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Lessons From Silicon Valley

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Today's Discussion

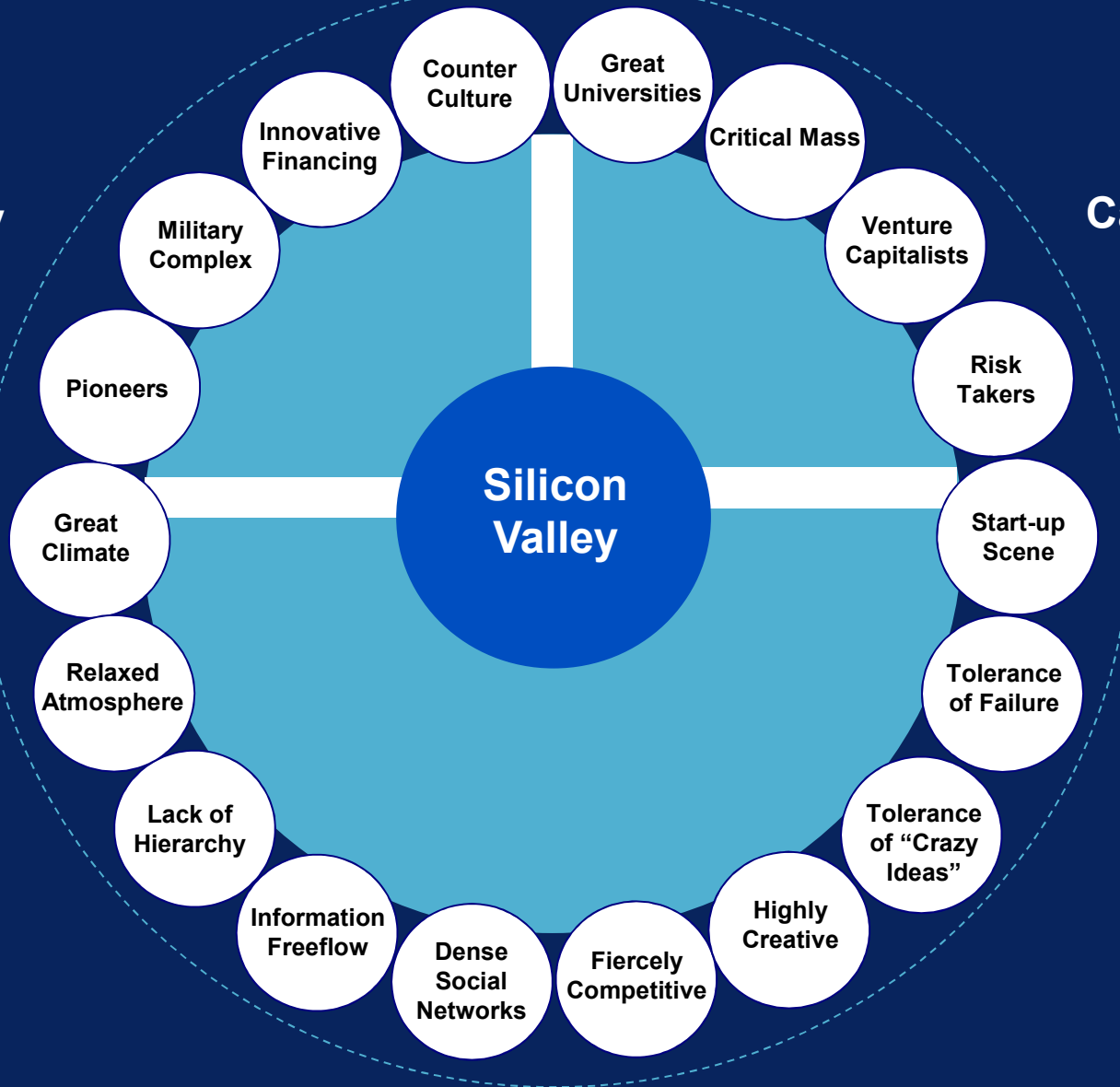
- > Silicon Valley overview
- > Key factors that make it unique
- > Opportunities for Canada

