

“CUSTOMERS BECOME COLLABORATORS”

Christoph Keese, a German journalist and economist born in 1964 who is Executive Vice President of the Axel Springer media corporation, spent six months in Silicon Valley with his family. He wanted to understand how the inventors, founders, and venture capitalists there think and work. Keese has compiled his observations in a book. He is critical—as can be seen from these short summaries.

CHRISTOPH KEESE'S THOUGHTS ON ...

... **PALO ALTO:** Everyone who comes here finds a revolutionary spirit. California has long been known for rebellious thought. Free thinkers and iconoclasts are part of the package. The influx of engineers in the 1990s triggered a renaissance of the Sixties.

... **STANFORD UNIVERSITY:** Critics say science is being corrupted by the start-up mania. Advocates call it a perfectly calibrated exchange of expertise. As hard as Stanford tries to overcome class differences, it also serves to exacerbate social disparities. You can't compete if you're not part of the academic elite.

... **WORKING IN SILICON VALLEY:** Silicon Valley doesn't believe in regular working conditions. The main purpose of work is not to earn your keep but rather to pursue your passion. Or at least that is the myth Silicon Valley uses to urge its employees on to higher performance.

... **PACE:** Germans want to be perfect, even if it takes a long time. Californians take a different tack. They put prototypes on the market. Customers become collaborators who help improve the products. Silicon Valley generally does well by this strategy.

... **RISK CULTURE AND VENTURE CAPITAL:** Managers from Sand Hill Road, most of them over 40 and many over 60, sit opposite 20-year-old students and attempt to judge whether the untried hopefuls can found and lead companies. It's incredibly difficult to make that type of cross-generational assessment.

... **GOOGLE:** Google provides nearly all of its services for free. That weakens its competitors in related markets because they can't demand any prices worth mentioning. And it strengthens the network effect, because the new products draw yet more people into the net.



Christoph Keese, former editor-in-chief of the newspaper *Welt am Sonntag*, has been taking a close look at digital transformation. His latest book, which will be published in 2016, asks whether the “Made in Germany” label is still relevant.



RECOMMENDED READING:

Christoph Keese, *Silicon Valley*, Knaus, 2014. Available in English as an e-book in mid-2016.