



# Building Bridges

**On the 10th anniversary of the Irish Technology Leadership Group (ITLG), the founder and CEO, John Hartnett talks about the impact of the Group and the motivation for creating what has become known as the most successful diaspora networking group in the world.**

**L**ate one evening in the Autumn of 2007, some twenty emails were dispatched from a hotel room in Hong Kong to a cohort of the most successful Irish/American technology leaders working in Silicon Valley. The emails were a call to action, an invitation to Irish America's technology leaders to unite and use their collective influence to forge closer connections between Ireland and Silicon Valley.

The author was John Hartnett, a

high flying technology executive who had departed his native Limerick some ten years previously to pursue a career as a technology entrepreneur and executive in Silicon Valley – the unrivalled global technology and innovation hub. At the time Hartnett traveled widely in his capacity as Senior Vice President of Global Markets at Palm, Inc., where he was responsible for worldwide sales, service and support. He had fulfilled many lofty career ambitions and adapted enthusiastically to the Californian

lifestyle. But something still rankled with the Limerick businessman. In his home country, dark economic clouds were emerging on the horizon; the country's commercial nous and energy appeared to be entirely focused on the property market and Ireland was missing out on significant investment opportunities in Silicon Valley.

“The longer I spent in Silicon Valley and the more I got to know the technology leaders and key decision makers, the more it became apparent to me that Ireland was

viewed as a low cost location with certain tax advantages rather than as a location for R&D and innovation. When people spoke about tech hubs they mentioned Israel, Singapore, London, Holland and other places but they rarely spoke about Ireland. Globalization and a new wave of technological innovation had resulted in an era of unprecedented international expansion by US companies and Ireland was missing out.”

According to Hartnett, the extent to which Ireland had modernized its economy and unskilled its workforce had gone largely unnoticed in the board rooms of Silicon Valley. “I wanted to change the dialogue and talk about the great companies in Ireland, the great entrepreneurs and the talented, willing and flexible workforce.”

Hartnett had also noticed a significant growth in the number of Irish engineers and executives rising to leadership positions in technology companies throughout the Valley. The inevitable reverse flow of talent from those companies large Irish operations had provided his native country with a powerful resource: a growing number of people with serious influence in the epicenter of global technology and investment. Hartnett was determined to use it.

When he returned from Hong Kong Hartnett set events in motion and began the process of establishing what was to become the ‘Irish Technology Leadership Group’. He met with the top brass of Irish American business and hundreds of senior executives in Fortune 500 companies, venture capital firms and leading tech start-ups. An ITLG board was established which featured an impressive cast of Irish technology leaders who had made their mark in Silicon Valley; Barry O’Sullivan, SVP at Cisco who was later to become a tv star on RTE’s Dragons Den where he was joined by another ITLG board member, Sean O’Sullivan, founder of SOSV. Other early members included Rory McNerney, vice-president, Intel Architecture Group, Ryan, co-founder Macrovision, John Gilmore, COO, Sling Media, Conrad Burke, CEO, Novalight, Niall O’Connor, CIO at Apple and John O’Farrell, Partner at celebrated VC firm, Andreessen Horowitz.

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become Chairman in 2009 was a significant coup. It gave the nascent organization immediate gravitas and influence and opened doors and communication channels to political and technology leaders around the globe. His appointment also made the leaders of technology companies in both Ireland and Silicon Valley sit up and take notice of the ITLG.

Forging closer connection between Ireland and Silicon Valley could only be positive. Hartnett was critical of Ireland focussing almost exclusively on the traditional bastions of Irish American power on the east coast when it came to promoting the country in the US. “Silicon Valley was being overlooked despite the fact that it was responsible for up to 40% of FDI into Ireland,” he says.

Hartnett is a diehard proponent of the Silicon Valley model. From day one he had

fallen in love with the energy and vitality of the region. Passion, belief and ambition were celebrated and part of the common currency of entrepreneurs and innovators in Silicon Valley. The dynamism and creative energy attracted top talent from all around the globe.

