

# Letters to a Young Founder: Vinod Khosla

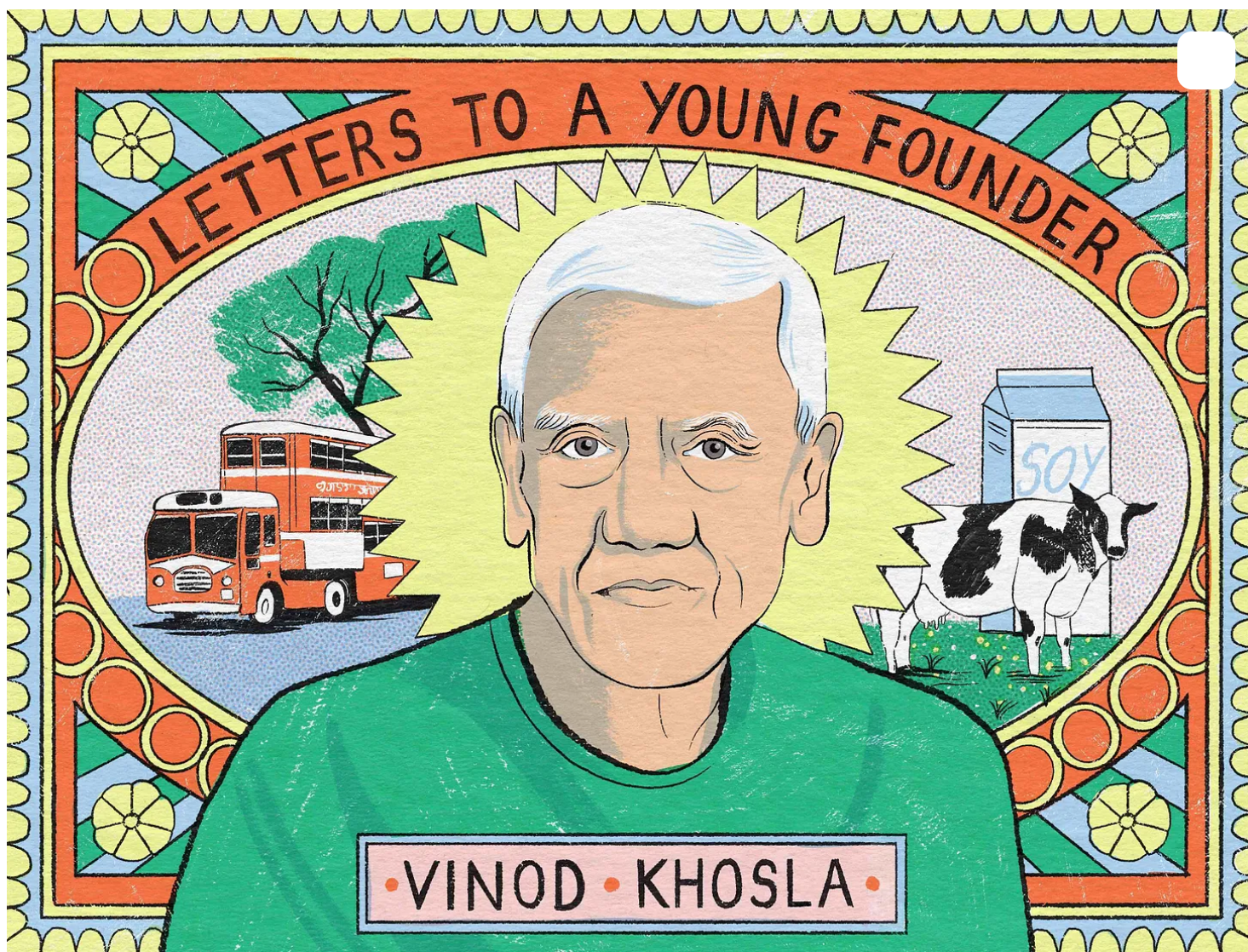
The founder of Sun Microsystems and “venture assistant” talks about his childhood, early inspirations, and the making of a legendary entrepreneur.

