



Global Trends on Innovation and Entrepreneurism – Silicon Valley Perspective



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January 2015

Trends in Innovation & Entrepreneurism

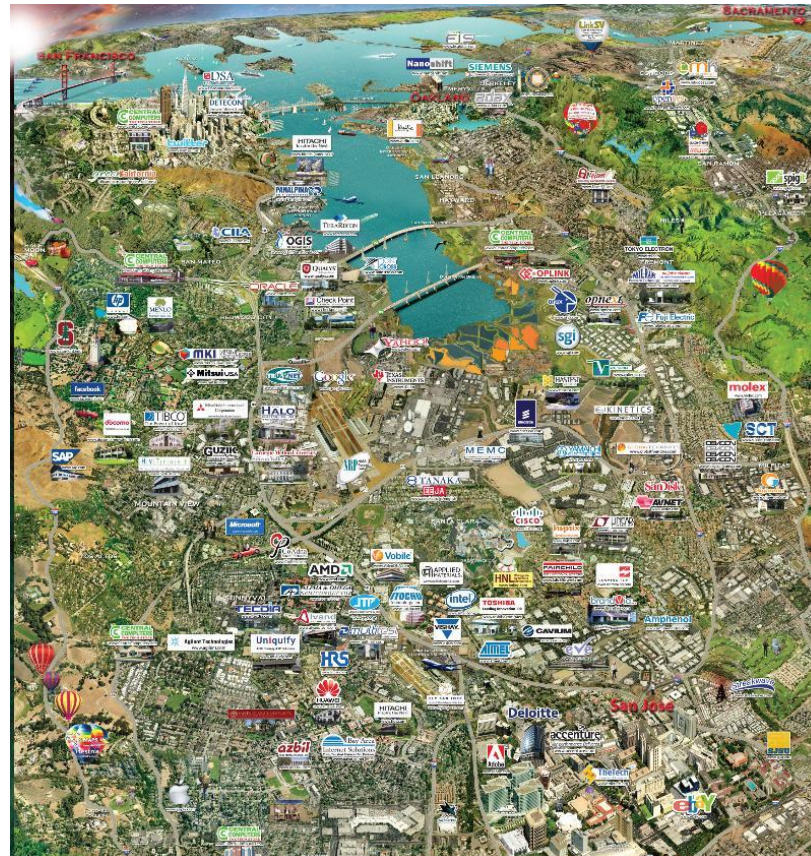


- Culture of taking risks
- Rise of the incubators & accelerators
- Functionality is not enough
- Multi-national startups
- Every business is digital



Culture of Taking Risks

Why is Silicon Valley special?



