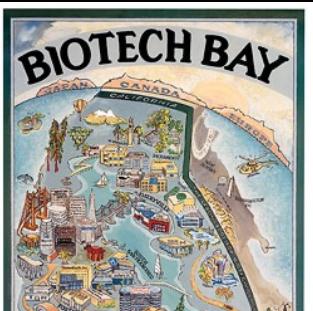




“THE VALLEY” ... HOW INNOVATION, STARTUPS, AND TECH GIANTS THRIVE IN THE ECOSYSTEM KNOWN TO THE WORLD AS “SILICON VALLEY”

KENT KAUFMAN SVAP 2023

THE MOST UNIQUE ECONO-TECH, ECOSYSTEM IN THE WORLD



SPEAKER

Kent Kaufman, MS, M.S.E

Chief Executive Officer, The Growth and Leadership Center

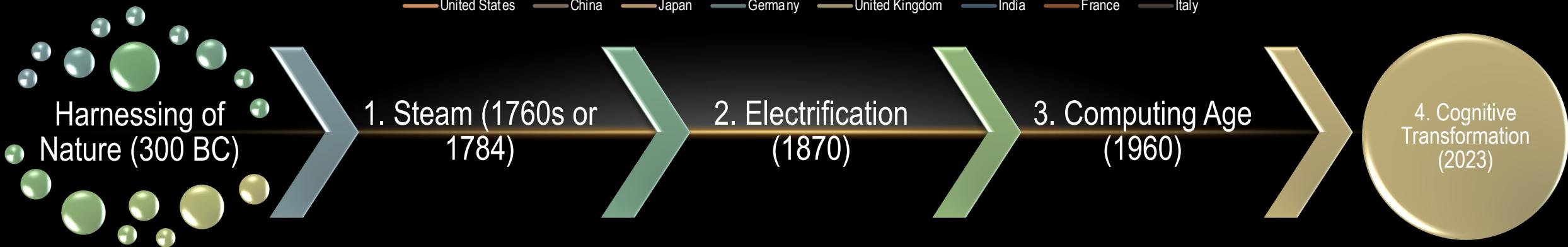
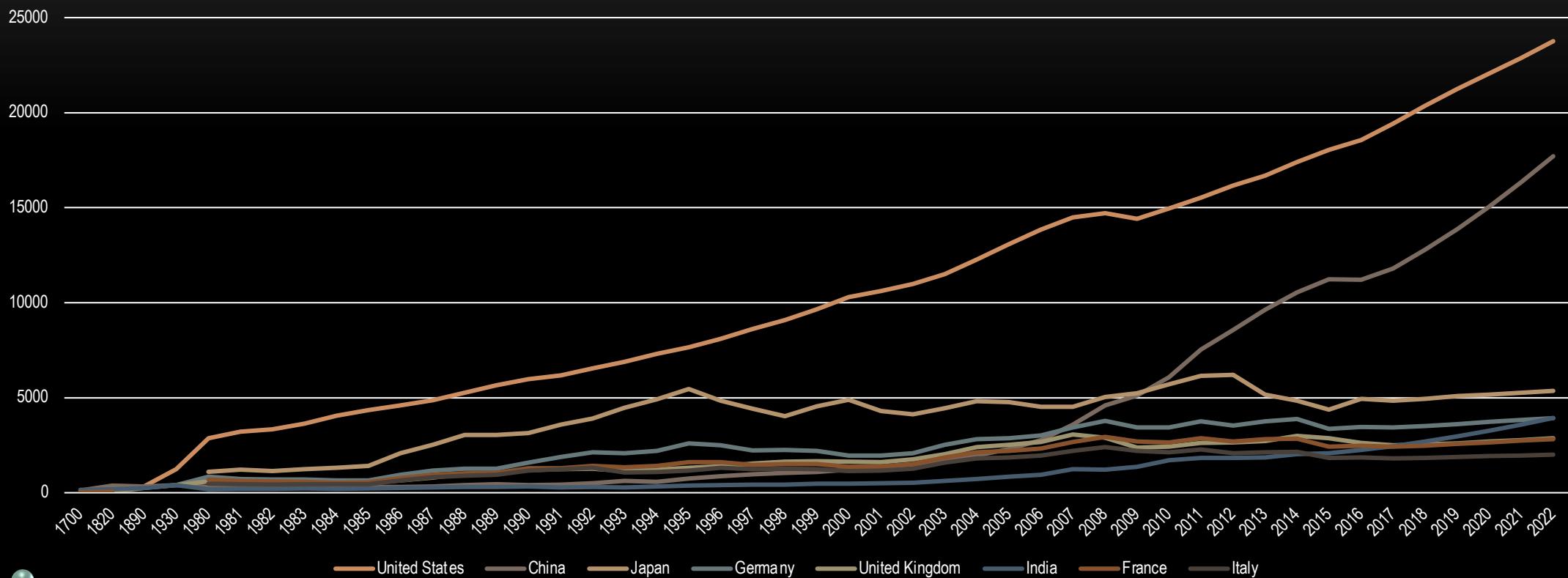
- Kent Kaufman brings Leadership and stellar business experience to Korn Ferry Talent Consulting and the Growth & Leadership Center. Kent's work history covers the business gamut including senior levels of engineering, sales, marketing, operations and business development. Kent has excelled working with businesses of small, medium and large sized companies and has driven business with companies at all stages.



THE FOURTH INDUSTRIAL REVOLUTION

GDP Top 7 Economies Constant \$ (Est. 2023-2023)

International Monetary Fund



“THE VALLEY”

How Innovation, Startups, and Tech Giants Thrive in the Ecosystem Known to the World as “Silicon Valley”

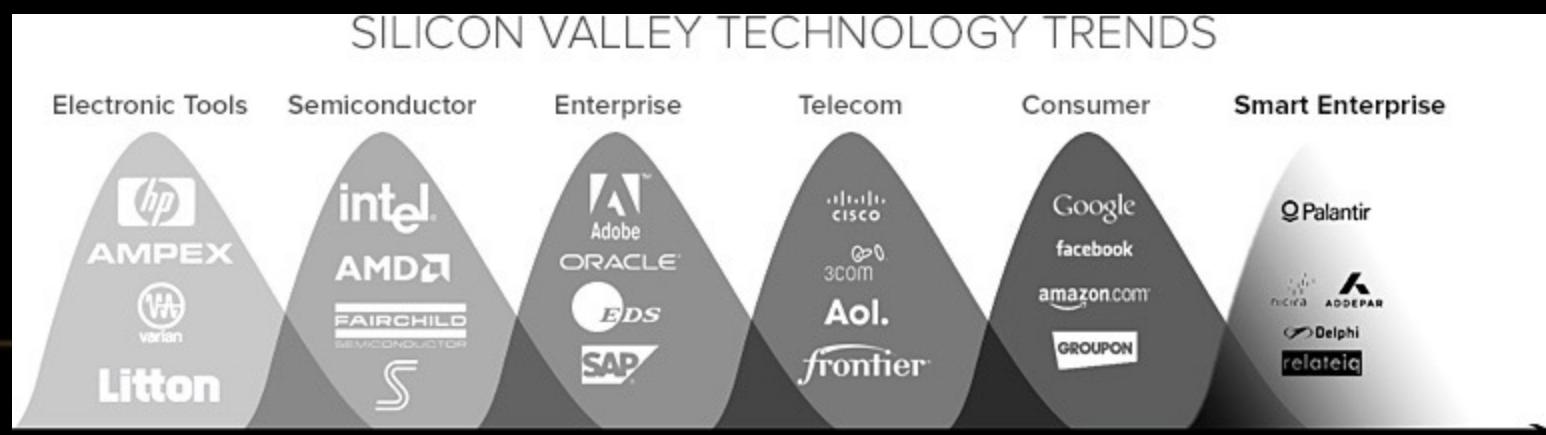
Lecture by Kent Kaufman, CEO of the Growth and Leadership Center