Silicon Valley reputation as the global tech mecca is richly deserved. According to Hartnett it boasts from between 14,000 to 19,000 startups and 1.7 to 2.2 million high-tech workers. Since 2014, almost half of all the successful exits for startup companies worldwide originated in Silicon Valley. Likewise, of the world’s most valuable startup companies, the majority of the top ten are from the Valley including; Uber, Airbnb, Palantir, and several other tech stars.

It is also home to success stories such as Apple, Google, Facebook, and countless others. Just these three companies combined have a market cap of \$1.5 trillion and employ more than 165,000 people worldwide. Silicon Valley’s local and global impact is uncontested.

The ITLG sought to transmit some of the Silicon Valley magic into the Irish technology landscape. “It was about attitude,” he says. “We wanted young entrepreneurs in Ireland to share the confidence, ambition and belief which comes very naturally to their Californian counterparts. In the beginning when we first hosted pitching sessions which provided Irish entrepreneurs with an opportunity to win investment and support from Silicon Valley based investors, it was apparent that there was a huge confidence issue.

“The pitches were often faltering and hesitant and for that reason ineffective. It was understandable in many ways because the start-up scene in Ireland was light years behind Silicon Valley at that time. There was very little funding available and support and mentorship was also lacking. But it was a problem because investors commit to people as much as to ideas and they want the person driving the enterprise to be assured and confident.”

From the outset, the organisation established a number of key goals, chief among them the mobilisation of successful business leaders within the diaspora to promote the Irish technology sector and help young Irish firms achieve success in the US. The focus was on forging links between Ireland and Silicon Valley in the areas of innovation, investment and entrepreneurship





According to Hartnett, the ITLG initially focussed on changing the narrative that existed in relation to Ireland. “We talked about the fact that there had been a paradigm shift to high value added technology in Ireland and that R&D and management resources and the breadth and depth of companies has changed to reflect this. We talked about the fact that many indigenous Irish technology start-ups were now ready to scale and go global and that the ITLG was available to help them open doors and achieve success in the US.”

Hartnett believed that Ireland had a lot to learn from the Israeli experience in the US - in particular in relation to how to leverage the diaspora more effectively. He points out that Israel has 60 companies quoted on the NASDAQ whereas Ireland has 7 and Israel invests 1.5 billion in businesses in comparison to Ireland’s 300million. There are 15million people in the US that claim Israeli descent in comparison to 40 million claiming Irish

descent. Hartnett also points out that while Ireland was investing 1.5% of its GDP in R&D, leading countries such as Israel were committing 4.1% of GDP to R&D.

The ITLG began hosting a range of initiatives in both Ireland and Silicon Valley to showcase and promote Irish technology including seminars and events and in particular the annual Global Technology Leaders Summits which was hosted every Spring in a succession of Irish cities. The Summits brought a frisson of excitement as the doyens of Silicon Valley flocked to Ireland to deliver speeches, participate in panel discussions and network with young Irish entrepreneurs and representatives from the leading technology companies.

The summits were the first to introduce the Dragons Den style pitching sessions which later became a popular television fixture. Up to fifty prospective entrepreneurs pitched their innovations to a panel of seasoned Silicon Valley investors and the top ten were selected

to pitch at the ITLG’s Global Technology Leaders Awards which were hosted in Silicon Valley every year. Awards were presented to the best businesses which frequently secured investment from SVG Ventures or other VC’s participating in the event.

It is striking the number of successful Irish technology companies which first came to public attention as a result of an ITLG initiative. SVG Partners and other ITLG investment arms have invested over \$20m in companies as diverse as Mcor which is building a global reputation as a leading 3D printer and likely to go public in the near future, Trustev which sold to TransUnion for \$44m last year, SiSaf which has developed a patented drug delivery system poised to solve a multi-billion dollar problem in the pharmaceutical industry and Irish biotech company Nuritas which legendary investor Ali Partovi – who participated in a recent \$3.2m funding round in the company – said has the potential to be bigger than

Facebook or Dropbox.

Nuritas was selected to take part in the SVG's Thrive Accelerator Program, a unique ten-week international business mentoring programme for promising start-ups in the areas of Food and AgTech. It later won the 2015 SVG Thrive Accelerator Award at the Forbes Reinventing America Ag Tech Summit in Salinas, California. The winner of the Thrive Sustainability last year, Irish agtech company MagGrow also participated in the accelerator program.

