



[Home](#)

[News Bits](#)

[Main Story](#)

[Focus](#)

[S](#)

Latest News

Spirent and CTTL agreement to speed up next generation location based services in China

Tippingpoint extends network access control solution across key vertical markets

Redback rolls out a new product line of carrier ethernet switches

Integra Telecom Extends Relationship with GENBAND for IP Media Gateways and Signaling

MSF : Carriers join forces to create global multi-vendor test environment

[NetEvents](#)

The networking landscape in Asia-Pacific

What I am going to talk about now is not about technology, we are going to talk about the business issues of a service provider, with an Asia Pacific focus. This is not Telecom this is about a company Harley-Davidson that has something to tell to [Read More](#)

INDIA INFOTECH NEWS LETTER CONTACT

Name

Email Address



INDIA TELECOM NEWS
INDIA ELECTRONIC NEWS
INDIA INFOTECH NEWS

A Silicon Valley Entrepreneur addresses the challenges from the East



The world is changing, and a lot of it is coming from the dramatic acceleration of growth in Asia - notably India and China. At the United Nations' projected figure India and China were way ahead of the rest of the world on the one factor: population. GDP per capita in India is behind and, despite that huge population, does not match total GDP. But by 2050 note how India's per capita will soar from a small fraction of the US value, with the result that total GDP at market exchange rate now in India's case and is about half the US figure and is about much again for China.

That is huge growth and it's going to have a mighty impact on trade and the way we do business. So I'd like to start by tracking that growth - where we are now, where we are going and what the world will look like as a result - then suggest how I think it will change our business and finally how best to ride the wave.

WHERE WE ARE NOW

Today, when folks in Silicon Valley think of China, they think of outsourced manufacturing - if you're going to build high-volume product, you move it to China with its inexpensive labour. What's new is that China is starting to do true turnkey design services rather than just sweat labour - you can hand a design over and trust China to develop and produce in a turnkey production facility.

India, however, is the preferred country for outsourced software development and for remote IT staff. Unlike China, India has the historic advantage of very high usage of English language, so it's easy to move resources over to India and retain the feel that they have in the USA. Within India there's also very strong support for this IT outsourcing and that is making it a very friendly business environment for the folks in Silicon Valley.

WHERE WE ARE GOING

To get a good feel for where we are now going, let's follow the money. To understand what's going on between Silicon Valley and Asia, we should look at trends in investment and education. Where the money flows will tell you where people are investing.

The fact that hits you in the eye is how Silicon Valley has suddenly started making big investments into China. Make no mistake, all of the Silicon Valley venture capitalists are participating in this growth. Every top-tier firm in Silicon Valley already has a presence in China and is probably growing it faster than even its own US-based operations.

More specifically, Shanghai and Beijing are getting the bulk of the dollars, where there was almost no investment here. It's also interesting to note how much Taiwan is investing in Silicon Valley - there's a lot of joint development going on between Taiwan and Silicon Valley right now, and the money is coming in from Taiwan.

The reason I focus on China is that just five years ago the money flow simply didn't exist. Japan and Korea have been investing for a long time now, with money going back and forth with Silicon Valley, and those countries grew into major R&D centres. Once you start seeing money go in both directions with China - Silicon Valley investing in China and China investing in Silicon Valley - that's when you can really use the term "Silicon East".

Turning to the second factor, education, we find both India and China are really

INDIA WEALTH NEWS
 INDIA HOSPITALITY NEWS
 INDIA FUEL NEWS
 INDIA FOOD NEWS
 INDIA LOGISTICS NEWS
 INDIA INVESTMENT NEWS
 INDIA AVIATION NEWS

forward. You still hear people dismissing their education efforts as promoting quantity over quality, and that Indian and Chinese engineers are plentiful but not quite as good as those in China in particular had a strategy to raise basic levels of literacy, whereas India's education is more elite, with higher standards for a smaller percentage of the population. The initial Chinese focus was probably right. For example: while they were way behind India in English language usage, now the forecasts predict there will be more second language speakers of English in China than native speakers of English globally within 20 years.

Regardless, the emphasis on basic education is starting to change. Let's take a look at trends in Masters-level degrees in India, China, and America. Note the steep rise in Masters degrees from China. The government is driving much of this change: they have been taking knocks on this whole concept of quantity over quality and now are keen to see more invention originating in China. It doesn't matter whether it's Indian engineers working for a Western company - like Intel or Motorola - as long as it's innovation from Chinese-born and Chinese-educated engineers. That's their focus. It spells out a major transition from the current outsourced environment to become centres of innovation and R&D development.

The best way to measure practical innovation is to look at patent filings. This graph centres on Silicon Valley and shows how Silicon Valley partners up with other countries to do invention, true invention from scratch. Helsinki tops the list, but note also how Bangalore, Shanghai, and Beijing have come from nowhere. So there is a true transition going on, and the mentality is now changing.

Don't get the idea that this is one-way traffic. According to statistics on how foreign engineering talent is flowing into Silicon Valley, the bulk of the imported talent comes from India and China. Silicon Valley itself is benefiting greatly from this expansion.

Diversity really is Silicon Valley's biggest strength and I hope that, as China and India expand their Silicon Valley East mentality, they too embrace this concept of diversity. The reason Silicon Valley is so strong and we do so many great things is largely due to our openness to talent from all over the world. Within our company, ConSentry we've got representation from probably 20 different countries, and that's with 100 employees.