How does one small region surrounding San Francisco Bay, in Northern California, become the preeminent innovation hub of the world?

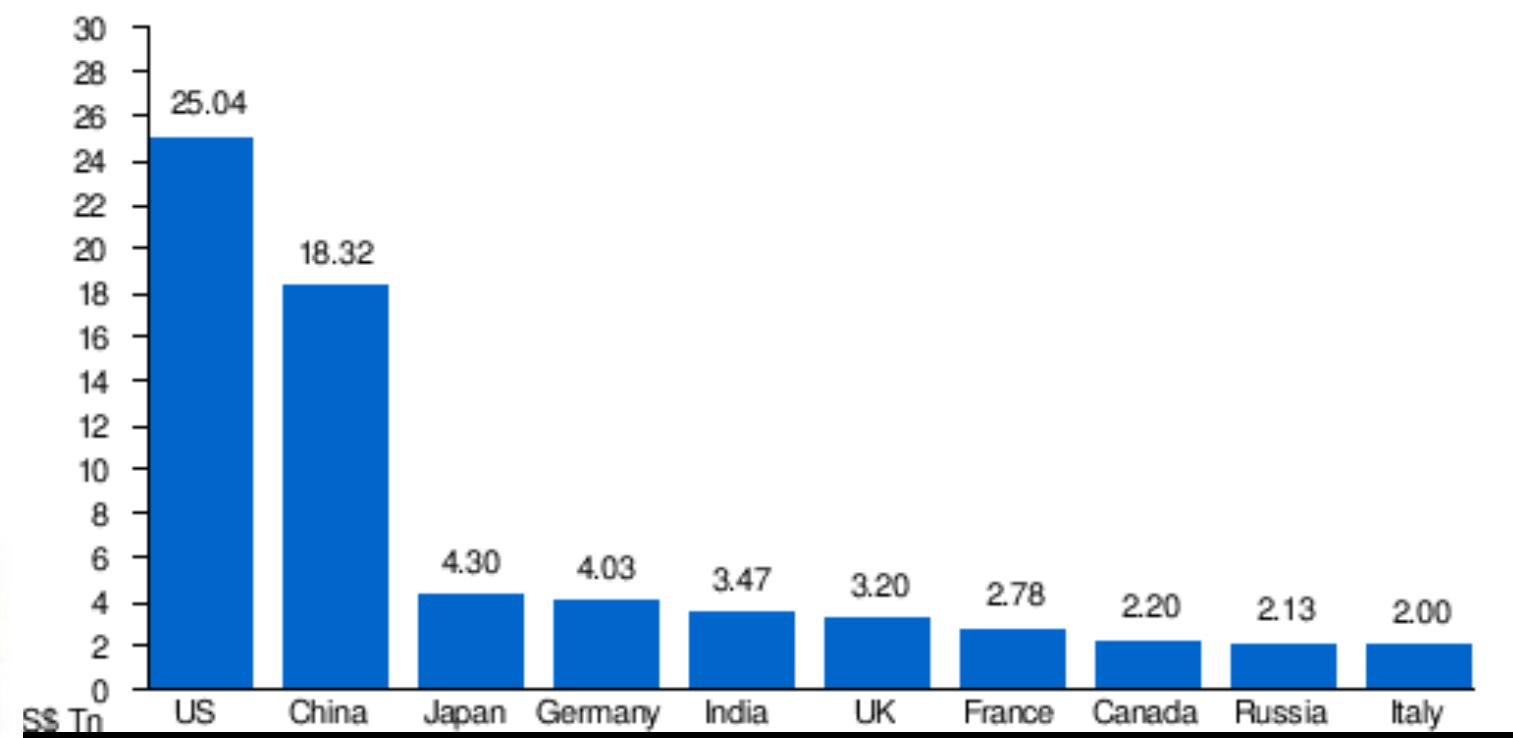
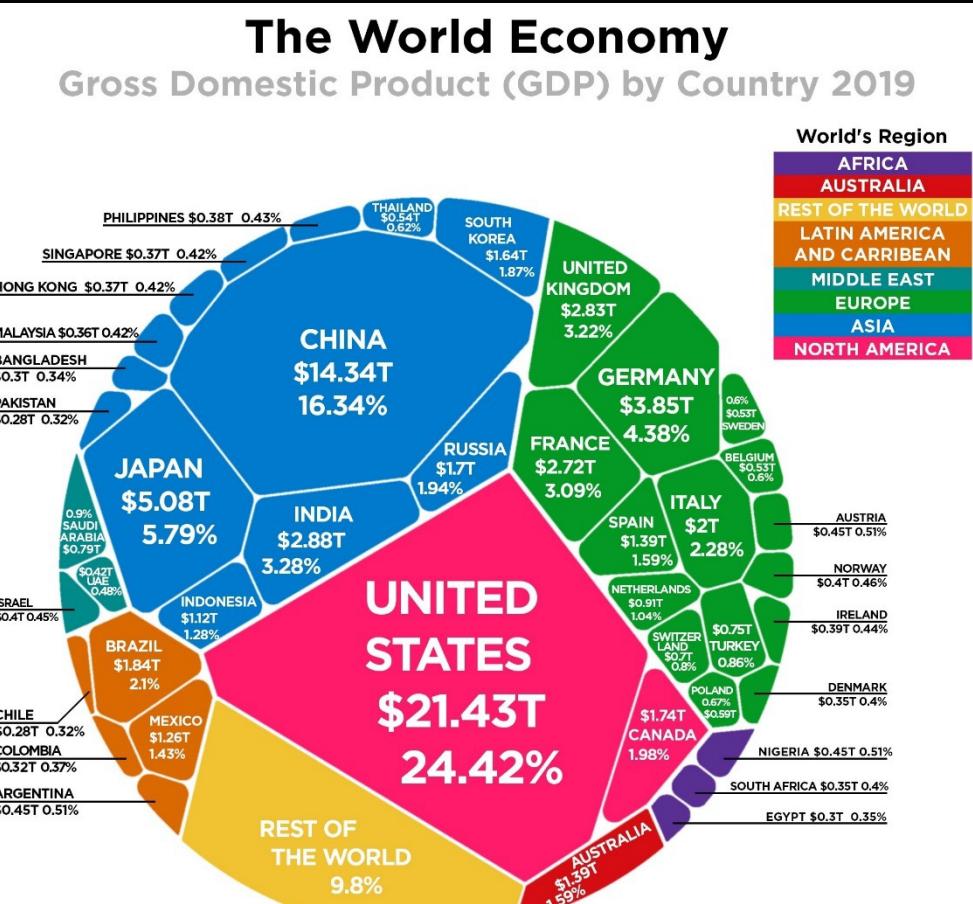
From:

