FOR IMMEDIATE RELEASE

New Accelerator Program OpenIncubate Launches with Backing from Austin Ventures, Battery Ventures and The Valley Fund

Group Will Fund and Foster Companies Who Are Using Open Source IP to Solve IT Infrastructure Challenges

AUSTIN, TX; BOSTON, MA; MENLO PARK, CA, JULY 18, 2013 — OpenIncubate, a new accelerator program formed to fund teams using open source IP to transform the IT infrastructure layer, launched today with commitments from Austin Ventures, Battery Ventures and The Valley Fund. The three venture firms have joined forces to create OpenIncubate in response to two key technology shifts they believe will define the next decade of computing: 1) The emergence of open networking and the software-defined data center, and 2) The growing prominence of open source initiatives such as the Open Compute Project and OpenStack.

The OpenIncubate program offers seed funding, work space, and mentorship to admitted teams, with no pre-defined limit on the number of teams or dollars invested. Qualifying companies or teams of entrepreneurs must be software, software-as-a-service, and/or hardware-oriented (versus professional services). They must utilize open source frameworks aimed at building on and refining the concept of the software-defined data center in areas of innovation including hardware, software and networking.

“The Open Compute Foundation is thrilled to see these three great firms join forces to help accelerate the pace of innovation in this industry,” said Cole Crawford, Chief Operating Officer of the Open Compute Foundation and an advisor at the Austin branch of OpenIncubate. “The fact that OpenIncubate came together so quickly and so organically is a testament to the profound impact that open source is already having on the hardware industry. We can’t wait to see all the great ideas and great entrepreneurs that will emerge from this program.”

The OpenIncubate program is open to teams based anywhere, with a requirement to relocate to one of three initial hub locations that will provide free workspace and proximity to advisors:

Austin, Texas:

Financing: Austin Ventures
Contacts: Chris Pacitti, General Partner, and John Komkov, Associate
Work Space: Capital Factory
Senior Advisors: Joshua Baer, Capital Factory, and Cole Crawford, Open Compute Foundation

Boston, MA:

Financing: Battery Ventures
Contact: Alex Benik, Principal
Work Space: Battery Ventures’ Boston office (additional space available in the firm’s Menlo Park, California and Herzilya, Israel offices as needed)
Senior Advisor: Mike Afergan, Senior Vice President & General Manager of the Web Experience Division at Akamai
Menlo Park, California:

**Financing:** The Valley Fund

**Contacts:** Steve O’Hara, General Partner, and Alex Gould, General Partner

**Work Space:** The Valley Fund’s Menlo Park office

**Senior Advisor:** Peter Krey, an enterprise open source technologist and advisor to major financial institutions and start-up tech companies

The three venture capital firms behind OpenIncubate have a long history in enterprise IT investing. They have already made a number of investments related to the software-defined data center and open source IP, and they believe there remains significant opportunity ahead: Austin Ventures (e.g., Calxeda, Gazzang, SolarWinds, Virtual Bridges); Battery Ventures (e.g., Calxeda, Cumulus Networks, Opscode); The Valley Fund (e.g., Steve O’Hara founded two premier enterprise tech companies – Nebula and OnFiber Communications, and has served as an investor, advisor, and Director to several others.)

Applications are currently open at [OpenIncubate.com](http://OpenIncubate.com) with a rolling admissions process throughout the year.

**About OpenIncubate**

OpenIncubate was formed by venture investors, tech industry leaders, and academic advisors in key technology hubs around the world to fund and foster innovative companies using open source to transform the IT infrastructure layer. Founding investors are Austin Ventures, Battery Ventures and The Valley Fund, located in the program’s first 3 hubs: Austin, Texas; Boston, Massachusetts; and Menlo Park, California. Advisors include Open Compute Foundation’s Cole Crawford, Capital Factory’s Joshua Baer and Akamai’s Mike Afergan. Teams are admitted and funded on a rolling basis throughout the year. More information about the program and how to apply can be found at [www.openincubate.com](http://www.openincubate.com). Follow @openincubate on Twitter.

For further general information contact: info@openincubate.com.

For press inquiries contact: press@openincubate.com.

**COMMENTARY FROM INVESTORS, ADVISORS AND INDUSTRY INFLUENCERS:**

**Mike Afergan, Senior Vice President & General Manager of the Web Experience Division at Akamai; Advisor in Boston:**

“There is a tremendous amount of energy and intellect in and around Boston/Cambridge regarding open source, enterprise computing and web infrastructure. I’ve had my hand in both technical and business matters as Akamai has embraced these innovations to help lead the industry, and am looking forward to sharing these experiences with the next generation of entrepreneurs. Given the radical shifts we are seeing in distributed computing, I’m excited to be collaborating with this group of investors to help bring new ideas to market.”

**Joshua Baer, Managing Director, Capital Factory:**

“Austin has a strong history in enterprise IT software and is already a magnet for tech startups looking to move out of Silicon Valley because of the abundance of talent, low cost of living, and high quality of life. OpenIncubate makes Austin an even more attractive destination for the next generation of open source software infrastructure companies.”
Alex Benik, Principal, Battery Ventures:
“Open source software and technologies have made a radical impact on enterprise computing in the past decade and are now poised to reinvent the data center. I talk to large end user customers in early adopter markets like financial services all the time, and they are demanding more control to build how and what they want in their data centers. Movements like OpenStack and Open Compute are huge steps toward facilitating that, and we’re proud to be a founding member of this group as we stand up to support the technologists who can further meet customer demand.”

Mark Collier, COO of the OpenStack Foundation:
"In the same way open source technologies defined the web, open source is driving cloud computing and creating massive opportunities for users, established technology companies and innovative startups to benefit. Open source technology and programs like OpenIncubate lower the barrier to entry for startup companies, and we look forward to welcoming new teams and products to the OpenStack community."

Steve O’Hara, General Partner, The Valley Fund:
“OpenIncubate’s boldness to equip teams with meaningful upfront capital along with access to a hand-picked network of senior advisors amount to a highly-attractive package for entrepreneurs working on infrastructure technology. I say this as an entrepreneur myself, and someone who has relied on open source technology in my own endeavors, most recently in founding Nebula. This program is tailor-made for entrepreneurs with the tenacity to think big on the scale of fundamentally reinventing how core IT functions are delivered, performed and procured. I’m excited to contribute to such a forward-thinking initiative I wish had existed when I was an operator.”

Chris Pacitti, General Partner, Austin Ventures:
“By strengthening linkages between the United States’ principal technology thought centers and by constituting a common incubation effort inside of which each hub’s academic, technological and financial resources are aligned within a concise framework, OpenIncubate will provide unique support enabling founders to contribute rapidly to the intellectual direction and commercial development of the emerging ‘soft infrastructure’ stack.”

JR Rivers, Cofounder and CEO, Cumulus Networks:
“We are huge believers in the open movement, and recently launched Cumulus Networks to bring Linux to networking for the first time. Together, open compute and open networking innovators are breaking vendor lock-in, driving down infrastructure cost, allowing scale-out architectures, and providing a common platform for innovations in the enterprise data center. Today’s news is a big step forward for the open community and will help promulgate innovative technologies further and further into the data center.”

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