

The Storwize Story

Israel has long been an incubator for a number of high tech start-ups that have made an impact on United States (U.S.) technology markets, as well as global technology adoption. For example, Checkpoint was the first firewall and security solutions vendor and still maintains its leadership position during its 20 years of existence; Mercury provides a complete suite of tools for testing software and was acquired by Hewlett Packard; and Amdocs, the telecom billing company, has been chosen by the largest telecom providers in the world (e.g. AT&T).

In the high tech storage arena, there are a number of Israeli companies that are following suit. Moshe Yani started XIV in Israel and developed a storage system that offers high-end storage at a reasonable cost and was acquired by IBM. Diligent, one of the early de-duplication start-up, was also acquired by IBM. Earlier this year ExaNet, also based in Israel had developed a scalable, clustered file system which was acquired by Dell.

Over the course of the last six months we have seen a number of articles / blog posts that discuss Israel and its success in becoming a powerhouse for developing high-tech startup companies. Steve Duplessie has a very interesting series of posts on Israeli startups. Most recently Dave Vellante from Wikibon published a piece that discusses the connection between Israel and the US (more specifically Boston).

Storwize was started in 2004 under the leadership of Yoni Amit and Gal Nor. Yoni is a co-founder of Storwize and the CTO. He is responsible for the design and architectural development of Storwize's groundbreaking real-time, random access compression technology. He is a leading expert in IP networking, storage protocols, data structures and real-time applications. He has done extensive research in the areas of data manipulation for faster I/O and improved compression ratios, and has filed numerous patents. Like many in Israel, Yoni began his technology career in the Israeli Defense Force (IDF) as a software developer within the communications unit and received a

medal of honor from the Israeli Ministry of Defense for his technical contributions.

Yoni has been part of a number of successful startup companies especially in the areas of network monitoring and telecom. His company Softcom sold technology to Mercury Interactive (later sold to HP) as well as technology specifically for law enforcement agencies. The company was eventually sold to Ectel, where Yoni managed the team within the law enforcement department. After few years of success and multiple installations of the systems in many countries, the department was finally sold to a larger company, Verint.

Behind Yoni on the engineering team there are a number of key people specifically Chaim Koifman and Sergey Marenkov, each has 20 years of experience in SW development in complex real-time networking systems.

In 2008 Storwize added bandwidth to the engineering team with the addition of Ori Bauer as VP of Engineering. In his role, Ori is responsible for all aspects of Storwize's product development and delivery. Ori brings to Storwize more than 15 years of executive experience in software development and a strong track record of building successful products.

Again, as with most Israeli's Ori served in the IDF (Israeli Defense Force) as an officer in the Central Computer Center (Mamram) leading large scale software development projects. In one of his roles, Ori served as the commander of the prestigious software engineering course at the computer science school of the IDF. After his military service, he served as Director of R&D at Carestream Health (formerly the Eastman Kodak Health Group) where he led the R&D group responsible for the Image Management and Information Systems products (PACS). Bauer joined Eastman Kodak Health Group through the acquisition of Algotec Systems where he managed the research and development teams. Ori brought the skills and leadership to take a great technology to enterprise class RAS (reliability, availability and serviceability).

Ori Bauer is backed by a solid Product Manager, Tzahi Shahak. Tzahi joined Storwize as its Vice President of Product Management in June 2005, when Storwize was applying for its angel round of funding. Tzahi joined the company after he was one of the participants in the VC's due diligence and was impressed by the efficiency of the Storwize technology and the benefits that it could potentially bring to customers.

Tzahi's technology training began when he too was in the IDF in 1990 where he graduated with honors in software engineering at the IDF computer science school, Mamram. Following his training, he served as senior software engineer in the Intelligence Division of the IDF where he built and managed its TCP/IP network and started the transition from VMS to Unix-based platforms. In 1995, he joined the first Israeli cellular provider, Pelephone, where he managed the UNIX and storage infrastructure operations. In 1998, Tzahi also started an IT consulting and services company, where he focused on consulting to the Israeli telecom sector as a distinguished IT expert. It is the combination of Tzahi's IT experience as well as his entrepreneurial spirit that has brought the proper balance to Storwize.

