



What I learned in Silicon Valley

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Last week 20 technology companies from across Canada made the trip down to Silicon Valley to connect with some of the most highly regarded tech investors and mentors during the 48 Hour C100 program. The [C100 program](http://www.thec100.org/) [http://www.thec100.org/] is a non-profit dedicated to supporting Canadian entrepreneurs through mentorship, investment and partnership.

I had the opportunity to debrief with many of the founders, and discuss the major differences observed between the Valley and Canada's tech hubs. Here are three major differences I observed; an active appreciation for these shifts will help you navigate the Valley when it comes to networking, raising money and growing your team.

1. Social Currency

Throughout the course of any startup, founders are deeply dependent on their network whether it's for business development, mentorship or anything in between. Mike McCauley from BufferBux (now Google) and Debbie Landa from GROW Canada gave a crash course on how to take advantage of your network in an effective way. Their talk (and seemingly every other conversation I had while in town) pointed to the concept of social currency, a cycle of giving and getting within your network. A few key things to help explain the concept:

- Every person has social currency.
- In order to get social currency, you have to add value in some way to your network. An easy example is by making a mutually beneficial introduction (i.e. not passing on a dud!).
- But be careful, you can also lose social currency if you do something like make a bad introduction, or worse yet, not even ask permission for the intro! I think most people inherently understand the concept of social currency, but it seems to be perhaps not to the extent that it runs through the veins in the foundation of Silicon Valley. So next time you are trying to get something, think about giving first or your account may dry up sooner than you think.

2. Stage Agnostic

Now let's actually talk dollars and cents. Most startups have either fundraised in the past, or plan to in the future. As a founder, I am constantly trying to get an idea of what metrics my team will need to hit in order to be in a strong position to fundraise down the road. In my mind, these metrics had

always been rigid and left little room for flexibility throughout the fundraising process.

Once I arrived in the Valley, a growing theme of investors being much more stage agnostic than I was familiar with in Canada emerged. This means they didn't care if a company was raising a round referred to as a Pre-seed, Seed, Seed extension, Seed prime, Seed plus, Series A, Series B, etc. What they cared about was whether the company was on an upward trajectory, and if their dollar invested in a company today would be worth more tomorrow. As a founder, it was important to learn that not every round of financing had to fit within a box. The different types of financing and metrics required are great as a rule of thumb, but the Valley showed me that there are many ways to ensure your company is well capitalized for future growth.

3. The War on Talent

Once a company has raised money, the first thing they often start executing on is their hiring plan. The moment a round of financing is announced on any tech publication, you instantly see the job postings go up en masse.

Now imagine if you had exciting positions, great perks and the coolest office and still couldn't hire fast enough? Or keep the talent for very long? That's what companies in the Valley are experiencing with the War on Talent. Although many startup operating costs have decreased significantly in the last decade, the cost of talent in the Valley is almost three times more than it was and recruitment is becoming increasingly competitive.

What does this mean for Canadian tech companies? You have an extreme advantage when it comes to growing your team locally. The talent is high calibre, affordable, and the attrition rate significantly lower. Although we look to the Valley as a model for many things, our own backyard is the best place to look when we are talking talent.

My 48 hours C100 experience was a great reminder of how important it is for technology companies in Canada to keep a close bond with the startup ecosystem in Silicon Valley. Although we have built many large companies in Canada in recent years such as Hootsuite and Shopify, there is something to be said for learning how the game in the Valley works, for founders and investors alike.

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