- Electronics and telecommunications, to
- Semiconductors, to
- Software and the Internet, to
- The human genome, to
- Solar power and electric cars, to
- Artificial Intelligence and deep learning, to
- Brain computer interface

Through massive technological change, Silicon Valley has been and continues to be the home of the most unique Econotech, ecosystem in the world. For decades, this small region has reinvented itself many times over to maintain its leadership position. Learn the key secrets of what makes Silicon Valley tick. Learn how startups constantly form, fail and succeed. Learn about the process of innovation and about the talented people behind the success stories of this unique region. **With Guest appearance by one of Silicon Valley's most renowned entrepreneurs Dale Shipley.**



GDP BY COUNTRY



Article & Sources:

<https://howmuch.net/articles/the-world-economy-2019>

<https://databank.worldbank.org>

WHERE DOES CALIFORNIA RANK IN GDP?

- The economy of California is the largest in the United States, boasting a \$3.37 trillion gross state product as of 2023.
- The economy of the State of California is the largest in the United States, with a \$3.37 trillion gross state product (GSP) as of 2023.
- It is the largest sub-national economy in the world. If California were a sovereign nation (2023), it would rank in terms of nominal GDP as the world's sixth largest economy, behind India and ahead of UK.
- Additionally, California's Silicon Valley is home to some of the world's most valuable technology companies, including Apple, Alphabet, and Nvidia.[10]
- In total, over 10% of Fortune 1000 companies were based in California in 2023, the most of any state.
- Come 2023, California could officially surpass Germany as the fourth largest economy in the world, according to a new analysis from Bloomberg.



Country/Territory	UN Region	IMF ^{[1][13]}	
		Estimate	Year
World	—	101,560,901	2022
1  United States	Americas	25,035,164	2022
2  China	Asia	18,321,197	[n 1] 2022
3  Japan	Asia	4,300,621	2022
4  Germany	Europe	4,031,149	2022
5  India	Asia	3,468,566	2022
6  United Kingdom	Europe	3,198,470	2022
7  France	Europe	2,778,090	2022
8  Canada	Americas	2,200,352	2022
9  Russia	Europe	2,133,092	2022
10  Italy	Europe	1,996,934	2022
11  Iran	Asia	1,973,738	[n 4] 2022
12  Brazil	Americas	1,894,708	2022
13  South Korea	Asia	1,734,207	2022
14  Australia	Oceania	1,724,787	2022
15  Mexico	Americas	1,424,533	2022

Making a Difference

INNOVATION AND CREATIVITY

“WHAT IS OFTEN LACKING IS NOT CREATIVITY IN THE IDEA-CREATING SENSE BUT INNOVATION IN THE ACTION-PRODUCING SENSE, I.E. PUTTING IDEAS TO WORK.”

Theodore Levitt

EXERCISE GROUP LISTS DISCUSSION

- 1. Name examples of Disruptive Innovations and the situations and time frames that lead to those innovations
- 2. Name examples of Adaptive Innovations and the situations and time frames that lead to those innovations

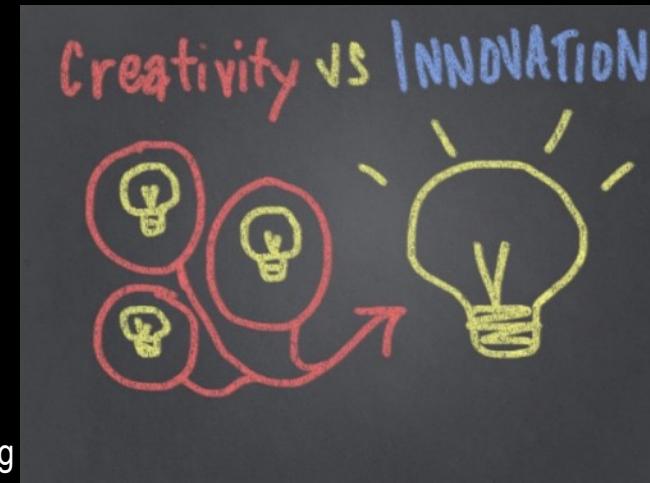
RELATED TOPICS TO CRITICAL THINKING

- **Innovation:**
 - A new idea, device, or method
 - The act or process of introducing new ideas, devices, or methods



IDEATION: USING CREATIVITY TO INNOVATE

- Ideation is about unleashing creativity to maximize the potential of the mind to conceive new ideas
 - Broadest sense creative ideas that can be explored as thought experiments or
 - Creative Ideas can become something tangible
 - Creativity is in the eye of the beholder and therefore it hard to measure
- Innovation is typically measurable.
 - It is about introducing change into systems
 - It's about the work required to make an idea viable
 - Making changes in something established, especially by introducing new methods, ideas, or products.
 - It is about change, alteration, revolution, upheaval, transformation, metamorphosis, breakthrough; new measures, new methods, modernization, novelty, newness; creativity, originality, ingenuity, inspiration, inventiveness; a shake up

