

**Book your Hawaiian Hottrips Air, Room & Car or Air & Car Package online and receive 10% off entire package!**

CLICK TO SUPPORT OUR SPONSORS

---

**Starbulletin.com**

---



# Talk Story

**BY JOHN FLANAGAN**

Sunday, November 18, 2001

---

**It's time to change  
our mindset on high-tech**

# development

---

Thursday's Talk Story column, which recounted Guy Kawasaki's thoughts about Hawaii's high-tech future, generated more response than usual.

Kawasaki challenged our conventional wisdom. He denied that Hawaii's halfway location, telecommunications infrastructure and quality of life are irresistible lures for high-tech entrepreneurs looking to locate a business.

Most comments came from people involved in high-tech development. They took Guy's remarks the way adults in the Hans Christian Anderson fable reacted to a child's observation about the emperor's new clothes.

So far, I've heard no one argue that Kawasaki is wrong. I suspect many of us are embarrassed, having previously bought -- perhaps even sold -- the same perceived advantages he debunked.

One writer responded: "Kawasaki's stature ... makes it very hard to dismiss him as just another mainland smart ass who does not understand our quaint customs."

Kawasaki is CEO of Garage Technology Ventures in Palo Alto, Calif., which finds venture capital for high-tech start-ups. Previously, he was Apple Computer's Software Evangelist and author of seven books on computers and business.

He has degrees from Stanford and UCLA, while his Hawaii credentials include a diploma from Iolani School and a Kalihi upbringing.

Presumably, our assumptions about the importance of location reflect Hawaii's agricultural and military history and the shared certainty that this is such a unique and beautiful place that our mid-Pacific location **MUST** be important.

Bermuda figured out how to turn a mid-ocean location to its advantage commercially by offering offshore financial services unburdened by suffocating taxes and bureaucracy. Hawaii went the other direction.

Kawasaki's prescription is to improve science and technology education, assemble a world-class engineering and science faculty, support high-tech internships for Hawaii students and do the seminal research that will spawn world-class businesses. We also need to learn how high-tech funding is done and get better acquainted with the players.

A Tokyo-based Hawaii entrepreneur, now in China negotiating deals with Peoples Republic of China State Enterprises, asked "will anybody in state government respond and implement programs according to Kawasaki's advice and recommendations?"

A course change is indicated but, as a local attorney wrote, "There are significant political and business forces who would prefer (Kawasaki's) thoughts were erased because they highlight the folly of much of (our) high-tech effort.

"Take Campbell Estate's investment in fiber and satellites," he wrote. "Their core strategy consisted of building bandwidth and being located in the middle of the Pacific. No surprise that the investment is a failure -- and that the trustees continue to tout Kapolei as model for development tied to high-tech."

Meanwhile, a frustrated entrepreneur trying to launch a small high-tech company here wrote: "I've tried going to the DBEDT (Department of Business, Economic Development and Tourism) venture capital office but they steered me to the Hawaii Tourism Authority.

"HTA tells me my project would more likely fall under HVCB (Hawaii Visitor and Convention Bureau). I know from past experience the HVCB will not fund non-members. So, I tried contacting the governor's office and managed to get through to his technical adviser who promised to look over my executive summary and get back to me shortly.

"That was a week ago and I have yet to hear from him."

I hope we haven't dithered too long selling bandwidth and being halfway between Chicago and Tokyo while giving potential start-ups the runaround.

Bandwidth is a commodity, not significantly better here than in other states seeking high-tech businesses, and -- if you travel any direction but south -- we're also halfway between London and Paris. The question is "who cares?"

We should have paid better attention to those strange commercials MCI aired about five years ago that expressed the new reality: Wherever you are on a network, you are in the same place as everybody else.

Let's get over it and get to work.

John Flanagan is the Star-Bulletin's contributing editor.

He can be reached at: [jflanagan@starbulletin.com](mailto:jflanagan@starbulletin.com).

[E-mail to Editorial Editor](#)

---

**Text Site Directory:**

[\[News\]](#) [\[Business\]](#) [\[Features\]](#) [\[Sports\]](#) [\[Editorial\]](#) [\[Do It Electric!\]](#)

[\[Classified Ads\]](#) [\[Search\]](#) [\[Subscribe\]](#) [\[Info\]](#) [\[Letter to Editor\]](#)

[\[Feedback\]](#)

---

© 2001 Honolulu Star-Bulletin

<http://starbulletin.com>