

The Silicon Valley Business Culture

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Agenda

- Introduction
 - Life as a physicist – transition to entrepreneur
 - Personal experience in SV
- The Value of Knowledge
 - Networks – the power of networking
- Silicon Valley outside Silicon Valley?
 - The Power of Diaspora Network
 - About Latipnet

Profesional Experience Prior to SV (1983-1993)

- Licenciado en Física, UNLP, La Plata, Argentina
- Ph.D. en Física, U. Kansas (1983)
- Posiciones Académicas en (1983-1993):
 - Brasil: UFPE – Univ Federal de Pernambuco
 - España: Universidad de Barcelona
 - USA: Universidad de Chicago
- Impacto de I&D - Como se transforma conocimiento en riqueza?

SV Experience – since 1993

- 1993-1996 Taligent – IBM + Apple joint venture
 - Technical & Marketing positions
- 1996-1998 Analog Devices – hardware – mixed signal
 - Technical – Tools for HW design
- 1998-2001 XStream Logic – hardware – digital
 - Co-founder – technical & marketing
- 2001-2003 Flowstorm – hardware & communication
 - Co-founder – marketing
- 2003-present Entrepreneur & Consultant
 - TechBA, NEC, TEN, World Bank, many startups & organizations (US, Mexico, Israel, Latin Am & Europe)

Valor del Conocimiento

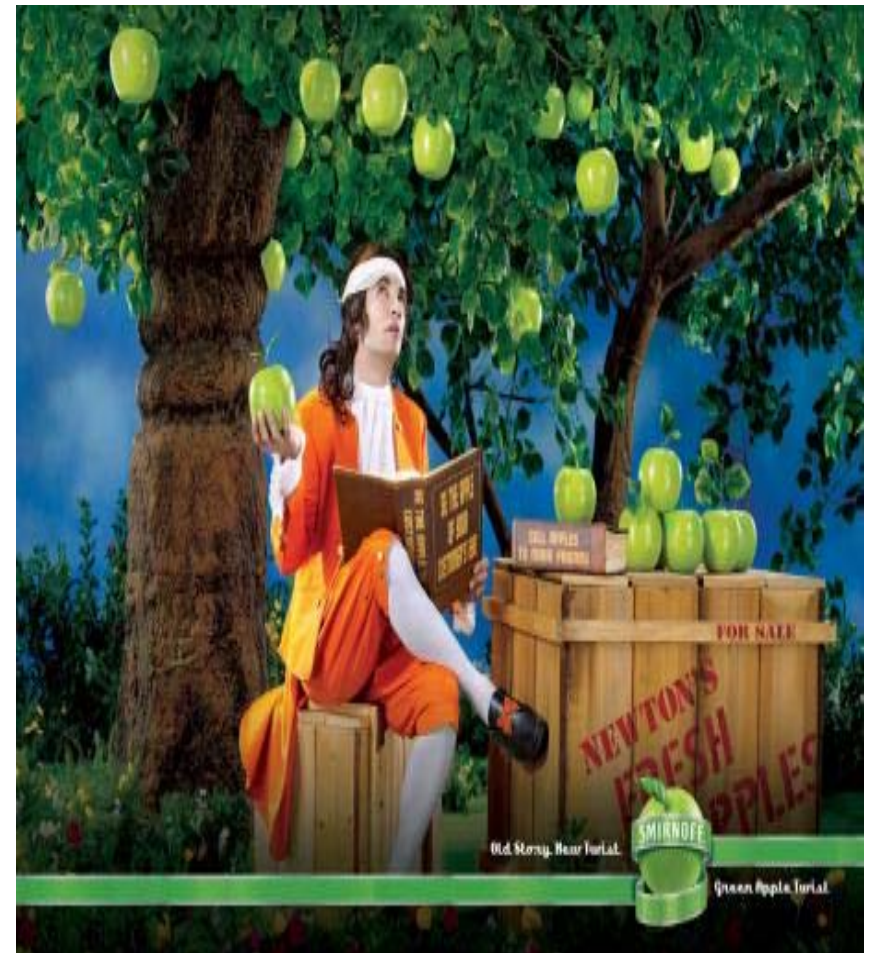
(Riqueza per capita – de \$5K a \$15M)

