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If It Can Happen Here, Now Is The Time

The good folks at *Fortune* recently published one of those end-of-the-year (or decade, in this case) pieces about what the next year/decade will bring. In this case the story was built around 25 ideas that variously prominent folks thought would shape the 2020s. One, in particular, caught my eye:

Venture Capital Will Transcend the Valley: “For the first time in 2019, this became part of the conversation between venture capitalists and startup founders: Where are you thinking of being based? Will you have one headquarters or two? Are you planning to be a distributed workforce from the beginning? The fact is, those types of decisions change how you build your culture and processes from the get-go ... I think you will see more regionally focused VC firms have success. And more Silicon Valley VCs will spend more time on airplanes.” — *Aileen Lee is a venture capitalist and founder of Cowboy Ventures. She coined the term “unicorn.”*

I have mixed feelings about this quote. On the one hand, the venture capital world already transcends Silicon Valley. Sure, Silicon Valley remains the black hole at the center of the VC universe. But that universe has expanded so much over the last couple of decades that much as Silicon Valley may remain at the center of it, it hardly defines it. There are plenty of self-sustaining venture capital/startup hubs, several of which are today as big as Silicon Valley itself was in say 1990. I suspect there will be a few more by 2030.

On the other hand, my own thinking is that come 2030, Silicon Valley will still be the center of the VC universe. Probably, as it is today and was in 1990 when I left it, the place where roughly half of the U.S. VC pie is invested. The more things change.

Still, Aileen Lee is on to something important, I think. Particularly for people like me, in Northeast Wisconsin. Which is to say, one of those places stuck in flyover country, no more or less relevant to the venture capital world today than it was, well, ever. We’re about 90 driving minutes north of Madison, one of those smaller but (keep those fingers crossed, Badger-staters) probably self-sustaining VC hubs.

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Northeast Wisconsin – let's call it the New North (that's the brand) – is a nice place, with a strong economy (rooted in the entrepreneurs who built the paper industry a century and more back) and a high quality of life. The entrepreneurial roots are deep, but long since grown over by the kind of conservative, risk-averse and hierarchical business and social culture that, well, is what people really mean when they call a place “flyover country.”

Ms. Lee really hits home with her prediction for the 2020s, for me, in the context of the future – in VC terms – of places like the New North. The VC sector can't grow over the next ten years as much as it has grown over the last ten years. The law of large numbers, and all that. And that tells me that the clock is ticking for places in flyover country, places like my own New North, to get on that particular train of growth and innovation that Silicon Valley still drags along behind it.

So, now is the time, New Northerners. Let's grab Madison's coattails, and make it happen here over the next ten years. There will never be a better time – and maybe not even another time – to get this job done.

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