MARIO GABRIELE

APR 09, 2024 · PAID



🌟 Hey there! This is a **subscriber-only edition of our premium newsletter** designed to make you a better founder, investor, and technologist. Members get access to the strategies, tactics, and wisdom of exceptional investors and founders.



Friends,

I could not be more excited to share two pieces of news with you.

Firstly, we are launching a **brand new series called “Letters to a Young Founder.”** After the extremely positive reception from readers to the “[Letters to a Young Investor](#)” series, we’re expanding the format to speak to current and future entrepreneurs.

Fundamentally, we believe that the best tactical and strategic advice comes dressed as a story or recollection. “Letters to a Young Founder” brings insights to life from the perspective of exceptional, time-tested founders.

Secondly, we’re launching the series with **the one and only Vinod Khosla.** Over the past four decades, Vinod has been a critical figure in the tech industry, both as an entrepreneur and investor – or “venture assistant,” as he prefers to be called. Vinod co-founded Sun Microsystems in 1982, a hugely successful and influential computing firm responsible for inventing or popularizing essential technologies like Java, Unix, RISC processors, and many more.

At Kleiner Perkins, Vinod incubated several successful businesses and made some of the greatest VC investments ever. He continued that hot streak at his own firm, Khosla Ventures, which remains a top-tier franchise today, responsible for backing OpenAI, Stripe, Block, DoorDash, Faire, and countless others.

Over the next four correspondences, Vinod and I will delve into these chapters of his life and the stories behind them. In the process, we’ll surface vital lessons for the founders building the great businesses of tomorrow. (Given Vinod’s career, there will also be a huge amount of investing wisdom.)

To ensure you receive all of Vinod’s wisdom and maximize the value of these lessons, sign up for our premium newsletter, Generalist+. Not only will you get Vinod’s full insights delivered directly to your inbox, you’ll unlock the wisdom of our full catalog. That includes exclusive interviews with legends like Reid Hoffman and tactical “Founders Guides”

showcasing advice from the entrepreneurs running AngelList, Vanta, Mercury, and others. Our work is designed to make you a better investor, founder, or technologist.

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## Lessons from Vinod

1. **Embrace risk.** If Vinod had followed his father's advice, he would have joined the Indian army. His willingness to leave India and try his hand at entrepreneurship in the United States laid the groundwork for an extraordinary career. Founders must often act against the wishes of their family and friends to build their businesses.
2. **Be hungry for information.** Growing up in Delhi in the 1950s and 1960s, Vinod didn't have easy access to information from the rest of the world. That didn't stop him from learning. As he shares, he went to extreme lengths to find stories about entrepreneurs. Great founders are learning machines, willing to overcome obstacles to get the information they need to develop.
3. **Failure doesn't matter.** Vinod started a business described as a "disaster" by his co-founder, but it's rarely discussed. Why? Because it doesn't matter, Vinod says. Entrepreneurs are remembered for their successes, not their failures. The most important thing is to *try* – something many people don't dare to do.

## Mario's letter

**Subject:** The making of an entrepreneur

**From:** Mario Gabriele

**To:** Vinod Khosla

**Date:** Friday, March 1 2024 at 14:04 PM EDT

Vinod,

It feels slightly surreal to be writing to you. As an avid student of Silicon Valley's history, I've studied your accomplishments at Sun Microsystems, Kleiner Perkins, and Khosla Ventures in detail. I have great respect for the impact you've had on our ecosystem and the

world at large. I couldn't be more excited to explore those chapters of your life, and share the lessons learned along the way with current and future founders.

If I'd been a little bolder, we might have had a version of this conversation six years ago. I vividly remember seeing you at the first Y Combinator Demo Day I attended in 2018. I didn't have the courage to introduce myself back then and regretted it for a long time afterward. I feel fortunate to have a second chance now.

