

BUSINESS INSIDER

A CEO who sold a startup for \$1 billion, led a big IPO for another, and raised \$80 million for a 3rd shares some simple advice on building a tech unicorn

By Charlie Wood



Wayne Jackson, CEO of software security firm Sonatype. Sonatype

- **Wayne Jackson sold his first startup for more than \$1 billion, led a successful IPO with another firm, and recently raised \$80 million for his latest tech venture.**
- **He has some simple advice on growing a successful tech business: Find your niche.**
- **In a world dominated by giants like Google and Amazon, Jackson says serving a specific market will stand your business in good stead.**

Wayne Jackson has got a decent record when it comes to growing a business and exiting at a bumper valuation — he's done it twice before, and is well on the way to repeating the trick a third time.

Jackson, a 56-year-old tech veteran, built his reputation by cofounding wireless infrastructure company Riverbed Technologies. He served as the firm's CEO for nearly three years before selling to Aether Systems for more than \$1 billion in March 2000.

From Riverbed, he joined network security company Sourcefire in 2002. He steered the company through an IPO in 2007 that raised more than \$70 million. Jackson departed a year later, and Sourcefire went on to be acquired by Cisco for \$2.7 billion in 2013.

Jackson is now the CEO of Sonatype, a company that helps firms vet the software components they use. He joined in 2010 and last September, the startup announced it had [raised \\$80 million](#) in a funding round led by TPG Capital. Although Sonatype would not disclose its valuation, it has raised \$154.7 million since it was founded in 2008.

The recent raise will help Sonatype build out its Nexus platform. Nexus is a vast software repository which helps keep everything in the DevOps cycle secure and up-to-date. Sonatype [describes it](#) as "the world's best way to organize, store, and distribute software components." Clients include Equifax, Salesforce, EDF, and Delta Airlines.

Although not obviously the most glamorous of Silicon Valley startups, the companies Jackson has served have one thing in common: They super-serve a specific market. And it's this that Jackson highlights when sharing his advice on growing a successful tech business.

"Find a niche you can serve," Jackson said. "At Sonatype, for example, we arguably know more about open source projects than you could possibly know. The area Sonatype serves is interesting enough to find its market, but still specific enough that giants such as Google aren't necessarily going to look at what we do and think: We should be doing that."

This is a theory also beloved by some of the most successful venture capital investors in tech. They call it "[product-market fit](#)."

Jackson continued: "But also, ask whether a traditional startup can even win in the market you're going into. You could argue that some ideas, such as the cloud, were always going to be too big for startups to have turned into a reality. Only a Google or an Amazon could really have engineered the cloud. Businesses need to be grown in the context of the markets that they serve.

"Back when I was at Riverbed, we positioned ourselves as a partner to bigger companies such as Cisco and IBM. Whereas with Sonatype, I don't think that approach would work, because the DevOps market is so new."

With such a stellar CV, it is easy to forget Jackson didn't always have it his way. When he was a graduate with no definite career plans, he lost his job as an assistant comptroller for a resort company in Virginia in 1991. In a 2011 [interview with The Washington Post](#), he described the experience as "eviscerating."

Now, he says tech is a very safe bet for graduates. "Attaching yourself to tech bullet-proofs your future," he told Business Insider. "Attaching yourself to tech doesn't necessarily mean becoming a coder. It could be that you become very good at understanding and explaining concepts — writing is technical. Clear, crisp information delivery is a skill unto itself, and I think that'll be the case for a very long time."

Jackson's strident views on privacy

As an established figure in the tech world, and with his background on cybersecurity at Sonatype, Jackson has some strident views on the approach to privacy of firms like Facebook. Mark Zuckerberg's company has made noises about [safeguarding user privacy](#) and [becoming more transparent](#). But Jackson isn't buying it.

"The idea that Facebook is focusing on privacy? I think it's laughable, and laughable on many levels. Of course, Facebook isn't concerned with privacy. That's the way it's designed. It's the same with Gmail," he said. Not that he thinks regulation is the answer.

"I tend to be fairly anti-regulation — but not because I think tech companies are noble. I think the Facebooks and the Googles of this world should be more aggressive in making it known what they're doing with people's data. From then on, once it has been made known, Facebook's and Google's services should be opt-in."