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Oracle Launches Austin Accelerator And Virtual Program To Woo Startups To Its Cloud

Alex Konrad, FORBES STAFF ✔
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Oracle

Oracle chairman Larry Ellison and startup program leader Reggie Bradford are offering cloud   [+]

Oracle is doubling down on its pursuit of startups to join its cloud offerings with its first U.S. accelerator and a virtual program for more established startup companies.

Oracle announced on Tuesday it's tapped Austin as the location of its first startup cloud accelerator in the United States after opening

eight offices internationally in 2017. The company also unveiled what it calls the Oracle Scaleup Ecosystem, a virtual program for companies to receive mentorship and cloud connections remotely.
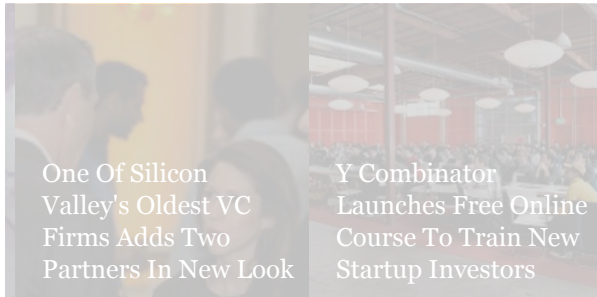
"I wanted to design a program that I would want to use if I was building a company again," says Reggie Bradford, a three-time startup leader who sold Vitrue to Oracle for $300 million in 2012 and now leads Oracle's startup efforts. "How would I find revenue and generate new customers?"

While Oracle's startup programs don't yet have the cache of more established accelerators, the company says it received high demand for its first locations last year outside the U.S. Offering six months of residency, cloud products and services and connections to its network of 400,000-plus customers for no equity demand, Oracle received nearly 4,000 startup applications for the 40 total slots available, says Bradford. Any startup in business for at least six months was eligible for the program, which has hosted one cohort so far in most locations.

In choosing Austin for its U.S. debut, Oracle embraced the "rise of the rest" mantra of startup growth outside of Silicon Valley first coined by AOL cofounder Steve Case. Austin has a strong startup and talent ecosystem with a large Oracle presence, says Bradford. "We're trying to have a flywheel effect there, with a new corporate campus and next generation hiring," says Bradford.

With the Scaleup Ecosystem program, Oracle is looking to involve startups that are somewhat larger in size and not as flexible to consider relocating or sharing an office. That program will offer customer introductions and cloud credits as well, though not at the same level of commitment. Oracle is partnering with venture capital and private equity firms such as General Catalyst and Lightspeed Venture Partners in that effort.

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As Oracle looks to catch up to cloud leader Amazon Web Services and challenge others such as Microsoft, Google and IBM, the company has made its cloud products and outreach more of a priority in recent months. Because Oracle's accelerator doesn't take equity in the companies that it hosts, success for the company will depend on it gaining long-term, fast-growing customers for the cloud unit through the accelerator program. Those that try Oracle's services for free may keep using them when they pay and as they grow, the company hopes, even if they're using other companies' cloud services, too.

"Announcing an expansion suggests it's directionally working well," says Bradford. "We're happy where we are, and we think it will be a substantial contributor over time."

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