



CEO Perspective – Benefits for Small Companies

Amit Gupta, President and CEO, Solido Design Automation

You've been in the industry for a while, coming "up through the ranks" and learning a lot about both the technology and business of electronic system design. You've taken your experience and your new idea, and now you're the president, CEO, founder, co-founder, CTO (or all of the above) of your company, ready to revolutionize design with your new product. You've been approached by the ESD Alliance about joining, but you have limited resources, and you're focused on developing that new product. However, the ability to keep your limited resources focused on product development is actually one of the benefits of joining the Alliance.

ESD Alliance-sponsored events such as DAC, DATE, and the Phil Kaufman Award dinner are very visible business and networking opportunities, yet much of the benefit is in the day-to-day efforts of the Alliance's committees, that address a variety of issues of common concern. By addressing topics such as licensing, anti-piracy, interoperability, and export controls, membership in the Alliance allows companies to leverage the resources and expertise of others for these areas, enabling you to better focus your company's limited resources on developing the best possible product.

One example is the increasing reliance on virtual machines in the design environment presents some challenging issues for license management. The License Management Committee is working with key customers to develop a solution that will protect the interests of tool developers while addressing the business concerns of the customers. This is a significant effort, which a small or medium sized company would be hard pressed to address alone.

The Emerging Companies Committee charter is specifically to address the needs of small- and medium-sized companies. The committee conducts numerous seminars on issues of interest, including the popular Jim Hogan series. Of particular interest is the new "Mentoring Program" (editor's note: see Bob Smith's column, below), aimed at helping emerging companies address issues affecting the growth of the company.

Other initiatives include the Market Statistics Service (MSS), which can help companies avoid spending valuable resources developing and marketing a product for a shrinking market. The Export Committee helps to avoid issues with the complex set of government regulations. Violating these regulations can result in large fines (or worse). Through the Interoperability Committee, members agree on a core set of operating systems, thus reducing development and support costs throughout the ecosystem.

The ESD Alliance membership fees are scaled to accommodate the size of member companies based on annual revenue. Further, the discount for major tradeshows such as DAC and DATE actually offsets much of the membership fee. For more information about the ESD Alliance and the benefits of its many initiatives, visit esd-alliance.org.



Mentoring – An Essential for Element for a Healthy and Growing Ecosystem

Bob Smith, Executive Director, ESD Alliance

The ESD Alliance is about to kick off a Mentoring Program with experienced executives and consultants willing to donate their time to member companies who could use some coaching to navigate the host of new-business challenges. Having a mentor who can provide sound, knowledge-based advice can eliminate trial and error and accelerate a company's move forward, and we're pleased to be able to offer such a program.

It's a natural extension of the ESD Alliance's mission. A tenet of our mission is to nurture the growth of new startups and small or emerging companies. Our Emerging Companies Committee hosts a variety of events that mix industry networking with programs that provide valuable information and education about topics relevant to the needs of entrepreneurs and small company management teams. (Continued on Page 2)

The Semiconductor Design Ecosystem Relies on Startups (continued from Page 1)



The semiconductor design ecosystem is comprised of companies providing goods and services that enable the development of new products for the worldwide electronics market. These goods and services are chasing an ever-changing set of needs and demands as devices and products become more complex, requiring constant innovation and new thinking. While the larger, well-established companies in the industry continue to develop and innovate, it is the small and emerging companies that often provide new insights and technical innovations needed to solve new challenges or make significant improvements to existing solutions.

Small and emerging companies are, therefore, vital to the health and growth of our industry.

Perhaps you've been a part of one or more startup or small companies or you dream of starting one yourself to bring that "big idea" you have to market. If you've already been on the startup roller coaster you know that it can be fun, exhilarating, challenging, and sometimes nerve-racking. And, as you start to see successes – very satisfying. Startups and emerging companies all go through growing pains as the business expands. The nucleus that started as a handful of bright engineers and developers now needs experience in other areas such as sales, customer support, finance, operations, marketing, communications, human relations, and the like. Needless to say, there are many disciplines that must come into play as the company grows.

