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Understanding Start up Communities

The Rainforest

The Secret to Building the Next Silicon Valley

Summary

The Rainforest, The Secret to Building the Next Silicon Valley is a book that was written by Victor H. Hwang and Greg Horowitz. Victor H. Hwang and Greg Horowitz are the founders of T2 Venture Capital in Silicon Valley. T2 Venture Capital is a firm dedicated to growing startups, investing capital, and assisting in the development of international innovation economies. As advisors for the World Bank, the United States Agency for International Development and several governments throughout the world, Victor H. Hwang and Greg Horowitz have the skill, knowledge, experience, education and training to properly analyze the elements that promote the growth of a metaphorical rainforest as it relates to innovation in a community.

Throughout the text, the authors frequently remind the reader that humans are biological organisms. As biological organisms, the authors feel that it is only appropriate to describe a human's environment through the analytical approaches that biologists, chemists and physicists use to describe natural phenomena. The literature uses a scientific observational approach to classify successful human communities as Rainforests. One of the basic elements of the Rainforest, as described through the text, includes relationships of ideas, talent and capital as a means for generating innovation.

Innovation is produced by combining ideas talent and capital. The Rainforest breaks down the concept of innovation by exploring the mechanisms and classifying them as axioms. The book lists fourteen axioms that assemble to construct the occurrences of innovation. Of the fourteen axioms relating to the mechanisms of innovation, three appear to significantly contribute to the growth of a rainforest. These axioms express the concept that nothing is free, open mindfulness is vital, and it is not inappropriate to challenge the status quo of the current environment.

The concept that nothing is free is correlated to the evolutionary and physical properties that suggest that nothing, including innovation, derives or survives independently. Rather everything exists as a byproduct of the resources of an environment. Such resources in the context of innovation can only be brought together by an ecosystem that promotes the open mindfulness of the innovation despite the fact that this innovation may challenge the status quo of the current environment, or community. The authors have observed in Silicon Valley that these resources require an input of energy that is often overcome by a keystone figure in the environment.

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The keystone is an individual or group of individuals in a community that uses the axiom mechanisms of innovation to drive ideas, talent and capital. As observed in successful rainforests, like Silicon Valley, the keystone uses axiom mechanisms to drive ideas, talent and capital by placing emphasis on education, infrastructure and scientific discovery. Placing emphasis in these areas initially requires an abundance of resources and energy.

Because improvements in education, infrastructure and scientific discovery involve a large input of energy, it is very easy to sink the ship before it sets out to sail, so to speak. Silicon Valley has avoided disrupting the initial input of resources into the areas of education, infrastructure and scientific discovery. Silicon Valley is able to achieve this by preventing over regulation of these areas, averting interference of agreements among the groups within these areas and inhibiting corruption of the regulation of the areas. Once the areas of education, infrastructure and scientific discovery have received enough support to thrive, they will recycle their resources into the longevity and survival of ideas, talent and capital. From this point in an ecosystem, the authors believe that prosperity can only remain with the establishment of a code.

A rainforest must have a code that can be related to by all groups. Rainforests are known for and thrive because of their diversity. Diversity enhances the creation of ideas, talent and capital. The book describes diversity as a fragile element within the growth of a rainforest. Diversity is considered fragile because social barriers cause issues or difficulties within ideas, talent and capital. Silicon Valley incorporates such a code into its rainforest by attempting to stop or thwart the breaking of rules and dreams of the diverse members in the rainforest, by listening to the diverse members of the community, and by generating equal amounts of trust amongst diverse groups. The diverse groups in a rainforest will follow this code by proposing solutions to problems in the community together, agreeing to succeed and fail together as well as taking on a pay it forward persona together. Codes do not come free or independently. Codes derive from experience and observations of other codes as well as efficient communication, confidence, and dedication to the code.

Larry Bock is a good example of someone who has gained successes by creating a code. Larry Block has founded or cofounded eighteen startup companies and has invested in twenty two others. His contributions to startup companies have grossed a total market value greater than forty billion dollars. Larry Bock created his code by crafting a concept, like Athena Neurosciences and Vertex Pharmaceuticals, his first two startup companies. After Larry Bock established a vision, he sought the advice of world leaders in the areas of his vision. Larry Bock is a keystone who has used his experiences to not only craft his vision, but to lay a foundation of code that diverse members of his environment could all follow. A rainforest will heavily gain momentum with innovation, proper keystones, and a code that can be followed by a variety of diverse groups.

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As rainforests gain momentum in growth, successful groups will emerge in the same way that successful groups have emerged from Silicon Valley. Successful groups that have emerged from Silicon Valley include Google, Amazon and Cisco. The authors have noted that Silicon Valley seems to arrogantly bolster the success of groups that have emerged from their environment. However, the authors feel that the arrogant bolstering is necessary in the sense that it promotes the expansion of the rainforest concept or model to areas that may not be familiar with the success of Silicon Valley. The expanded rainforest of Silicon Valley has thus maintained its ability to accelerate ideas, talent and capital, the basic elements of the rainforest.

The book *The Rainforest, The Secret to Building the Next Silicon Valley*, written by Victor H. Hwang and Greg Horowitz promotes the belief that successful innovative communities can emerge from an environment that displays elements similar to those that make up the Silicon Valley rainforest. Frequent innovations are the products of successful rainforests. Innovation comes from ideas, talent and capital of diverse groups that are catalyzed by a keystone. All members of the community follow a just code and show great pride in the successful groups that emerge from this environment. The book inevitably reveals the elements of a rainforest in a linear fashion. The book expresses the elements in this way because we, as humans, communicate and learn best in linear context. However, the authors mention that it is crucial to analyze the rainforest of the human startup communities the same way biologists look at the rainforests of other organisms, which is certainly not linear. The factors that make up a rainforest in this summary should not be perceived in the sequential order that they were written. Rather, the factors that make up the rainforest of Silicon Valley and other rainforests of the past and future should be viewed as a web of interactions constantly colliding with one another at different frequencies, intensities and orders.