

Forget Silicon Valley, Come to New York City!

Letizia Airos (February 26, 2016)



When we sat down with Alessandro Piol, the Italian venture capitalist based in New York who has 30 years of experience in the field of technology, he opened up about how his father— in Italy, a pioneer in the sector—taught him to love his work. He also explained how he chooses projects to finance and why New York presents even greater prospects than Silicon Valley. And he concluded with a little “message in a bottle” for young Italians looking to come to the City to develop an idea.

Alessandro Piol’s table/desk is inviting. Behind him, windows with views of skyscrapers jutting into the Manhattan skyline. Piol greets me, as does a colleague seated next to his desk, intently working on a MacBook Air. The atmosphere suddenly turns extremely pleasant. While sipping a coffee I converse with the cofounder and partner of [Vedanta Capital](#) [2] and [AlphaPrime Ventures](#) [3], dubbed “the smart money behind smart software,” a major player in the scene of East Coast startups.

Technology is in his DNA. His father, Elserino Piol, was known as the “Italian hi-tech guru” and the founder of venture capitalism in Italy. Some suggest that in the U.S. “Piol would be a cross between [Warren Buffett](#) [4] and [Steve Jobs](#) [5].”

The strategic mastermind at [Olivetti](#) [6] for forty years, Piol Sr. attended Harvard and maintained a lifelong connection with the U.S. He used to come here frequently, for example when Olivetti was looking for young companies to invest in, consequently becoming one of the first corporate venture capital groups in the world.



Having left Olivetti in the '90s, Piol Sr. continued to work in venture capitalism as an advisor for 4C Ventures and later became Chairman and Partner of Pino Venture.

Again, the whole time he kept up relations with the US. Technology, venture capitalism, America: those are the three passions Alessandro inherited from his father, which are ostensibly one thing, given that investing risk capital in tech is a typically American phenomenon.

"I have lived in a world that revolves around business and technology since I was little," he tells me. "Back then, Olivetti was transforming from electro-mechanics to information technology. At home we talked about major changes and about technology."

Those discussions would have a decisive influence on him, so that, after he finished high school in the United States, his choice of what to pursue in college came almost naturally: "I liked math, physics and electronics. I immediately chose to enroll in computer engineering at Columbia University."

Next came business. As Piol tells it, "I attended college in New York. My father would often meet entrepreneurs and venture capitalists at the Carlyle Hotel (it's not there anymore), and I would listen to what they said.

I was developing a passion for it and beginning to understand that that was what I wanted to do. The idea of working with young people on new technology projects excited me. I wanted to facilitate them and follow the evolution." Piol would go on to earn an MBA from Harvard Business. The young man was now ready to launch.

Or rather, he was ready because deep down he had absorbed his father's real lesson: work hard and with passion. "My father was always traveling and working on weekends. He set an important example of work ethic combined with great passion for what he was doing. You have to be passionate and take an interest in what you do. Nothing good will come if you don't immerse yourself in the field in which you operate."

But, I hazard, ultimately his work consists of making and making others make investments. You have to know how to manage capital. Does passion really count in that kind of work?

"Of course!" he says, smiling. "Because in order to understand what's happening in the tech world and where you should invest, you have to get inside that world. You have to understand the trends. You have to intuit what will happen in the future. If you don't love it, it becomes trying and difficult. In a certain sense, you have to have fun."

Indeed, his passion for work and deep knowledge of that world shine through in a book that he co-wrote a few years ago with the journalist [Maria Teresa Cometto](#) [7], [Tech and the City: The Making of New York's Startup Community](#) [7], a small bible of New York's entrepreneurial ecosystem with a preface by Olivetti's patron, [Carlo De Benedetti](#) [8]. The book is full of useful advice for young businessmen culled from the stories of 50 key figures in the field of technology.

What is it about a project that piques your interest in financing it?

That depends on how developed the company is. If we're talking about startups, the numbers don't count; often they show you the wrong numbers. What's more important is figuring out what kind of person is the entrepreneur showing you them. If you're betting on the right person. People count even more than the idea they submit to you.

Meaning, it's one thing to have a good idea and a whole other thing to put it into practice, succeed in growing a company based on that idea, raising it up from nothing and successfully driving it forward. You have to be confident you're dealing with people who know what they're doing, who



understand what they're trying to do. In fact, when a financed project fails, 80% of the time the reasons have to do with the people. With management. Of course the problem may be with the market; it may not even be ready. Niche markets in early stages, for example, often aren't a good idea.

What distinguishes New York as a home for startups from the wildly popular Silicon Valley?

Silicon Valley lives off of a system that grew up around Stanford, thanks to the governor who focused on technology investments. There was nothing but farmland and fields. It grew from nothing. Then there were the great visionaries; they certainly helped a lot. And finally technology became the main industry. However, because of that history, Silicon Valley is a mono-cultural area; all they talk about is technology. Which is fine. But in my opinion, in the long run it ends up limiting creativity.

Does that mean that to create a successful tech company you need to have a multidisciplinary ambience?

Yes. And that's what you find in New York, which guarantees that nexus of different levels of knowledge: in manufacturing, finance, media, advertising, the financial industry, fashion... This city is international. There's a lot of movement. It's the center of traffic between Europe and America, open to influences from all over the world. This allows for the circulation of knowledge needed to realize projects that hang in that whitespace between various disciplines.

An ode to creativity that comes from a high tech businessman...

It's not enough to just be technological today. You need to be very creative. Remember what Steve Jobs said and did. He aspired to bring technology and art together. He was very attentive to detail. That's true innovation... Apple in America—like Olivetti in Italy—realized important changes by focusing on design. And that brings us back to New York, since this city gives you the opportunity to bring together ideas from different worlds, with people who understand other disciplines. People who aren't just into tech, but who look for solutions using technology. New York is a real melting pot of ideas. And the same goes for London and Berlin, I think. Cities with a very strong cultural foundation, international cities where innovative ideas are more easily born.

And Italy? It's a country that produces really state of the art technology. Why is that so little known in the world?

We're to blame, in large part. We have had a lot of success in fashion because our entrepreneurs had the intelligence to go global before anyone else. They had an international vision. We barely even tried to do the same with technology. It should be said, however, that there's a lot of competition with different market dynamics and real giants to face. But it should also be said that it may have led to a dangerous attitude among Italians. Ultimately, you need to know how to celebrate certain things. In America, for example, celebrating success works great. It creates a sense of optimism that permeates the whole society, which has, with respect to Europe, a positive way of thinking. It's a virtuous cycle that helps. If we celebrate someone's success in Italy, people immediately suspect that it was achieved by sketchy means. And if you say that the success was thieved...

If you could send a message in a bottle to those in Italy who want to come to New York with a dream in their back pocket, what would you say?

First of all, to really believe in yourself. That's not a cliché; it's important to believe that your project



can be realized. Next you have to know what has been achieved in your field. I know it can be difficult to find that out sometimes, but it's important. Check out the competition and see if there are similar things out there. If you can introduce something that is definitely better into your field, there's no doubt you'll be successful.

Yet there are young people who will come and present you ideas based on things they've already seen. That's not okay! If you want to compete on the global technological market, you really have to be innovative. Then you have to identify important trends. The VCs watch certain macro trends and if you fit into that framework, it's easier to raise funds. And finally, you need to assess not only if you risk arriving too late but if, paradoxically, your project could come out too soon!

To see the episode "Make in Italy with Alessandro Piol and Maria Teresa Cometto [>>>](#) [9]

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