

A Trip in the Silicon Valley

April 26 – May 5, 2006, Hervé Lebreton & Mehdi Aminian

Executive Summary

The EPFL VPIV organized a trip to Silicon Valley in late April-early May 2006 to learn more about this unique region in term of technology innovation. This “US trip” has been full of enlightening meetings with entrepreneurs, venture capitalists (VCs), professors and professionals of technology transfer and innovation. Some key points have emerged or been confirmed:

The area is **absolutely unique in its ability to innovate** and this trip was another confirmation of this well-known statement. The American people are not necessarily stronger in their ability to innovate but the area is full of people who have the **experience and know-how** about innovation and implementation. It is also a **magnet for foreigners** who probably are a majority of the population in the Bay Area (at least in terms of birth place or family roots). **Immigrants are an asset** for both the SV and the native countries. It is clearly a unique eco-system, which probably can not and should not be copied.

Creativity, risk taking, responsibility, tolerance to risks and failure are com-

mon in the Silicon Valley (SV). Values such as hard work, risk taking are not only common but a condition to success. These values are so strong that in certain fields, like Information Technology (IT), this is the place to be. The value of work, down-to-earth implementation, openness and efficiency in small teams contribute to the success. It could be that Europe is too comfortable, not “hungry” enough and the lack of incentives does not create the required dynamics.

Networks, more **at an individual level** than institutional is unique. The mobility of the people explains why it is so efficient at the personal level and institutions do not try to block these connections, they encourage them. The ecosystem of entrepreneurs, venture capitalists, highly-skilled technical and business people is efficient and even if the start-up world is very tough, it is an exciting experience for those who have experienced it.

Many have tried to copy the Silicon Valley but the best way to efficiently benefit from the model is probably **to build connections rather than to try to replicate** it. The best way to get the most out of it is either to have **a local presence** in order to be close to the critical partners and/or to send people here for a limited or extended period of time so that they will optimally benefit from this unique environment. Socializing, creating net-

works with local people is in any case a must in many technical areas.

Technology transfer from universities to the industry is not homogeneously done. Stanford and Berkeley had, at least in the past, very different philosophies. It seems however that there is a convergence that tech. transfer is not about making money but **having an impact on society**. If the impact is large, then universities will benefit from it, in part through financial returns, both in terms of royalties, but more importantly in form of gifts and donations to labs or endowment foundations. Therefore Technology Transfer Offices (TTOs) tend to be more and more pragmatic, focusing on easing the licensing process. Collaborations with the industry are a sensitive subject mostly because of the question of IP ownership.

From these points, some conclusions emerge:

- **Create bridges** either by inviting people to help us, or by sending people in the SV.
- **Recognize our assets** and do not try to build on/ change our weaknesses.
- **Be ready to seed** now for the next generation.
- **Create incentives** and contests



Saturday 29 April, Sunday 30 April

It is probably not worth mentioning a lot about the week end which was more about entertainment than work. It is however worth noticing a few points. We obviously talked a lot about the meetings we had and because we were joined by Zeno Crivelli, an engineer working at EPFL, we had another opportunity to exchange views about the SV. Zeno was also struck by the dynamism in the area. He was not necessarily amazed by the quality of the people in the bay area, he is quite confident the technologies he develops himself are as good not to say better than what is being developed. But the truth is that our technologies are not

implemented the way they are in the SV. **The SV is also a mythical place.**

We had the opportunities to go and see the Apple and Google campuses that are some historical landmarks in the region (similar to our castles or museums in Europe). We also had an opportunity to visit the region as tourists and it should never be forgotten **the nature in the Bay Area** (south, east or north of San Francisco) **is just beautiful.** We saw Sequoias in Muir Woods, surfers in the small village of Bolinas and whales swimming north to Alaska in the marvelous Point Reyes peninsula.

We were also lucky to meet over the week end with a couple from Israel, she being a Stanford professor and he taking care of the kids; it was interesting to notice they could not live

in their country anymore, were not happy in the USA either (because of the culture, they said) . They had also lived in Peru, South Africa, Spain. They were speaking French, Spanish and seem to belong despite their complaints to this **unique and mixed community of immigrants** in the Silicon Valley.

With a sunny weather most our week, it should be understood that the Silicon Valley is not only the industrial area with offices full of cubicles as can be seen in Cupertino, Sunnyvale, on highway 101 or El Camino, but also full of beautiful surroundings you can discover a few miles from the Stanford campus on scenic highway 280. This parenthesis is, we think, important to understand why the Silicon Valley remains a magnet for many people.

