



9th Annual Top Tech Trends debate

Subject

The techno-industry's leading (and most opinionated) visionaries rate and debate what technology trends will emerge during the year ahead.

Date:

March 27, 2007

Organizer:

Churchill Club

Panel:

John Doerr, Partner, Kleiner Perkins Caufield & Byers: John Doerr joined Intel in 1974 just as they invented the famous "8080" 8 bit microprocessor. At Intel, he held various engineering, marketing and management assignments, and was one of their top-ranked sales executives.

In 1980, he joined Kleiner Perkins Caufield & Byers and sponsored a series of investments including Compaq, Cypress, Intuit, Macromedia, Netscape, Lotus, Millennium Pharmaceuticals, S3, Sun Microsystems, Amazon.com, Symantec and Google.

John was the founding CEO of Silicon Compilers and co-founder of @Home Network. He currently serves on the Board of Directors of Intuit, Amazon.com, Drugstore.com, Homestore.com, PalmOne, and Sun Microsystems. His privately held company board seats include Google, Good Technology, Friendster, Segway, Elance and EndForce. He holds patents for computer memory devices he invented as a design engineer at Monsanto. Recent interests include education, the Internet and biotechnology genomics.

Doerr was born and raised in St. Louis, Missouri. He holds a BS and MS in Electrical Engineering from Rice University and an MBA from the Harvard Graduate School of Business Administration.

Steve Jurvetson, Managing Director, Draper Fisher Jurvetson: Steve Jurvetson is a Managing Director of Draper Fisher Jurvetson. He was the



founding VC investor in Hotmail (MSFT), Interwoven (IWOV), and Kana (KANA). He also led the firm's investments in Tradex and Cyras, acquired for \$8 billion. Previously, Mr. Jurvetson was an R&D Engineer at Hewlett-Packard, where seven of his communications chip designs were fabricated. His prior technical experience also includes programming, materials science research (TEM atomic imaging of GaAs), and computer design at HP's PC Division, the Center for Materials Research, and Mostek. He has also worked in product marketing at Apple and NeXT Software. As a Consultant with Bain & Company, Mr. Jurvetson developed executive marketing, sales, engineering and business strategies for a wide range of companies in the software, networking and semiconductor industries. At Stanford University, he finished his BSEE in 2.5 years and graduated #1 in his class, as the Henry Ford Scholar. Mr. Jurvetson also holds an MS in Electrical Engineering from Stanford. He received his MBA from the Stanford Business School, where he was an Arjay Miller Scholar. He also serves on the STVP Advisory Boards and is Co-Chair of the NanoBusiness Alliance. He was honored as "The Valley's Sharpest VC" on the cover of Business 2.0 and chosen by the SF Chronicle and SF Examiner as one of "the ten people expected to have the greatest impact on the Bay Area in the early part of the 21st Century." He was profiled in the New York Times Magazine and featured on the covers Worth, Red Herring, and Fortune Magazine. Steve was chosen by Forbes as one of "Tech's Best Venture Investors", by the VC Journal as one of the "Ten Most Influential VCs", and by Fortune as part of their "Brain Trust of Top Ten Minds." He was also honored with the "Advocate of the Year Award" by Small Times and chosen as one of "Nanotech's Power Elite" by the Forbes/Wolfe Nanotech Report. In 2005, Steve was honored as a Young Global Leader by the World Economic Forum and a Distinguished Alumnus by St. Mark's. Steve has written several columns on nanotech and other developing technologies.

Roger McNamee, Co-Founder, Elevation Partners: Roger McNamee is a co-founder and general partner of Integral Capital Partners, Silver Lake Partners, and Elevation Partners. Roger began his career at T. Rowe Price Associates in a variety of research and portfolio management positions. From September 1988 through August 1991, he was portfolio manager of the top-ranked T. Rowe Price Science & Technology Fund, a position that included responsibility for the firm's investment strategy in technology. In that role, he initiated venture investments in Electronic Arts, Sybase, and other companies on behalf of the T. Rowe Price Threshold Funds. From September 1987 through August 1991, Roger was co-manager of the T. Rowe Price New Horizons Fund, a diversified emerging growth fund with assets of \$1.3 billion. As a member of the T. Rowe Price equity research



department, Roger covered such industries as computers, software, aerospace, telecommunications, and office supplies.

