

Fifth Annual Global Technology Symposium at Stanford

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M. R. Pamidi, Ph. D.

Senior Editor

[IT Newswire](#)

Executive Summary

The West Coast's premier investor conference on global emerging technologies, it has in the past attracted leading experts on international trade in the technology and emerging growth sectors. Originally focused more on US-Russia issues, it has now expanded to include more emerging global players, although we didn't find a good balance of the BRICS (Brazil, Russia, India, China, and South Africa — aka CRIBS) countries. Yet, this was an interesting conference addressing globalization, Russia's changing landscape, China's increasing influence in Africa, America's challenges, Silicon Valley's future, emerging technologies in the next 20 years in the views of a Nobel Laureate, and other fascinating topics.

Power Presentations Workshop

Jerry Weisman, CEO, [Power Presentations Ltd.](#)

Jerry made a fascinating presentation on how to deliver presentations. There are three aspects to a great preso:

1. Point A—opening gambit
2. Unique Selling Proposition
3. Point B—convincing your audience

Every preso should have a story with a touch of Aristotle: a beginning, middle, and an end. Great ideas endure; unfortunately, most presos begin, keep on going, but never end. Good presenters are like good massage therapists; never let their hands off their client (the massagee) — grab your audience, navigate them, and deposit them where you want them to be. When making a presentation, the opening gambit is crucial. Always start with an anecdote, factoid, quotation (get a relevant quote that is relevant to your product), aphorism (“A picture is worth a thousand words,” or “The sum is bigger than the parts.”) or a rhetorical question. Think of Intuit's Scott Cook opening with, “How many of you balance your checkbooks? How many of you enjoy doing it?” or Network Appliance's Warmenhoven saying, “What is an appliance? A toaster is one. Managing data is complex. We have an appliance and call it a file server. We invite you to participate in a growing opportunity.” **Never** start with a joke; jokes don't translate, especially in multi-cultural environments.

If you are starting a new company, start with good management. Investors and VCs invest in people, not in PowerPoint slides!

Mikhail Margelov, Senator, Chairman of the Committee for Foreign Affairs, Council of Federation, Federal Assembly of the Russian Federation, emphasized that the U. S. and Russia should walk parallel without elbowing each other. Today's Russia doesn't believe in revolutions and ideologies, but in national interests. “We believe in carrots, not sticks.” The main mistake that the U. S. made in Iraq was that not just cutting a head off, but dismantling the entire infrastructure. Russia and the U. S. also disagree on the independence of Kosovo. Europe believes in integration, not disintegration. Russia believes the United States' missile deployment in Europe is targeted at Russia. Between Russia and the U. S., we need more pragmatism, not emotions. We should work together in IT, high-tech, biotech, etc., and compete; otherwise, we'll both lose to China. China is making huge strides in African nations, with cranes and workers everywhere, because it doesn't preach human rights.

Russia doesn't want Latin America to be America's backyard. "Chavez is definitely pragmatic, but we don't let pragmatism get in the way of our relationship with any country. Toyota is building plants in Russia, and we are not against foreigners landing on our soil...I believe the new (Russian) government will focus on decentralization and privatization of most state-owned enterprises."

Keynote: Tim Draper, Founder & Managing Director, [Draper Fisher Jurvetson](#) (DFJ)¹
Economic Revolutions, Pursuit of Globalization, and Leadership

On Leadership

- If you are venturing anything, chart a course, and then make small adjustments.
- Leaders listen with their brains, but act with their hearts.
- Always do the hardest things in the company yourself.
- Take responsibility, give credit.
- All decisions should be long term: If you have to make cuts or shut down your company, do it now.
- Always communicate
- Know your company
 - Is it a burn-and-churn company (low salary, high turnover) or an employees-for-life company?
 - Is the environment
 - Fast changing? Then, be flexible.
 - Competitive? Then, be winning.
 - One of constant disruption? Then, be fast changing.

On Innovation

Today's global problems are being addressed by innovative companies:

- Energy (EnerNoc, GreenFuel, Tesla Motors)
- Security (Lumena, SafeView)
- Healthcare (Lumenos, Athena Health, Theranos)
- Poverty (SugarCRM, Amazon, World of Good)

Some industry pioneers have turned the traditional models upside down:

- HotMail→U. S. Postal Service
- Skype→Telecom
- e-bay→Trade

What the Future Holds

In the long run, governments will have to compete for great minds and capital; countries need rule of law, free markets, and private land ownership; geographic barriers will fall; and there will be free movement of citizenry around the world. (*Hope he is right!*)

There are tremendous global opportunities (extraordinary people everywhere; expanding markets; and diversity of science and technology) and global challenges (PR; mindset—not a zero-sum game; shared success and ownership; technology education). That's why DFJ has expanded to over 30 cities worldwide.

Think of the last 100 years' developments — aerospace, computers and high technology, DNA, genomics, medicine...the breakthroughs during the next 20 years will be even more profound — in fusion energy, space travel, 3-D highway, complete video history, improved healthcare — every three years, our longevity increases by one year. Despite all these advances, an Intel chip is only as smart as a mosquito brain! Think of Terraform Mars! Big businesses are good, but they need to change, too. Look what happened to the buggy-whip industry.