Silicon Valley Advantage



The high-tech hub of the world

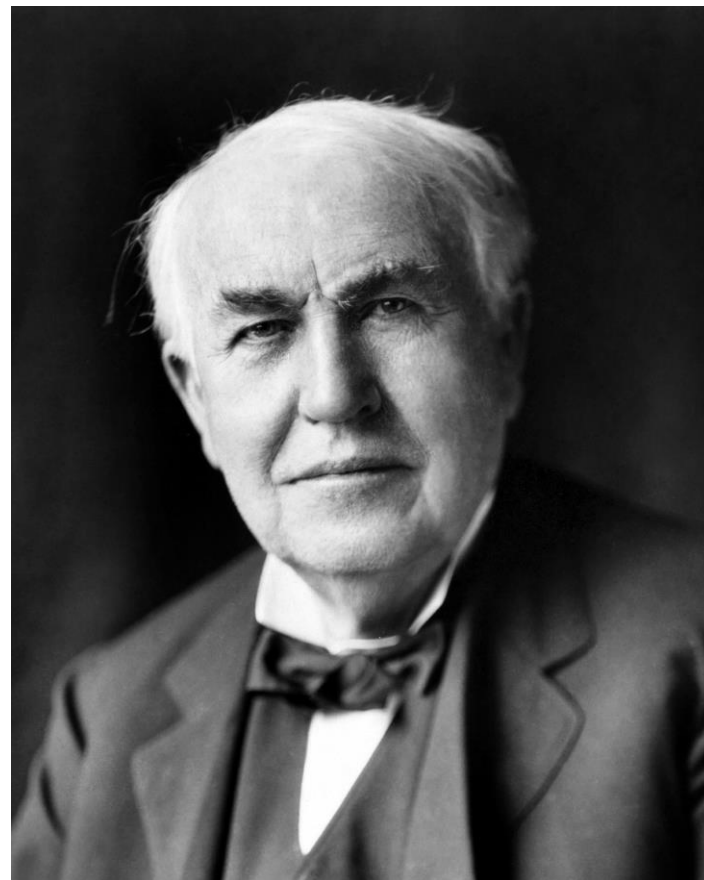
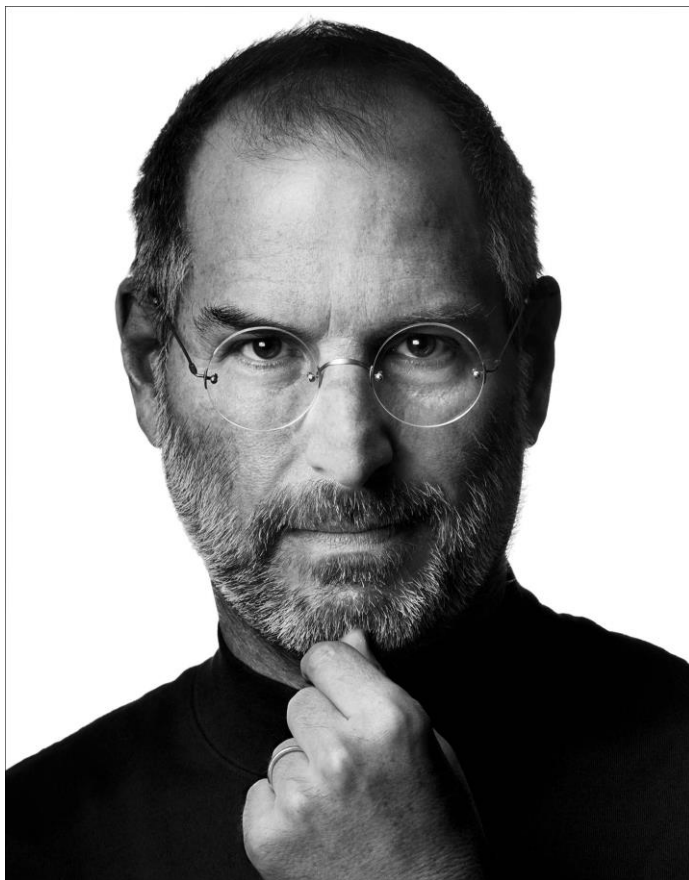
- 400,000+ high-tech workers
- Largest cluster of technology companies worldwide