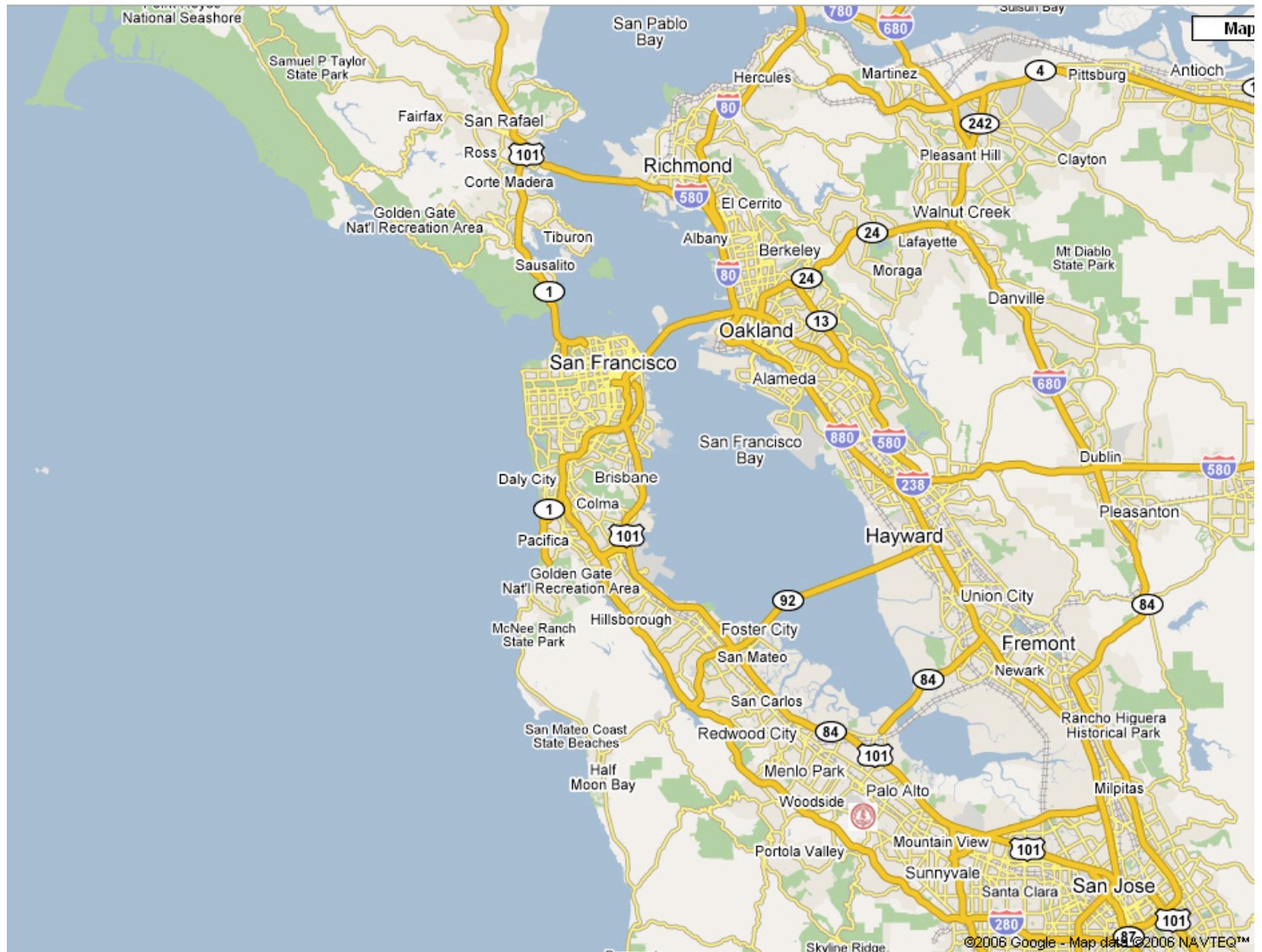
The End

This is the end. It is difficult to conclude such a long report. The trip was brilliant, all meetings were of real value, and some were absolutely great. The executive summary tried to extract some overall views, but if the reader has reached this point, he may build his own judgment from notes which are the less biased and filtered as possible, but there were just notes taken on the spot. There are certainly mistakes, inaccuracies but the spirit is certainly correct. We hope the reader could have some of it, in which case, this report was worth the time it took to write.