¹ Used with permission from Tim Draper tim@dfj.com

Dr. Arno Penzias, Winner Nobel Prize in Physics, Venture Partner, [NEA](#)
Energy: The Biggest Next Big Thing Innovation & Investment Opportunities

- Solar PV mainstays including silicon and thin film compound.
- Next decade's global energy need is 10 TW. A solar concentrator with 99.8% glass has been deployed by the Palo Alto water works. The technology was developed by Mountain View, California-based SolFocus.
- Solar thermal is turning solar energy into hot water/steam.
- Making gypsum wallboard with less gypsum. One factory last year produced 200,000,000 sq. meters of wallboard per year and consumed enough energy to heat 40,000 US homes. Take a look at EcoRock Manufacturing that produces 1.3 billion pounds per year with lot less energy.
- Take a look at Glacier Bay that manufactures high-efficiency marine refrigeration systems and Barrie Ultra-R vacuum insulation and ice box hatches.
- Dilution is no substitute for pollution.
- Government subsidies are not good in the long term.

Panel Discussion: Silicon Valley Angel Investors

Silicon Valley Angels. Moderator: **Guy Kawasaki**, Managing Director, Garage Technology Ventures

Panelists:

- **Andy Bechtolsheim**, Co-Founder and Chief Architect and Sr. VP, Network Systems, Sun Microsystems; Google's first investor
- **Ron Conway**, Independent Angel Investor, former Founder & Managing Partner of Angel Investors LP
- **Dr. Ian Sobieski**, Managing Director, Band of Angels Fund

An angel investor is investing his/her own money, a VC is investing someone else's. Business plans could be as short as one page (Intel), four pages (Sun), or ten (Google, with huge fonts). Will your new product have an astronomic growth or an anemic one? One-third of startups go out of business, because they have no revenue and no impression. Google had no revenues for the first two years. Eventually, you have to monetize.

Panel Discussion: Silicon Valley vs. The World

Moderator: **Alex Osadzinski**, Venture Partner, Trinity Ventures

Panelists:

- **Peter Wendell**, Managing Director Sierra Ventures
- **Brian Curtis**, **Qiming Ventures**
- **Dmitry Vasyutinsky**, Managing Director, Allianz ROSNO
- **Ann Winblad**, Co-founder & Managing Director, Hummer Winblad Venture Partners

For the last 30 years, Silicon Valley has been the world's pre-eminent incubator of new technologies and the startups that bring those technologies to market. There have been numerous attempts to replicate the Silicon Valley model elsewhere, so far without success. How is that situation likely to change, where, and how?

About forty percent (\$2.4 billion to \$3 billion) of VC investment in the Valley is on software; that amount exceeds all the VC money per quarter in Europe. The Valley has the commitment to build great businesses with its highly diverse populace. However, things are changing. Last year, 15 out of 18 Chinese or Indian Stanford MBAs went back to their respective countries. Years ago, most of them stayed in the U. S.

China and Russia both need reforms in laws, IP, and a different culture. You can easily replace a CEO in the Valley, but not so in China; it's social shame there and has a stigma attached to it. Is the Valley in danger?

Could be, because there is not much interest among the kids here to go to science, math, and engineering², and fewer foreign students are coming here.

The dollar's decline has forced many to invest overseas. Princeton University Endowment had \$2.5 billion investments in overseas companies few years ago; today, it is \$7.5 billion, because Princeton sees higher and better growth outside the U. S. Almost 25% of the Endowment is in VC and private equity.

Panel Discussion: Private Equity: Identifying Sectors for Growth

Moderator: **Don Wood**, Managing Director, Draper Fisher Jurvetson

Panelists:

- **Simon Cook**, CEO, DFJ Esprit, U.K
- **K. Bobby Chao**, Managing Director, DFJ Dragon, China
- **Moshe Levin**, Managing General Partner, DFJ Tamir Fishman Ventures
- **Sergey Romashov**, Managing Director DFJ VTB Aurora

As the world around them changes, many investment funds venture outside their countries of origin. However, people are people, greed is greed, and money is money. (As Roger McNamee says, fear is temporary, greed is permanent.) The big difference between the U. S and Europe is that Europeans need to be educated that VCs indeed can help. (For instance, the attitude in Germany towards entrepreneurs is, Making money is illegal, losing money is immoral!) Russia has had 70 years of no entrepreneurship, although Russians by nature are entrepreneurs. Seventy percent of Internet users in China are under 30 years old. The equivalent of a big company in China is a state-owned enterprise (SOE). However, they are bloated and, as they are now beginning to compete with highly efficient private companies (mostly foreign), there are huge layoffs in SOEs.

² We are not surprised. While many computer jobs are being offshored to India and elsewhere and U. S. companies are 'importing' thousands of engineers on H1-B visas, why should today's kids even bother considering engineering as a field? What we have in the U. S. is not a shortage of engineers, but a shortage of **cheap** engineers!