

## MOST-ADMIRED CEOS

# Kennelly scrambles to link global networks

## CEO steers Riverbed through rapid expansion

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**J**erry Kennelly is no typical bean counter. The CEO of Riverbed Technology Inc. is a CPA who built his career managing finances and operations for some of Silicon Valley's largest tech firms.

But to see him around the office, clad in jeans, with ruddy cheeks and silver hair, the 57-year-old Chicago native could pass for a fishing boat captain or a friendly lumberjack. (At home, Kennelly still tinkers on his high

### **JERRY KENNELLY** **RIVERBED** **TECHNOLOGY INC.**

**Category:** Public company under \$500 million.

**HQ:** San Francisco.

**2007 revenue:** \$236.4 million.

**Employees:** More than 800.

**Career highlights:** Kennelly left his CFO position at Inktomi (now part of Yahoo) to co-found the company in 2002 with CTO Steve McCanne. The pair introduced their wide-area data services in 2004. Riverbed's revenue multiplied tenfold from between 2005 and 2007.

with a chuckle. "He really doesn't like bureaucracy so he imposes the minimal amount of extra administration and red tape."

Kennelly said his approach is all about fostering an environment where creative thinkers can design and build Riverbed's products: networking software that sends information instantly across global networks.

school muscle car — a red 1957 Thunderbird.) He shuns unnecessary formalities, preferring hallway chats to long-winded meetings, open cubicles to private offices and, a former English Literature major, he rattles off quotations as quickly as any librarian.

"He has a rugged, tough exterior and the sensitive soul of a poet," Senior Vice President of Marketing and Business Development Eric Wolford said

"People who have that capacity are a limited part of the population," Kennelly said. "They don't like a style of business where managers are generals and employees are slaves."

Riverbed employees say Kennelly's style empowers them to move quickly — finding market openings and responding to customer needs — to hold their own against networking giants like San Jose-based Cisco Systems.

"We have demonstrated revenue growth rates people had forgotten were possible in the tech world," said Kennelly, who previously worked for Oracle and Hewlett-Packard.

Riverbed's revenue multiplied tenfold from between 2005 and 2007, from \$23 million to \$236.4 million. Little wonder Riverbed became one of the few major tech IPO success stories of the decade.

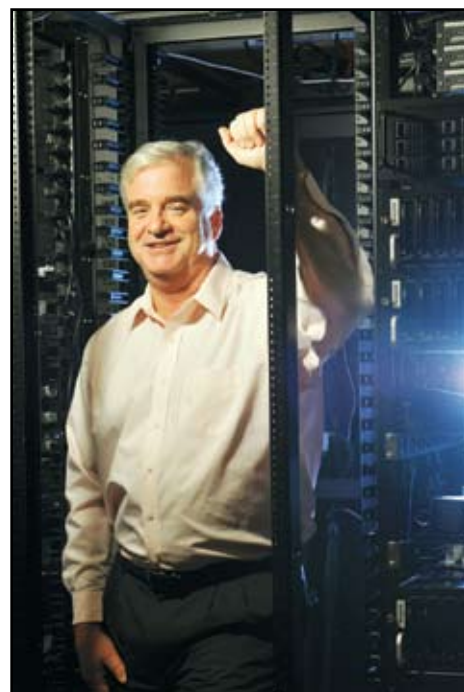
In September 2006, Riverbed's stock rocketed 57 percent to \$15.30 in its first day of trading on the Nasdaq — one of the best performances of a tech IPO since 2000 — and just kept going. It leapt up more than 300 percent to \$48.73 about a year later before beginning a rocky descent. It is now down to \$10.85 as of Nov. 6.

"Everybody on the inside and outside of the company wishes the stock price was higher," said Michael Guerchon, vice president of global employee services. "But the company is as healthy as an ox. We have low turnover, no problem attracting employees."

In fact, the company has reeled in more than 800 employees in its six years and, unlike other tech firms whipped by Wall Street's wrath, Riverbed has no plans for layoffs. In fact, it added more than 50 employees in the last three months and, according to a spokeswoman "will continue to hire as needed."

Kennelly left his CFO position at Inktomi (now part of Yahoo) to co-found the company in 2002 with CTO Steve McCanne, then CTO of Inktomi. They set out to make data travel at the speed of light to help companies' far flung employees communicate more quickly and introduced their wide-area data services in 2004.

"The point is not to fall in love with a particular piece of code," Kennelly said. "It's for the customer to be satisfied."



Paolo Vesicci

**Focused:** "The point is not to fall in love with a ... piece of code. It's for the customer to be satisfied," says Kennelly.

The founding pair planted the company in San Francisco and opened a Gensler-designed worldwide headquarters on Fremont Street to much fanfare in March 2007.

But Kennelly said Riverbed has been global since day one. "Our third sales rep was abroad."

The company has 46 offices around the world and opened its most recent in Dubai last month. Such expansion at a time of global economic uncertainty might worry other CEOs. For his part, Kennelly's ample brow isn't sweaty. He's been through major market swings before and says his products help companies save money by allowing them to consolidate servers and speed communication among workers. Riverbed just reported its third-quarter revenue grew 37 percent from the same quarter last year.

Said Wolford, "There's as much humor around the office as there has ever been."

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