- Highest concentration of venture capital funding (~40 % of US)
- World-class academic / R&D resources through Stanford, UCB, UCSF, UCSC, UCD, Lawrence Livermore Labs, NASA Ames



Culture of Taking Risks



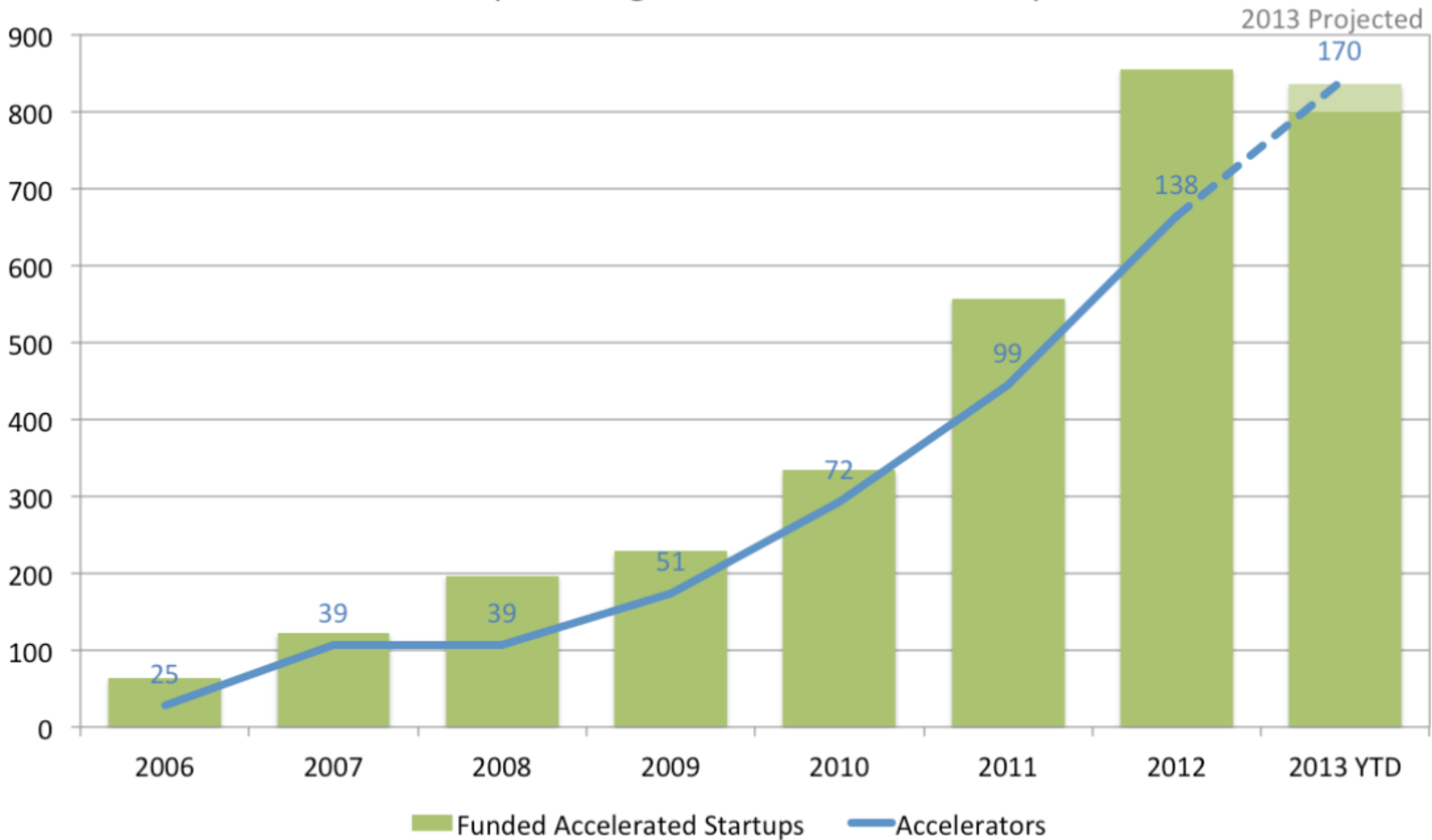
What do they have in common?