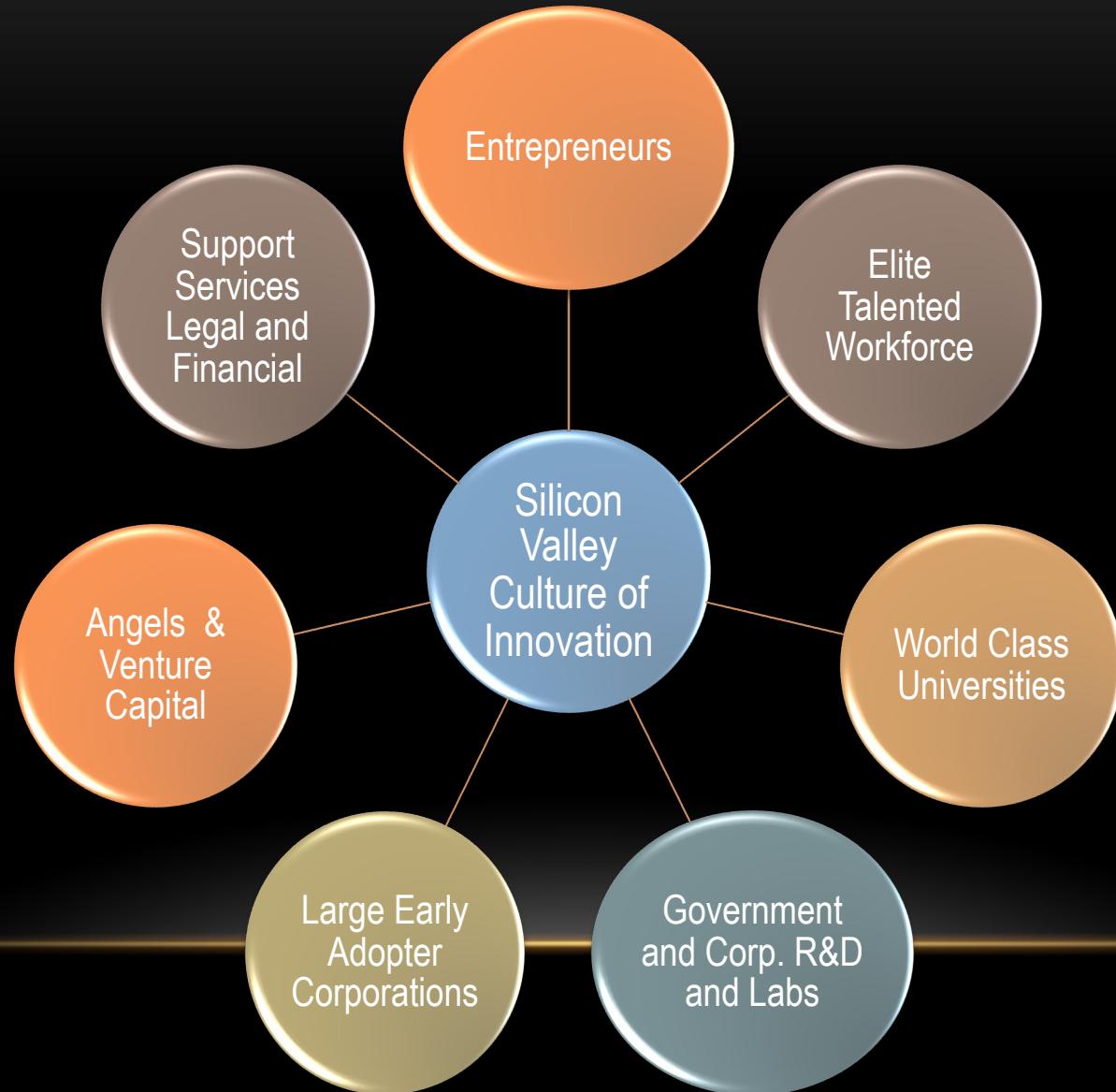


INNOVATION CYCLE

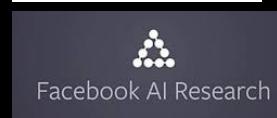
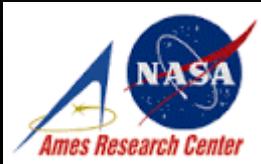
- Emerging Trends including technology and markets



SILICON VALLEY ECONO-TECH ECOSYSTEM



UNIVERSITIES AND RESEARCH



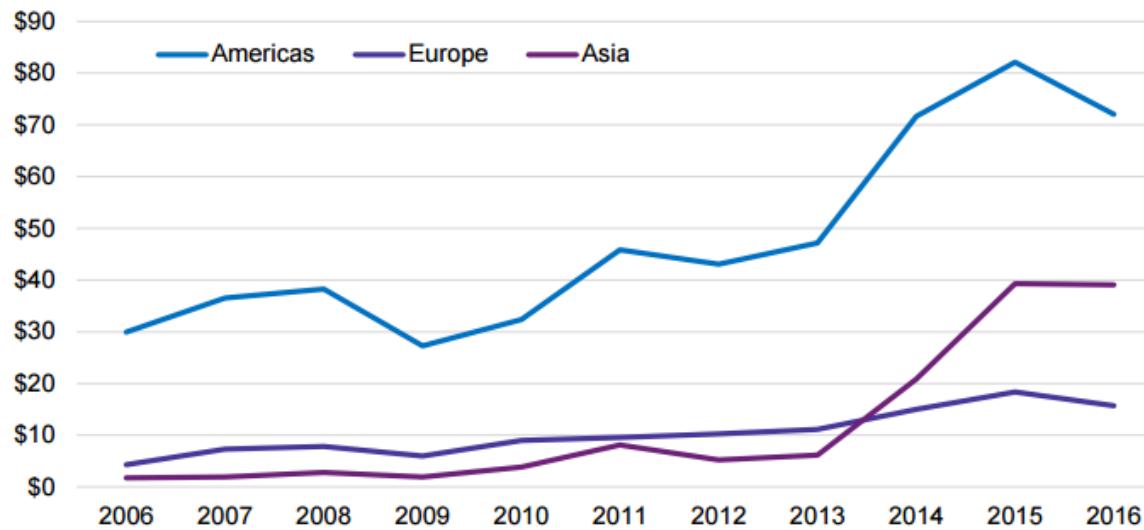
Stanford is “the germplasm for innovation. I can’t imagine Silicon Valley without Stanford University.”

John Doerr, a partner at the venture-capital firm Kleiner Perkins Caufield & Byers, which bankrolled such companies as Google and Amazon, regularly visits campus to scout for ideas.

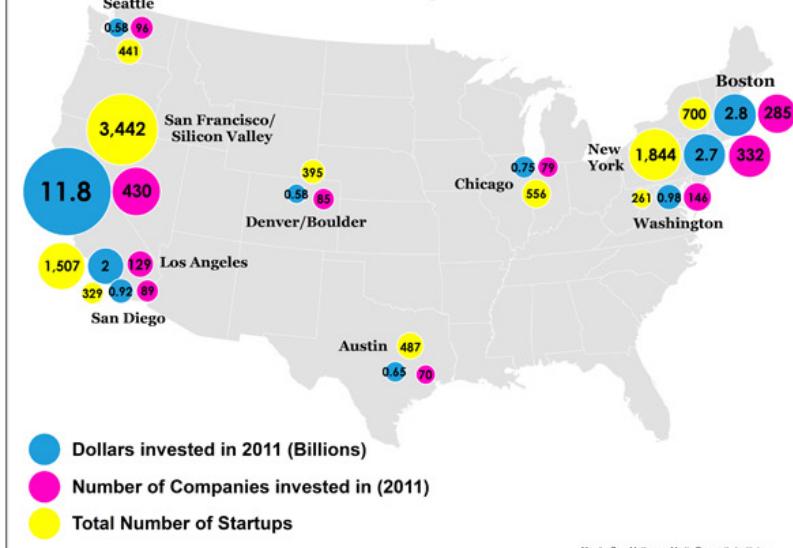
VENTURE CAPITAL

Global financing trends to VC-backed companies by continent

2006 – 2016, VC invested (\$B)



