

Pasadena's mature tech scene aims to emerge from Silicon Beach shadow

No longer content to let the Westside hog L.A.'s tech spotlight, Pasadena techies are uniting to market the city as a thriving technology hub — and, in turn, land investment dollars and credibility.

March 09, 2014 | By Andrea Chang

Ask anyone about L.A. tech these days and they'll almost certainly point to Santa Monica and Venice, where hundreds of start-ups have emerged in the last few years.

So-called Silicon Beach is home to Snapchat, sizable Google and Microsoft offices, and a growing number of venture capital firms and co-working spaces.

Almost every night, tech entrepreneurs flock to networking happy hours and parties. Potential investors flock to demo days that showcase the latest start-ups. When BlackBerry Chief Executive John Chen and Google Executive Chairman Eric Schmidt came to town last week, it was for a glitzy tech confab in Santa Monica.

But while Silicon Beach has been getting much of the spotlight, a separate and more established tech community has been quietly thriving 25 miles to the east. And now Pasadena tech firms say they are no longer content to sit on the sidelines.

When it comes to the local technology scene, they say, it's not just a Westside story.

"Silicon Beach has done a much better marketing job than we have," said Mark Breitenberg, co-founder of the Design Accelerator, which provides funding and mentorship to design-oriented start-ups in Pasadena. "I don't think we ever really got together and took stock of what we have and promoted it. Not a lot of people

outside of Pasadena know what's going on here."

Historically, Pasadena had been the main hub of tech activity in the Southland, sprouting companies such as Overture, Citysearch, EarthLink, Cogent Systems, Picasa and EHarmony. Tech incubator Idealab, founded by Bill Gross in 1996, was developing start-ups long before Snapchat's founders were even out of elementary school.

Lately, however, Pasadena tech has been overshadowed by its more glamorous cousin to the west. Pasadena tech leaders say they've taken note of the buzz surrounding the Westside and concede that they have some catching up to do.

That has led to a long-delayed coming out of sorts as Pasadena techies band together to relaunch the city as a tech hub with which to be reckoned.

"It's a call to action," said Andy Wilson, one of the Pasadena entrepreneurs leading the effort.

Last year Wilson co-founded Innovate Pasadena, a group that supports the local innovation community by coordinating among the city's colleges, accelerators and start-ups. It also provides networking opportunities such as Friday morning coffee talks, happy hour meet-ups and other get-togethers.

In just eight months, Innovate Pasadena has organized 75 events, attracting some 4,500 entrepreneurs. This week, the group will host its inaugural Connect Weekend featuring four days of tech talks, panels, hackathons, open houses and mixers.

Pasadena has a lot going for it: As an older tech community, seasoned veterans have years of institutional knowledge, which they're using to create new start-ups and to mentor younger generations of entrepreneurs.

The close-knit network is bolstered by the proximity of Caltech and the Art Center

College of Design, which provide a steady stream of bright graduates every year. The Jet Propulsion Laboratory is also nearby, giving the area a powerhouse name in advanced research and development.

Getting Pasadena front and center isn't just a ploy for hype. Supporters say publicity brings about attention, which in turn leads to valuable investment dollars and credibility.

Of the 25 L.A. County tech companies that received the most venture capital funding in the fourth quarter, the vast majority were located on the Westside, with Snapchat in Venice, TrueCar in Santa Monica, JustFab in El Segundo and the Honest Co. in Santa Monica taking the top four spots. Not one Pasadena tech firm made the list, according to the MoneyTree Report by PricewaterhouseCoopers and the National Venture Capital Assn.

"If you're identified as an innovation area, people start knocking on your doors proactively," said Wilson, who is also chief executive of Rexter, a professional relationships management start-up in Pasadena. "When VCs come to L.A., of course they're going to look at Silicon Beach. It's not that we're resentful, it's more that we need to do a better job."

