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People Are Leaving Silicon Valley and Orlando Might Be the Next Hot Spot



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CREDIT: Getty Images

It costs \$2000 to rent a U-Haul (<http://www.businessinsider.com/san-francisco-bay-area-residents-moving-away-increase-u-haul-rental-prices-2018-3>) in San Francisco (<https://www.inc.com/tess-townsend/tech-workers-want-to-leave-sf-for-nyc.html>). Rent one anywhere else and it's roughly

\$100. This year the Bay Area will lose more people than any other region in the country. The reason is a variety of factors; affordability, access to opportunity and technology making it increasingly easier to work from anywhere.

The consolidation of talent bubble (<https://www.inc.com/business-insider/cryptocurrency-ico-tech-bubble-bitcoin-ethereum-2017.html>) in Silicon Valley (<https://www.inc.com/emily-canal/peter-thiel-leaves-silicon-valley-liberal-politics.html>) has burst. It was a great run. Where do people and companies go next?

When you're considering where to relocate, which I'm in the process of doing myself, access (both to capital and talent) is key. What I look for in a destination city are strong existing companies, a large talent pool and capital that exists but may not be investing in tech yet.

Think Outside of Conventional Tech Hubs

I toured Orlando in January. In the last six years the city has grown 16.31 percent. And at first blush you may think theme parks, retirees and tourism. But they have the largest university in the country, based on enrollment, in UCF. Downtown is young. And there's a pipeline of talent both from universities and strong existing companies like Disney, Lockheed Martin and EA Sports.

Orlando has already seen the Silicon Valley exodus pay dividends, with fast-growing Fattmerchant. The young payment processing company is growing rapidly. Founder Suneera Madhani and her brother Sal Rehmetullah, who worked in Silicon Valley, intentionally chose to plant their flag in Orlando.

"Fattmerchant is where we are today because of the support of the Orlando community," said Suneera Madhani, CEO, Fattmerchant. "We are proud to be Orlando born and bred and find that as we expand Orlando continues to have the infrastructure we need to not only achieve our growth but to continue to surpass our goals."

Enter on the Upswing

"We've stayed ahead of the curve by testing and implementing bleeding-edge cleantech solutions, such as floating solar power, electric buses for public transit, and even positioning ourselves as a national research hub for autonomous and connected vehicles," said Chris Castro, who leads sustainability and smart cities initiatives for the City of Orlando.

If Orlando wants to attract those leaving Silicon Valley it starts with the same things most cities pitched to Amazon for HQ2. Castro anticipated this years ago and has Orlando already prepared.

Donna L. Mackenzie, Executive Director, Canvs, Starter Studio, FireSpring Fund has worked to deliver a similar infrastructure to Silicon Valley in Orlando. Her space offers a variety of education programs that are open to the public, accelerator programs that take founders from idea to a scalable venture, collaborative work spaces, seed funding, and access to angel and venture capital.

Make Sure a City Invests in Education

Otronicon, Orlando's annual tech conference, is different than anything I've ever attended. It's for kids, rather than adults. It's interactive, educational and full of plenty of Esports tournaments.

"It's a great venue that introduces students to the high-tech world and gives them the opportunity for high-tech careers right here in our community," said Adam Breed, Engineering Project Manager, Lockheed Martin. "A software development panel at Otronicon featured a lead Lockheed Martin engineer and opened the eyes of a recent college graduate. He was quickly interviewed and brought into Lockheed Martin within weeks to help develop some of our most advanced simulators."

Assess the Network

Full Sail University, which prepares people for work in entertainment, has also been paramount in this youth movement. Last year 66 Full Sail graduates worked on 10 Oscar winning films.

Chance Glasco, the co-Founder of Call of Duty is an alum. His latest venture Doghead Simulations is creating VR meeting space and is partnering with Full Sail University with its HQ on site. Having access to state-of-the-art and graduating talent was key in Glasco's decision to stay local.

This rise of highly-trained entertainment talent has also translated in to a growing film industry. "Last year, the Orlando region saw a 78 percent increase in commercial productions when compared to the previous year. While Florida currently lacks an Entertainment Industry Financial Incentive Program," said Sheena Fowler, Orlando Film Commissioner, and also a Full Sail alum.

What to Consider Most

Orlando's challenge will be migrating real estate investors to startups and high tech. The success of Fattmerchant and the work Donna Mackenzie and others are doing in the incubator space will help.

If I'm a young company that wants to create a longer runway--keep costs low to buy time before success--I would chose Orlando. The young talent is there. There's an Orlando tech ecosystem already in place that wants you to succeed.

There's no state income tax, no inflated wages or housing and there's a growing, young, downtown community.

Orlando is a lot like Bitcoin was five years ago, you should get in while it's still cheap.

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