Venture Capital Leaders



Unicorn List of US Top 15

silicon-valley-news.com

Company	Rank	Valuatio(\$)	Date Joined	Industry	Select Investors
Uber	1	\$41	8/23/2013	On-Demand	Lowercase Capital, Benchmark Capital, Google Ventures
Airbnb	2	\$25.5	7/26/2011	eCommerce/Marketplace	General Catalyst Partners, Andreessen Horowitz, ENIAC Ventures
Snapchat	3	\$16	12/11/2013	Social	Benchmark Capital, General Catalyst Partners, Lightspeed Venture Partners
Palantir Technologies	4	\$15	5/5/2011	Big Data	RRE Ventures, Founders Fund, In-Q-Tel
SpaceX	5	\$12	12/1/2012	Other Transportation	Founders Fund, Draper Fisher Jurvetson, Rothenberg Ventures
Pinterest	6	\$11	5/19/2012	Social	Andreessen Horowitz, Bessemer Venture Partners, Firstmark Capital
Dropbox	7	\$10	10/5/2011	Internet Software & Services	Accel Partners, Greylock Partners, Index Ventures
WeWork	8	\$10	2/3/2014	Facilities	T. Rowe Price, Benchmark Capital, Wellington Management
Theranos	9	\$9	7/13/2014	Healthcare	Draper Fisher Jurvetson, Tako Ventures, ATA Ventures
Square	10	\$6	6/29/2011	Fintech	First Round Capital, Citi Ventures, GGV Capital
Zenefits	11	\$4.5	5/6/2015	Fintech	SV Angel, Institutional Venture Partners, Venrock
Cloudera	12	\$4.1	3/18/2014	Big Data	Greylock Partners, Ignition Partners, Google Ventures
Stripe	13	\$3.5	1/23/2014	Fintech	Khosla Ventures, Lowercase Capital, Redpoint Ventures
Credit Karma	14	\$3.5	9/29/2014	Fintech	Felicis Ventures, SV Angel, Founders Fund
Jawbone	15	\$3.3	7/13/2011	Hardware	Mayfield Fund, Khosla Ventures, T-Venture

Source: Venture Capital Database's "Unicorn List" <https://www.cbinsights.com/research-unicorn-companies> June 29, 2015

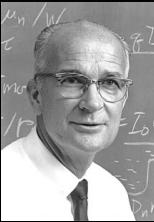
Adobe Systems	Hewlett Packard Enterprise	Xilinx	E*TRADE (headquartered in New York, NY)	Mozilla Foundation	Siemens (headquartered in Berlin and Munich, Germany)
Advanced Micro Devices (AMD)	HP Inc.	Yahoo!	Fairchild Semiconductor	Move, Inc.	Sony (headquartered in Tokyo, Japan)
Apple Inc.	Intel	3Com (acquired by Hewlett-Packard)	Flex (formerly Flextronics)	Nokia (headquartered in Espoo, Finland)	Sony Ericsson
Cisco Systems	Intuit	8x8	Foundry Networks	Nokia Solutions and Networks (headquartered in Espoo, Finland)	Sony Interactive Entertainment
eBay	Juniper Networks	Actel	Fujitsu (headquartered in Tokyo, Japan)	NXP Semiconductors	Square, Inc.
Intel	KLA Tencor	Actuate Corporation	GoPro	Nook (subsidiary of Barnes & Noble)	SRI International
Intuit	Lam Research	Adaptec	Groupon (headquartered in Chicago, IL)	Olivetti (headquartered in Ivrea, Italy)	Sun Microsystems (acquired by Oracle Corporation)
Nvidia	Lockheed Martin	Aeria Games and Entertainment	Harmonic, Inc.	Opera Software (headquartered in Oslo, Norway)	SunPower
Oracle	LSI Logic	Akamai Technologies (HQ in Cambridge, Massachusetts)	HCL Technologies (headquartered in Noida, India)	Palm, Inc. (acquired by Hewlett-Packard)	SurveyMonkey
Riverbed	Marvell Semiconductors	Altera	Hitachi Data Systems	Panasonic (headquartered in Osaka, Japan)	Synopsys Inc.
Sun Microsystems	Maxim Integrated Products	Amazon.com's A9.com	Hitachi Global Storage Technologies	PARC	Tata Consultancy Services (headquartered in Mumbai, India)
Yahoo!	National Semiconductor	Amazon.com's Lab126.com	IBM Almaden Research Center (headquartered in Armonk, New York)	PayPal (it has been demerged from eBay)	Tibco Software
Adobe Systems	NetApp	Amdahl	Infosys (headquartered in Bangalore, India)	Pixar	TiVo
Advanced Micro Devices (AMD)	Netflix	Anritsu	Informatica	Playdom	TSMC
Agilent Technologies	Nvidia	AstraQom	Intuitive Surgical	PlayPhone	Twitter
Akyumen[57]	Oracle Corporation	Asus (headquartered in Taipei, Taiwan)	LinkedIn (acquired by Microsoft)	Qualcomm, Inc. (HQ in San Diego, CA)	Uber (company)
Alphabet Inc.	Riverbed Technology	Atari	Logitech	Quanta Computer	VA Software (Slashdot)
Apple Inc.	Salesforce.com	Atmel	Lucasfilm	Quantcast	Verifone
Applied Materials	SanDisk	Broadcom (headquartered in Irvine, California)	Maxtor (acquired by Seagate)	Quora	VeriSign
Brocade Communications Systems	Sanmina-SCI	BEA Systems (acquired by Oracle Corporation)	McAfee (acquired by Intel)	Rambus	Veritas Software (acquired by Symantec)
Cisco Systems	Symantec	Cadence Design Systems	Memorex (acquired by Imation and moved to Cerritos, California)	RSA Security (acquired by EMC)	VMware
eBay	Tesla Motors	Cypress Semiconductor	MetricStream	Samsung Electronics (headquartered in Suwon, South Korea)	WebEx (acquired by Cisco Systems)
Electronic Arts	Visa Inc.	Dell (headquartered in Round Rock, Texas)	Micron Technology (headquartered in Boise, Idaho)	Samsung Research America (headquartered in Suwon, South Korea)	@WalmartLabs
KENT KAUF	Facebook	VMware	EMC Corporation (headquartered in Hopkinton, Massachusetts)	Microsoft (headquartered in Redmond, Washington)	SAP SE (headquartered in Walldorf, Germany)
	Google	Western Digital Corporation	Extreme Networks		YouTube (acquired by Google)
					Yelp, Inc.