WHERE WILL IT TAKE US

So what happens tomorrow? For India and China to truly become Silicon Valley East demands more than just developing an entrepreneurial environment - an entire ecosystem must get created when companies spring up. You need local venture capitalists, you need legal infrastructure to do patents and legal representation, you need banks geared towards loans and venture start-ups. Once you create that ecosystem you witness what happened with Silicon Valley 20 years ago. We built up this ecosystem that fed itself and became a hot-bed for true innovation. That transformation is beginning in Asia.

Asia will become a preferred destination for research and development, not just out of necessity. Meanwhile Silicon Valley will continue to participate on the strength of its diversity. The best and the brightest people come to Silicon Valley to innovate, and this helps everybody.

It's the gold rush all over again. Remember that, and remember a key lesson from the United States gold rush in the 1900s, when everyone was panning for gold. The people who made the serious money were not the gold prospectors but rather the infrastructure vendors - the guys that sold the picks and the shovels and the railroads that moved the equipment.

Fast forward to the 1990s Internet boom, and we see the same pattern repeated. Who made all the money in that Internet boom? At the end we had lots of failed startups but it was a bonanza for infrastructure vendors such as Cisco. The modern-day equivalents are the carriers and the mobile carriers, and in the Internet boom, they're the ones who made the money.

Expect nothing different in this new boom in China and India. The biggest beneficiaries will surely come to the infrastructure vendors and the carriers.

THE WAY WE DO BUSINESS

A “gold-rush” like this doesn't just change investment strategies - it changes the way you do business. Globalisation takes us into a world where the network is wide open to guests, off-shoring partners, contractors, robotics, and outsourcing. All our intellectual property is now in digital form, no longer sitting in file cabinets, and all these people now have access to that data.

The internal network was designed above all to facilitate connectivity, and this worked fine when businesses were closed systems. We didn't have much mobile computing or many guests, contractors, or outsourcing partners. It was a much more stable environment, so the open LAN wasn't much of a risk. All you really needed was to harden your perimeter - the internal network was safe.

Today's LAN is still wide open, but now we're in an environment with conferences and other locations where guests, contractors, and wireless users visit all the time. At the same time, we face new regulatory requirements. In Japan there's J-SOX, in the UK there's the Sarbanes-Oxley, SOX. These regulations create government pressure not only to protect your data but also to prove that you can protect them. In the US, we also have additional regulations such as HIPAA to protect medical data of patients, so there are lots of different regulatory requirements all centred around not only protecting the data but also being able to audit what's happening to that data. It has become essential to understand who what people are connecting to your network and what they're doing there. So the focus is on control. And companies need to face these issues.

First, know who and what is connected to the network. You need to know what guests, contractors, and partners are doing. Your corporate assets are now being accessed around, and you've got to know who's accessing your design files or your customer records.

Secondly, you must control those users. You already have ACLs - access control lists - which simply use addresses to control access. You also have VLANs to segment the network, but they weren't designed to provide this type of stringent network segmentation. They're not enough - you need to identify and control users by their role, by application or destination.

So, for example, when an employee comes into the building, you should be able to identify them as who they are, understand the rights and privileges that they should have, and then control their access on the network. When a guest comes in, you should be able to instantly identify them and know that they should only have access to very basic resources within the network. For contractors, you should allow them access to only specific areas and protect the rest of the network from their access.

And finally, it should make no difference how people connect - whether wirelessly or remotely, from their desk, or from a conference room. They should be granted the same roles and responsibilities regardless of how they connect. Today's ACLs simply check the IP address and port number and stop those from accessing another IP address. When an ACL is violated, it's difficult to understand what really happened because the ACL is not in human-readable form. When you add identity into the network, you can write simple, understandable policies so, when they're violated, you know exactly what happened.

SO, WHAT DO WE DO?

So, how does a budding or established entrepreneur go about surviving or, better yet, getting the optimum advantage from the rise of the East?

First and foremost, you should embrace it. The data is overwhelming. The transformation is happening. You must be prepared to accept and use the best from any nation to achieve your business goals. Identify those areas where you can do it best, and partner in those regions where you think others can do it better and to your advantage.

Keep control. When you outsource to China or to India, you've got to have partners you can trust and that you know are on top of what's going on. The regulatory environment is still evolving, and it is not so well disciplined yet. If you lose touch, it could very easily get out of control.

It's easier to keep control with a smaller organisation. You might think that globalisation is only for the big boys, but I'm a great believer in the power of smaller companies. You can keep ahead by being innovative and quicker-footed. Silicon Valley East is a challenge for the small guy, but when has entrepreneurship ever been anything but a challenge?

Above all, protect your digital assets. All your intellectual property is now sitting on servers and you've got to protect it. Evolve your networks, bring identity into your

network, and learn how to control access instead of just connecting users. Focus on simplicity - this doesn't have to be complicated.

A lot of people will take some simple concept and make it very complicated - and just another way to lose control. Believe me, you can't afford to do that in a global network.
(End)

Jeff Prince is the Co-Founder, Chairman and CTO of ConSentry

Jeff Prince

Source :

[Read full Article](#)

[News Search](#)

[About Us](#)

[Contact](#)

Indiatelecomnews.com 2008 All rights reserved. Consulting Editor: Uda