Over the coming months, I cannot wait to hear the lessons and lore you've accumulated from being on the frontline of innovation over the past forty-plus years. You've founded hugely consequential companies, assembled insanely high-performance teams, landed some of venture capital's biggest-ever hits, and built a franchise investment firm. But such successes do not arrive overnight and even great founders often have to pay their dues. In this first correspondence, I'd like to focus on the years *before* Sun Microsystems and the many wins that followed.

One of my persistent obsessions is the provenance of exceptional entrepreneurs. Where do they come from? What were their families like? What were they interested in as children? How would they describe their younger selves? What were their earliest startup endeavors? What difficulties did they encounter? How did they manage their first commercial failures? Hidden in these anecdotes and recollections, it feels as if you can often find the making of an entrepreneur.

Given your profile, others have written about these subjects. I know, for example, that you were raised in India, the son of an Army officer, and that you headed to America for your Master's degree and MBA. I also know that before you founded Sun Microsystems, you tried your hand at a soy milk business, started Daisy Systems, and then followed it up with the lesser-known Data Dump. These are the beats of a biography, but I can only imagine that there is greater depth in each of these moments.

For example, did you ever consider following your father's footsteps into the Army? Did he approve of your journey into entrepreneurship? Did you have any role models in the Indian business world (I know you've talked about Andy Grove as an inspiration, though obviously he was based in the US)? Where did the soy milk idea come from and how far did you get with it? Why did your Data Dump co-founder Scott McNealy call it a "huge disaster," and

what lessons did you take from it? How did it set the stage for Sun?

For those earlier in their entrepreneurial journey, I think there's real value in understanding your story and early activity with finer fidelity.

Sending you my very best on a sunny, windy day in New York state.

Best,

Mario

## **Vinod's response**

**Subject:** The making of an entrepreneur

**From:** Vinod Khosla

**To:** Mario Gabriele

**Date:** Tuesday, March 26 2024 at 10:41 AM PDT

Hi Mario,

I'm glad to have this conversation with you.

I am happy to write this for entrepreneurs because I have never considered myself an investor. In fact, I call myself a "venture assistant," which used to make my former colleague and friend John Doerr mad. He thought it sounded weird, but it explains how I think of my job. I assist entrepreneurs, working with them to build bigger, better, and more impactful companies.

You asked about my early life and the companies I founded before Sun. The truth is that while I was growing up, I basically never met anyone outside the Indian Army. Nobody I knew had a business or tech background, and there weren't any role models in India at that time. Today, you have Indian CEOs at Microsoft, Google, IBM, Adobe – the list goes on. We just need Meta and Apple. But that wasn't the case when I was a kid.

My father definitely wanted me to join the army. He had been orphaned at two or three

years old and was conscripted at age 15 into the British Army before getting shipped to Egypt to fight under Lord Mountbatten. He thought joining the army was the best thing that ever happened in his life – it was family, security, all the things he didn't have.

I was always intrigued by science. That's actually how I first became interested in technology. When we were living in the Delhi cantonment – a military section of the city – I used to take a bus to an old part of Delhi. I used to call it the “slice of life” Delhi because you could find all these used items, including magazines to rent. They were coming from the U.S. and Europe, so they were old. How old depended on the type of magazine – if it was something like *Electronic Engineering Times*, it might be a year or two years old; if it was *Time*, it might be only six months old. I would rent the magazines, read them, and then take the long bus journey back the next weekend.

I've spoken before about how, in those magazines, I read about Andy Grove at Intel and was inspired by his story. Here was an immigrant who had founded a cutting-edge technology company in America. Once I moved to America and began my journey, I got to know Andy pretty well and told him that story. I wouldn't say we were close friends, but we've known each other for a long time.

He's very much a no-nonsense person, which I love. Every year at Khosla Ventures, we have our CEO Summit in May. I remember calling him in 2007 and asking if he'd speak to our founders. He responded, “Sure, but I'm going to completely disagree with your focus on biofuels. I'm going to talk about why electric is much better.” I said, “Go for it.” He's so direct like that.

