

FEATURE

Leveraging One's Ethnicity in a Flat World

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By George Koo



We all know that the United States of America was founded by immigrants. Indeed this has been one of the unique but frequently overlooked strengths of this country. By and large, this country continues to keep its doors open, not just to the poor and downtrodden but also to the best and brightest other countries have to offer. As a consequence, the U.S. continues to be renewed by new blood, new ideas and new energy. In turn, people continue to migrate to the U.S. because this is the land of opportunity, where by dint of ability, dedication and willingness to work hard, anyone (at least virtually anyone) can realize the American dream.

Certainly nowhere else is this more true than here in the Bay Area or Silicon Valley and I will be using the two terms interchangeably. While the U.S. might be unique among nations, I submit Silicon Valley is unique within the U.S. It is this uniqueness that has made Silicon Valley the technology Mecca of the world. Let me offer just one of many indicators as to why Silicon Valley is unique. The Bay Area represents roughly 2% of the total population of the U.S. but takes in about 35% of all the venture capital invested in this country every year; in other words, anywhere from 15 to 20 times their fair share of risk capital.

Why is Silicon Valley unique? I believe there are two major reasons. It is by far the most diverse region in the world. Talented and motivated people from all over the world come to the Bay Area, perhaps first to attend school such as you folks and then stay because this is one of the best places to live. Secondly, this area has

great tolerance for failure. Entrepreneurs know if they fail here in Silicon Valley, they can still hope to secure funding for the next idea they cook up. The venture investors here give credit for the experiences gained in starting a venture. Not so in most other places. In most places, failure means seppuku or at least having to skedaddle out of town. To know that it's OK to fail is to give entrepreneurs courage to take on the risks of starting a venture. After all, the probability of failure of a new venture is about 4 out of 5.

One of the secrets of Silicon Valley's success is the presence of immigrants. In fact, your professor Annalee Saxenian, Dean of School of Information, was the first to study and report on the phenomenon of the role of ICs; in her lexicon IC stands for Indians and Chinese. Her study showed that approximately 30% of the new ventures were started up by Chinese and Indo-Americans. This study dates back to 1998, the last year she studied, and I believe the proportion of start-ups by ICs has only gone up since her study. Among some of the more famous start-ups, Sun Microsystems and Exodus Communications had Indo-Americans as co-founders, Yahoo had a Chinese American co-founder and of course you all know the most successful start-up, Google, was founded by two Russian immigrants.

Mind you it wasn't always like this. This morning you had the director of culture and diversity from HP as your leadoff keynote speaker. It is most appropriate that she should be the lead off speaker. After all, HP is the granddaddy of Silicon Valley and the HP Way continues to exert its influence on the business

culture of Silicon Valley—recent pretexting adventure notwithstanding. However, even HP was not free from glass ceilings. The best known case involved a then young PhD from MIT who was a Chinese American and was the leader of a group in R&D. He was surprised one day, when a junior white engineer, who was assigned to him for training, suddenly got promoted over him and became his boss. That Chinese American was David Lam, who promptly resigned and went on to found Lam Research, one of the more successful semiconductor equipment companies in the valley.

Parenthetically, since I am myself a Chinese American, I am going to draw from my experiences with an ethnic Chinese point of view. But I think, and I hope, you will find that my experience and observations are reasonably valid for all immigrants that have landed in the Bay Area.

Even before David Lam was David S. Lee. Lee started his first company in 1969 called Diablo Systems, a company that made daisywheel printers. He sold the company to Xerox in 1972 for \$28 million. One of the first things Xerox did was to replace David as the executive in charge, so David resigned and started Qume the following year. Qume continued to make refinements in the daisy wheel printer and the company was sold to ITT in 1978 for \$165 million. This sale returned 93 times original investment for the investors. David made his first million in 1972 when he was 34 and his sale of Qume was the first Silicon Valley company to be sold for over \$100 million.