To date winning companies at the ITLG Awards have attracted over \$100m in investment while hundreds more startup companies which participated in ITLG events continue to thrive, prosper and create jobs today.

The vast improvement in the calibre of Ireland's start up culture is what gives Hartnett most satisfaction. "It has come on in leaps and bounds, the difference we see in terms of the confidence and outlook and attitude when we see an Irish entrepreneur presenting a proposition today is completely different to ten years ago. They are now more ambitious, more confident and less fearful of failure. We have had people like Richard Moran involved in helping young entrepreneurs streamline their proposition and we have put huge efforts into assisting talented young business people. We now see numerous indigenous Irish technology companies which are making a mark on the world stage. The ultimate goal is to have listed Irish companies with billion dollar valuations employing thousands of people and I think we are well on the way there."

In September 2009 The Global Irish Economic Forum at Farmleigh adopted the ideas proposed by John Hartnett and the ITLG to create a Silicon Valley-based Irish Innovation Centre and a diaspora fund. The principal focus of the Forum centred around innovation, education and investment and Hartnett was accompanied by an ITLG delegation which included Chairman Craig Barrett, Barry O'Sullivan and John Gilmore. As part of the Forum Hartnett also chaired a working group which developed a white paper on outlining ways to help supporting small business to scale globally.

While helping to promote Ireland as a location for substantial inward investment

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from the US, the ITLG also campaigned vigorously in relation to issues which would support the realisation of a smart, innovation centred economy. It lobbied widely for direct connectivity to the West Coast of the US and Hartnett was appointed to the board of Air Lingus after the airline introduced its San Francisco route in 2013. The ITLG also spoke publicly about the need to improve marketing and sales skills, disciplines which were often overlooked in Ireland but critical to market success.

In addition the organisation was to the fore in calling for a relaxation in visa requirements for skilled emigrants. Above all, it was relentless in reminding the Irish Government of the need to prioritise investment in education and R&D and Chairman Craig Barrett, who prizes education above all else, was quick to criticise any shortcomings or lapses in this regard.

"Any advanced society must have education at its core and I think we managed to bring Craig on board because we were in agreement with him on this issue," says Hartnett. "From the beginning the ITLG established relations with all the key universities and Institutes of Technology. We co-operate with the universities on many of our events and we believe that education lies

at the heart of progress. The ties between industry and academia and small business has strengthened enormously in recent years and this is vital in order to be effectively commercialize research. An educated workforce is also the key influencing factor when firms are making a decision on where to locate an investment."

The other critical objective of the ITLG is to support an interest in technology and STEM subjects among young people. They have initiated a range of initiatives to that end and 'Young Innovators' which was hosted in Limerick in 2014 and 2016 was a particularly success. The first "Young Innovator" was hosted in conjunction with Shannon Airport, Dell, Limerick Institute of Technology, University of Limerick, Limerick City and Limerick Chamber. The students were tasked with coming up with ideas for technological innovations which could be used 50 years from now. A total of 650 secondary school students from around the country participated in the event. The competition was judged by the stars from RTE's television's investor series "Dragons' Den" and the winners were treated to an all expenses paid trip to San Francisco and a tour of Silicon Valley.

Today, the ITLG has over 12,000 members and has grown into an international organisation uniting technology executives of Irish descent in key technology centres around the world. In 2011 the ITLG was selected by Secretary of State Hilary Clinton to spearhead the US Global Diaspora Innovation Initiative and in 2014 Hartnett was honoured by the American Ireland Fund for Distinguished services to the nation.

And what now for the ITLG? Is there another ten years? In the coming years the ITLG will continue to prioritise education and support innovation and enterprise. It will also focus on the issue of gender imbalance in technology and particularly on trying to see women promoted to positions of leadership. The group established a 'Women in Leadership' group in 2012 which was headed up by Una Fox but Hartnett acknowledges that the glaring lack of women in senior positions in the technology sector needs to be addressed. "It's not something to be proud of and it represents a serious under utilisation of talent."