

Promising Similarities

Transylvania, the next Silicon Valley of Europe?

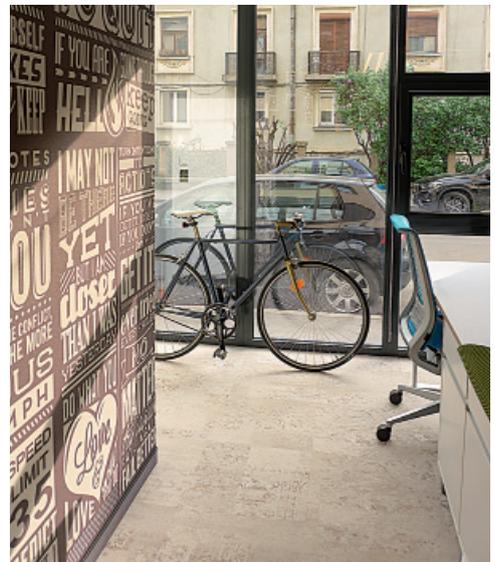
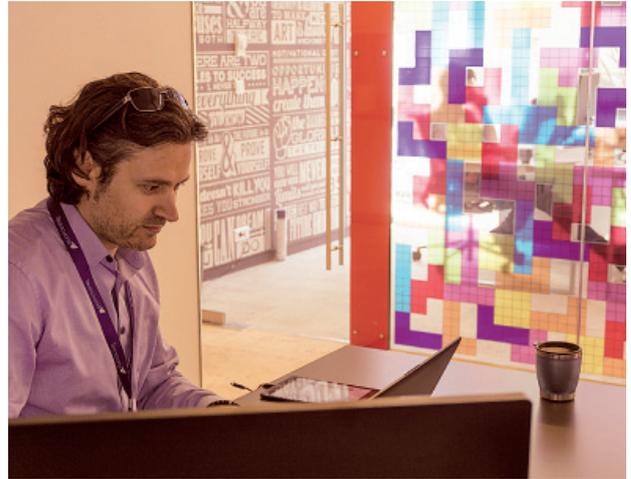
Europe is looking with admiration and even some envy at the performance and innovation capacity of the organizations founded or based in Silicon Valley. At the same time, Europe is wondering how to replicate this phenomenon. In our opinion, a place that could be – or already is on the path to being – the »Silicon Valley« of Europe is Transylvania. This region already has many similarities with the high-tech Valley.

by Mihai Svasta

Apart from a famous name promoted by the popular character Prince Vlad (mostly known as Dracula), the Seven Castle/Siebenbürgen region, located »beyond the forests« a.k.a. Transylvania, has several characteristics that resemble the Silicon Valley ecosystem.

First, there is significant cultural and ethnic diversity. For thousands of years now Romanians, Hungarians (and Székely), Germans (Saxons and Swabians), Serbians, Slovaks and other smaller ethnic groups have been living in this area. In this region you can find traces of Saxon heritage and the »Mitte Europa« influence, both are based on the foundation made by the Roman and Byzantine cultures. While diving into the mindset of Silicon Valley in an attempt to extract its quintessence, you are staggered by its cultural and ethnic diversity. Around 40 percent of Silicon Valley inhabitants were not born in the U.S. This tangible figure puts a serious question mark over a European society which is so concerned with national myths, tries to limit free movement of people and the labor force within the European Union and is appalled by the refugee flow. In Silicon Valley, people see it differently; this ethnic and cultural diversity is an important asset. It's the same in Transylvania; people have been working for centuries in a multicultural environment – a multiethnic, multilingual, multireligious cohabitation. ►

A young market company
with lots of spirit



Similar to Silicon Valley, the office spaces of Transylvanian tech companies such as Tecknoworks are mostly creative playgrounds where employees can experiment with new technologies and bond over informal activities.

»The ideas are not so important; what's more important is the team behind the project. In this context, it is therefore critical to be able to connect people from different environments.« – says Dr. William Cockayne, professor at Stanford University, who continues: »The Valley is a huge network. The question nowadays is not to have a better network; the question is to have a bigger one!« Similarly, being such a diverse cultural space, the Transylvanian region is part of multiple networks: German, Hungarian, Israeli, Serbian and of course Romanian initiatives always consider Transylvania to be a promising area. It is probably worth mentioning, too, that the only two Romanian cities that have been declared European Capital of Culture, Sibiu and Timișoara, are located in Transylvania.

The second motor force of the Valley is the education system. Stanford University and Singularity University, along with many other educational organizations in the Bay Area, stimulate the most powerful asset of the industry: the human brain. Decades of investments in education obviously pay off. Transylvania is home to two renowned universities that belong to the global top list: Cluj Babeș-Bolyai University and the West University of Timișoara. Along with them, there are many other younger but high quality universities throughout the whole region.

Speed of execution is critical

Innovation happens everywhere, but the capacity to apply innovation and scale it globally is not. »We, Silicon Valley, are not best at innovating; we are actually best at applying innovation on a global scale.« – says Benjamin Levy, co-founder of BootstrapLabs, a venture platform dedicated to artificial intelligence. Several European industrial producers such as Continental Automotive, Bosch and Marquardt understood the human potential in Transylvania; they opened their Research & Development centers there, not just to produce innovation, but, through cost-efficient development work, to scale it and translate it globally, through the companies' network.

State of mind: Optimism

»Do you know why you fail or you do not succeed in Europe? Because you are paid salaries. Somebody paid a salary, regardless of her/his bonus system, will

never be an entrepreneur.« – says another Silicon Valley venture capital specialist. This is also highly connected to the American mindset of being very optimistic. In the land of the free, both entrepreneurship and optimism are the main ingredients for success.

Besides a portion of optimism, the common European frame of mind also lacks other characteristics: we do not think globally from the beginning and do not have the experience of scaling our product or ideas globally – we usually address our national markets, maybe expanding within Europe. Last but not least, being an old and traditional culture, in our European societies there is a limited number of early adopters: »An American is prepared to accept a new product when it is 70 percent ready, while a German accepts it when it is 130 percent ready,« remarks the same venture capital specialist.

Full of drive

Another answer to the question why so many industrial companies have started their research and development operations in Transylvania might be that in this region, you can find the young and motivated spirit of a relatively new economy, as well as a positive state of mind. Only a little more than 25 years have passed since Transylvania switched from communism to a market economy; the entrepreneurial spirit and willingness to grow are still present in the people. Here you may find many local startups such as LiveRail, a monetization platform for video publishers recently acquired by Facebook, or MIRA Rehab, a system for the recuperation of motorically challenged people that uses the Kinect sensor.

At the forefront

Quite recently, we have started a co-operation with Tecknoworks, a fast-growing Transylvania-based technology company. Our goal is to unite our resources of knowledge as well as our network of clients and partners with their resources of technology in order to provide our clients the platforms for innovation and digitalization. This collaboration allows us – and our clients – to be at the forefront of the new industrial revolution that is rising, fostered by artificial intelligence, machine learning and digitalization. ●