In 1991, Roger and John Powell left T. Rowe Price to form Integral Capital Partners, the first technology crossover fund. Kleiner Perkins Caufield & Byers was a founding partner of Integral and remains Integral's business partner to this day. Among Roger's venture investments at Integral were Intuit, Flextronics, Overture, Documentum, Rambus, Blue Nile, and Cerent (Cisco).

While at Integral, Mr. McNamee co-founded Silver Lake, the first large-scale private equity fund focused on technology and related growth industries. Silver Lake raised \$2.3 billion in capital in 1999. Silver Lake's investments to date include Seagate Technology, the world's leading producer of storage technology; Flextronics, the world's leading vendor of electronic manufacturing services; MCI, the nation's leading provider of data communications services; Business Objects, the world's leading business intelligence software; Gartner, the world's leading source of information and insight about information technology; and Ameritrade, the leading provider of on-line brokerage services to individual investors.

In 2004, Roger joined with Fred Anderson, Marc Bodnick, Bono, Bret Pearlman, and John Riccitiello to launch Elevation Partners, the first private equity firm targeting media and entertainment content. Modeled on Silver Lake, Elevation partners with content owners and management teams to enhance the value of intellectual property and to leverage new distribution systems and markets, many of which are the result of technology disruption.

Roger is the author of *The New Normal*, published in November 2004 by the Portfolio imprint of Penguin Books. *The New Normal* provides a roadmap for balancing family, career and financial issues in a time where technology and globalization have increased uncertainty, but also increased the opportunities for individuals.

Roger is a frequent speaker at industry and investor conferences. He is also a panelist on Louis Rukeyser's *Wall Street* on CNBC and a frequent commentator on technology investing. From 1999 to 2001, Roger was named to the "Ultimate Investment Club" by Money magazine. He has a B.A. degree from Yale University and an M.B.A. from the Amos Tuck School of Business Administration at Dartmouth College. Roger is a Chartered Financial Analyst.



Mr. McNamee serves on the Board of Trustees of Bryn Mawr College and on the Board of Overseers of the Amos Tuck School of Business Administration at Dartmouth College. He is also a director of the Rex Foundation.

In his spare time, Mr. McNamee plays guitar and sings lead vocals in the Flying Other Brothers Band (FOBs), a rock 'n' roll band in San Francisco.

Joe Schoendorf, Partner, Accel Partners: Joe Schoendorf has been active in high technology industries for nearly forty years.

Joe is a member and strategic partner of the World Economic Forum and has served as a consultant to the Ministry of International Trade and Industry (MITI) in Japan. He is able to help our portfolio management establish significant strategic global relationships in the US, Europe and Asia with a strong focus on China and Japan. Joe has participated as a Board member in industry pioneers such as Macromedia (Authorware).

Joe joined Accel in 1988. Previously he was the Vice President of Marketing for Apple Computer. Before that he was Executive Vice President for Worldwide Sales and Marketing for Ungermann-Bass and a member of the Office of the President. Prior to that he was the CEO of Industrial Networking, a joint venture of Ungermann-Bass and General Electric.

Joe came to Silicon Valley in 1966. During an eighteen year career at Hewlett Packard he held numerous computer marketing and sales positions including Group Marketing Manager, General Manager of Business Development and General Manager of the Corporate Account Division overseeing all worldwide large accounts.

Joe holds a B.S.E.E. degree from Purdue University and has served on the Dean's Advisory Council at Purdue's Krannert School of Business.

Joe and his wife Nancy, also a venture capitalist, live in Palo Alto with their daughter Megan. Their other daughter Kathryn is living in Washington, D.C. and works for NPR. Besides his family Joe's passions are travel, long distance bike riding and wine collecting.

Tony Perkins, Creator & Editor in Chief, AlwaysOn; Creator & Editor in Chief, Red Herring: Tony is a pioneering media entrepreneur and a prominent opinion leader in the technology business and investment editorial world. Tony earned this distinction as the creator and editor in



