IDEA CAPSULE 1: ENDEAVOR

TOPIC: ENTREPRENEURIAL MAFIAS: HOW SILICON VALLEY BECAME SILICON VALLEY

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ENTREPRENEUR MAFIAS

How Silicon Valley became
Silicon Valley
Mountain View CA:
Pop = 6,500 in 1950.
Many cities were far ahead of the Bay Area
The Creation of Silicon Valley: Growth of the Local Computer Chip Industry

Fairchild generated 31 spinoff firms in just 12 years.

Legend:
- Size of circle reflects the influence of the entrepreneurs at each company based on the number of spinoff firms.
- SPINOFFS

Sources: SEMI; Hoeft; Endeavor Insight analysis.
Silicon Valley Companies that can be Traced Back to Fairchild Semiconductor

Almost 70% of the Valley’s public firms are linked to Fairchild.

AAPL  GOOG  ORCL  FB  INTC  CSCO  EBAY  YHOO  AMAT  TSLA  SNDRK  INTU  TWTR  LKDN  A
SYMC  XLNX  KLAC  NTAP  LRCX  JNPR  EA  LLTC  ALTR  NVDA  MXIM  NOW  SNPS  SCTY  PANW
SPLK  CDNS  YELP  FEYE  ALGN  PAY  FTNT  BRCD  UBNT  AMD  TIBX  SYNA  RVBD  ZNGA  CAVM
SNX  IDTI  FCS  FNGN  ARUN  ISIL  SFLY  POWI  CUDA  CY  MPWR  MLNX  RMBS  TRLA  PMCS
CODE  PFPT  MKTO  INFN  RNG  RKUS  XOOM  AMBA  RPXC  FUEL  AMCC  BLOX  EHTH  MCRL  IMPV
HLIT  CHGG  ISSI  EXTR  SABA  IXYS  QT M  PLXT  QUIK  PSEM  MTSN  MOSY  SPRT  IMI  ELON
MERU  IKN

THESE 92 COMPANIES REPRESENT MORE THAN

$2.1 TRILLION

IN COMBINED VALUE & OVER 800,000 JOBS.
SUCCESSFUL ENTREPRENEURS DON’T MEASURE THE SIZE OF THEIR FIRM.

THEY MEASURE THE SIZE OF THEIR INFLUENCE.
Are these dynamics exclusive to Silicon Valley?
TESTING THE THEORY: ENTREPRENEUR MAFIAS IN BUENOS AIRES
Tech Sector Network Map
Buenos Aires, Argentina

As of 1996

Size of circle reflects the number of outgoing connections of entrepreneurs at each company.

Note: Entrepreneurs are represented by their most prominent companies.

endeavor
INSIGHT
Tech Sector Network Map
Buenos Aires, Argentina

As of 1999

Size of circle reflects the number of outgoing connections of entrepreneurs at each company.

Note: Entrepreneurs are represented by their most prominent companies.
Tech Sector Network Map
Buenos Aires, Argentina

As of 2011

Note: Entrepreneurs are represented by their most prominent companies.
These entrepreneurs ultimately influenced >80% of the other firms in the network.

Note: Shade of orange in the chart above illustrates the degrees of separation from the top three firms: 1 = 75% shaded and 2 = 50% shaded. Top 3 are 100% orange.
Similar levels of entrepreneur connections in other cities...
WHAT ABOUT ASEAN?
CREATE YOUR OWN ENTREPRENEUR MAFIA
The Entrepreneurship Acceleration Cycle

1. AMBITION
New entrepreneurs seek to build scalable companies in the local area due to:
- Local quality of life
- Desire to grow

2. GROWTH
Entrepreneurs are able to grow their companies and reach scale based on:
- Access to customers
- Access to financing
- Access to talent
- Entrepreneurial ability

3. COMMITMENT
Successful entrepreneurs stay in the local area & engage with new companies due to:
- Local quality of life
- Desire to invest

4. REINVESTMENT
Successful entrepreneurs reinvest in the next generation through:
- Angel & VC investing
- Inspiration
- Mentorship
- Spinoff businesses

The Four Steps & Sub-Components of the Cycle:
THANK YOU