

Israel start up's : Dare to Try
Rosh Hashana Sermon 2012 – 5773 – Rabbi Stephen Wise

I saw the most amazing car recently, black, 4 door sedan, stylish and sporty and it drove right past the gas station, its powered completely by a battery. Incredible. I wonder who build that car? We know as Jews that we should try to help the environment by reducing emissions, cleaning the air and avoid burning fossil fuels, all of which are done by gas guzzling cars and trucks. Imagine if we all drove electric cars, not only would we reduce global warming, but we would be sending less profits back to unsavory countries like Iran and Iraq that control the oil and are enemies of Israel.

The problem is car batteries are extremely expensive, and don't last long enough without needing a new charge. Well my friends, the day has arrived that technology,

affordability and convenience have come together to produce a new company called “A Better Place” and that company can be found in no other place than...Israel.

Shai Agassi founded a Better Place 5 years ago with a vision, some friends and no money. He realized that every car manufacturer in the world is trying to build the perfect electric car, but most of them hybrids, which are as Agassi said,” like a mermaid– you want a fish but you get a woman, you want a woman but you get a fish”.

Agassi figured out how the answer. Number 1, how to solve the charging challenge. He has developed a charging system across Israel, so not only can you charge it at home, but in public places like malls and restaurants. If you are driving long distances, he’s built stations where you drive into a garage, a robot arm takes out the dead battery, replaces it with a fully charged battery, and in less than it would take to fill up with gas, you are back on the road for

another 100 km. Number 2 the expense. To keep the car affordable, he spread out the high cost of the battery of the life of the car. Just like buying a new cellphone, you get free phone with a 3 year plan, with battery cars you buy miles instead of minutes.

Israel is the perfect laboratory to try out this new battery operated car system. Why Israel? First Israel is small and due to hostile neighbors, it's a sealed transportation island. You can't drive out of Israel, the way you can drive across Europe or North America, so driving distances are manageable on a battery charge. This would limit the number of battery swap stations required. Agassi turned a deficit into an advantage. By isolating us, Israel's enemies created the perfect laboratory to test ideas.

Secondly, Israel knows more than any other country the financial and environmental costs of oil dependency, especially as the money for oil goes directly to our enemies.

Not to mention that the cost of gas in Israel is about triple the price of North America.

Thirdly, Israel is a natural early adopter of new technologies. Israelis love trying new things and being first in line. In fact Israelis spend more time on the internet than people in any other country. They have a cellphone penetration of 125% meaning every Israeli has one, and often two cellphones.

Finally, Israel has the people to handle such a complicated project, to develop the software necessary to create a smart grid to direct cars to open charging spots and charge thousands of cars without overloading the system. Israel happens to have the highest concentration of engineers and Research and Development spending in the world. And their engineers have real world experience. Who better to manage complex car logistics than Agassi, a former Israeli army general whose job was to manage the

logistics of weapons, supplies and personnel in the Tzahal for over a decade? How many countries have a workforce where almost every member served for years under the pressure of army training and often live combat.

The people, ideas and technology were all in place, all Agassi needed was an international car company to back him up and a lot of start up money. Most car companies could not see his vision until finally Nissan/Renault was convinced and went on board. To raise money, Agassi turned to President Shimon Peres. Peres loved the idea so much he actually went along to meetings to help raise money, can you imagine Stephen Harper going to a meeting with some tiny start up to raise money. Israel is so small, Peres wanted to help and had the right connections. Together Agassi and Perese raised an incredible \$750 million, the 5th largest start up in history. As of today, Denmark, Australia, San Francisco, Hawaii and our own province of Ontario have announced they will join A Better

Place. And this summer of 2012, A Better Place stations have opened and several hundred fully electric cars are on the roads in Israel, with charging stations springing up weekly.

Technology companies and global investors are beating down the door to enter Israel and are finding, as the book “Start Up Nation” reports, “a unique combination of audacity, creativity and drive everywhere you look”. Israel has the highest density of start up companies, 3 for every 1 Israeli. More Israeli companies are listed on NASDAQ than the entire European continent. Israel, a country of just 7.1 million people, attracted over \$2 billion in venture capital last year, as much as flowed to the UK with 61 million people or Germany and France’s combined population of 145 million.

Just over half a century ago this little country didn’t even exist. After the declaration of independence and the

war in 1948, over a million refugees flooded the country as violent pogroms swept the Arab world. (As start up nation notes): “ the country faced two seemingly insurmountable challenges – fighting an existential war for existence and absorbing masses of refugees from postwar Europe and the Middle East.” How did this besieged backwater state not only survive but morph into a high-tech powerhouse with fiftyfold economic growth in 60 years? The answer, my friends, is that Israelis rely on each other because no one else will do it for them. We Jews know what it’s like to survive. We were born in slavery, wandered through deserts to freedom, then wandered the Diaspora for 2000 years yearning for a home. Once we got it, we will never, ever, let it go. So if this is the country and these are the resources in there, and these are the enemies around us, so be it, lets make the best of it.