When David was raising venture funding for Qume, despite his track record with Diablo Systems, the investors insisted on the right to put in a CEO over David as a condition for their investment. When ITT bought the company, they made David the number one executive and then later made him a corporate vice president in charge of three divisions. At that time, ITT was in the top ten of Fortune 500 companies and David was undoubtedly the highest ranking

Chinese American executive in Corporate America from Silicon Valley. He repaid ITT for their confidence in his management ability by staying with ITT until his division was sold to Alcatel, the French telecomm equipment company.

By the time David left ITT in 1984 he was already a legend in Silicon Valley. While he continued to acquire and run high tech businesses, he also began to think about —as he put it—working for future generations. He became politically active as a fundraiser. Being a Republican he supported most Republican candidates at all levels but he also supported Asian American candidates regardless of political affiliation. He encouraged all Asian Americans whatever their political persuasion to be active and get involved. To David, participating in the political process and having a place at the table was more important than the political affiliation. When Bill Bradley ran for the Democratic nomination for president, he was a visiting scholar at Stanford. David was among the first to host a dinner party for the senator so that some of the notable Chinese Americans in Silicon Valley could meet him.

David has served on presidential commissions for three successive presidents from George Bush Sr. to Bill Clinton to George W. He had been on the board of regent for the University of California system since 1995 and just recently stepped down having served his term. He was very aware of his responsibility as the only Chinese American regent to serve in a system where Asian American students represent more than 40% of the enrollment. He has been president of Chinese American associations, visible supporter of many Asian American causes and a tireless speaker at functions to encourage others. Even though public speaking is not his strongest suit, he accepts invitations that come his way because he believes in making a difference by example.

Pauline Lo Alker was born in China and grew up in Hong Kong. She came from a

“traditional” Chinese family where she was told that her mission in life was to support her brothers. Her parents enter her to school a year early so that she could keep an eye on her older brother. Her dream was to attend Northwestern University, but her parents kept the acceptance letter and scholarship notification from her. In the end she and her brother left Hong Kong to attend Arizona State where Pauline took on a double major of music and mathematics. During her senior year she was introduced to the computer, which she took on with complete enthusiasm. After graduation in 1964, to her chagrin the only job open to her was to be a bookkeeper at Sears & Roebuck.

Pauline’s first break came a year after graduation when she met someone in the computer department of General Electric who offered her a job as a manuscript typist. Not exactly a plum job but at least it was in the right department. She rented an IBM Selectric, learned to type on it and took the job. A month a half later, a programming job opened and she applied and was selected over four others. Her high tech career was finally launched. By 1972, Pauline had moved to Silicon Valley to become the 37th employee of Amdahl Corporation, then a start-up computer company. She then moved on to mid-level management positions at Four Phase Systems and Intel.

Pauline came to prominence in 1980 when she joined Convergent Technologies, a computer workstation company, as their vice president of marketing. In four years she oversaw sales of half a billion dollars-worth of workstations. Convergent was an early high flyer and she was the frequent spokesperson for the company. In 1984, Pauline started Counterpoint Computers, a builder of high performance computers, which was sold to Acer of Taiwan in 1987. She stayed on to run the U.S. business for Acer for a while. In 1990, she was recruited to run and turn around a small company, Network Peripherals, which she did turn around and got it ready for public offering in 1994. The company won the recognition as the most successful IPO

from Silicon Valley in 1994. Since 1998 Pauline has continued to lead Internet related start-ups in Silicon Valley.

In the recent fifteen years or so, Pauline received many honors and awards. She wasn’t just the most visible Asian American women in Silicon Valley but was one of few pioneering women executives who have established their credentials in heretofore a mostly male high-tech industry. She was a popular and widely admired role model and she relished her position and took her responsibility seriously. She became the first woman to become the president of AAMA, then standing for Asian American Manufacturers Association. AAMA was and continues to be one of the best-known professional organizations for Asian Americans in Silicon Valley. When it was first formed, it was to serve as a networking and mutual aid organization for Asian Americans. Today, the organization is known in China, Hong Kong and Taiwan as the bridge to Silicon Valley. When Pauline stepped in to lead this organization, the energy level of the entire organization went up, there were more programs put together by more volunteers and attended by more people. Pauline called herself the “self-appointed champion of the young.” She organized and led workshops to teach young engineers about leadership and communication skills and other attributes necessary in order to become successful managers and executives. It was invariably the most popular and best-attended event.