- Compañía PYME típica en México o América Latina
 - MexPyme - \$1M – 40 personas ~ \$25K
- Compañías del SV y su valor de mercado
 - Google (1999) - US\$165 B – 10K employees ~ \$16M
 - Cisco (1984) - US\$191 B – 50K employees ~ \$4M
 - Intel (1968) - US\$145 B – 90K employees ~ \$2M
- Países Latinos y su PBN nominal
 - Argentina (1816) - \$215B – 38M habitantes ~ \$6K
 - Brasil (1822) - US\$ 1,060B – 188M habitantes ~ \$6K
 - Chile (1818) – US\$ 112B – 16M habitantes ~\$7K
 - México (1821) – US\$ 840B – 105M habitantes ~ \$8K
 - USA (1776) – US\$ -13,000B - 300M habitantes ~ \$50K
 - World – US\$ 48,200B -6.7B habitantes ~ 7K

My Networks

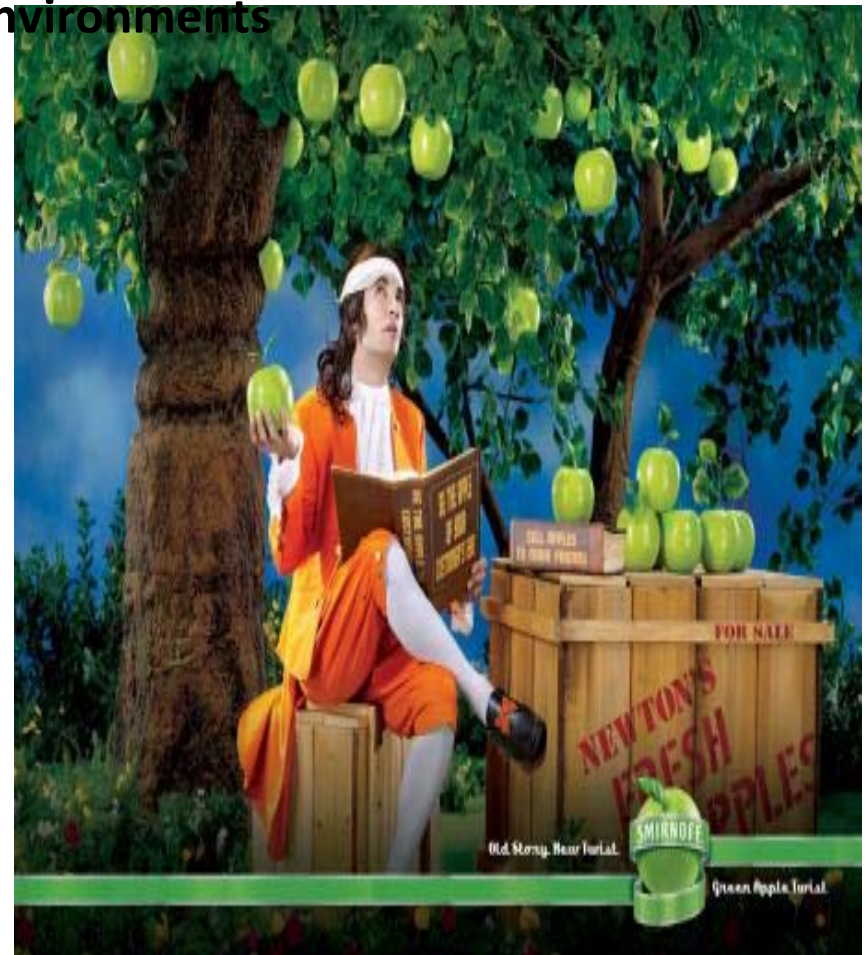
- Nanoedu: nano education and training
- Silicon Valley Nano Ventures – nano businesses
- ECODAR – argentinean diaspora
- Kosha Group – strategic business consulting
- Silicom Ventures – angel investor network
- Many informal networks

