

Success Through Adversity

A CEO's Story of
Entrepreneurship

Ray Zinn

The Longest Serving CEO in Silicon Valley



**TOUGH
THINGS
FIRST**

Adversity is like maneur ...

It stinks, but it helps us grow!

Started a semiconductor company

Rode out several major industry corrections

Reached IPO

Survived one corporate raider

Without venture capital

Was profitable 36 of 37 years, GAAP basis

Went blind during the IPO roadshow

Didn't survive the second

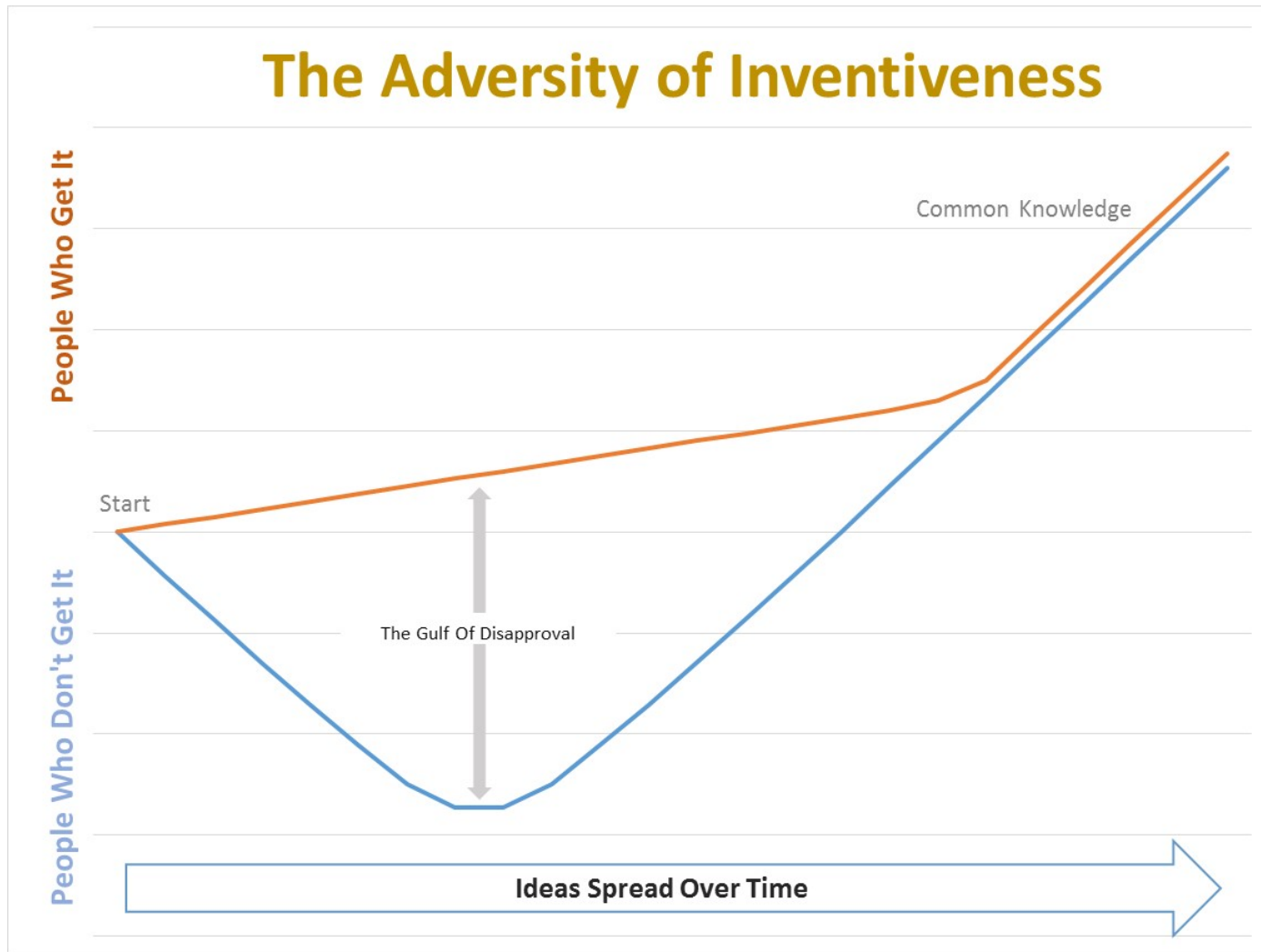
The adversity of inventiveness

**“You should not work for anyone
...”**

- Had conceptualized the wafer stepper
- Sold it to TI without any engineering
- Presented a huge PO to my boss
- Suggested I not be an employee ... anywhere
- The adversity of inventiveness is thinking outside boxes when your leadership does not



The adversity of inventiveness



The adversity of confidence

“No bank lends to startups!”

