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How to grow innovation culture in Genesee Valley

It's early July, and 60 of us—trustees and senior administrators from Rochester Institute of Technology—are in Palo Alto to meet our large alumni base and build relations with forward-thinking, innovative companies that populate Silicon Valley. After three days we had visited 22 companies, met hundreds of alumni and talked at length with venture capitalists.

One major insight: Many of the elements that characterize Silicon Valley exist in Genesee Valley—albeit on a much smaller scale.

Silicon Valley is a knowledge-intensive economy fueled by its premier educational institution, Stanford University. Likewise, Rochester is a knowledge-intensive economy with two nationally recognized educational institutions—the University of Rochester and Rochester Institute of Technology. Just as Stanford encourages entrepreneurship through academics and incubators, both UR and RIT have academic programs for entrepreneurs and incubators.

Silicon Valley spawned many new companies exploiting information technology to provide new products (Cisco Systems Inc., Apple Inc.) and services (Google Inc., LinkedIn Corp.). Rochester has spawned new companies offering products (Redcom Laboratories Inc., Fibertech Networks LLC) and services (Paychex Inc., Paetec Holding Corp., Sutherland Global Services Inc.).

Alumni of successful companies stayed in Silicon Valley and supported the formation of new companies. The “PayPal mafia”



INNOVATION EDGE

Ashok Rao

is one well-known group of serial entrepreneurs. But these multi-millionaires chose not to relax on the beach and bask in the California sun. They started new companies.

Similarly, successful alumni of Rochester companies stay in the Genesee Valley and support new ventures. Paychex founder Tom Golisano has supported many successful ventures such as Pictometry International Corp. and BlueTie Inc. And when Christine Whitman sold CVC Inc. to Veeco Instruments Inc., she didn't retire; she founded another company, Complemar Inc.

Still, Silicon Valley is overflowing with enthusiastic youngsters eager to start new ventures—much more so than in the Genesee Valley. Why? One CEO of a startup said it was because in Palo Alto he meets “sharp people who are willing to take risks in starting and funding ventures.” In other words, people with an entrepreneurial mind-set.

How does this translate into practice? A Stanford graduate described his experience: “I graduated with a PhD in aeronautical engineering. But while working on

my doctorate I worked at startups to make money and ‘I caught the bug.’ Instead of joining an aeronautical company or pursuing an academic career I joined with others to form evite.com. At 28 I was the oldest in the group.”

One angel fund investor noted that 25 percent of his deals come through a university (20 percent student and 5 percent faculty ideas), primarily Stanford. That is a remarkably high percentage. His approach to finding these opportunities is reminiscent of the approach used by VCs at Stanford in the 1980s. Back then, John Doerr, one of Silicon Valley's most successful venture capitalists, would prowl Margaret Jacks Hall at Stanford—which housed students who later became founders of Sun Microsystems Inc., Netscape, MIPS Technologies Inc. and Cisco Systems.

Meanwhile this current angel fund investor has no office on campus and his group sponsors no student events or other formal events. But he has tight links with the academic community. There is a natural cross-pollination.

RIT and UR have technologies and facilities that are world-class. And the Genesee Valley has many smart people as well as a significant number of angel investors who would be willing to invest and take risks.

What Genesee Valley needs are tighter links between the business and the academic communities.

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