David Lee and David Lam and Pauline were among the first wave of Chinese Americans that not only helped built Silicon Valley but made the statement that Chinese Americans were not just good technicians but can also be successful entrepreneurs and business executives. Contemporaneously, there were others that climbed the ladders of Corporate America such as Bob Lee who retired as the executive vice president of PacBell, Albert Yu the Sr. VP now retired from Intel who led the development of the microprocessors and Lee Ting who was a corporate VP of global logistics for HP who has

gone on to become a senior executive of WR Hambrecht, an investment bank and currently serving on the board of Lenovo. Other than being successful in their profession, what they have in common is that they all believe in giving back and they have done this in various ways.

Of course, so long as we are talking about the early leaders, we must not overlook our own Chancellor Changlin Tien. How many of you have heard of the late Chancellor Tien? Here he was a short Asian guy, wore glasses and spoke with an accent, but he was a giant of a chancellor. He inspired students and faculty alike and he raised the profile of UC Berkeley throughout Asia. I won't go into his life here, because all of you should already know all about him and his legacy on the Berkeley campus.

Why am I talking about the lives of all these people? Because these people went against the stereotype and broke through the glass ceiling. They were the pioneers and pave the way for others to follow and made it easier for all of you to succeed. Instead of being an advantage (which is the subject of today's talk that I will get to) their ethnicity, accent, and physical appearance were held against them. They had to overcome the handicap imposed by the society's stereotype and beat the odds. Because of their success, other entrepreneurs that followed them were able to obtain funding more easily and were more accepted as the CEOs and senior management of Silicon Valley companies. Today, at least in the Bay Area, seeing an Asian or an Asian woman as the CEO doesn't raise eyebrows anymore. Virtually all the major venture capital funds now have one or more partners that are of Asian ancestry. Ten, fifteen years ago, an Asian partner was rare but today, so many business plans are coming from Asian entrepreneurs and having an Asian partner is an advantage when the venture capital firms are looking for deals.

While I am suggesting that the playing field is now more or less level here in the Bay Area for Asian Americans and other ethnic

minorities, this is still far from being so elsewhere in the U.S. But what I want to suggest today is that with the globalization trend, or as Tom Friedman claimed in his best-selling book, "the world is flat," that it is possible for the multi-cultural, multi-lingual person to enjoy an edge over the mono-cultural and mono-lingual person. The person who can move easily around the world and who can establish rapport across language and cultural barriers is the person who can succeed in this flat world. Increasingly the person who will succeed is someone who can just as easily live and work in China or India as they can in the U.S. or Europe. This is what I mean by leveraging your ethnicity.

I have been going to China regularly since 1978 helping and advising American corporations on doing business in China. I would like to conclude my talk by sharing with you what I think are the essential skills in order to be successful in a cross cultural career.

One is to take careful notes. Basically it is never a good idea to rely solely on one's memory on important matters, such as the date of your Mom's birthday or your wedding anniversary, but it is even more important when you are jet lagged. When the brain is jet-lagged, it is amazing as to how easy it is to get order of events, people seen, nature of discussion and decisions made all mixed up in just a few weeks after it all took place. Make it a practice to write everything down in real time and review them before you get on the plane to return home.

Another important characteristic is careful and active listening, or listening with empathy. This means listening in such a way that the speaker feels assured that he/she is being understood, not feeling the pressure from a listener who is anxious to interrupt and get a word in. An active listener is learning from the conversation and meeting, absorbing and digesting and understanding. Most of us leave a lot on the table because we have never paid enough attention to becoming a good listener. Active listening is a part of effective

communication. Effective listening is important in our daily lives but even more critical and challenging in a cross cultural situation, because it requires the person to be constantly switching the contextual background. A Chinese may be saying certain things that have certain significance while an American might be saying similar things but mean quite something different. A bicultural person has to have the ability to pick up the culturally derived nuances, put the remarks in context and be able to explain one side to the other.

