



CHAPTER ONE

INTRODUCTION

Startups are at the core of everything we do. An individual's life is a startup that begins at birth. Every city was once a startup, as was every company, every institution, and every project. As humans, we are wired to start things.

Today, we are in the midst of a massive shift from the hierarchical society that has dominated the industrial era to a networked society that has been emergent throughout the information era. The Internet is ushering in a postinformation era, one in which the machines have already taken over and are waiting patiently for us to catch up with them. This postinformation era is one in which man and machine are interwoven.

In this world, the network dominates in both the online and the physical world. Throughout the network are nodes, each of which began as a startup. Nodes are continually emerging, and a rigid, top-down hierarchy no longer dominates. The energy, activity, and innovation in society is diffused across the network and concentrated in unexpected places that often didn't exist before.

In the physical world, much of this energy, activity, and innovation occur in small geographic regions, which I call "startup communities." Academics call them "clusters," and there are several theories about how they

were created, what caused them to grow and evolve, and what happened as they matured.

These startup communities are appearing everywhere. They are no longer limited to historically well-known entrepreneurial regions and large cities such as Silicon Valley, Boston, New York, and Seattle. Startup communities in cities around the United States, both large and small, such as Boulder; Los Angeles; Chicago; Washington, DC; Portland; and Austin are seeing incredible activity and growth. Although many of these cities have a history of entrepreneurial activity, their growth, development, and importance in this economic cycle is unique.

The way startup communities are created and evolve has changed profoundly as a result of our networked society. It is critically important to understand this shift as it relates to economics and innovation because it's not slowing down anytime soon.

In this book, I'll discuss a new approach to building a startup community, which I call the Boulder Thesis. I strongly believe that startup communities can be built in any city and the future economic progress of cities, regions, countries, and society at large is dependent on creating, building, and sustaining startup communities over a long period of time. This book will show you how, both in theory and in practice.

THE EXAMPLE OF BOULDER

Through this book, I use the Boulder startup community as an example. Since I've only lived here since 1995, this is not intended to be a comprehensive history of the Boulder startup community. I don't mean any disrespect to all of the other people who have helped make the Boulder startup community amazing, or who were involved before I moved to town. However, by not trying to create a history, I can cover enough ground to give you a feeling for how things evolved, while I focus on the underlying principles that you can apply to building your startup community.

As I'll discuss in a later chapter, Boulder actually has five startup communities: tech (software/Internet), biotech, clean tech, natural foods, and lifestyles of health and sustainability (LOHAS). These five startup communities exist in parallel universes. My time and expertise have been focused on the tech segment. I periodically have intersection points with the other startup communities through friends, events, and an occasional personal investment in a company outside of tech, but my understanding, experience, and engagement with these other segments are limited.

Throughout this book I've asked others to give their perspective on the key events and activities around the startup community. It will be clear whenever the example is in someone else's voice. I've also brought in several examples from other startup communities when there were activities in Boulder that touched them in a meaningful way, such as TechStars.

My hope is that you do not view the use of Boulder here as "Boulder tooting its own horn." I use Boulder as an example of a lasting and vibrant startup community because I know it extremely well (at least one segment). This approach is called synecdoche, where the part stands for the whole. There are many things the Boulder startup community can do better and many more for it to discover as we continue on our journey; my hope is that by exploring it in depth it helps you with your journey in your startup community.

HOW THIS BOOK WORKS

I'll start with some storytelling, and then I'll get to the principles of a sustainable startup community. I'll break it down into small pieces and I'll give you a full set of tools to work with. I'll try to keep it light along the way with plenty of examples. Although this book is not a textbook, nor is it an academic treatise laden with footnotes and references, it is a serious book. My goal is to give you a framework and tools to create and enhance a startup community in your city.

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