Ultimately, my interest in science and technology created some minor conflict with my father. I wanted to go to college to study, whereas he wanted me to join the army. We probably had the biggest debate when I was accepted into IIT Delhi. My dad always let me do what I wanted, but it was a big conversation. In the end, I would say that seeing my dad's life made me want to be more of a risk-taker. By staying in the army for the entirety of his life, he optimized for security; I optimized for risk.

It's been a while since someone asked me about my soy milk startup. Milk in India wasn't pasteurized when I was growing up, so as the eldest son, I had to walk over to the cows every day, wait for them to be milked, and then take the milk back home. You had to watch

carefully, too, because if you didn't, the milkman would add water to your milk. The whole process annoyed me.

I always love reading esoteric research papers that talk about the craziest stuff. I still do that today. In doing that, I learned about this research institute in Nainital, a town in the north of India, creating soy milk that didn't need refrigeration. Soy milk wasn't a category in the U.S. then, so there wasn't an obvious commercial demand. But I connected that innovation to the irritation I had felt carrying a gallon of milk home every day and saw an opportunity.

It didn't get very far. I talked to the people in Nainital who were developing the technology, and then I contacted the telephone department to try to get a phone line. They told me I'd have to wait seven years. That felt like half my life! I decided to come to the U.S. instead and made a beeline for it. First at Carnegie Mellon studying biomedical engineering (because they funded me to come), and then to Stanford for an MBA because I wanted to be in Silicon Valley.

I was wed to the idea of building a startup, and Silicon Valley was the place to do that. What I've always loved about Silicon Valley is that it's a place where *talent* is accepted. People tell me it's odd, but the truth is that I never felt discriminated against for being Indian – both in the Valley and on the East Coast. Maybe I was too blind to recognize it. But I always felt like the bigger handicap for me on the East Coast was the fact that I didn't play golf or drink hard liquor. I couldn't get into the old boy network, but my overconfidence made up for it. I had way more confidence than I deserved; I still do.

Pretty much after I arrived in Silicon Valley, I began trying to build my next startup. In the summer between the first and second year of business school, I worked at a small startup – not a particularly good one. Then right after I graduated, I started my first company Daisy Systems.

Scott McNealy and I met at Stanford in business school. Most people think Sun was started right after Daisy but Scott and I first did Data Dump, which seemed like a good idea. Nobody remembers Wang, the early word processing company, but they were actually pretty big at the time. They were trying to match typewriters, and Data Dump was trying to create a shared Uber-like service with computers for people for tasks like word processing.

Why did it end up being such a “disaster,” as Scott said? We got funding for Sun a month after we started and thought we could run both simultaneously. I don’t think Data Dump was a bad idea, but our implementation was bad. For one thing, we were too cheap: we picked the cheapest, seediest neighborhood in San Jose for our headquarters. Ultimately, we started spending more time on Sun and stopped focusing on Data Dump. That was the right choice.

The lesson I take from Data Dump is simple, and it’s one every entrepreneur should know: failure doesn’t matter. Success matters. That’s why no one has heard of Data Dump, because it doesn’t matter. Most people fail to try rather than try and fail. That’s not an original philosophy, but it’s one I’ve embraced my whole life and has been essential to my success. Whenever I talk to entrepreneurs or even little kids, I like to remind them that failing to try comes with a 100% guarantee of failure. So anything you do to try and fail improves your probability.

More next time.

– Vinod



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## 4 Comments



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**Tom Chavez** Apr 29 Liked by **Mario Gabriele**

I was employee 35,642 at Sun and it was a great launching pad because of the culture created by Vinod. Gonna be chuckling at this line for a long time: "Maybe I was too blind to recognize it. But I always felt like the bigger handicap for me on the East Coast was the fact that I didn't play golf or drink hard liquor."

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1 reply by **Mario Gabriele**



**Colin Brown** Focused (in and on) Finland! Apr 10 Liked by **Mario Gabriele**

Wonderful to see this new series. Vinod is a legend. I like the way you started Mario focused on going to areas that haven't been covered. Keep exploring that gold mine there are whole areas untouched!

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1 reply by **Mario Gabriele**

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