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This is how you build a tech community

By Vivek Wadhwa, Published: September 24, 2012

You can't help being overwhelmed by the natural beauty and Swiss-village-like charm of Boulder, Colorado. With a population of just under 99,000, you wouldn't expect it to be the home of a Silicon Valley-style tech center complete with hundreds of Internet and software startups. I was certainly impressed with the vibrancy of its tech community when I visited Boulder in March 2010. The local cafés were as much a beehive of entrepreneurial activity as those San Francisco or Palo Alto, and the culture of risk-taking and information-sharing was very similar. In April of that year, I wrote a feature story for BusinessWeek in which I outlined why Boulder is "America's best town for startups."

This is the type of tech center that government officials dream about building. They often invest hundreds of millions of dollars in creating top-down clusters. Rarely do these efforts show any results. Boulder wasn't the result of a government effort. Rather, it grew organically and resulted from the efforts of a handful of entrepreneurs who got together and decided to foster entrepreneurship in the region. It already had a nascent software industry in 1995 when entrepreneur Brad Feld moved to the area after reaping a fortune through the acquisition of his software startup,Feld Technologies, in Boston. Feld eventually teamed up with local entrepreneurs, including David Cohen, Rep. Jared Polis (D-Colo.) and David Brown, to launch TechStars, a business boot camp for startups. TechStars became the nucleus of Boulder's startup community. Feld has documented his journey and the lessons learned in a new book titled "Startup Communities: Building an Entrepreneurial Ecosystem in Your City."

He starts by discussing a common problem in tech communities: the chasm between investors and entrepreneurs. Investors are highly selective about whom they work with. They usually settle on a small group of people, many of whom they have worked with in the past and trust. This means it is nearly impossible for new entrepreneurs to get funding. And entrepreneurs don't respect investors, leading them to bootstrap and try to do everything on their own.

Feld lists four things that are critical to the creation of a long-term, vibrant entrepreneurial ecosystem. He calls this the Boulder Thesis.

1. Entrepreneurs must lead the startup community. They are the leaders and everyone else—government, universities, angels, VCs, lawyers, accountants, and big companies—are feeders. Both roles are important, but they are different.

2. The leaders must have a long-term commitment. It takes a long time to create a startup community that sustains itself—at least 20 years. If you don't have a long-term commitment, you will find yourself subject to macro-economic cycles, rhythms of the feeders such as the 2-to-4 year cycle of government, and a lack of sustainable momentum that comes from short-term activity.

3. The startup community must be inclusive of anyone who wants to participate in it. It must have a "give before you get" philosophy that is core to being an

effective mentor. You have to give, without any expectation of what you are going to get back. You have to be inclusive of anyone who wants to get involved at any level. You have to view the creation and development of the startup community as a non-zero sum game — where everyone can win through collaboration.

4. The startup community must have continual activities that engage the entire entrepreneurial community. While cocktail parties and entrepreneur-of-the-year awards are nice, you need activities that engage everyone involved in entrepreneurship. These can be things such as accelerators in the mold of TechStars, simulations of entrepreneurship such as Startup Weekends, or multi-month programs for innovation education such as Singularity University, where I serve as Vice President of Innovation and Research.

Feld also explains why he believes government efforts fail. He says the differences between entrepreneurs and governments are:

1. Entrepreneurs are intensely self-aware. They know—and admit—what they are bad at. Feld says entrepreneurs often use words such as "this is what I suck at." Government leaders, on the other hand, get defensive and rationalize why things didn't go their way. They focus on impacting public opinion.
2. Entrepreneurs work bottom up and government works top down. Entrepreneurs rarely have significant resources when they start a company—they have to do all the work. Governments have well-defined hierarchies, existing staff and infrastructure, and "clear rules of engagement for getting things done."
3. Entrepreneurs focus on the micro—on specific things that need to get done while governments focuses on the macro. Feld says, when he talks to government leaders, "they use words like global, macroeconomic, policy, innovation, and economic development. These are not words that entrepreneurs use; entrepreneurs they talk about lean, startup, product, and people."
4. Entrepreneurs are hard-wired to take action, while government leaders focus on creating policy. In other words, entrepreneurs believe in doing vs. controlling. To them, it is all about making an impact and getting things done.

I suggest that, before government officials waste public funds on trying to build yet another cluster, they read Feld's book and hang out at the cafés in Boulder or Silicon Valley. They will realize that their best hope to foster innovation is to team up with entrepreneurs such as Feld.