Silicon Valley

thinktomiU
The School of Innovation in Silicon Valley

KU KONKUK UNIVERSITY

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Silicon Valley Ecosystem

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Silicon Valley Culture & Ecosystem

What is the “Magic” of Silicon Valley?

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The Network

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Why Silicon Valley is Special

- Culture of innovation – garages/incubators/accelerators/universities
- Entrepreneurs willing to take risks
- Failure is accepted and expected
- Never give up
- Capital – Angels/VC's/Crowdfunding
- Support
- Network

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Silicon Valley Culture

- Age
- Business Cards - LinkedIn
- $$$ - Angels, VC’s, Others
- Respect and Politeness
- The Billions -Unicorns

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An Entrepreneur's Life

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The Perfect Idea and Plan

- 90% of startups typically fail, Forbes Magazine - Jan 16th, 2015

- The ones that succeed go from failure to failure and adapting and improving

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#StartupDailyLife

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Founder and Co-founders

"Startup Life is good and exciting **but WILL CHANGE**"

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Facebook

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Elon Musk – entrepreneurial life

- Sold Zip2
- Started X.com (joined by Harris Fricke & Christopher Payne)
- After 5 months, Fricke wanted to be CEO
- Mike Moritz backed X.com
- X.com competitor – Confinity (Peter Thiel, Max Levchin)
- Confinity created a service called Paypal
- X.com and Confinity merged – Peter Thiel resigned after 2 months
- Elon Musk and his wife left on their honeymoon
- Employees delivered a letter of no confidence to the board
- Elon Musk was replaced as CEO and Peter Thiel new CEO - Paypal

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Your biggest challenge?

What do you think you biggest challenge is in a startup?

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What will be your biggest challenge?

PEOPLE

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The Magic of a Team

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The Team, The Team, The Team

Your typical team

- The Founders
- The Alpha Dog
- The Advisory Board
- The Board
- Key Employees

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The Alpha Dog

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Facebook - the Alpha Dogs

- Facebook - Called “hot or not” - Facemash,
- Incorporated in Florida as TheFacebook, Florida LLC
- Sean Parker discovers Facebook
- Sean Parker suggests move to SV and introduces to Reid Hoffman (LinkedIn), gets intro to Peter Thiel
- July, 04 - Peter Thiel, Mark Pincus, Reid Hoffman invest $500k in FB
- 500k converts to 10.9% equity
- May, 05 - raises $12.7 million valuation - $ 87.5 million
- Rejected $ 1 Billion takeover offer from Yahoo
- April, 06 - raises $ 27.5 million valuation - $ 500 million
- June, 15 - valuation $ 249 billion

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Google - the Alpha Dogs

- 2 Stanford Engineers - Sergey Brin and Larry Page
- Initial Project called “BackRub”
- Name “googol” becomes Google
- Andy Bechtolsheim - First investor in Google - $100k
- Ram Shriram - Early investor/board member in Google
- Value today - $367 Billion

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Your magic – your own ecosystem

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Paypal Mafia – Paypal Alumni

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Paypal Mafia

Unicorns

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

Paypal Mafia – Investments - $$$$$$$$$$

- Facebook
- SpaceX
- Quora
- Yelp
- Uber
- Airbnb
- Twilio
- Eventbrite
- Square
- Youtube
- Tumblr
- Evernote
- Zynga
- OpenAI
- 500 Startups
- Solar City
- Pinterest
- Reddit
- Indieggo
- Avant
- Founders Fund
- Postmastes
- Greylock
- LinkedIn
- Lyft
- Stripe
- Palantir
- Tesla

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Is it easy to raise money $$$$

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Raising Money

Being Rejected

- Pandora - pitched to 300 VC's
- Starbucks pitched to 240 people for Angel investment
- Cisco Systems 79 VC's
- Rejected companies

  http://www.bvp.com/portfolio/antiportfolio

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