human beings and treat the machines as machines. But I remember I did a summer internship at one of the largest IT - the largest IT company at the time back in Helsinki and we loved the work there, but one day the middle managers decided they will decide when we have lunch. I was like what is this. And I went home that night thinking I will never work for a large company again, unless I created it myself. But I made an exception with Sun and I loved Sun. Sun had fantastic culture.

Just an amazing place and it's sort of sad to see Sun not being an independent company anymore because what they built there was just absolutely outstanding. So you've certainly demonstrated that you like taking on big challenges. What are the challenges you're facing now? So, the question is what are the challenges I'm facing now. Can I skip that question? No. I always - well the challenge I face every day, I wake up and ask myself, am I good enough for what I'm doing. I really look at me and say maybe I'm too old. I go to the CEO meet ups and all the CEOs are half my age. They could be dating my daughter. And - so, I think okay, is this smart. So that - that's - so I keep thinking about that and then of course at the business we are building we have all the typical ones, are we hiring the right people; the right - are we hiring too soon, too early, too late; how do we deal with the competition; is this is the competition or is that the competition? The difficulty many times is not how to deal with a competitor but to decide who the competitor is.

Because in our space there's 24 companies we could pick and I'm sure two years from now, we will know who really got it together, but things are never the way they appear. Somebody spends a lot on marketing, somebody is popular here, somebody is strong there or somebody is stealth doing something even bigger. And you really have to be paranoid to understand and see what's happening out there, so that you don't get suddenly surprised by something that somebody else does. Those are my challenges. Yeah. So, I'm going to drill down on one of them. Okay. So, you said at the beginning, you know, you wondered am I too old for this. What are the advantages of being a seasoned - I'm going to say seasoned - entrepreneur and - You can say old. Okay.

No, no - seasoned entrepreneur - an experienced entrepreneur and what are the advantages of being someone who is right out of the gate? So, I love this saying that somebody told me that he was a brilliant executive, all he lacked was inexperience. Because when I joined MySQL, I knew databases, I knew nothing about Open Source. It looked good from the outside, but I didn't know anything and now somebody calls me 'Godfather of commercial open source', like ooh! Because I really did know nothing but I got the advice back in 2001; somebody said Marten, you should become the expert on Open Source business models because that's - that will drive business and I decided to do that. So, I read everything I could and I thought to everything I could about Open Source business models and I became the go-to person for all the journalists and everybody who wrote about it. So the inexperience was very useful and I'm hoping now that I have inexperience that will be useful. But the benefit of me is that, I don't freak out anymore, you know, there are few things that really shock me. I don't care what people call me or what my salary is or whether I'm a VP or not. I mean, sure when you're a CEO, you are a CEO, but when we are younger, when we are your age, we're so full of ourselves. We think that it's me and me and I deserve this and I must be this and I must plan my career. And we go - we do all kinds of sort of busy work just because we think we must and then when you reach this mature age that I am at now, then you say okay, it's all about having fun building business, working with the best people.

So, that's one strength. And then you get - you become a better judge of character. You quicker identify the people you should hire, the people you shouldn't hire; you're quicker at communicating. You sit down with somebody and you just exactly exchange the right information. And when I was younger I could just go on and on and I felt I was being productive, but I wasn't. I was sort of just spinning on the surface when I should have gone much deeper. So that's - that I think is a benefit. Then I know more people now, much - many, many more than I knew back then and that helps. I think that's it. And that's fabulous.

I hope you'll all join me in thanking Marten Mickos for this amazing talk. Thanks, Tina.