Environment Impact – Law of Gravity

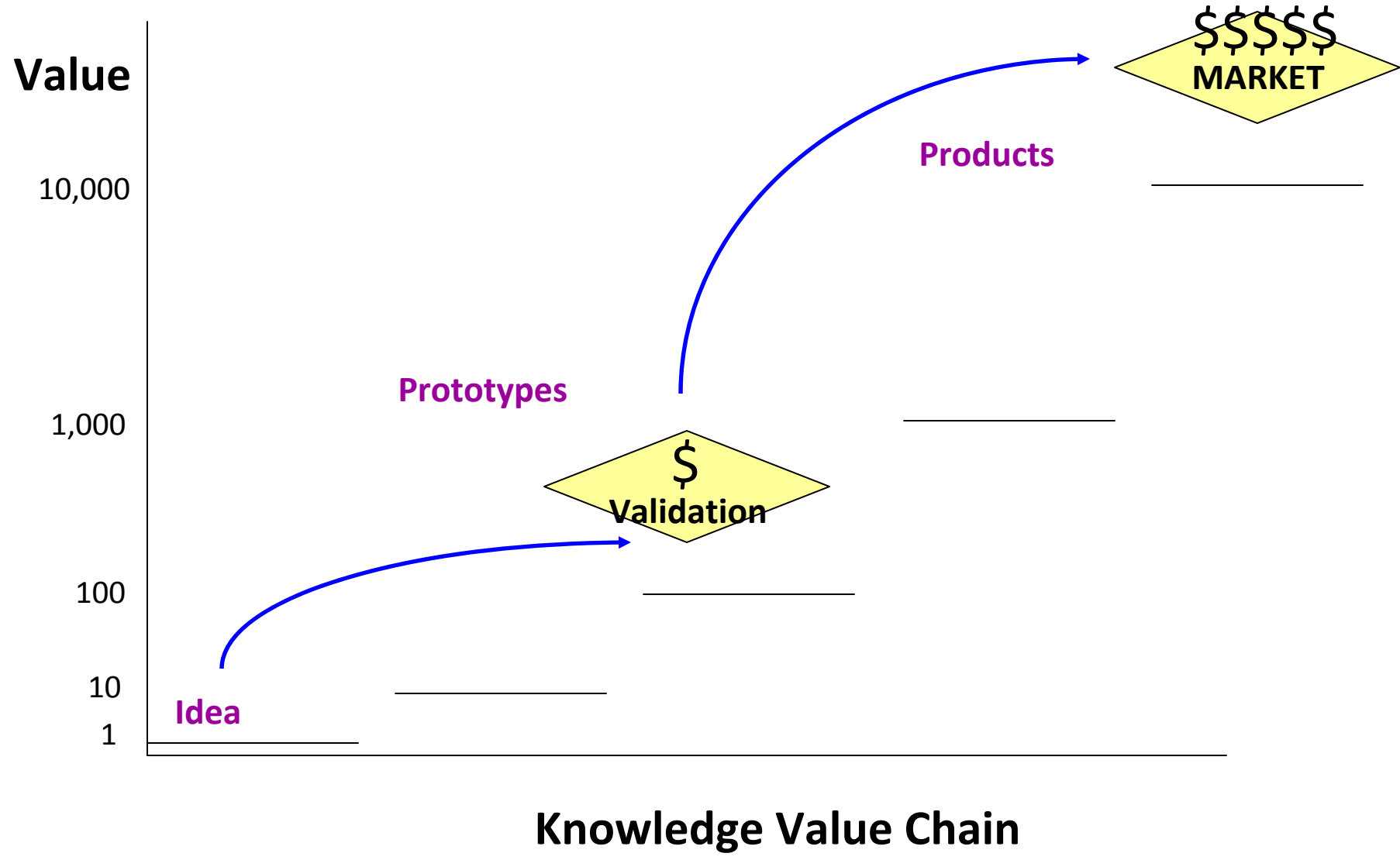


Environment Impact – Law of Gravity

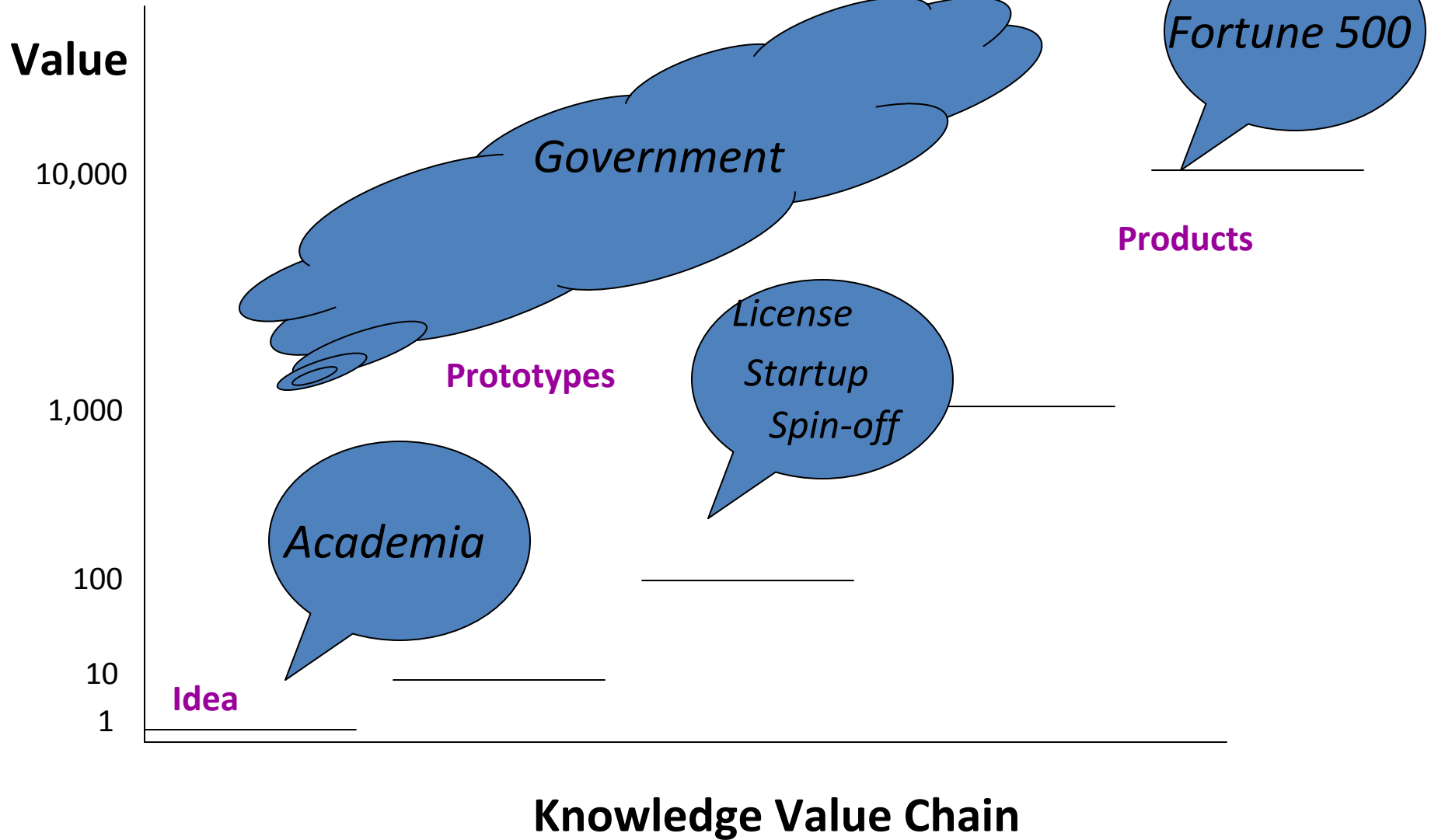
Same idea in two different environments



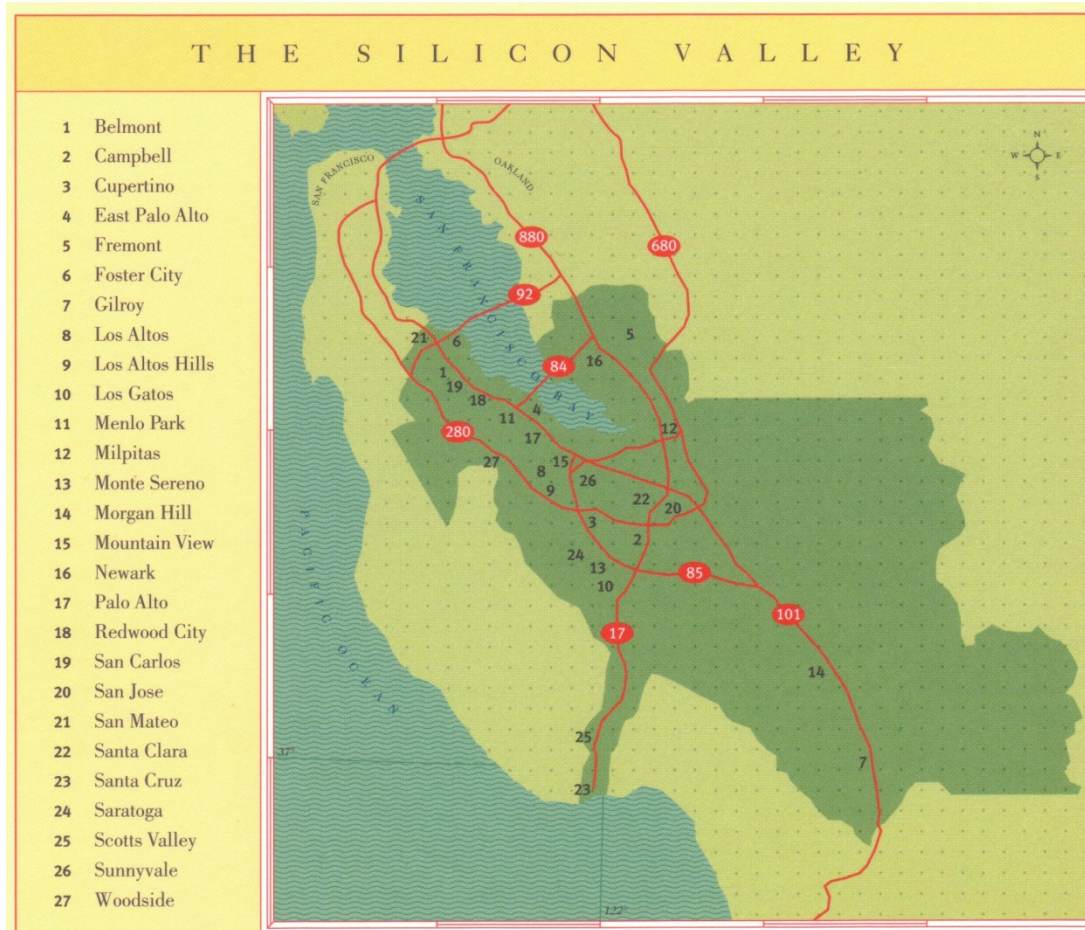
Climbing the Knowledge Value Chain



Climbing the Knowledge Value Chain



Where is the Silicon Valley (SV)



SV Ecosystem: Players

- Heterogeneous, ad-hoc –dynamical networks everywhere all the time:
 - Entrepreneurs
 - Universities
 - Governments (Federal, State, Local)
 - Corporations
 - Investors
 - Organizations (Professional, ethnical, by area of specialization, etc.)
 - Agents – Facilitators (lawyers, accounts, ...)

The SV Culture

- Diversity , open to new ideas
- Networking events
- Failure is not the end
- Share your experiences
- Permanent Learning
- Focused
- Credibility management
- Time management

Cultura de Innovación del SV

- Los elementos básicos son
 - Conquistar un nicho en mercado global
 - Aprender de errores (pasados, presentes y futuros)
 - Colaborar e integrar un team con los mejores del mundo (y dar lugar a otros mejores que uno)
 - Rapidez y gran eficiencia en la ejecución
 - HACER sin miedo a equivocarse
 - NETWORKING, NETWORKING, NETWORKING, ...
- Networks of networks everywhere

The SV Entrepreneurs

- Open minded (share the property- sell the company- exit strategy)
- TEAM (the founder is not always the CEO)
- Passion
- Willingness to start again