ENTREPRENEURS TO SERIAL ENTREPRENEURS TO SUPPORTERS OF ENTREPRENEURS TO ANGELS AND VC

- The Founders of Silicon Valley
 - Hewlett and Packard
 - “Traitorous Eight” was a group of eight employees who left Shockley Semiconductor Laboratory in 1957 to found Fairchild Semiconductor. . From left, Gordon Moore(USA, co-founder of Intel), Sheldon Roberts(co-founder of Amelco -> Teledyne), Eugene Kleiner (Austria, co-founder of Kleiner Perkins Caufield & Byers), Robert Noyce(USA, co-founder of Intel), Victor Grinich(USA, professor and serial entrepreneur), Julius Blank(USA, founder of Xicor -> Intersil), Jean Hoerni (Switzerland, founder of Intersil) and Jay Last(USA, co-founder of Amelco -> Teledyne)
 - In 1960, Fairchild became an incubator of Silicon Valley and was directly or indirectly involved in the creation of dozens of corporations, including Intel and AMD. These many spin-off companies came to be known as "Fairchildren".



David Packard and William Hewlett



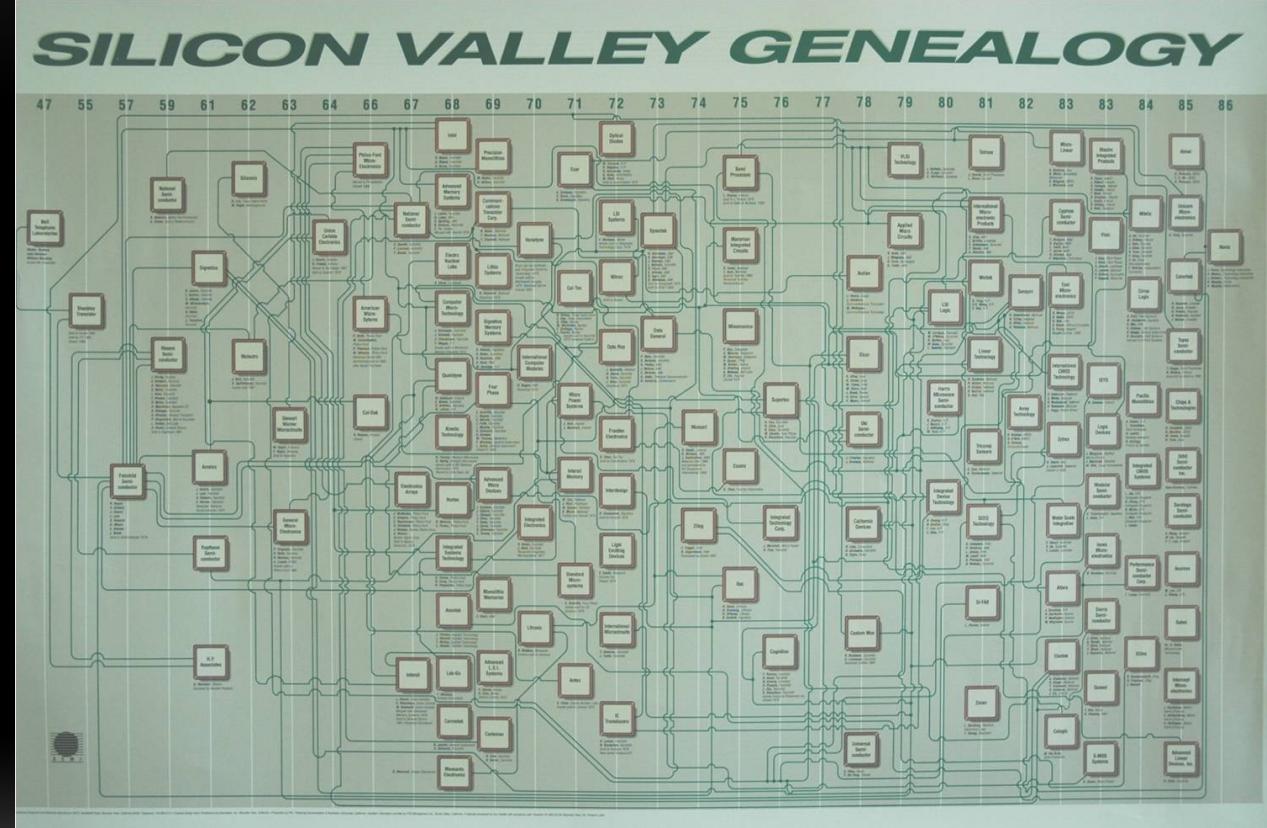
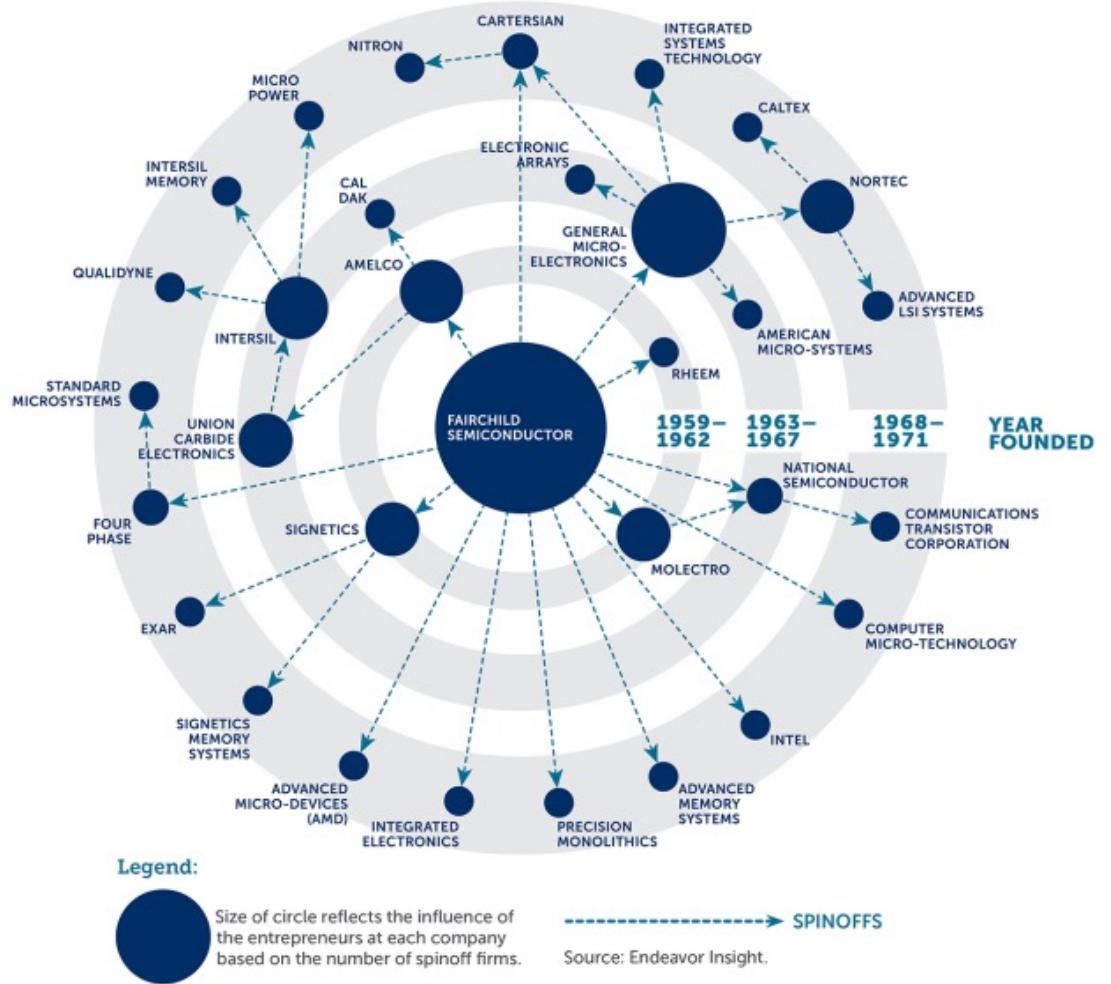
Frederick Terman
Dean Engineering
Stanford



