

November 8, 2009

Daniel Lee

Bringing Silicon Valley to Indiana

For hard-charging entrepreneur Jeff Ready, this was a moment to pause and enjoy being back home in Indiana.

The 35-year-old founder and chief executive of Scale Computing welcomed about 100 guests -- including Indianapolis Mayor Greg Ballard and Indiana Secretary of Commerce Mitch Roob -- to the grand opening Friday of the tech startup's spacious headquarters at the Purdue Research Park by the Indianapolis airport.

"We're winning business all over the nation," said Ready, who returned to his native Indiana after building startups in California's Silicon Valley. "We've never seen anything that's taken off at this rate."

Scale, which launched its data-storage system less than a year ago, is on track for about \$1 million to \$2 million in sales in 2009. Ready said the company has roughly \$8 million of potential sales in the pipeline.

Scale landed \$5 million in funding from Indiana venture capitalists and the state's 21st Century Fund.

Ready and engineering buddies from the Rose-Hulman Institute of Technology invented a new computer device they call a "brick."

Scale's technology uses a "grid-computing" concept to cluster small and inexpensive devices -- the bricks -- into a larger storage network. The company said its system reduces costs by up to 75 percent when compared with traditional storage products. The company is looking to expand from about 24 employees to 50 by the end of 2010.

Forbes magazine named Scale one of America's 20 most promising companies. The New York Times wrote a feature on Scale. You get the picture.

But Friday's grand opening was more than a business event. It also was a family celebration.

Ready stood with his wife, Amy, as they introduced daughters Kaitlyn, 8, and Hailey, 5, to guests. Peter Fuller, Scale co-founder and vice president of marketing, was nearby with his wife, Susan, and their children Alyssa, 13, and Nicholas, 10.

Ready -- ever the engineer -- calculated that his home in Center Grove was equidistant (within less than a mile) from Amy's parent's home in the Evansville area and his parent's home in Northwest Indiana.

Family was one reason for moving back to Indiana.

There were business reasons, too. Ready said Indianapolis is an efficient location for manufacturing and distributing Scale's devices.

Ready also said the local business community has been supportive of his startup in a way that would not happen in Silicon Valley. Officials from Clarian Health, Eli Lilly and Co. and other organizations even advised Scale on how to sell to customers in health care, a key target market for Scale.

But make no mistake: Scale, which has offices in California, is imprinted with the risk-taking and boundary-breaking culture of Silicon Valley.

Ready and his team -- which includes fellow Rose-Hulman grads Scott Loughmiller and Ehren

Maedge -- are proven entrepreneurs. Their last startup, California-based anti-spam startup Corvigo, sold for \$41.5 million in 2004.

But they had setbacks. Scale actually grew out of a failed experiment known as Volt Capital.

The idea behind Volt was to build a supercomputer capable of quickly analyzing stock market news in order to make investment decisions. That concept tanked with the economy.

So, in search of another idea, Ready and his team started calling business contacts to ask them their greatest technology need. The answer kept coming back "data storage."

The technology behind Volt became Scale Computing.

It's a classic Silicon Valley story: Fail, learn, try again. Tom Kelley, a noted Silicon Valley innovator who was at Ball State last week to speak with students, called that process "failing forward."

Scale Computing's 3,300-square-foot offices at the Purdue Technology Center still smells of new carpet. It's a stark contrast to the 100-square-foot, windowless green office in Greenwood that previously served as Scale's headquarters.

Ready -- before leaving that tiny green room for the last time -- scrawled "Scale Computing was here" on the office's whiteboard.

Scale, no doubt, is on the move. But it's also firmly grounded in Indiana.

Watch for "Biz Buzz" on IndyStar.com each Wednesday to see top Central Indiana business and economic leaders answer questions from Lee.
