



Get To Know Your Stock: Citrix Systems

Citrix Systems was founded by an Argentine-American, Edward Iacobucci, in 1989. The company was originally called Citrus, but experienced a trademark patent suit that resulted in a name change. The Citrix name is an amalgamation of “Citrus” and “Unix”, which is an operating system.

Iacobucci worked for IBM starting in 1979 and was a lead developer for IBM’s DOS and OS/2. He and a few of his co-workers founded Citrix with \$3 million to enable remote access to Microsoft operating systems. The company spent two years building its first product, Citrix Multiuser, based on Microsoft’s OS/2; the product allowed several users to access a remote server and work on that machine, even if their own computers did not run OS/2. Just three days prior to launch in 1991, Microsoft announced that it was moving from OS/2 to Windows, rendering Multiuser useless. The company nearly folded but was encouraged to persist by outside investments from the likes of Intel, Microsoft itself, and Kleiner Perkins. It took another year to revise Multiuser for the new operating system. Finally, in 1992, Citrix introduced its first commercial product, a version of Multiuser that would allow for five users.

The ability to access another machine running an operating system that you did not necessarily have installed on your own computer led to what is known as virtualization. Virtualization uses software to make hardware work harder. For instance, you can install software on your Apple computer to ‘create’ another computer running a Microsoft operating system. On your single machine, you can run your existing Apple programs, files and apps, in addition to programs, files and apps that run best on Microsoft Windows.

The company evolved its products in synch with cloud computing, putting it in the right place at the right time. It owned remote work applications under the GetGo name, which it merged with LogMeIn, bringing out GoTo Meeting, GoTo Webinar, join.me and so forth. These products, though no longer owned by Citrix, proved invaluable when the pandemic hit. Citrix has also been charitably inclined for years, helping kids learn about the digital world, and then, during the pandemic, stepping up with equipment and programs to support over 500,000 children learn remotely.

The company has grown from its modest beginnings – when it barely survived – to 60 offices in forty countries, and 100 million users. Its headquarters are in Fort Lauderdale, Florida.



Citrix has largely stuck to its knitting in the last few years, after a spate of acquisitions several years ago. The sense of resting on its laurels caught the eye of an activist investor, Elliott Management, which started accumulating shares back in 2015 and agitated then for better performance from Citrix. With an estimated \$1.3 billion stake, Elliott is again asking the company to stretch farther to find options to enhance shareholder value. In the end, that may result in a sale of Citrix to some larger company. But for now we can celebrate this pioneer in the cloud computing space.