William Bradford Shockley Jr.
Inventor Transistor
Stanford Professor

FAMILY TREE OF SILICON VALLEY

THE CREATION OF SILICON VALLEY: GROWTH OF THE LOCAL COMPUTER CHIP INDUSTRY



SERIAL ENTREPRENEURS TURNED ANGELS AND VCs FOLLOWING THE PASSION

- Steve Jobs once called up (when Steve was only 13 years old) Bill Hewlett and said, "Hey, this is Steve Jobs. I am a student in high school and I want to build a frequency counter. Hewlett got him parts and gave him a summer Job
- After being forced out of Apple "I felt that I had let the previous generation of entrepreneurs down — that I had dropped the baton as it was being passed to me. I met with David Packard and Bob Noyce and tried to apologize for screwing up so badly... I even thought about running away from the valley. But something slowly began to dawn on me — I still loved what I did.... And so I decided to start over."
- It took longer than Jobs may have wanted, but Pixar went public on November 29, 1995. That morning, Jobs and Levy "huddled around a computer" in San Francisco watching the stock. The investment banker turned to Jobs and said, "Congratulations Steve, you're a billionaire." Jobs stepped out of the room and called his friend at Oracle founder Larry Ellison to say, "Larry, I made it."
- On Dec. 20, 1996, Apple announced plans to acquire NeXT Software, the company Jobs founded, for \$400 million. As part of the deal, Jobs, who had been previously pushed out of Apple returned to the company he founded, he later was appointed CEO.
- "helping Silicon Valley's next generation—the Larry Pages and Sergey Brins, the Mark Zuckerbergs. "That's how I'm going to spend part of the time I have left," Jobs told Isaacson (Author) two months before his death. "I can help the next generation remember the lineage of great companies here and how to continue the tradition. The Valley has been very supportive of me. I should do my best to repay."

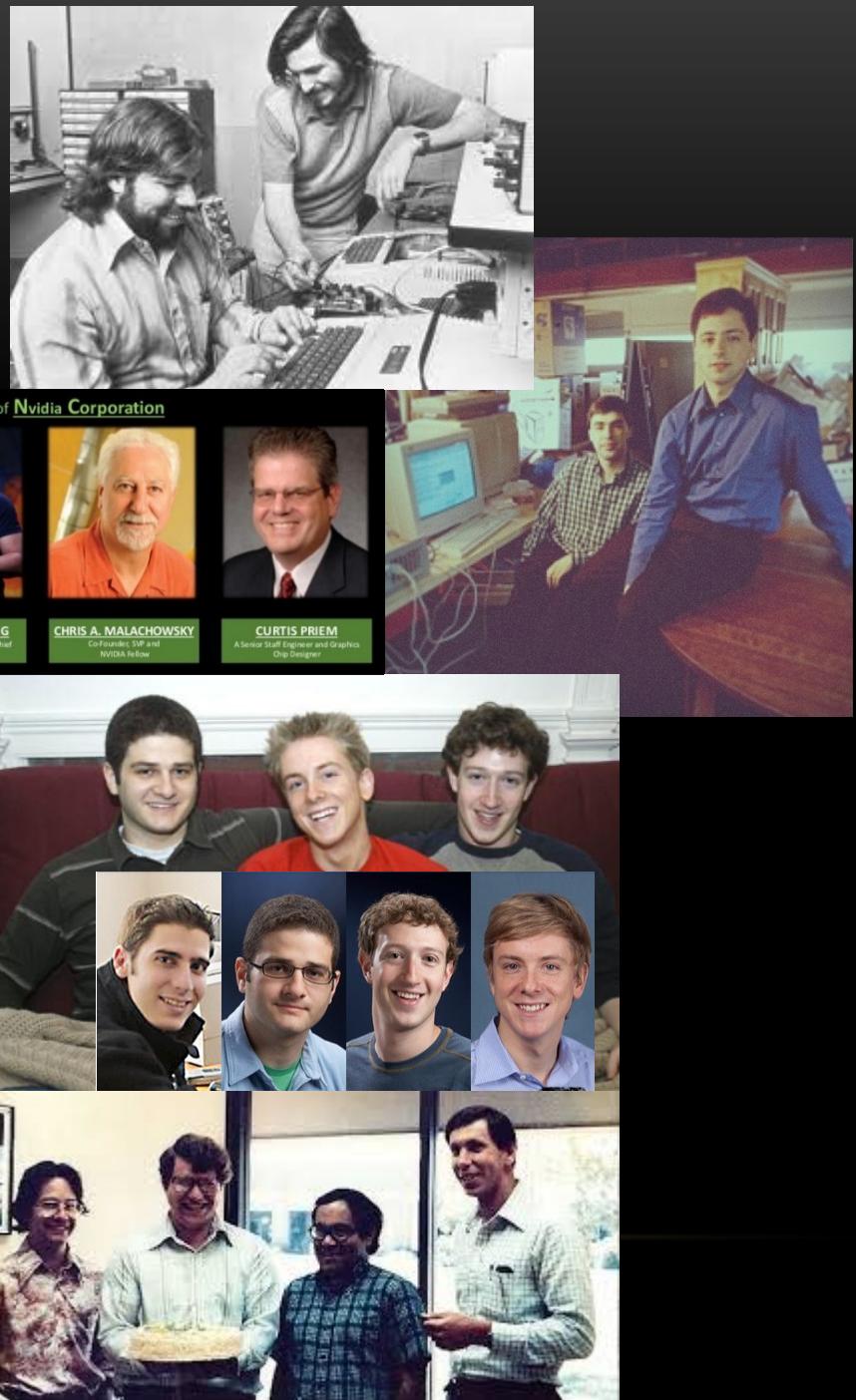


FOUNDING TEAMS

- Typically 2-6 Members
- Attributes Needed for a founding team
 - Someone who understands how to build technologies and systems to solve problems
 - Someone who understands the human factors behind those problems, why they exist, what it takes to fix them and how to shape the experience;
 - Someone who understands how to reach, talk to and sell to the people whose problems are being solved - and keep finding more of them
- “Very few people have all three skills, and even if they come close, they are rarely in perfect balance. In modern business Steve Jobs is probably the only person who even comes close, which arguably took him 25+ years.”