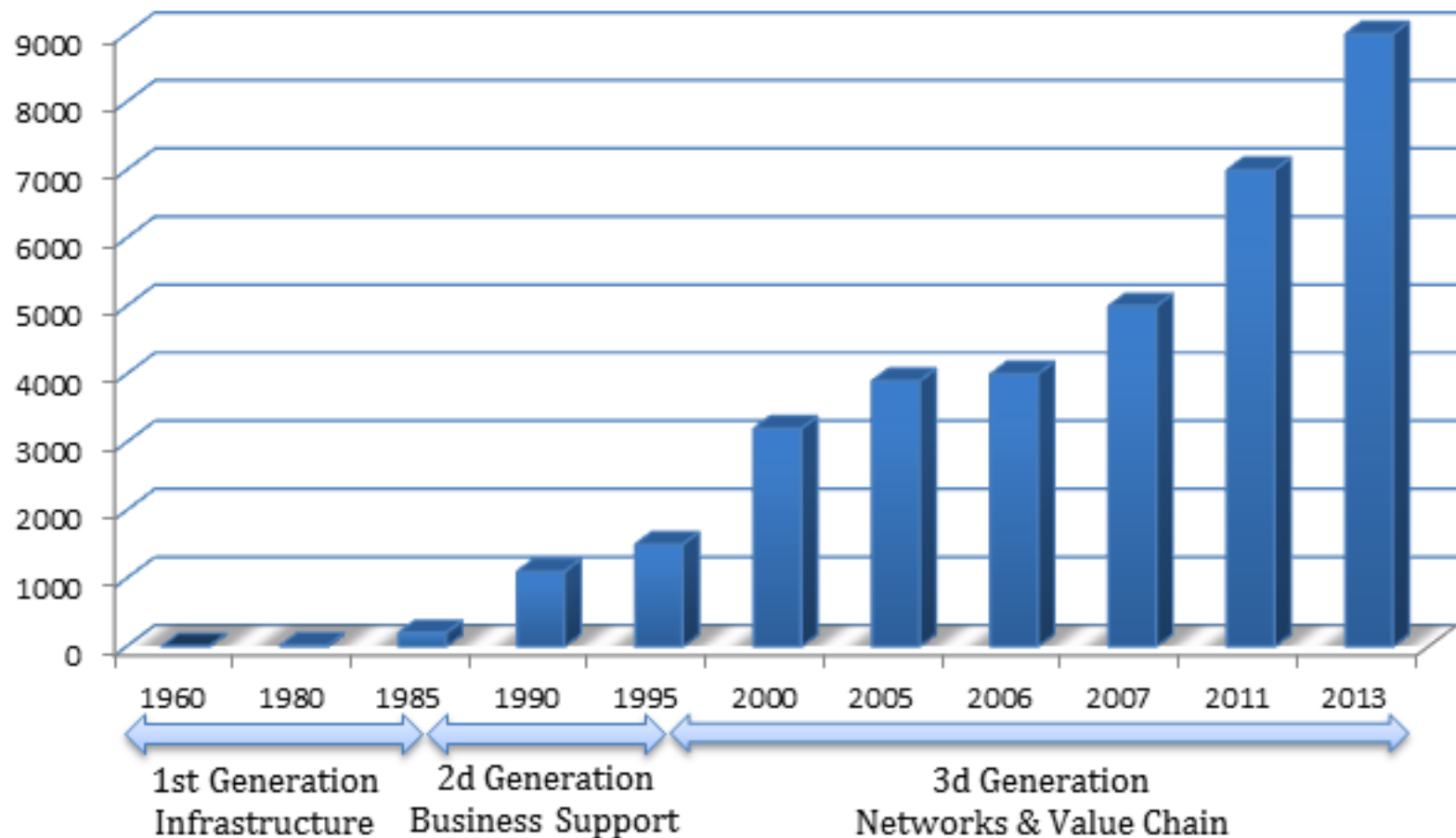
Rise of the Incubators & Accelerators

Accelerated Startup Funding vs Accelerator Growth by Year



Source: CrunchBase

Number of Business Incubators Worldwide



Incubator & Eco-system For Startup Success



Mentorship



Investment & Corporate Partners



Investor Partners



Corporate Partners





Functionality is not Enough

Functional but...



Need for Chief Design Officer



Design Matters



Make it Cool



Crowd Sourced Design



- Crowd Sourced
- Collaborative Design
- Rapid prototyping





Multi-national Startups

STARTUPS IN THE WORLD



Global Smartphone Subscriber: 1.5 billion, 31% growth, 21% penetration in 2013E



Rank	Country	2013E Smartphone Subs (MM)	Smartphone as % of Total Subs	Smartphone Sub Y/Y Growth	Rank	Country	2013E Smartphone Subs (MM)	Smartphone as % of Total Subs	Smartphone Sub Y/Y Growth
1	China	354	29%	31%	16	Spain	20	33%	14%
2	USA	219	58%	28%	17	Philippines	19	18%	34%
3	Japan*	94	76%	15%	18	Canada	19	63%	21%
4	Brazil	70	23%	28%	19	Thailand	18	21%	30%
5	India	67	6%	52%	20	Turkey	17	24%	30%
6	UK	43	53%	22%	21	Argentina	15	25%	37%
7	Korea	38	67%	18%	22	Malaysia	15	35%	19%
8	Indonesia	36	11%	34%	23	South Africa	14	20%	26%
9	France	33	46%	27%	24	Netherlands	12	58%	27%
10	Germany	32	29%	29%	25	Taiwan	12	37%	60%
11	Russia	30	12%	38%	26	Poland	11	20%	25%
12	Mexico	21	19%	43%	27	Iran	10	10%	40%
13	Saudi Arabia	21	38%	36%	28	Egypt	10	10%	34%
14	Italy	21	23%	25%	29	Sweden	9	60%	16%
15	Australia	20	60%	27%	30	Hong Kong	8	59%	31%

Source: Informa. Data as of May 2013. * Japan data per Morgan Stanley Research estimate.

Startups Evolution



Concept

- Develop concept
- Initial pilot
- 3 mo.



Initial Markets

- Penetrate initial markets
- Proof adoption
- 6-12 mo.



