

# Sustainability and Buttermilk Pancakes

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Friday, 20<sup>th</sup> August 2010

What does it take to create new business ideas, and convert them into activity on the ground?

The usual list includes: finance provided by angel investors (often relatives), and by venture capitalists; government support via funding for infrastructure, research and development and tax incentives; a profusion of new ideas that could increase productivity in existing businesses and create new markets (these often come from universities and their graduates); legal expertise that helps compliance with the law and protects the new ideas (intellectual property); and entrepreneurs who are willing to take on the risk and commit themselves body and soul to making it happen.

And the people behind these elements need to interact, and so this activity tends to cluster in particular locations. Silicon Valley in California is the prototype where all these forces combine, and Palo Alto is its heartbeat; its credentials are impressive – Facebook and Hewlett Packard both have their origins and their base there. Larry Ellison, Oracle Corporation; Gordon E. Moore, Intel and originator of Moore's Law; John Thompson, Symantec; Steve Jobs, Apple; Thomas Siebel, Siebel Systems, and John Doerr, venture capitalist, all live in the neighbourhood.

At a presentation in Dublin hosted recently by the Earth Sciences Institute University College Dublin, Trinity College Dublin, and Dublin City Council, Pat Burt, the Mayor of Palo Alto, explained its success. Graduates of the local university (Stanford) anchor many of the new ideas – Larry Page and Sergey Brin (Google); Jerry Yang and David Filo (Yahoo); Len Bosack and Sandy Lerner (Cisco Systems); Damon Horowitz (Aardvark); William Hewlett and David Packard (Hewlett Packard); Vinod Khosla, Andy Bechtolsheim, and Scott McNealy (Sun Microsystems) – are the tip of a very creative iceberg.

And what are by now serial entrepreneurs and venture capitalists constantly scan the ideas horizon to see what can be brought to commercial fruition. And they understand the law of large numbers – many relative failures must be absorbed if a few large successes are to be realised.

Burt noted that many of the new wave of start-ups are led by recent immigrants, with India, China and Europe well represented. And many of the ideas are pitched, and deals done, when innovators, venture capitalists and IP (intellectual property) lawyers meet over breakfast (buttermilk pancakes are a favourite) in an unpretentious restaurant with many booths and tables called Bucks in nearby Woodside.

Palo Alto faces environmental challenges, including climate change – much will be submerged if sea levels rise significantly, as at the same time its fresh water supply shrinks as the snow pack in the Sierras retreats. The response is the Community Environmental Action Partnership, which brings key stakeholders and the public together to address water conservation and quality; climate protection; green building; zero waste; parks and open spaces, and energy.

And this, in turn, is leading some of the innovators to focus on clean tech as the next frontier. John Doerr, the doyen of venture capitalists, sees energy as the new frontier: "The energy market is \$6 trillion. I like to say it's the mother of all markets. Compared to the internet, which is a big deal, this is much bigger, much more exciting. But the challenge is much larger. Going green – solving that problem will be the largest transformation on the planet."

Dublin was Ireland's equivalent of Silicon Valley in the 18<sup>th</sup> century, when the imagination of key members of the land-owning class was captured by the potential of emerging science. In 1731, they formed the Dublin Society to, in R.F. Foster's words, "promote agriculture, manufactures and the useful arts with a direction that was firmly pragmatic and directed towards practical economics rather than theoretical science; much of the 18<sup>th</sup> century achievement can be traced to its influence". They controlled the Parliament and the university (Trinity College) and so risk-taking, policy and intellectual development were in alignment

This impetus to foster innovation and invest in Ireland's future was lost for centuries, but we are now re-inventing ourselves to make it once more a central tenet of Irish life. Generous tax provisions apply for investors in enterprise, research and development and venture capital; local and city government are enabling and supportive; a venture capital partnership (modelled on a successful precedent in Israel) has been established; and, after a hiatus of over 200 years, there is serious investment by both the State and private sectors in research and development. In the area of climate change and energy, a price has been put on carbon which provides a return to all carbon-reducing investment; this gives innovators and entrepreneurs in Ireland and Europe an advantage over their counterparts in the US.

The first fruits of this change are beginning to emerge, as multinationals (examples include Boston Scientific, IBM, Intel, HP, Johnson and Johnson, PayPal, Pfizer, Novartis, Roche, SAP) begin to invest in R&D in Ireland, and a swarm of start-ups emerge.

I see a time when parents who have the means to do so help their children finance an innovation-led company, rather than a house, where the five-kilometre 'innovation corridor' linking UCD and TCD is home to a plethora of creative activity, and where a Bucks equivalent emerges to enable serious people to meet and do deals.

#### **Bucks in Dublin?**

If you have suggestions for where this might be, what it would offer, its opening times, and how it would be laid out and organised, let us know. Please use the dedicated space for comments directly linked to this week's commentary on: <http://www.comharsdc.ie/blog/index.php>.