

FINANCIAL TIMES

Bill Watkins Sees the Light on LEDs

January 13, 2010 4:00am
by Chris Nuttall



Bill Watkins, the former Seagate Technology chief executive, has chosen the lighting industry for his return to the CEO's role.

Mr Watkins will lead Silicon Valley startup Bridgelux, which is driving down the cost and increasing the luminescence of LEDs with its technology.

"It's the best thing I've come across in decades, this is how we felt about storage back in 1980, this is a \$100bn market for general lighting," he told me.

Mr Watkins, 57, thinks LEDs will be disruptive in quickly proving their superiority over traditional incandescent bulbs and the compact fluorescents with which many people are currently replacing them.



LEDs have suffered from their high cost and inability to generate enough light until now, but Bridgelux's backers say the economics and technology are improving dramatically.

"Bridgelux will bring its costs down by 80 per cent in the course of the next 12 months and that is impressive in any industry," says Pete Moran, a board member and general partner at the DCM venture capital firm.

LEDs that were putting out the equivalent of 40 watts will soon be capable of more than 100 watts. Bulbs that cost \$90 two years ago should sell for around \$10 by next year, says Mr Watkins.

LEDs last longer and are greener - they are more efficient and controllable, says Marc van den Berg, board member and managing director of Vantage Point venture partners, another VC backer.

"About 20 per cent of the world's electricity goes into lighting. If you went all LED, you could probably knock that down by 75 per cent," he says.

Bridgelux has amassed more than 300 patents for its technology and grown to more than 100 people at its Sunnyvale headquarters.

Mr Watkins replaces Mark Swoboda, CEO since June 2007. He becomes president and will continue to lead product development. The former Seagate CEO says his job is to take the company to the next level of growth.

Bridgelux has also announced a \$50m Series D funding round with existing and new investors, suggesting Mr Watkins' skills in taking companies public, acquired with Seagate, will not be needed just yet.

Analysts at Nomura estimate the market for white LEDs was worth \$2.8bn in 2009 and will grow at an annual rate of 28 per cent to \$5.8bn by 2012.