

To: **Dan Senior**, Author    Email: [dsenor@cfr.org](mailto:dsenor@cfr.org)  
"start Up Nation"

May, 2011

My complements on your recent book "[Startup Nation](#)" (written with Saul Singer). I have just finished reading it, almost "in one seating"- on my flight from Tel Aviv to LA this week.

Great book, captivating reading and very accurate. I know, I was there...

The book is both an excellent analysis, as well as comprehensive historical account of this unique Start Up Nation.

However-

One critically important element is missing- the granddaddy of them all- the truly first successful Israeli high-tech company **Scitex** (founded in July 1968). I am surprised that you didn't cover this company's amazing story and its unprecedented effect on the start-up community and the Israeli high tech as a whole, ever since.

Key points:

- Scitex was founded by an MIT graduate Efi Arazi by mid 1968 in Rehovot Israel (I joined in Nov 68).
- The first couple of years were dedicated to R&D and one-off projects for the IDF.
- In 1971 Arthur Low, a shrewd businessman joined as EVP. He helped in navigating the company into commercial and industrial markets, rather than defense.
- By mid 70's the company completed the development and started to sell digital imaging systems for the textile industry.
- Initial seed funding was obtained from the Boston-based company Itek (Efi's previous employer).
- The second round was provided by the (then) newly established investment arm of the Israeli Discount Bank.
- In 1980 Scitex was one of the first Israeli high tech company to successfully IPO on NASDAQ.
- By early 1980's Scitex revolutionized the pre-printing (pre-press) industry by introducing color imaging computer systems, which included multi CPU's, networking, scanners, laser plotters, ink jet printer and ergonomically designed interactive workstation.  
This was before the IBM PC era, before MS Windows, before Apple workstation, before any CCD color scanners, before HP inkjet, and before Adobe software etc.
- Scitex was the one of the first Israeli companies to establish wholly-owned, but independently operated, sales and service subsidiary offices in the USA, Europe and Japan (Joint Venture).
- In the 1990's Scitex had close to 4000 employees, about half of them non-Israelis in the subsidiaries outside Israel.
- You can read more in two Harvard Business School Case Studies (Scitex A, and a few years later, Scitex B).  
Also, see the former Scitex employees website at [www.exscite.net](http://www.exscite.net), and you can find an un-official Scitex historical summary on [FundingUniverse.com](http://FundingUniverse.com).

The bottom line:

- Scitex IS the first truly successful start up in Israel. Your book points to the early 90's as the "beginning".  
*Well, please stand corrected: Scitex started 20 years earlier, in the late 60's.*
- We at Scitex "wrote the book" on everything- which paved the way to the Start-Up Nation, as described in your book. Including such *firsts* as:
  - "VC" financing and IPO on NASDAQ.
  - Revolutionizing several Industries- Color computer imaging for mapping; textile; and printing industries.
  - Establishing operational subsidiaries and joint ventures worldwide.
  - Achieving growth (organic and through acquisitions) up to 4000 employees and close to \$700m in annual revenues.
  - Scitex was the first Israeli technology company to acquire several non-Israeli companies (including buying a division from Kodak).
  - Today, former Scitex engineers and managers have carried the Scitex legacy as founders of newer start-ups, as CEO's of many of the Israeli technology companies (such as Given Imaging, Nice which are mentioned in your book), in VC's, etc.
- Unfortunately, later on- Scitex was broken into two and sold in pieces. The company's parts are currently the back bone of HP's large format Inkjet division and the Kodak's industrial imaging, both are still located in Israel.

Interesting Side Notes, 1991

An unusual and unexpected publicity arrived at Scitex's doorstep in 1991. It occurred amidst the Gulf War, when schools shut down throughout Israel. Although a Scud missile landed 1,000 yards from company headquarters, Scitex continued business as usual, and hired 150 teachers to set up makeshift classrooms in a sealed bomb shelter on corporate grounds so parents could still come to work.

Personal Note:

I joined the company a few months after its founding, following the Six Days War.

During my 28 years with Scitex I have held multiple positions in R&D, Marketing and Business Development, both in Israel and in the USA. I left the company in 1996.

Currently I live in LA California, working as the global VP sales and marketing of (what else?) the Israeli company [Citala](#).

**Dan,**

**Again- thank you for writing such important, enjoyable and interesting book.**

**If you plan to write "Start-Up Nation 2.0", I'll be happy to talk to you.**

Regards

*Aharon Nizani*

Formerly with Scitex & currently the content manager at [www.exscite.net](http://www.exscite.net), Scitex alumni website.