

## Israelis Tap In to Silicon Valley

By AMIR EFRATI

PALO ALTO—A group of visiting Israeli technology entrepreneurs recently got some blunt advice on how to do business in Silicon Valley. Be positive, smile a lot and don't bad-mouth a competitor, venture capitalist Itamar Novick told them. When meeting with potential investors, think of it as a wedding proposal, not a transaction.



Annie Tritt for The Wall Street Journal

UpWest Labs co-founders Shuly Galili, second from left, and Gil Ben-Artzy, third from right, with Israeli tech entrepreneurs in their temporary Menlo Park home.

"Israelis don't get that nuance of communication and can be perceived as negative," says Mr. Novick of Morgenthaler Ventures in Palo Alto.

Mr. Novick, who was born in Israel, is an unpaid mentor at UpWest Labs, a start-up accelerator that launched last month to bring Israeli entrepreneurs to Palo Alto for three months so they can better promote their fledgling companies and meet potential investors, partners and customers. "If I can help my country, I will," he says.

The entrepreneurs, mainly in their late 20s and early 30s, get office space and access to—and sometimes mentoring from—executives and managers at companies such as Facebook Inc., Zynga Inc. and Google Inc. In exchange, UpWest Labs takes a 4% to 8% stake in the companies, a typical cut for incubators and accelerators.

The Israeli accelerator program is part of a swelling group of start-up incubators and accelerators that have popped up across Silicon Valley in recent years, with the best known being the incubator Y Combinator. Incubators take an idea from the ground up and help a start-up develop it into a product, while accelerators typically assist young companies that already have a working product.

UpWest Labs is one of several new accelerators tied to a specific country, though unlike others in this category, it isn't being funded by a foreign government.

In 2011, swissnex, based in San Francisco, began a "U.S. market entry camp" that annually houses around a dozen Swiss start-ups, mainly software developers. Later this year, Innovation Center Denmark in Palo Alto will launch its own accelerator for 10 tech start-ups.

German-born Dirk Kanngiesser, who says he wanted to "give back to my country," earlier this year launched German Silicon Valley Accelerator, which will temporarily house 50 start-ups over the next three years at a cost of \$3.5 million, funded mainly by the German government. The accelerator won't take a stake in the companies.

UpWest Labs was co-founded by Gil Ben-Artzy, a 37-year-old Israel native who left the country in 2000. He came to Silicon Valley and worked at Yahoo Inc. as a corporate development and operations executive from 2005 to mid-2011.

Mr. Ben-Artzy says he came up with the idea for UpWest Labs in 2010 because when he visited Israel, "I was seeing amazing talent on par with Silicon Valley, but they didn't have the same opportunities."

So Mr. Ben-Artzy says he and co-founder Shuly Galili—who runs The California Israel Chamber of Commerce, a nonprofit group that helps Israeli businesses make connections in the Bay Area—launched UpWest Labs to give Israeli entrepreneurs the "business acumen and market knowledge" that they might not be able to get at home. Mr. Ben-Artzy is now midway through raising a \$5 million venture-capital fund, in which he has also invested.

Mr. Ben-Artzy and other colleagues say they felt that, unlike start-ups in Silicon Valley, many from Israel didn't have big dreams of becoming a global brand. In addition, he says, the Israelis who did want to come to Silicon Valley often didn't have the means or were finding it hard to get accepted into programs like Y Combinator.

"Start-ups here on average are more ambitious and do bigger things," says Eran Shir, who sold an Israeli advertising-technology company to Yahoo in 2010 and is an UpWest Labs mentor.

After meeting with 160 start-ups that expressed interest in UpWest Labs during a visit to Israel last fall, Mr. Ben-Artzy selected four mobile-app companies and two enterprise-software ones—15 entrepreneurs in total—to be part of the accelerator's first wave. The start-ups get \$15,000 to \$20,000 for their three-month stay, desks in a 1,300-square-foot office above a cheese shop in Palo Alto, and a room in a seven-bedroom Menlo Park home that UpWest Labs rents.

Amir Taichman, co-founder of an UpWest Labs start-up called OffScale, which tries to help companies operate databases more efficiently, says the accelerator's mentors introduced him to "people who actually build databases" and a Google employee who taught him how to create a "developer ecosystem."

"You can't get that in Israel," says the 29-year-old, who adds that he enjoyed Mr. Novick's advice about how to interact with people in Silicon Valley.

Avidan Hirsch, whose mobile app Contapps has been downloaded more than 500,000 times, says UpWest Labs' mentors were able to help him get meetings with employees at Facebook and Google so the app would integrate better with their services. "I'm not sure it would have happened" back home, he says.