At the same time, shareholders of large companies demand continued growth. While some of this growth comes organically, it also comes through the acquisition or merger with smaller companies. This is beneficial to both sides of the equation and part of the semiconductor industry's DNA. Entrepreneurs and founders are rewarded for their hard work and successes and the larger company can continue to grow by broadening or strengthening their portfolio. Startup and small companies form the foundation of our industry.

Without a healthy environment that encourages new startups, everyone loses.

Our new Mentoring Program is in the final planning stages. We reached out to a group of successful people in our industry and were pleased to find so many of them willing to donate their time to help new companies succeed. Their areas of expertise range from sales, marketing, fund raising, public relations, communications, operations, strategy, business development and others. Stay tuned for more details about this new program.

If you are interested in either becoming a mentor or a member company that seeks mentoring help, please contact me at bob@esd-alliance.org.

Grant Pierce Elected Chair of the ESD Alliance



Grant A. Pierce, CEO of Sonics, Inc., supplier of network on-chip (NoC) and power management technologies and services, was elected by the Board of Directors of the ESD Alliance to serve as its chairman.

Grant, a co-founder of Sonics, was elected to the ESD Alliance Board of Directors in 2014 and will serve as chairman until the next board elections in 2018. He has served as Sonics' CEO and president and as chairman of the board of directors since 1997.

"I'm pleased with the board's selection of Grant Pierce to chair our organization," says Bob Smith. "He is an active board member, whose varied industry experience and well-honed skillset will help us forge ahead. He and I had the opportunity to work together on several projects and I welcome the chance to work more closely with him."

ESD Alliance Welcomes New Member Helic

Helic develops and markets EDA software that mitigates risk in high-frequency analog/RF and high-speed digital IC design. Since 2000, Helic's cutting-edge technology has enabled IC design engineers to synthesize inductive devices and model electromagnetic and parasitic phenomena with great accuracy, speed, and seamless design flow integration.

Committee Updates



Export (Larry Disenhof, Cadence). The export Committee continues to monitor government activities and rulings that might have a significant impact on your business.

We are too early into the new Administration to understand if any changes in export and sanctions regulations will affect us. The easing of sanctions on Cuba and Iran did not affect the EDA industry, so any tightening of these sanctions will likewise cause no changes. Sanctions on Russia which do affect us today are likely to be continued as Congress has signaled its intent to codify into law the existing administrative sanctions imposed by President Obama. These particular sanctions, imposed by both the U.S and E.U., apply to many customers of EDA products in Russia – be sure to keep updated.

ZTE, placed under sanction last March is technically still sanctioned. We can work with them under a Temporary General License which is due to expire February 27, 2017. We do expect this temporary license to be extended, but as of this writing, no news has been announced.

The politically appointed head of the Bureau of Industry and Security (BIS), Eric Hirschhorn left with the last administration. Also leaving was Kevin Wolf, who headed the multiyear Export Control Reform effort that continues forward. As of now, successors have not been nominated. For now BIS is in good hands, as Deputy Undersecretary, Matt Borman, the highest non-political appointee is currently running the operations.

In committee news, we welcome John Armonda, newly hired Global Trade Manager at Mentor. And we send our congratulations and thanks to long-time committee member Jim Stuhlbarg of Synopsys, who will retire in March.

ESD Alliance member companies who need more information regarding these or other government issues potentially affecting your business should [contact us](#).



License Management & Anti-Piracy (LMA) (John Harms, Mentor). Monthly LMA meetings continue to include discussions regarding various licensing technologies.

- Continued discussions about a method to reduce uncontrolled server cloning.
- Discussions with ESD Alliance's Counsel (Mark White) regarding the best way to create a legal framework for ESD Alliance LMA members to work collaboratively on the server cloning issue. For example, a common code library could be incorporated into member companies' licensing systems. The goal is to cooperate on the things that are common to all vendors, provide freedom for the things that are vendor-specific, and avoid unnecessary duplication of effort for the actual development.
- A customer survey was developed for distribution to the members of CELUG (Central Enterprise License User Group). CELUG represents the big enterprise customers, most of whom have EDA tools from multiple vendors. The survey covers operating systems, sysadmin procedures, license server virtualization, etc. The answers will help LMA member companies plan more effectively regarding technology for licensing and order fulfillment.
- Most EDA companies use licensing technology from Flexera Software. As always, the group discussed issues and concerns with Flexera's licensing software in our monthly meetings.



