

## Start-ups: Europe has a lot to learn from Silicon Valley

Written by Lambert van Nistelrooij on 30 June 2016 in News  
News

Perennial optimist and innovative EU business champion, Lambert van Nistelrooij explains why he's heading back to California's Silicon Valley for the fourth time.



Lambert van Nistelrooij | *Photo credit: European Parliament audiovisual*

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This summer, for the fourth time in my life, I'm heading to Silicon Valley, the start-up capital of the digital global economy and the birthplace of Uber, Tesla and Apple, innovative companies that, through technology and the internet, are disrupting traditional business.

If, like me, your dream is to help enhance Europe's competitiveness, then this is the place to learn from. In Europe, we do not want to copy Silicon Valley, but we can certainly learn from it and other global innovative start-up hubs, such as Tel Aviv in Israel.

The nine years between my first visit and this one seem short to me, but are almost a lifetime in the

tech sector. It's worth reminding ourselves that in 2007 Facebook was just a small start-up.

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Will we witness 'Silicon Valley 4.0' this year? How can these experiences help us further improve the climate for start-ups and scale-ups in Europe?

My previous visits, organised by the European Internet Foundation in 2007, the European Internet Forum in 2012 and the European Parliament's internal market and consumer protection committee in 2015, left quite an impression.

The San Francisco Bay Area is a mixture of many nationalities; young people from all over the world come to Silicon Valley to start their own internet companies or to work for larger tech companies. The youngsters seize the opportunities that Silicon Valley - characterised by its positive attitudes and its driving force to succeed - offers.

Stanford University's Professor Burton Lee has compared Europe's innovative ecosystems with those in Silicon Valley. He believes that the Valley's success is based on the several key factors including, its preparedness to take risks, its attitude towards the work and life balance and information sharing.

Lee also suggests that factors such as the Valley's proactive approach, as opposed to waiting for government initiatives, its predominantly optimistic, open and speedy approach to decision-making, as well as financial and economic issues such as low transaction costs, high liquidity, large markets versus high transaction costs, less liquidity and smaller markets in Europe help ensure its success.

By clustering tech companies on campuses and immersing them in the Valley's flourishing start-up ecosystem, new start-ups profit from the experience and facilities of bigger companies. Many start-ups who think big succeed.

The average 'exit' (the moment when you sell your company) is within a year from its founding. They often sell their start-up to international tech companies such as Apple, Google, Microsoft and Amazon. What these companies are often actually buying is innovation.

This way they keep up to speed. The money founders make selling their companies is often used to start new ventures. Few start-ups stay independent or reach so-called "unicorn status" (a market value of \$1bn or more) alone.

In the European Parliament, I work in the fields of regional funding and the digital single market and will be the Parliament's shadow rapporteur for the European Commission's upcoming European Start-up Initiative proposal.

Besides the legislative work, I highly appreciate the added value of being active in networks such as the European Internet Forum (EIF) where I am the president of the programming committee.

The EIF has organised several study visits to European start-up hubs in Berlin, London and Milan over

the last few years. Now we are co-organising the study trip to Silicon Valley.

Great things are happening both in Europe and the United States and we can learn from them. EU40, also co-organising the upcoming study visit, is the network for young members of the European Parliament. It is important to involve them and pass-on knowledge and experience.

The Knowledge4Innovation network focusses on advocating an innovation friendly legislative environment. In this network, I hold the position of president of the governing board.

I believe that it is through networks like these we can contribute to creating a hotbed for ideas. Is this not the essence of Europe, the notion that together we can achieve more?

Working on improving the legislative framework for start-ups and scale-ups, discussing issues in Parliament and the mentioned networks is good, however experiencing them in real life is better.

In 2007, during my first term as a MEP, I went to Silicon Valley on the invitation of my experienced colleague, former British Conservative MEP, Malcolm Harbour. This visit made a profound impression on me and I gained insights that proved useful when deciding on legislation. I hope this year's study visit will be equally beneficial to my younger colleagues.

Are you with me on this road to enhance Europe's competitiveness? In the September issue of the Parliament Magazine you can read all about our experiences in Silicon Valley 4.0.

You can download Lambert van Nistelrooij's new publication, 'The Road to the Valley. Start-up and scale-up in the EU', [here](#) [4].

## About the author

Lambert van Nistelrooij (EPP, NL) is a member of Parliament's regional development committee

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