There are many occasions when I have been called upon to assist with the interpreting between Chinese officials and American business executives. My command of the Chinese language is never good enough for me to act as a professional interpreter. But ironically, because I cannot be a word for word interpreter, I concentrate on making sure that the meaning and intent is accurately conveyed. For this, I get expressions of appreciation from both sides of the conversation.

To be a truly bicultural person is someone who can explain what one side is saying in the context such that the other person from the other culture can understand it. While I take a great deal of satisfaction in being able to help bridge the cultural gap between the Chinese attitude and the American one, sometimes the line seems blurred between explaining a position and taking a position. Sometimes one has to be able to distinguish between explaining China's policy versus defending China's policy. As an American citizen, I have an interest in helping Americans understand China's policy, but I am not sure that I should not be in the business of defending China's policy.

For example, China has been criticized for their one child policy and their sometimes rather draconian ways of enforcing such a policy. I would point to the alternative, namely that without the policy there would be 300 million more Chinese today than there already are. Certainly, I would not defend or even try to

explain the extreme lengths some officials in the countryside have gone to enforce the one child policy.

On the matter of protection of intellectual property, I would explain to my American client that this is a big headache and needs serious attention. I might indicate that lack of respect for software is a part of Asian culture endemic throughout Asia, that the solution will take a long time and require not only enforcement and prosecution but a great deal of education to promote understanding and respect. Again I would not defend or even condone piracy. In fact every chance I get when I am in China I would point out that protection of IP is in China's self-interest and is crucial to China developing a serious software industry. I am pleased to report that China is beginning to seriously address the IPR problem, as witnessed by the joint training program China is entering with Berkeley.

By the way, as a side bar, I want to tell you about my recent vacation in Europe that took me to Amsterdam. When my wife and I visited the Rijksmuseum, I noticed an impressive collection of blue and white Delft porcelain. Looking at the plates and bowls more closely, I noticed that the drawings showed some strange looking human beings and activity. They wore funny looking head gear and surrounded by strange looking buildings. I found out on closer reading of the explanatory notes that the porcelain wares were developed to replace the export porcelain from China. The Chinese ware already had some strange looking paintings that depict Chinese landscape and activity in accordance with what the Chinese thought the Europeans imagined as genuine exotic Cathay. The Delft ware was simply copying the bogus Chinese landscape as a way of offering a cheaper version of the highly prized good. So why am I telling this story? Because the next time someone accuse China of rampant knockoffs, I can at least point out that the Europeans invented the knockoff idea hundreds of years earlier.

In explaining China, it's important to avoid using the party line from China for the simple reason that words from China tend to be doctrinaire and sound more like slogans than are persuasive. For example, I think it is less persuasive to label the Falun Gong a dangerous evil cult, than it is to simply describe some of the teachings of their founder. Describing such concepts as levitation through meditation, believing in the power of a spinning wheel to ward off bodily harm, and viewing sickness as punishment for sins that cannot be cured by medication do a lot more to show the cult aspects of this movement than just name calling.

As I said, in a flat world, the world belongs to those who can be comfortable anywhere. Most of you are already ahead of the game being from somewhere else than the U.S. If you feel that your background is not sufficiently broad, then I hope you will actively seek to broaden it, whether it's learning another language, seek employment in another country or travel more out of the country.

I hope you will see yourselves as launching into careers where diplomacy, at least business diplomacy, is an essential part of your occupation. In a globalize world, executives with global reach are needed. You folks are born at the right time to take advantage of this opportunity and I wish you success in the exciting times ahead of you. As you become successful in your career I hope you will remember success isn't just measured in net worth and making the Forbes 400 list. I hope you will also believe that success in life is to make a difference, be a role model for others to follow and give back to the society that gave you the original opportunity.

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