Adversity breeds inventiveness. Look at other countries that boast impressive growth – South Korea, Taiwan,

Singapore – all small and threatened. But only Israel has the entrepreneurial culture and array of start-ups. Why? Israel is unique in that while small, it is one of the most heterogeneous countries in the world. Israel is made up of over 70 different nationalities – Iraqi, Polish, Ethiopian and Russian Jews do not share a language, education, culture or history. Irish columnist David McWilliams once wrote, “Israel is quite the opposite of a one dimensional Jewish country – it is a melting pot of a Diaspora that brought back with it culture, language and customs from all four corners of the earth”. These Jews from around the world share a prayer book, a desire for a homeland and a shared legacy of persecution. They bring their own ideas, culture and world view. When you put people together who see the world differently, you see all the angles, and that has made all the difference. As an executive from EBay once said, “we don’t set up our mission critical work in other countries. The best kept secret is that we live and die by the

work of our Israeli teams. Its much more than outsourcing call centres to India or IT services in Ireland. What we do in Israel is unlike what we do anywhere else in the world”

What else makes Israel unique? Some say its because we have a conscripted army whose accomplishments carry over to the private sector. The key is not that Israeli's are militarily trained, its the type of training. In our army, the leader is at the front calling, Acharai, after me. In our army we don't have rigid hierarchies, everyone is taught to challenge the top until its done right, and adapt to new situations as they happens. That has made our army successful in war and it has led to an Israeli identity in the workplace that values tenacity, insatiable questioning of authority, and determined informality.

There is a unique attitude in Israel that treats failure as just one step towards success, where people work together to contribute to group. If your company goes bankrupt,

great, you've learned a lot, now its time to try something new. It's about teamwork, overall mission, risk taking and cross-disciplinary creativity. How else can you explain how Israelis were quick to realize the emerging fields of this century - green energy, hi-tech and biotechnology - and put all their resources into them. Israel produces technologies that the world wants and needs, even before they knew they want it. Who else envisioned a camera small enough to fit inside a pill that could be swallowed and took pictures inside your intestine. Who else envisioned breeding fish farms in the desert. Who else envisioned a solar array that turns and follows the path of the sun to receive the optimal amount of energy per day. When pay pal needed to find the best security for its website, its CEO Paul Thompson discovered that an Israeli start up was 5 years ahead in accurately predicting who would be a good customer and who was trying to commit fraud. He realized immediately he not only needed to invest in this start up,

but had his parent company Ebay buy it before a competitor got it.

Israelis also was smart to embrace the understanding that we can and should bring our technologies out to the world, even to countries with which we have no normal diplomatic ties. You might wonder what happens when Israeli's neighbors are in crisis. When there was an earthquake in Turkey last October, Israel flew in even before they asked. At first Turkey said they could handle it themselves. A day later they "allowed" our experts to bring in the proper know how and equipment to help find survivors. Our medical teams set up quickly and efficiently. In countries in Africa that don't even recognize Israel we have quietly sent in small teams of agriculture specialists to teach locals how to use the new technologies created in Israel to allow desert farming. Drip irrigation saved the Negev desert and made it bloom and we offered this free to sub-saharan African nations in need.

When Darfurian refugees fled for their lives from Sudan, they were surrounded by unfriendly countries. We increasingly hear horror stories of the atrocities these refugees suffer on their way to freedom. They are subject to, and victims of extortion, rape, murder, and even organ theft, their bodies left to rot in the desert. Then, if lucky, after surviving this gruesome experience whose prize is freedom, when only a barbed wire fence separates them from Israel and their goal, they must go through the final death run and try to evade the bullets of the Egyptian soldiers stationed along the border. Egypt's soldiers are ordered to shoot to kill anyone trying to cross the border OUT of Egypt and into Israel. It's an almost nightly event. For those who finally get across the border, the first people they encounter are Israeli soldiers, who are tasked with a primary mission of defending the lives of the Israeli people, but will still defend the outcast and the refugee. After all

we know what its like to be fleeing Egypt to freedom. On one side of the border soldiers shoot to kill. On the other side, they know they will be treated with more respect than in any of the countries they crossed to get to this point.

Though Israel can barely support more refugees they do it anyway. They clothe, fed and house them. 100,000 refugees are now in Israel, and there are serious social, economic and security consequences. Why would a refugee from Sudan go to Israel? Ahmad Babikar Abdel Aziz has been living in Israel for 5 years, helping other refugees settle and said recently, “I thought that if the Israelis will not help me, then no one would help me.” Our young and thriving Jewish people and country, built from the ashes of the Holocaust, do not turn their backs on humanity.

You can tell I’m energized by the accomplishments of our little homeland of Israel. Israel today specializes in high growth entrepreneurial start ups that wind up transforming entire global industries. Israel is not immune

to the universally high rate of failure of new ventures and start ups. But only Israel repeatedly brings failed entrepreneurs back into the system to constructively use their experience to try again. Shai Agassi failed numerous times getting his car battery system off the ground. He went to every car company in the world and they all said no. Now those cars are on the road. His company, A Better Place, is a fitting name for a company that is innovative, dynamic and responsible – just like Israel. In a world seeking innovation Israel is the place to look.

And if you want to see it with your own eyes, you will all get a chance if you come along with our trip to Israel next summer – June 30th to July 11th. As our tradition says, “if not now, when”. We will spend Shabbat in Jerusalem and swim in the Dead Sea. We will hike the Golan Heights and visit the Canada Centre with the only ice hockey rink in Israel. We will hit the beaches of Tel Aviv and shop in the artist colony of Tzfat. We will eat delicious falafel and ride

camels in the desert. It will be one of the greatest trips of your life.

We will even visit the Better Place headquarters in Tel Aviv, fittingly set inside an old refitted tank, and test drive the battery operated cars. We will see Israel as it was 3000 years ago, and what it has become today – innovative, trend setting and leading the world in entrepreneurial spirit – as Jews have done for centuries. As President Shimon Peres summed it up best – Israel has much to learn from the world and the world has much to learn from Israel. All we have to do is dare to try.

Shana Tova.