Saul Klein,

Founding team at Firefly (Microsoft); Co-Founder & CEO of Video Island which became Lovefilm; Exec Team at Skype (eBay); Founder of Seedcamp



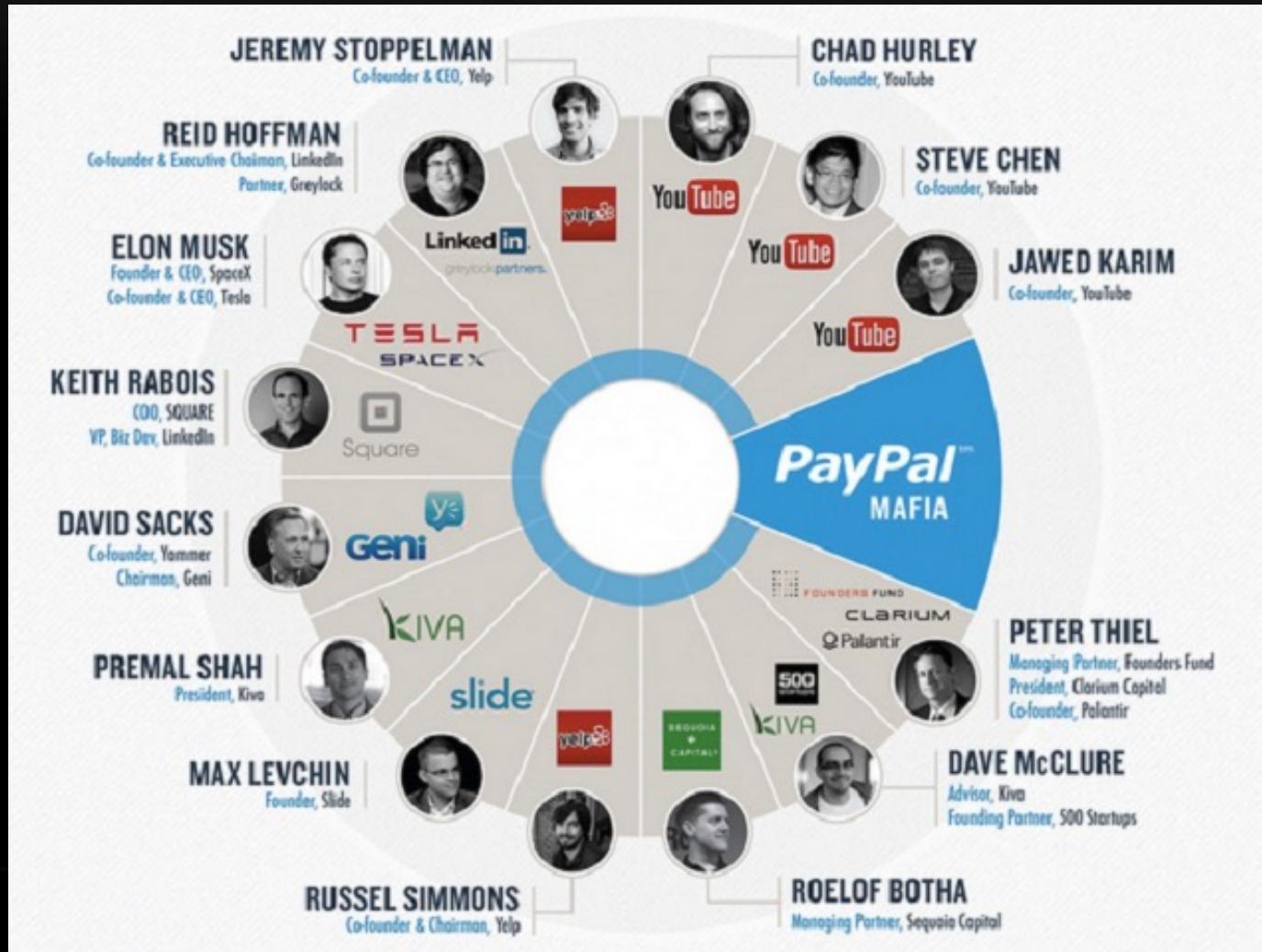
TODAYS SILICON VALLEY'S MOST POWERFUL GROUP OF SERIAL ENTREPRENEURS



Four members, Peter Thiel, Elon Musk, Reid Hoffman and Ken Howery have become billionaires
Thiel is colloquially referred to as the "Don of the PayPal Mafia"

- In addition to Founding PayPal and Palantir
- Thiel made early-stage investments in Facebook, and in companies started by his former colleagues at PayPal... such as Slide, LinkedIn, Geni.com, and Yammer

TODAYS MOST POWERFUL GROUP OF SERIAL ENTREPRENEURS SV'S NETWORKING CONTINUES



Unicorns: >\$1 Billion Valuation

1. Tesla Motors - \$27.5 billion market cap
2. LinkedIn - \$20.4 billion market cap
3. Palantir - \$9 billion value (private company, estimate)
4. SpaceX - \$7 billion value (private company, estimate)
5. Yelp - \$5.26 billion market cap
6. YouTube - \$1.65 billion acquisition
7. Yammer - \$1.2 billion acquisition

INNOVATION AND MEGA TRENDS THAT ARE TRANSFORMING BUSINESS AND SOCIETY

- Big Data
- Analytics
- Cloud computing
- Mobile computing
- Social networks
- In flight WiFi
- The connected car
- The connected world
- Speech recognition
- IoT & IoET
- Wearables
- AR-VR
- Block Chain
- New Materials
- 3D Printing
- Artificial intelligence/Deep learning
- Brain to computer interface



SPEAKER

Kent Kaufman, MS, M.S.E

Chief Executive Officer, The Growth and Leadership Center

- Kent Kaufman brings Leadership and stellar business experience to Korn Ferry Talent Consulting and the Growth & Leadership Center. Kent's work history covers the business gamut including senior levels of engineering, sales, marketing, operations and business development. Kent has excelled working with businesses of small, medium and large sized companies and has driven business with companies at all stages.

