

SGI signified the go-go dot-com era

April 9 2009, By Mike Cassidy

It looks like it's RIP for SGI.

The company all but defined [Silicon Valley](#) in the tech epoch just before the dot-com boom. It was everything that the valley was in the mid-1990s --- fast, flashy, innovative, arrogant, star-studded and stuffed with cash.

Today it's in bankruptcy and on its deathbed, having agreed to sell itself for \$25 million _ which a wiseguy might say is about what SGI would lay out back in the day for one of those company parties starring Huey Lewis and the News or Natalie Cole.

Another one bites the dust. I should be used to it. We should all be used to it by now. It's the rhythm of the valley. Scrappy startup becomes phenomenal success, becomes misguided or slow-footed or inflexible. Becomes gone. Tandem is dead. So is Netscape. Sun looks to be on its way out. We had our doubts about Yahoo for a while there, and those worries aren't over.

It's a truism: The companies that define the valley get redefined themselves, sometimes in ways that render them unsustainable.

If the bankruptcy court approves the sale of SGI to Rackable Systems of Fremont, Calif., it could be the bitter end for a company started in 1982 by Jim Clark, the Netscape, Healtheon, etc., guy.

I've written before about how SGI was key to my early Silicon Valley

education. In the mid-1990s I started writing about what made Silicon Valley Silicon Valley. What was it about this place that set it apart?

I drove to SGI's sprawling campus in Mountain View for a primer. (Maybe it's fitting that the building that housed SGI's headquarters then is now the [Computer History Museum](#).) It was all there: brilliant people, pool tables, beanbag chairs, Friday beer busts, engineers walking around barefoot in shorts and T-shirts.

It was the place that was powering the graphics for "Mario Brothers." It was the "Jurassic Park" company. The company that President Bill Clinton and Vice President Al Gore visited as they made the case that the future of America was technology.

There was a can-do and why-not attitude all rolled into one. One of the first people I met at SGI was Joe DiNucci, the vice president of marketing who worked at the company for five years ending in 1997. Yes, he remembers the good times.

"There really was an entrepreneurial spirit there," he says. "The dark side of it was that it was kind of frat boy, locker-roomish."

But that sort of zeal and bravado meant that everyone talked to everyone and good ideas were infectious. "You could turn the company," says DiNucci, a valley veteran. "If you had a great idea and you had balls, you could make something happen."

And plenty did, starting with developing a way to create moving 3-D images on a computer screen. It was a lightning bolt at the time, and it was SGI's franchise.

"Jim Clark figured out how to do something that seemed like magic at the time," DiNucci says. But the pixie dust lost its power once upstart

startups figured out how to do the same thing on much cheaper personal computers. And SGI seemed incapable of accepting the fact that it was being beaten at the game it created.

Which doesn't diminish what SGI meant to me, and certainly doesn't diminish what it meant to DiNucci.

"I'm really grateful that I got to be there in that go-go time," he says, "when we were on the cover of Business Week as the gee-whiz company."

The company will no doubt be in Business Week again. But this time the story will end differently.

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