Silicon Valley Overview

- > Where? Southern part of the San Francisco Bay Area in Northern California
- > Diverse Population of 2.5 million
 - White: 41%
 - Asian: 28%
 - Hispanic: 25%
 - African American: 3%
 - Native American: 1%
 - Other 3%
- > Average Wages: **\$73,300**
- > Amongst the highest real estate and cost of living
- > Boasts 10 of the most inventive towns in the U.S. (*Wall Street Journal*)
- > Has “World Class” Universities (Stanford, Berkeley)
- > **One in five** has a graduate or post graduate degree; **one in four** is a university grad
- > Very high concentration of Fortune 1000 tech firms (Adobe, Apple, Business Objects, eBay, Google, HP, Intel, Sun Microsystems)
- > “HQ” of thousands of others
- > About 30% of all venture capital in the U.S. is spent in Silicon Valley

History

Catalysts



The Pioneers



Fred Terman



Bill Hewlett
David Packard



William Shockley



“The Fairchild
Eight”

The Lure and Contributions of Great Universities



STANFORD
UNIVERSITY



In Silicon Valley Big Companies...Seed Many



New Stars Formed



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Among the Estimated 70 Companies that Fairchild Semiconductor Spawned...



Critical Mass of Venture Capital



Infrastructure and Specialized Services

- > Office space
- > Lawyers
- > Accountants
- > Investment Bankers
- > Executive Recruiters
- > Marketing Consultants
- > Etc.

Risk Taking

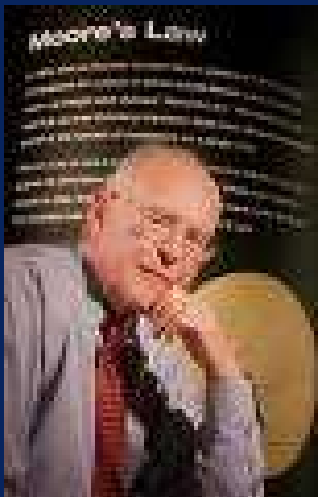
Dream Big...

...It's OK to fail...

...As long as you learn

Think Big

“From the beginning at Intel, we planned on being big. We had no idea at all that we had turned the first stone on something that was going to be an \$80 billion business.”



