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The Instart Logic Story

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Instart Logic tackles the challenges of application delivery in a world with exploding mobile usage and cloud applications. The company recently raised a substantial financing round (http://www.instartlogic.com/company/news-and-press/instart-logic-announces-43-million-expansion-funding-round) so it's a good time for me to explain how I got involved with Instart as an investor and board member, and why Wing Venture Capital continues to invest and stay closely involved with the company.

A Game Changer

I first met the founders of Instart—Manav Mital, Hari Kolam and Raghu Venkat—in September 2010 via an introduction from Asheem Chandna of Greylock Partners. As avid fans of PC games like World of Warcraft, they were experiencing the pain of having to wait for many hours to download a game before they could play it. The connection to the download server would often break, requiring a manual restart. Manav and team had come up with an elegant solution to solve this frustrating problem that allowed them to start playing games just a couple of minutes after they had begun a download.

I was not interested in what seemed like a narrow product proposition, but I was intrigued by the hugely significant technology leap they were proposing and wondered if it could be applied instead to an unsolved problem in a more substantial market. Starting in 2002 I had worked closely, most often from company inception as a board member, with a number of key mobile and wireless ecosystem companies such as Ruckus Wireless (NYSE:RKUS), Aruba Networks (Nasdaq:ARUN), Jasper Wireless, MobileIron (Nasdaq:MOBL) and Jawbone, as well as with a couple of others that did not go as well. I had also served on the board of NetScaler, a provider of application delivery optimization products for web publishers, which was acquired by Citrix and now has annual revenue of over half a billion dollars.

Thanks to this immersion in the mobile ecosystem, I learned early on that end users such as

consumers and corporations are willing to pay a threefold economic premium for everything in mobile relative to the landline market. When I met the Instart founders in 2010, it was already obvious that there would soon be at least 10 times more mobile devices than landline-connected computers. However, we all knew anecdotally that network performance on mobile was terribly slow and frustrating relative to that on landline.

With this backdrop, we started to discuss whether there was a natural fit for the technology in solving the mobile performance gap. The Instart founders quickly identified that the existing application delivery optimization technology was designed for a landline world. In simplistic terms, content delivery networks such as Akamai cached content at the edges of the Internet, while application delivery controller vendors such as F5 and Netscaler provided data center server load balancing. None of these are particularly helpful in mobile, where the last mile wireless link adds a huge amount of latency to the end user experience. A quick look on Keynote or other sites with publicly available data on web performance showed that even the top 20 sites were about 5-to-10 times slower on mobile than on a landline connection, with Facebook the single major exception.

Wireless bandwidth and performance will always lag the landline due to constrained airwave capacity and the stochastic (probabilistic) nature of the wireless medium. With application servers moving to the cloud delivery model and usage moving to mobile, it was clear that there was going to be an urgent need to find solutions to these issues—solutions that were likely to command the threefold mobile premium and would address a rapidly growing and soon to be far larger base of end users and devices than the landline market. The economic opportunity seemed huge given a 2010 application-delivery market size of over $5 billion focused entirely on the landline business.

Instart and Wing join forces

The challenge was to come up with an innovative approach to seize it. As our discussions evolved over a few months, we decided to team up on this new product direction—at which point we raised a seed round of financing and I joined the Instart board in February 2011.

The client cloud dual-sided solution to application delivery that the Instart team has developed is unique and hugely differentiated. It directly measures the actual latency experienced by an end user via client-side virtualization and reports the actual usage statistics on program objects and on how code is being exercised. This information is then fed into Instart’s cloud to determine the optimal

download sequence of program objects and when a particular item on a page becomes usable. Instart also employs other techniques and methods to optimize user experience, all in a dynamic fashion based on up-to-the-minute performance metrics. In fact, it turns out that Instart's technology works so well that it materially and noticeably improves performance on desktop computers as well.

This has already won the company plenty of customers. Instart Logic is now serving over 400 high-volume websites, including Staples, The Washington Post, TUI Travel and One King's Lane. Its sales grew fivefold last year and its recent $43m expansion funding round will help it to accelerate hiring to meet rising demand from large companies, to double down on research and development, and to expand its global footprint.

Personal Interest

I continue to serve on the board and we have continued to invest in Instart for several reasons. The world is moving in our direction, with mobile gobbling up the landline business. The business is getting stronger and growing rapidly. It has also been a pleasure and a privilege to work with our wonderful board and management team—I learn something from every interaction that I have with them.

Last but not least, it's been a spectacular and personally rewarding experience to see the impressive evolution of the Instart founders over the last four years, as they have dealt with seemingly insurmountable and existential challenges in multiple dimensions. They have shown that they can move quickly and be decisive, and demonstrate an uncanny intuition for looking ahead in key areas such as product, customers, and people. Instart Logic was born out of fun and gaming, but Manav, Hari and Raghu are now well on their way to building a significant, independent company that is successfully tackling a very serious challenge.

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http://wing.vc/perspectives/war-stories/the-instart-logic-story
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