A few final thoughts: we came back from the Silicon Valley with the conviction that we have to learn more about this unique region, its know-how and experience. The feeling of urgency, of “not wasting your time”, of “not being a living dead” is all the more striking that there is openness, an easy access to people. Of course, there is also superficiality; the feeling that relations can remain at the surface of things comes back often and it is not easy to deepen relations; but it is also why it is so easy to get contacts. It is an entire part of this culture. It is therefore easy to go in the Silicon Valley and come back frustrated with the feeling of not having extracted or learnt enough. It takes time to build deep relations in this richly-networked region. The scale of the infrastructure is obviously different than the Swiss scene (in terms of technical innovation) but there is not much missing in Switzerland. BUT clearly, the culture is different. These values of risk taking and tolerance to failure, of hard work and down-to-earth implementation seem to be a part of every individual and they enable entrepreneurship at a level that the infrastructure is not sufficient to explain. The reader may be disappointed by such obvious conclusions; we are not sure however this is universally accepted in Switzerland or in Europe.

Many thanks to you for taking the time to read it entirely; it was certainly more difficult to read than to write!

Lausanne, June 5, 2006
Hervé Lebreton
Mehdi Aminian
Vice-presidency for Innovation
and Valorization



About the Silicon Valley

Silicon Valley encompasses the northern part of Santa Clara Valley and adjacent communities in the southern parts of the San Francisco Peninsula and East Bay. It reaches approximately from Menlo Park (on the Peninsula) and the Fremont / Newark area in the East Bay down through San Jose, centered roughly on Sunnyvale. The Highway 17 corridor through the Santa Cruz Mountains into Scotts Valley and Santa Cruz in Santa Cruz is sometimes considered a part of Silicon Valley (source: Wikipedia)

A few references

Anna Lee Saxenian

- *The New Argonauts: Regional Advantage in a Global Economy*
Harvard University Press (April 2006)
- *Regional Advantage: Culture and Competition in Silicon Valley and Route 128*
Harvard University Press (March 1996)

Junfu Zhang

- *High-Tech Start-Ups and Industry Dynamics in Silicon Valley*
PPIC (<http://www.ppic.org>) (July 2003)

List of meetings and people met

<i>Date</i>	<i>Name</i>	<i>Institution</i>	<i>Title</i>	<i>Place</i>
April 26 – 4pm	Pierre-Olivier Latour	Apple Computers	Manager	Sunnyvale
April 27 – 9am	Mark-Henri Galletti	Pequot Ventures	Vice-President	Palo Alto
April 27 – 11am	Ed Bugnion	VMware founder	VP Engineering	Santa Clara
April 27 – 2pm	Guy Kawasaki	Garage.com	Managing director	Palo Alto
April 27 – 3:15pm	Katharine Ku	OTL - Stanford	Director	Palo Alto
April 28 – 9am	Jim Smith	Mohr Davidow	General Partner	Palo Alto
April 28 – 10:30am	Philippe Depallens	Logitech	Manager	Fremont
April 28 – 12:30pm	Alain-Serge Porret	Xceive	VP Engineering	Santa Clara
April 28 – 2:30pm	David Korsmeyer	NASA Ames	Chief, Intelligent Syst.	Mountain View
	James Morris	CMU West	Dean	Mountain View
May 1 – 7am	Igor Perisic	Healthline	ex-CTO	Palo Alto
May 1 – 9am	Mike Luby	Digital Fountain	CTO	Fremont
May 1 – 11am	Jeff Lewis	ISi	VP Marketing	Santa Clara
	Jerry Ardizzone	ISi	VP Sales	Santa Clara
May 1 – 2pm	Junfu Zhang	PPIC	Research Fellow	San Francisco
May 1 – 3:30pm	Christian Simm	Swiss House	Director	San Francisco
	Alexander Fries	€cosytem Vent.	President	
	Ursula Oesterle	Swisscom	Manager	
May 2 – 8:30am	Shankar Sastry	UCB	Professor, CITRIS head	UC Berkeley
May 2 – 10am	Edward Lee	UCB	Professor, Chairman EE	
May 2 – 11am	Kameshwar Poolla	UCB	Professor	
May 2 – 3pm	Avideh Zakhor	UCB	Professor	
May 2 – 4pm	Kris Pister	UCB	Professor	
May 3 – 9am	Pierre Lamond	Sequoia	General Partner	Palo Alto
May 3 – 11:30am	Neil Steinberg	Patent Strategy	Principal	Mountain View
May 3 – 3pm	Prof Abbas ElGamal	Stanford Univ.	Director, ISL	Stanford Univ.
	Prof Stephen Boyd	Stanford Univ.	Ex-Director, ISL	
	Dr. Michael Grant	Stanford Univ.	Consulting Professor	
	Thomas Kailath	Stanford Univ.	Prof. Emeritus	cancelled
May 4 – 8am	Craig Barratt	Atheros	CEO	Santa Clara

