Twitter Thread by Per Bylund



Per Bylund
@PerBylund

The problem with (and for) #SiliconValley is their lack of #entrepreneurship. Yes, really: they're bad at being entrepreneurs, at providing the entrepreneurial function in the economy. To put it differently, they are technology driven in their profit-seeking but not consumer

driven. The difference is monumental both for the economy and the companies, and this is why they're failing. No, failing doesn't mean they are necessarily losing money, but that their profits are short-term and that they are undermining their own market positions. The business

they are in is not sustainable. This goes way beyond the selling of eyeballs, which is the focus of Facebook, Twitter, Google, and others. As it's often said, if you are not the paying for the product you *are* the product. Facebook is selling you, and your future purchases, to

their advertisers. The service the company provides is to lure you in, keep you busy, and make sure you don't leave while they feed you ads and collect data on who you are. It's the same with Google's search, maps, etc. But my point is not this, but that the focus by these

technology companies, more broadly, is unentrepreneurial--that they have lost sight of the consumer and, therefore, the real value they facilitate. They're not entrepreneurial. This, in turn, explains their behavior in everything from attempting to steer, direct, if not censor

the content on their supposedly (or even claimed) open discussion platforms to how they use investors' funds and the services they develop. Proper entrepreneurship, both in theory and in practice, begins with the value for the consumer. All production is aimed at, eventually,

satisfying some want of consumers--to make their lives better (on their on terms). This value focus is also the reason there is market value of production factors, materials, machines, etc., which would be simply dead matter without the consumer. But if and when there are

entrepreneurs imagining that they can provide consumers with value using those means, the means become valuable. It's the consumer value that makes capital (the means of production) valuable, not the other way around. This is a lesson that entrepreneurs learn quickly when they

start a business, because without it the chances of lasting success are very slim--they depend only on luck. But it is an understanding that seems scarce in the technology companies, if not in the very culture of Silicon Valley (the concept). Rather than starting with, focusing

on the consumer (and what consumers want/value), they start with technology and technological 'solutions'. In many cases, the consumer is not even an important consideration. Many of the companies were started around a clever technological solution to an imagined problem. What

was the market value of it? Typically zero to begin with. In some cases (Twitter presumably being an example), the value of using the service was not a core consideration--the technology was. Why users would use the platform, and even less how to monetize it (to capture some of

that value in order to cover the costs of development and operations), was to be discovered. The driving force behind these companies is the engineer's discovery of a cool feature or clever use of technology. Unfortunately, money has been, and continues to be, very cheap for

investments in such services where the actual value is yet to be discovered. But *if* it works out, if the service reaches critical mass of users and they figure out how to monetize it, the upside is imagined enormous. Is it a sound investment? Very unlikely, since the value is

unknown and not even considered. It's literally throwing money at technology and hoping something of market value will come out if it. This is far from investing in business for returns; it is gambling on technologies hoping one eventually pans out. With this starting point, it

is not strange that many of these technology businesses have struggled to make money and to figure out how to facilitate value for consumers. The consumer was not part of the equation, but something that would be considered at a later time. At the core is the technology and a

system that engineers imagined would work in a certain way that would also be amazing. The consumer, in these fantasies, is a user but a means to an end. Is there any surprise, then, that these companies (recently Facebook and Twitter) do not shy back from outright censorship or

attempts at silencing some opinions that they, themselves, dislike? No, there is no surprise at all. It is well in line with putting the product first and having the consumer second (at best). It is not entrepreneurship, which is the art of serving consumers, but a playground for

technologists. Their actions are fully understandable in this light. The culture in these companies, if not in the industry, is not entrepreneurial or consumer-value focused, but technology driven. These are hobby projects by technologists who have managed to ride the hype of

information and communication technology thanks to cheap money. In this sense, they were never entrepreneurial. They were inventive, but not innovative. Or, rather, they were innovative by chance or as an afterthought. With the consumer basically out of the picture, with focus on

technological fantasies of generating islands of planned interaction instead of providing a valuable service, their aim is not to serve the consumer. The aim is to fulfill the promise of the imagined system or service, at the expense of consumers if need be. That's the problem.