Gordon Moore, Co-Founder, Intel

DNA of an Entrepreneur

Over achievement

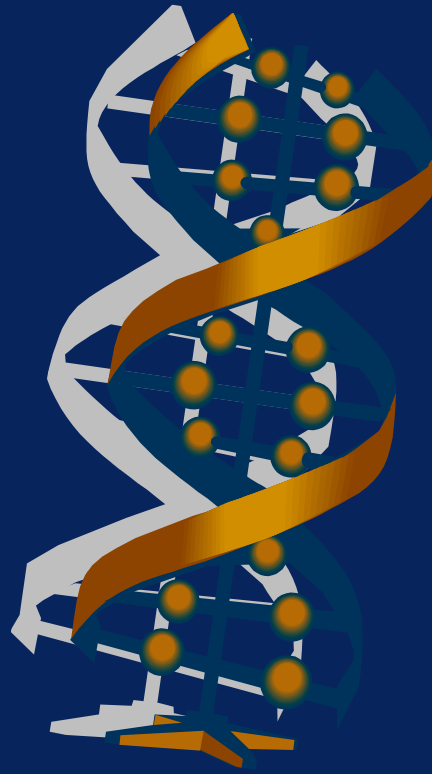
Something to prove

Visions of Grandeur

Obsessive

Drive to win

Fear of Obsolescence



Serial Entrepreneurs

Steve Jobs



Marc Andreessen

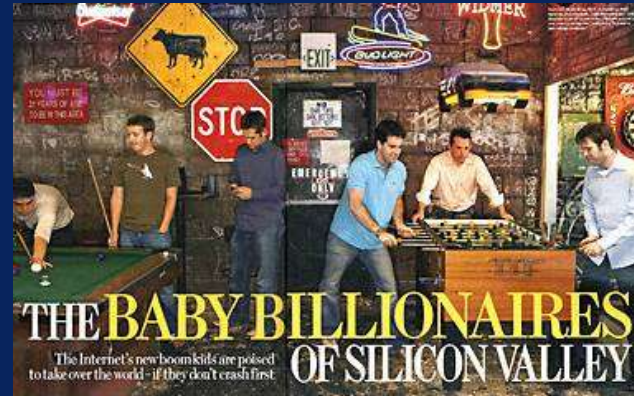


Donna Dubinsky



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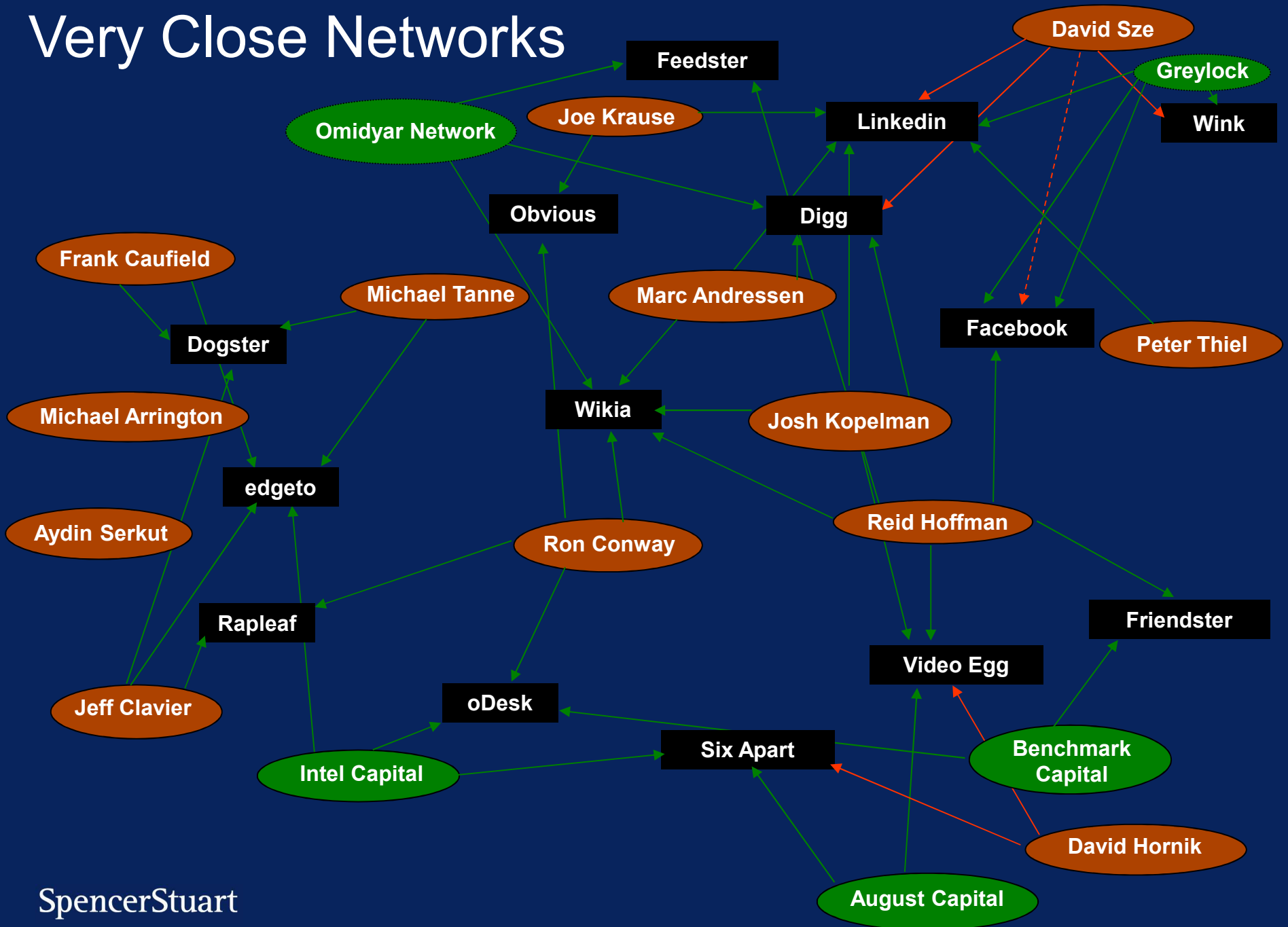
Networking in the Silicon Valley: *Bars, Diners, Living Rooms and High Schools*