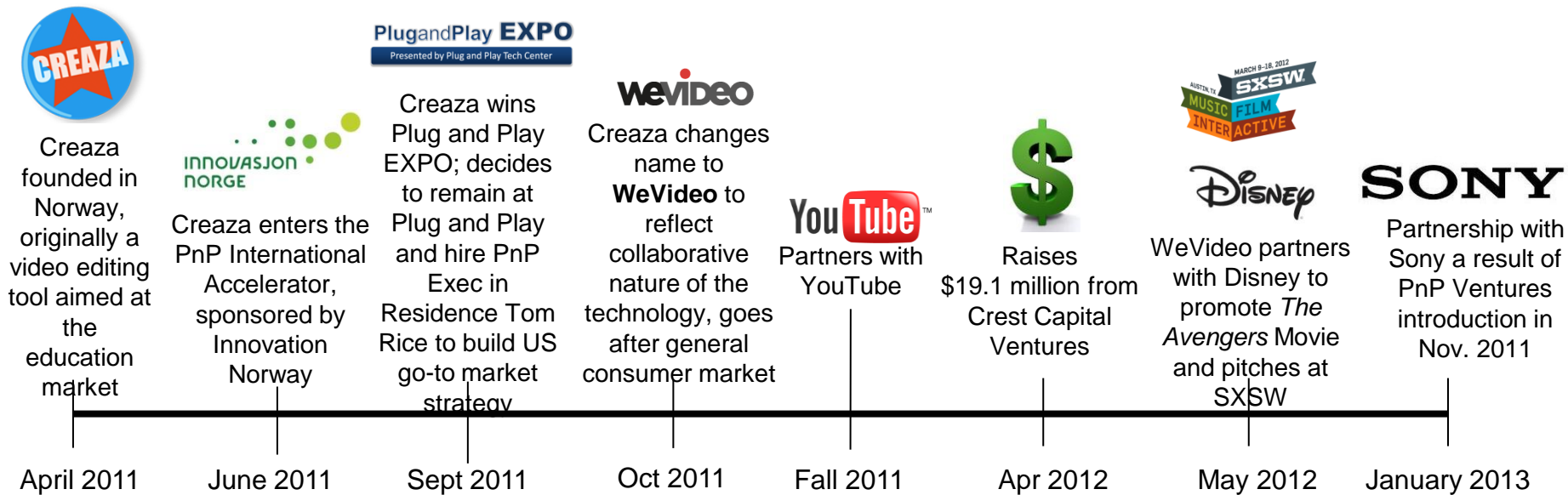
Expansion

- Develop technical team at “home”
- Develop business globally
- Silicon Valley as gateway
- After 1st yr.

Start up Success Story



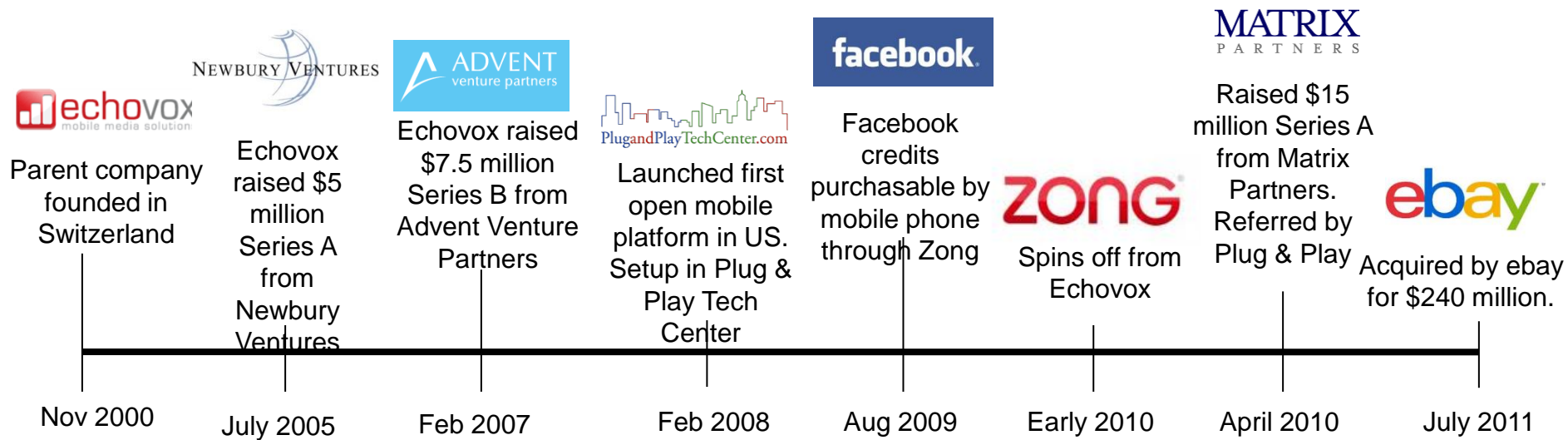
WeVideo is an online video production platform designed to enable users to collaboratively produce, share and store user-generated videos



Start up Success Story



Zong is the leading mobile payment service used by online gaming and social networking sites, such as Facebook, Gaia Online, IMVU and Playdom.





Every Business is Digital

Is Your Industry Digital?



Retail



Hospitality



Restaurant



Media



Transportation



Financial Services



Consumer Goods



Utilities



*Pacific Gas and
Electric Company®*

Law Enforcement



Automotive



Aircraft



Heavy Machinery
Construction



Caterpillar is Digital



Digital Commonality



Ubiquitous Access

- Mobile, local, social
- Smart hardware, sensors, network

Open Markets

- Borderless competition
- Open access & pricing
- Customer rating & reviews

Information Intensive

- Segmentation & customer loyalty
- Crowd enablement
- Product effectiveness & utilization

“The essential part of creativity is not being afraid to fail.”

-- Edwin H. Land

What do you see?