Interoperability (Stephanie Chou, Keysight Technologies). The annual OS vendors review meeting will be held in the San Jose area in April. Key OS vendors such as Red Hat, SUSE and Microsoft will present their respective roadmaps to ESD Alliance members in this forum. As cloud computing, either via a private cloud or a public cloud, continues to gain momentum, there have been questions related to the selection of and support for the remote access tools frequently raised by our customers. We are considering inviting at least one commercial remote access tool vendor to provide its perspectives and outlook in this meeting this year.

As always, you can find the latest OS Roadmap update on the ESD Alliance web site, esd-alliance.org.



Market Statistics Service (MSS): (Paul Cohen, ESD Alliance). The ESD Alliance's [MSS report](#) captures EDA, semiconductor IP and services revenue data reported in complete confidence by companies providing these products and services and organizes it into a published report available to members. The most recent report, covering through Q3, 2016, shows quarterly industry revenue up 7% compared to Q3, 2015 on revenues of \$2.1 billion. The report includes historical revenue data by quarter organized by detailed product categories and geographic regions. The report provides valuable data to help guide member companies' business decisions. An overview is available in the [MSS Newsletter](#), available at esd-alliance.org.



Emerging Companies (Steve Pollock, AiPac, Inc.). The Emerging Companies Committee continues to hold informative events on topics of interest to the electronic design ecosystem. We are busy planning a number of events – check the Alliance web site, esd-alliance.org, for details! Recordings of past events are available in the [ESD Alliance media library](#).

Monday, February 27, after the DVCon Expo Booth Crawl, join us at “Ride with the Verify Seven,” featuring a panel of verification experts. Visit esd-alliance.org for details.

Join us March 23 for an informative talk, “Energy Policy and Strategy for the IoT Era,” where a panel of experts will discuss how the California Energy Commission’s new rules and standards affect the semiconductor design ecosystem, including EDA, IP, embedded software and other technology vendors that supply products to PC system manufacturers. Visit esd-alliance.org for details.

Mark your calendar! On April 6, The Alliance will hold the “CEO Outlook,” featuring Simon Segars (ARM), Lip-Bu Tan (Cadence), Wally Rhines (Mentor) and Aart de Geus (Synopsys). Visit esd-alliance.org, and watch your email inbox for details.



Tradeshow (Graham Bell). The committee represents the interests of ESD Alliance companies at the Design Automation Conference (DAC) and the Design Automation and Test Europe (DATE) tradeshow.

The 54th [DAC](#) will be a great showcase for ESD Alliance companies and their products, as well as an opportunity to hear a wide variety of technical papers. This year, DAC will add a new research topic, “Enabling Advanced Wireless Technologies”. DAC will be held in Austin, Texas, June 18 through 22 2017.



[DATE 2017](#) will be held March 27-31, at the Swiss Tech Convention Center in Lausanne, Switzerland. The 20th DATE conference and exhibition is the main European event bringing together designers and design automation users, researchers and vendors, as well as specialists in the hardware and software design, test and manufacturing of electronic circuits and systems. It puts strong emphasis on ICs and SoCs, reconfigurable hardware and embedded systems, including embedded software.



IP (Warren Savage, Silvaco) Semiconductor IP is the fastest growing part of the industry and as reported in the Q3 MSS, outpacing EDA for the first time in history.

Recognizing the increasing importance of this segment of the industry, the ESD Alliance is a supporter of [REUSE](#), a new trade show and conference focusing on providing a forum for the industry to come together. More than 300 people attended the inaugural [REUSE](#) event, held at the Computer History Museum in Mountain View, Calif., December 1, 2016.

Because of the success of the inaugural event, watch for two REUSE events for 2017! REUSE 2017 Shanghai will be held during Q3, 2017, and Silicon Valley will be held in Q4.

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Did you know? ESD Alliance’s Executive Director Bob Smith has a regularly updated blog on EDACafe, “Bridging the Frontier.” It’s found at: <http://bit.ly/117d3ch>.