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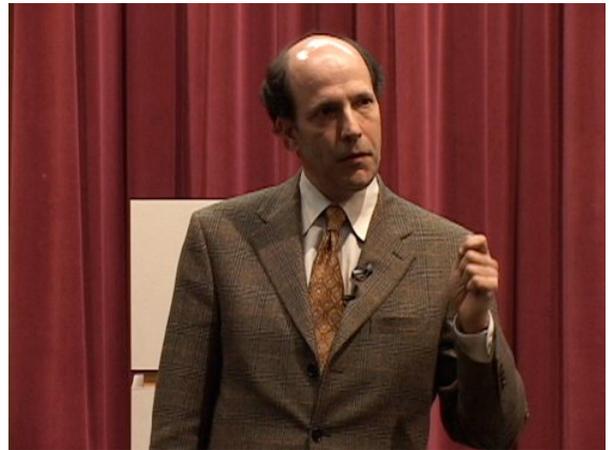
Silicon Valley: An Ecosystem

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Video URL: <http://ecorner.stanford.edu/videos/1461/Silicon-Valley-An-Ecosystem>

Roos talks about how Silicon Valley is an ecosystem where everyone knows each other and everyone feeds off of each other. It is important when you are starting a company that you want to tap into that ecosystem, he says.



Transcript

The ecosystem is amazing in Silicon Valley and again, it just expands way beyond the Valley. So what do I mean by that? In a way, while it's open to everyone and merit and wins out, there definitely is a set of players in the industry that you need to get to know and should get to know and that is everywhere from the lawyers. I like to think by the way that there's only one firm that you should get to know although some might argue differently. But Wilson Sonsini clearly is a part of that ecosystem. At any one time, we represent 2,000 to 3,000 private companies and 300 public companies. We know a lot of people. We have relationships with a lot of people. The same is true of the major accounting firms. The same is true of the major venture capital firms. All of these and the same is true by the way with the major significant entrepreneurs in the valley although a great idea and hard work can break in into that area much easier.

But there's this ecosystem where everyone knows each other, everyone feeds off of each other and it's important that if you're starting a company that you want to tap in to that ecosystem. There are various ways at Wilson Sonsini where we saw. Obviously, when an entrepreneur comes in, the first thing we do is sit there and listen to the idea and we try to think of funding sources for them and we go okay, its Kleiner Perkins or NEA or Mayfield or whatever. All these people that I've worked with for the last years, an idea comes into me and I sit there and I say let's feed it to a venture capitalists and I have a relationship that I respect and blah, blah, blah. All of that feeds off of each other. It's also in the way things are done. There are certain ways the legal work is done that believe it or not, if an entrepreneur goes to a lawyer outside this core group in the Valley, they'll have their legal work done differently and when it comes to getting the company funded by a venture capitalist, they'll often take a look at it and they'll go, what is this all about? Why didn't they have series A preferred stock? Why did they just issue common stock and their accounting is all messed up? All that kind of stuff. There's one issue on the table for the venture capitalist to end up saying no to the financing when it would be nice just to have a cookie-cutter thing that takes that issue off the table. So there's just a way of doing things in the Valley that if you're starting a company or if you're at a company you really want to tap into.