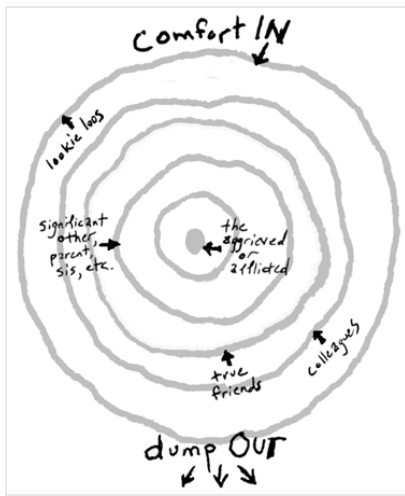
Despite the constant comparisons, both sides say there is no bitterness brewing between Silicon Beach and Pasadena. The hope is to strengthen the Southern California tech region as a whole — and that includes emerging tech companies in Orange County — so that it can one day rival Silicon Valley.

And techies point out that there are major differences between the two sides of town.

They note that, generally speaking, Silicon Beach produces more consumer-oriented Internet companies, with apps, e-commerce and entertainment content-

driven start-ups dominating the conversation.

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In Pasadena, entrepreneurs "focus on the geekier side of technology" and by and large are not "natural networkers," Wilson said. Tech workers there tend to be more specialized, with backgrounds in science and engineering, and start-ups are often more business-centric than consumer-focused.

That means although entrepreneurs have developed promising Pasadena companies such as digital advertising firm OpenX, business-to-business marketing platform SupplyFrame and online collaboration software firm Central Desktop, they're typically less exciting and easy to understand than, say, a new fashion app.

But that doesn't make the start-ups any less valuable, said Tim Cadogan, chief executive of OpenX.

"Consumer Internet is not the only thing," he said. "There are a lot of other pieces in the puzzle. It's the most glamorous and the most exciting and people can relate to it, but there's a lot of other elements that are incredibly important."

There are demographic disparities as well. The Westside tech crowd skews younger, with many just a year or two out of college and living in apartments by the beach. That's helped foster a night life-heavy scene crammed with meet-ups and mixers.

That's not the case in Pasadena, said Matthew Goldman, co-founder and CEO of Wallaby Financial, a start-up that helps users optimize which payment card to use when making a purchase.

"Everyone in Pasadena seems to be a little bit older or have a family. You tend to find more settled-down folks," said Goldman, 31, who has two children. "In Santa Monica you tend to find more 22-year-olds. There's more red cups."

As a result, the social events for techies in Pasadena are light on the after-hours schmoozing. Goldman points to a Friday morning coffee meet-up hosted by Innovate Pasadena that has become a popular gathering place for the city's tech core.

"It's a great meet-up, but we're doing it at 8 a.m. instead of 8 p.m.," he said. "That's pretty funny."

But techies across L.A. say the biggest challenge keeping the two sides from morphing into one has to do with the vast size of the Southland and the notorious traffic problems plaguing the region.

Drawing folks from Santa Monica to events in Pasadena is a tough sell, especially in a metropolis where many techies by the beach balk at the notion of crossing the 405 just to get to a meeting in Beverly Hills. By that metric, Pasadena can feel a world away.

"It's hard to be an active part of the community, given the distance," Wilson said. "You can't be spontaneous and say, 'Let's go to that meet-up or let's go to that pitch

event at Idealab."

But that sentiment seems to be slowly changing.

This year, Gross' Idealab incubator invited entrepreneurs to Pasadena to listen to 10 start-up ideas. Organizers were stunned to find that half of the 150 attendees came from the Westside.

"It was a great sign of across-L.A. collaboration," said Gross, who is chief executive. "If I would have guessed beforehand, I would have thought it'd be 145 people from Pasadena and five from the Westside. The fact that it was half-half was incredible."

For their part, Westside techies are also trying to bridge the gap by steering some events away from the beach.

Last month, venture capital firm Upfront Ventures — which last year moved its office from Century City to Santa Monica to be closer to the explosion of start-ups there — chose to hold its daylong L.A. tech summit in downtown Los Angeles.

City officials are also joining in on the effort to raise Pasadena's tech profile.

Pasadena Mayor Bill Bogaard has been a vocal supporter of Innovate Pasadena, meeting several times with the group's directors and attending events. In his State of the City address this year, he singled out innovation as one of his main priorities.

"I am aware of the buzz on the Westside and I'm pleased for Santa Monica and that area," Bogaard said. "Pasadena has a habit of being understated, but we think now is the time for us."

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