The SV Universities

- Identify new opportunities (R & D)
- Develop new Technologies (R &D)
- Promote new business
 - Licensing technology
 - Resources (students - mentors)
 - Connect entrepreneurs with customers and investors
 - Incubators

The Government's Role

- Simple rules for creation of companies
- Simple rules for closing of companies
- Tax benefits for entrepreneurs
- Tax benefits for investors
- Seed Capital
- Research and development grants

The SV Corporations

- Looking for entrepreneurs that can solve their problems
- Partnerships with entrepreneurs working in fields of their interest
- Seed capital – Investment funds (Intel Capital)
- Buy companies to get a new product or to have access to a new market (Cisco-Linksys)
- Work with Universities in R&D
- Develop and license new technologies (NASA)

The Investors

- 1,000 deals/year in SV, 40% total US
- California is over 50% US deals
- Avg size is \$9 million
- 33% biomed/health
- 20% SW
- 15% networking/telecom
- 10% semiconductor

The Organizations

- Professional
 - IEEE
 - ASME
 - APS
- Ethnical
 - TiE (Indian)
 - CSPA (Chinese)
 - Hispanic Net
- Area Specific
 - SDForum
 - WCA
 - SV Lifesciences
- Investors/Entrepr
 - Silicom Ventures
 - Band of Angels
 - SVASE

Facilitators' Role

- Incubators (location, offices , contacts ,network opportunities, advisory)
- Consultants (Marketing and sales strategies, business plans, getting investors)
- Lawyers (set up a company- agreements – introductions to VCs)
- Service Providers: Accountants, Financial advisors, Human Resources, Public Relations
- Business Associations

Globalizando Proyectos/Compañías: Problemas Culturales

- Falta de Entendimiento de la Cultura de Negocios en USA
- Limitado Entendimiento de Protección Intelectual
- Expectativas Falsas del Potencial de su Empresa o Proyecto
- Falta de Preparación para Tratar con Clientes, Socios Estrategicos, ...
- Falta de Disposición de Compartir Ganancias en Situaciones win-win

What is LatIPnet?

Latipnet brings and enhances the value of innovation in Latin countries by creating synergistic opportunities with the global demand.

Misión:

- To educate Latin innovation agents on the value of knowledge stressing commercialization and new venture generation
- To build value from knowledge in Latin countries by
 - building new technology-based businesses in Latin countries
 - accelerating the development of Latin biomed companies
 - enhancing the collaboration university-industry & building partnerships global players to bring value from R&D

Latin Startups going Global Latipnet Network

- Examples in BioMed/Health:
 - Echopixel: virtual colonoscopy - Mexico -US
 - RiteBite: prosthetic devices - US - Mexico
 - Bioscience: portable medical devices b- Argentina-US
 - Bioderpac: biomaterials - Mexico -US
 - Dairy.a.Day: healthy food- Mexico -US
 - Simply Agave: healthy food - - US - Mexico
 - Sinaloa Seafields: algae technology - - US - Mexico

Areas of Focus

- Life Sciences
 - Medical devices, food industry, drug development, agribusiness, plant biology, industrial microbiology, animal health
- Clean Tech, new materials, nanotech
 - Bio-fuels, ceramics, plastics, bio-materials, nano-materials
- Information & Communication Technologies (ICT)
 - Hardware, software, communications, security, media, consumer electronics

Latipnet Advantages

- Based in Silicon Valley, it is led by veteran entrepreneurs that launched several life science and technology companies there and experts in technology commercialization
- Strongly leverages the networks of Latin professionals (and their networks) in the US and in the EU to reach the global demand
- Currently Latipnet has nodes in US, Spain, Mexico and Argentina – It has also worked with Chile, Brazil, Colombia and Panama.
- Has strong relationships with the key R&D centers in Latin countries, and retains scouts permanently on the field in direct contact with researchers and inventors

Lessons

- Network, network, network
 - Techba a facilitator not the complete solution
- Don't be afraid – Just try it
- Build credibility – Be honest, straightforward
- For every win many loses
- Losing is not the end but the beginning of the next one