



Silicon Valley crown up for grabs

By Maggie Shiels
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Silicon Valley's place as a centre of innovation and a major force in the global economy is waning.

So says Tom Siebel, hi-tech veteran and founder of Siebel Systems.



Information technology has driven globalisation and innovation, say many

"I think Silicon Valley has been toppled from its pedestal," he told BBC News. "I think information technology is much less important in the global picture today than it was even 10-20 years ago."

Mr Siebel makes his judgement based on his years and experience in the computer industry. His career began in the 1970s and he made his name while working at database giant Oracle.

From there he started Siebel Systems which specialised in software for large corporations and grew to employ 8,000 people. In 2005, he sold it to Oracle for \$5.85bn (£3.9bn).

For him, the Valley has had an unparalleled effect on innovation.

"What happened in the information technology revolution in the last 20 years was very much about making the world a better place," he said.

"We have honestly applied information technology to change the way people work, the very fundamental nature of business

processes, and the way people entertain themselves and communicate.

"Productivity levels are higher. People are healthier. People are happier. The world is a better place as a result of what happened here with information technology. It was a great privilege to be able to participate in that," said Mr Siebel.

Power shift

But, he said, the past is done and it is time to look forward.

"I spent the bulk of my career in the IT marketplace. It was a very exciting place but I don't think it will be as important in the next two decades as in the last two.

"I think the areas where people will be making a difference and making important social and economic contributions will be in the area of energy and bio-engineering."



Mr Siebel wants to leave the world in a better situation than he found it

Worryingly, Mr Siebel said not many in the Valley have realised that their influence is waning.

"While there will be contributions in bio-technology and bio-engineering and energy technology that will come out of the Valley, I do not believe it will have the type of global leadership position in those areas that it did in information technology," he said.

History lesson

Not everyone shares Mr Siebel's views.

"Of course Silicon Valley as an epicentre still really matters," said hi-tech guru Tim O'Reilly, the founder of O'Reilly Media.

"There are great universities here, great companies and access to

capital," he said. "It may not be in IT per se but I think there is still some great value in the further reaches of Web 2.0, sensor data, collective intelligence, and cloud computing.

"I don't think it is over yet for Silicon Valley," he said.

Also leaping to defend the Valley was John Hollar, the boss of the Computer History Museum.



The meth problem is one of the projects Mr Siebel now devotes time to

"I think Silicon Valley will remain the jewel in the crown for a very long time," he said. "It is not the only jewel but there is a way that business gets done here, a way that innovation is executed that is really a very special thing.

"There are places all over the world that would like very much to be the next Silicon Valley," he said "It is the standard against which all those things are measured. It's unique and there are reasons to be optimistic about its place for a long time to come."

Contributions wanted

Mr Siebel's new venture, called First Virtual Group, involve renewable energy and bio-technology - the subjects Silicon Valley should focus on to stay relevant.

Earlier this year, Mr Siebel announced \$20m (£13.7m) in prize money for companies to build a three-bedroom, two-bathroom home that costs no more than a normal house to but has an annual energy footprint of zero.



Mr Siebel's \$20m fund is to create affordable energy-efficient homes

"Our hope is to eventually build an energy free community," he said. "If we achieve our job I believe we will have made a substantial contribution to the dialogue on energy consumption and honestly the

world will never be the same."

Another project he champions is the problem of methamphetamine abuse.

"It is the fastest acting addictive agent known to man," he said. "So we saw a very large scale social problem crying out for a solution and we thought we might be able to help."

The campaign began in Montana where Mr Siebel owns a ranch. Since then Hawaii, Idaho, Arizona, Illinois and Wyoming have all taken it up.

It's success is due to the approach it adopted, he believes.

"We focused on viewing meth, not as an illicit substance and indeed not as a drug, but as a consumer product that has a form factor, a price and distribution channels," he said. "We also focused on the fact it had enormous catastrophic deleterious effects and virtually no benefits."

To date Mr Siebel has funded the project to the tune of \$26m (£17.8m). But money was no obstacle. Finding a solution that worked was.

"Teenage meth amphetamine use decreased by 50%. Adult use by 70% and meth crimes by 63%," he said. "So by any standards it was an exceptional exercise in prevention."

The work is funded through Mr Siebel's foundation which was set up with the aim of helping him make a difference.

"It's not in my disposition to sit back in an easy chair and live the good life," he said. "I like to make a contribution."

He added: "All of us want to leave our community in a better place than we found it. This is what people do."