In 2009 Storwize moved its head quarters to Boston when Ed Walsh took over as the new CEO. Ed has a very solid reputation for helping to build and grow startup companies. Ed typically goes to work at startup companies that have evolutionary solutions for IT such as Avamar, the leader in source based deduplication which sold to EMC in 2006. Ed learned about Storwize from Shmil Levy of Sequoia Capital. Shmil was able to convince Ed that the Storwize technology was evolutionary and Ed needed to join the team and help take the company to the next level. When it came to Storwize, Ed was quoted as saying, "My belief is that the power of the Israeli/Boston connection is to leverage the Israeli technology edge and chutzpa with American sales, marketing, strategy and operational prowess. Complement the strengths and augment where there are weaknesses. Israeli companies constantly solve real difficult technical challenges (the product) but in many cases fall short because they lack the 'market insight and execution.'" Storwize was the classic later stage start-up company that has outstanding technology but needed some business leadership. Ed put in place a strong sales and marketing team to take the company from one with great technology and a few customers to one with great technology and a number of customers and business opportunities, especially in one of the hottest market segments in the storage industry, primary storage capacity optimization.

Joining Ed was Steve Kenniston. Steve and Ed have worked together in the past, most recently at Avamar. After the acquisition Steve stayed on at EMC in their CTO



office where he helped to define EMC's data protection strategy. "In late 2009 Ed called me and asked me to help him at a new company he was at called Storwize. He told me they had some really great compression technology," Steve said. "I told Ed that there was nothing 'innovative' about compression; however, once he described what Storwize had done to make compression 'real-time' and 'random access' I told him I was in." Steve has two very unique capabilities. First he takes difficult technology topics and makes them digestible for the masses. From messaging at a business level, to blogging (Steve is a storage blogger at TheStorageAlchemist.com), to helping train sales and SEs on how to sell solutions to the enterprise. Secondly, from his work with ESG, Steve has a good sense of the storage industry and can help a team embrace that strategy to achieve greater results.

It is also important to note that over past year Storwize has added a number of to make technology developed by a start-up enterprise ready. Most recently Storwize put in place a new product testing center, 'COST' (Customer Oriented Scenario Testing) headed by Nir Rigai in order to better test the Storwize technology in real world customer scenarios.

Other important additions to the team include, Phil Schechter, formally of Data Domain (EMC), now leads Storwize's Support organization and Roi Amir, who, like Ori, spent time in Mamram and then Algotec and NICE systems, and is now responsible for the Storwize QA processes.

One cannot tell the story of an Israeli high tech company without mentioning the wealth of on-the-job, high tech training received by Israeli men and women from the Israeli Defense Force (IDF). With every Israeli required to serve in the IDF, the one downside that teams face is how disruptive it can be to the development process when the team has to leave to do their IDF reserve duty service. Still, the experience gained in the IDF, along with the efficiency in the use of resources and developing new methods of approaching a problem enables Israeli developers to have a unique hands-on experience where they can reinvest their expertise in Israel's active high tech market.

Storwize Milestones

2007

- Initial version of Storwize appliance installed in Israel's largest bank.
- Commercial benchmarks with outstanding results delivered to prove the value of the technology.
- Release of the high availability version with improved compression ratio and performance.

2008

- Opened U.S. headquarters. First U.S. customer Iron Mountain.

2009

- Moved to the IBM server-based platform, X-Series, for the STN appliances and focused efforts on software development and support. IBM worldwide support for the hardware platform, along with the Storwize team for software support.
- Benchmark with IBM labs and released a report on performance that was instrumental in validating Storwize performance.

2010

- Support for 10GB Ethernet interfaces and new compression accelerator feature which transparently compresses existing data before connecting the Storwize appliance, allowing the customers to get a greater ROI faster.

2010

- Acquired by IBM

As Storwize begins its new chapter with IBM, it is clear that IBM is gaining a great team of individuals and leaders from engineering, QA, to support and sales. It is also clear that IBM is gaining a great deal of innovative, proven technology developed and fostered by some of the smartest minds in Israel. By taking a different approach, leveraging industry standard technologies (LZ compression), Storwize has been able to clear the obstacles set up by end users when it comes to doing compression, in real-time, transparently, without any performance penalty. Customers are telling us it is the one of the most effective tools they use in the datacenter to control costs.

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