

# Business



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Posted on: Tuesday, November 13, 2001

## Ex-Apple executive to speak tonight

By [John Duchemin](#)  
Advertiser Staff Writer

Technology guru Guy Kawasaki says Hawai'i has a tough road ahead if it plans to diversify its economy in the gloomy post-Sept. 11 business climate.

Hawai'i high-tech entrepreneurs face an environment in which venture capital is sparse, investors are picky and the market for selling shares in new companies is non-existent, said Kawasaki, a former Apple Computer executive, Bay area venture capitalist and Hawai'i native who is visiting Honolulu for a speaking engagement.

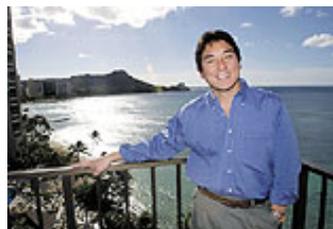
"None of this can be good for Hawai'i technology," said Kawasaki, founder and chairman of Garage Technology Ventures, a venture capital investment bank. "The environment is much more challenging."

Kawasaki speaks tonight on the challenges businesses will face in what he calls the "New New Economy," one in which the dot.com bubble is long collapsed and companies must be extremely strong to survive. His talk at University of Hawai'i-Manoa's School of Architecture auditorium at 5:30 p.m. is free and open to the public.

For Hawai'i high-tech companies, challenges are nothing new. The state has struggled for decades to develop a technology industry and branch away from tourism, but Hawai'i technology has been hindered by a lack of investment money, a poor education system and geographic isolation from key markets and business contacts.

In recent months, the national tech downturn has led to a further shriveling of investment capital and layoffs or closings among several of the state's largest high-tech firms, including Adtech, WorldPoint and Ohana Foundation.

Kawasaki said the environment for start-up tech companies has grown even worse since the Sept. 11 attacks.



High-tech entrepreneur Guy Kawasaki, who is originally from Hawai'i, will speak tonight at the UH-Manoa about challenges facing high-tech companies and entrepreneurs in today's business environment.

Bruce Asato • The Honolulu Advertiser

**Who:** Guy Kawasaki, chairman, Garage Technology Ventures

**What:** Speaking on "Then Versus Now: Starting a Company in the New, New Economy"

**When:** Today, 5:30 p.m. to 6:30 p.m.

**Where:** School of Architecture auditorium, University of Hawai'i-Manoa

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"September 11 affected Silicon Valley too — yeah, you have no tourists here, but no one's buying routers either," he said. "This is like one big tidal wave that's swamped everything."

In that context, he warned that Hawai'i won't develop a self-sustaining technology sector anytime soon, despite newfound political support for economic diversity in the wake of Sept. 11, and despite the passage this year of a state tax bill that gives refundable credits for investment in research & development.

The state should focus on improving its education system — particularly the UH School of Engineering — and gradually nurture its most successful companies, he said. Quality schools and good companies will eventually hatch enough scientists, scholars and experienced entrepreneurs to support a full-fledged tech community, Kawasaki said.

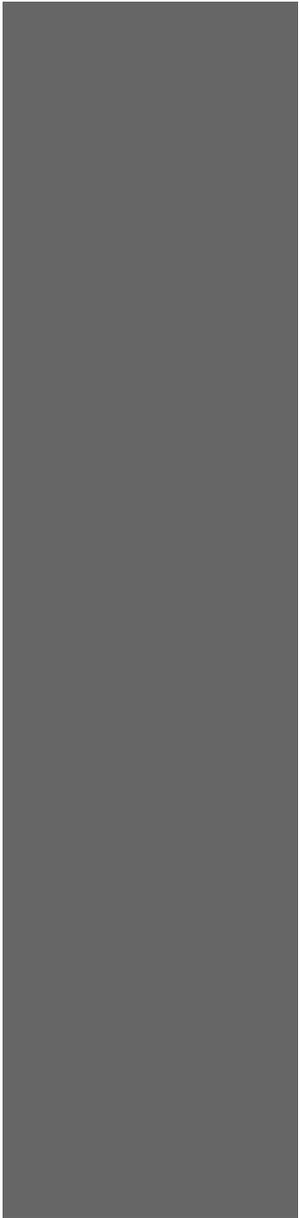
"Building a technology industry will take 20 years at least," Kawasaki said. "I don't believe that any single government action, any tax thing, will do it. It has to start with the entrepreneurs. If they have good ideas, the money will come in."

Kawasaki, who grew up in Kalihi Valley, formed Garage Technology Ventures in October 1997. The company tries to arrange financing for promising but overlooked high-tech start-ups.

While Kawasaki has a mild interest in the Hawai'i technology industry, occasionally visiting the state for speaking engagements, he has not invested in any local companies, and Garage has no Hawai'i clients. He says most companies here still lack the profit-making potential that would interest many Silicon Valley venture capitalists who want to put their money in multibillion-dollar ideas.

Garage has suffered some in the technology downturn. Kawasaki said his firm has arranged 12 deals worth \$55 million in 2001 — not enough to make a profit and far down from the frenetic venture investing pace of 1999 and 2000, during which Garage was profitable.

Kawasaki's talk will be the first of six by top Silicon Valley entrepreneurs at UH. Kawasaki said he came at the request of John Dean, the former chairman of Silicon Valley Bank who has shown interest in creating a Hawai'i technology industry.



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