chief of Red Herring, which he founded in 1993, and the AlwaysOn network, his current venture Even as Red Herring's revenues were soaring along with the rest of the technology sector's, Tony co-wrote *The Internet Bubble: Inside the Overvalued World of High-Tech Stocks* (HarperBusiness, 1999), a book that foretold the dot-com bust and warned investors to get out quick. *The Internet Bubble* became an international bestseller; a sequel was published in 2001. Now Tony has launched a new media brand: AlwaysOn (www.alwayson-network.com), a highly interactive online network for technology insiders. With both Red Herring and AlwaysOn, his mission has always been to deliver the brightest thinking, the best analysis, and the most focused reporting and research for the benefit of entrepreneurs and investors around the globe. Tony continues to chronicle the technology world in a regular column for the Wall Street Journal and as a television commentator for MSNBC's "Hardball with Chris Matthews," CNN, CNBC, BBC, and Bloomberg Television. His prolific editorial output consistently lands him on the list of top ten technology business journalists by AdWeek's Technology Marketing magazine. Tony's public activities include serving on President George W. Bush's Information Technology Advisory Council. He cofounded and chaired Silicon Valley's premier business and technology forum, the Churchill Club in Palo Alto, California. Prior to launching Red Herring and AlwaysOn, Tony was founder and CEO of Upside Publishing and vice president of business development at Silicon Valley Bank

Summary:

Four of the top venture investors gave their predictions on the top tech trends emerging over the next few years. The following predictions were from each investor and not all agreed on each prediction.

- The market for mobile devices will see multiple new designs, giving consumers more choices but also requiring more belt space. (Roger McNamee)
 - Everything will be mobile – we will have a single purpose device
 - Iphone will be the biggest new piece of technology
 - Decent browser and battery power is still missing
 - We will have at least two phones each – because one is too large for evening use
- The FCC will approve at least one new broadband network in the next year. (John Doerr)
 - Cell phones are the next PC



- Intel is coming out with motherboard, which have Wimax and WIFI on the chips.
- Within the next 12 months, we will see the beginning of the Consumer Web 2.0 Shakeout. (Tony Perkins)
 - Nobody agreed to this prediction! They all have these companies in their portfolio because they believe this is simply not the truth.
 - There is too much VC in the Valley for this to happen. There may be a dip before the curve goes up again – we haven't seen anything yet! There are new Googles and Ebays waiting to be created in the video space.
- Moore's Law will begin to bifurcate, where technical advances in memory precede those for logic chips by several years. (Steve Jurvetson)
- The shift in economic power will profoundly impact current business. (Joe Schoendorf)
 - Soon only one G8 country will be European – This changes perspective, customers, markets and competition
 - Angela Merkel asked Schoendorf for one piece of advice in order for Germany to learn from the Silicon Valley success, it was: TAKE A RISK!
 - Innovation is global – VC's move out to find the best deal/team in the world rather than I SV
 - VC's has to go global – Entrepreneurship is global (ed. However, you still have to flip up and move your hq to SV!!)
- Consumers are increasingly choosing active over passive media, which will further erode the power of today's media companies and will require a re-engineering of the advertising business. (Roger McNamee)
 - consumers would continue to choose "active" media such as online social networks and user-generated video over "passive" or traditional media, furthering eroding the power of today's media companies and requiring a reshaping of the advertising business.
 - Customization – Kleenex and m&m's
- Consumer Web 2.0 features will move into the enterprise and media worlds in a big way. (Tony Perkins)
 - The need of the consumer is driving enterprise innovation today – "we bring to work what we are going to use", e.g. Wiki, IM etc.



- The next couple of years will herald the first synthetic life form. (Steve Jurvetson)
 - "we can expect to see synthetic life forms in the form of microbes, living things that reproduce in a lab environment. When you can do that, you can write code in parsimonious way and can bring intelligent design to the information systems and biology. You can do purposeful work instead of random cut and paste and knock outs and what have you. It will dramatically accelerate the ability of the biotech industry broadly defined to do things in industrial biotech initially, not even thinking about the long term implications of medicine and other fields. In the near term, using these bugs to harvest energy from sun and to produce biofuels from diverse feed stocks are producing very compelling applications. The reason is that nature has clean, inherently green ways of doing this."

- There will be an increase in radical approaches to treating brain diseases (Joe Schoendorf)
 - The brain is the next organ we need to understand – we need to do brain fitness.

- The U.S. Congress will send the president mandatory greenhouse gas cap-and-trade legislation, spurring enormous innovation and creating parallel accounting for a carbon economy. Going green could be the largest economic opportunity - and imperative - of the 21st century. (John Doerr)
 - There should be mandatory caps worldwide on greenhouse gas emissions – We must find global consensus
 - We have to make it economical attractive to make changes
 - It's like your retirement," he said. "If you wait until the last five years of your life to save, it's too late."
 - Schoendorf added – what if we are wrong on this one?

Links/Resources:

Churchill Club - <http://www.churchillclub.org>

Attendants from ICDK:

Lene Sjørlev Andersen – lsa@innovationcenterdenmark.com