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# Inside the silicon valley mind

# Top 10

- Be relevant
- Understand the psychology
- Find a *real* mentor in the *right* area
- Forget about being an aussie
- Be international
- Have “front”
- Network
- Don’t be afraid to show your failures
- Be THERE on a regular basis and follow through
- Who knows YOU not who you know

# Defining Silicon Valley

- Gary Hammel asserts that replicating the entrepreneurialism of Silicon Valley inside large organizations will create new wealth.
- *“If you want to free the entrepreneurial spirit inside your company, you’re going to have to set up a **dynamic internal market for ideas, capital and talent**”*

# Silicon Valley Isn't a Place as Much as It Is an Attitude

- The inventors and entrepreneurs of Silicon Valley didn't set out to achieve wealth or even happiness, although many achieved both. The founders of the early high tech companies sought the **freedom to exercise their talents** free of economic, cultural, or tenure constraints. A new, egalitarian culture evolved--unplanned but understood.

# Valley repeatable?

"Silicon Valley has been awfully hard to clone. I'm not sure if it can be planned; a lot of luck is involved. I don't think you could go back and repeat it here today."

Gordon Moore, the co-founder of Intel.

# Entrepreneurs rules

- Never listen to Valley one hit wonders.
- The only time to ask for money is when you don't need it to survive.
- Hire the best people possible, even if it means that you have to hire less personnel to pay for the right ones.
- Protect your IP at all costs.
- Try not to have VC's set your valuation. Find a strategic partner to invest and set it

# The dream lives,

- the authentic players in Silicon Valley thrive on a stage where innovation never ceases.
- Change is the driving principle of life--and of physics, software, the Internet, Silicon Valley, and people like Steve Jobs. Happiness is whatever is next.
- Only with the last breath of life or an empty bank account do we look back and ask, was it real?

# After the wreck

- The tech market's recent collapse (and the ensuing loss of wealth) hasn't changed the Valley's optimism and determination regarding what can be accomplished through innovation. It's only made many of us more aware of how temporary market success--and life--can be.

# What its all about

- "This valley is not about brand,"It's not about inventing another Coca-Cola; it's about providing Coca-Cola with the tools it needs to succeed."
- a vacuum tube, an early transistor and finally a Xilinx chip. "This is why the valley isn't going to go away,"

# Building sustainable value

- Investing in your business is the best return
- Where do you extract value?
- Build IP and competitive barriers to entry
- Work on your business not in it
- Can't afford to do it?  
Can't afford not to?

# Capital Market Conditions

- It's quiet... but money is out there
- VC terms are tough and it takes 2-3 times longer
- Focus on good fundamentals – customers, low burn, positive cashflows sooner, solid strategic value
- Exits: IPO market closed in the near term, trade sales are viable
- People have more time to talk - good time to start developing relationships, don't wait for a boom to start

# Great entrepreneurs

1. leadership style
2. vision
3. strategy
4. innovation
5. tactical excellence.

# Leadership Style

- **Degree of “fit”** *between the leader and his or her environment*
- **Authenticity** *genuine, acting consistently & “walking the talk”*
- **Decisiveness** *making decisions without undue delay or regret*
- **Focus** *prioritizing; concentrating on the success drivers*
- **Personal touch** *involvement; “hands on”, accessible, approachable*
- **Hard/Soft people skills** *set high standards but make people feel good about themselves*
- **Communication skills** *good articulation of the common vision/experiences*
- **Momentum** *“perpetual motion energy” moving ever forward*

# Vision

- The essential role of an entrepreneur is to catalyse a shared vision
- Average of twice as well as the stock market over the period studied whereas the “visionary” group performed over fifteen times as well as the general market over the same period! [1]

[1] “Built to Last” by James Collins & Jerry Porras, Harper Collins 1994. pp4.

# The US Market

- The US is not one but (at least) six different markets (north-east, south-east, mid-west, south-west, California and north-west)
- Able to support many companies competing within each market and across the whole country
- A vast and complex economy
- Supports (demands) a high degree of specialization
- Often highly parochial (excluding California & North East)
- The worlds pre-eminent Product Managers
- Success could be measured by achieving market entry in any of the six markets
- Highly mature VC industry

Adapted from Mike Giles  
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# When Go Offshore ?

- The technology and business model are proven
- Have a great team with the right skills
- Sound, look and smell like a US firm (IP & tax issues)
- Your US partners are in place (leverage)
- You are packaged to be attractive to a US based funder

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