- Did not want VC money
- Discussed pie-in-the-sky terms with bank
- Accepted their stringent terms ... and met them
- Being confident is essential, but adversity comes if people do not share your confidence

TOUGH
THINGS
FIRST

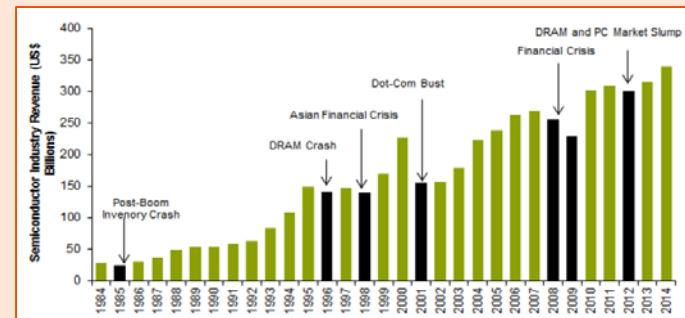


Adversity of the market

“Everyone loses money in down cycles.”

- All markets and industries have business cycles
- Anticipating the cycles, and watching financials helps predict
- Keeping cash to invest in R&D during down cycles leads to sustainable profits
- Being frugal during good times looks like adversity, but it is really avoiding down-cycle adversity

TOUGH THINGS FIRST



Adversity of fate

“You need to resign. You cannot lead in this condition!”

- Went blind during IPO roadshow
- No chance to recover eyesight
- Many thought no blind man could run a tech company
- Used tech, memorization, acute listening to adapt
- Life throws curve balls, but nearly any misfortune can be compensated for

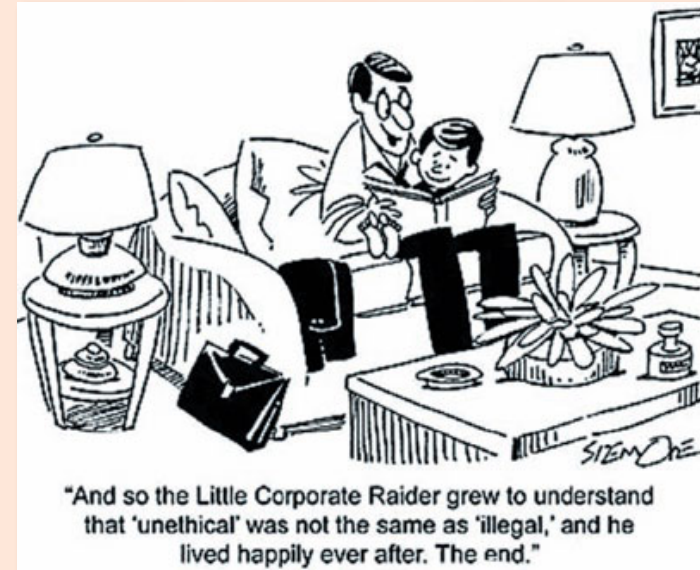


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Adversity of greed

“You need to sell your company!”


- Corporate raiders came in 2008
- No interest in enduring, profitable business – just short-term share price
- Slugfest and another roadshow needed to convince the board to stay the course
- Adversity is limited when your goals and ethics are clear



Adversity of greed, part 2

“You need to sell your company!
Really!”

- 2015, the second corporate raiders came, 20+ years of running it without eyesight
- Board forced the sell of Micrel
- Failure? No way!
 - 37 years, 36 profitable
 - Thousands of happy employees
 - Great products
 - Kept semiconductor fab in the U.S.
 - An unprecedented success, an enduring company



designlines MCU

News & Analysis

Microchip to Acquire Micrel

Susan Rambo
5/8/2015 11:00 AM EDT
2 comments

1 saves
LOGIN TO RATE

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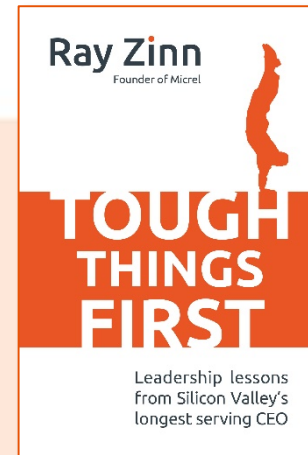
SAN FRANCISCO — Microcontroller and analog semiconductor company Microchip Technology Incorporated (Chandler, Ariz) announced Thursday (May 7) that it has signed a definitive agreement to acquire the analog semiconductor company Micrel (San Jose, Calif.) for \$14.00 per share, equaling an acquisition price of \$839 million.

"Micrel's portfolio of linear and power management products, LAN solutions and timing and communications products, as well as their strong position in the industrial, automotive and communications markets, complement many of Microchip's initiatives in these

Adversity creates opportunity

“You need to write a book!”

- Retirement does not mean watching TV
 - A new book
 - A new investment arm
 - A new podcast
 - A lot of public speaking



**TOUGH
THINGS FIRST
VENTURES**



Embrace your adversity

- Vision, discipline and grace makes a good Silicon Valley entrepreneur
- The essence of discipline is doing the tough things first

People who have a vision and drive themselves and their organizations relentlessly toward that vision – they begin by learning to love doing what they don't love to do.



TOUGH
THINGS
FIRST

“Doing what you don’t like doing, and doing it well.”

Innovate by exploring the outside of boxes



Never be Afraid to Connect

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