"Founders Brunch"



Very Close Networks



Silicon Valley is the Right Setting

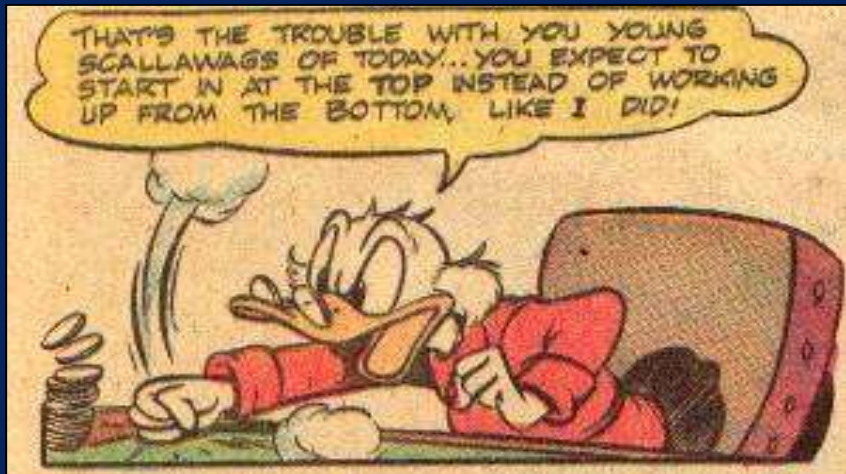


Typical hierarchy

Flatter, accessible, informal



The Valley's Unconventional Routes to the Top



Company	Founder	Age
Apple	Steve Jobs	21
Facebook	Mark Zuckerberg	19
Google	Sergey Brin	25
PayPal	Peter Thiel	31
Yahoo	Jerry Yang	26
You Tube	Chad Hurley	29

Opportunities for Canada



Issues for Discussion

- > Can the conditions that exist in Silicon Valley, Boston, Tel Aviv be replicated in Canada? How do you foster the concentration of companies and people?
- > A common theme in highly successful hi tech regions is that of serial entrepreneurship. Does the same mentality/culture exist in Canada?
- > Does Canada have the right technology clusters, from a market potential, financial and human capital perspective, to build global titans?
- > Does your culture reward risk taking? Do you think big enough?
- > Do you have or can you create the "network effect" that exists in Silicon Valley?

Issues for Discussion

- > Can you create a world leading educational institution that attracts and retains the brightest minds in the world, such as an MIT or a Stanford?
- > Does Canada's immigration policy allow the recent graduates to emigrate?
- > Do start-ups have sufficient access to capital ? Does your tax structure incentivize early stage investment?
- > Does Canada have a sufficiently large enough local market to support a high level of start-ups? Will the internet and offshore resources be the equalizer?

Looking Ahead

- > Even if all the conditions don't exist, success can still be had – San Diego, Austin, Seattle...
- > Canada has its success stories...BNR, Nortel, RIM, ATI...but just not enough of them
- > The foundation is in place...the challenge is to build upon it

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