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Superstar Venture Capitalist Jim Breyer Is Super Bullish On China

Silicon Valley venture capitalist [Jim Breyer](#) made a fat bundle for his firm Accel Partners and earned himself billionaire status by taking a risky bet on Facebook in 2004. Now, Breyer says, the startup action is biggest in China.

Breyer, who along with veteran VC Bill Draper was interviewed late Wednesday by Charlie Rose at the Schwab Impact conference in San Francisco, says Accel will invest more money in China this year than in the U.S., adding “We’re very bullish.” This, for a firm that didn’t have a China presence a decade ago. (Accel is now active in China mainly through a partnership with [IDG Capital Partners](#).)



Image via Wikipedia

Breyer, a boyish-looking 50, turned his firm’s \$12.5 million investment in Facebook in 2004 into a \$5 billion stake. Largely due to the success of that investment, Breyer joined the [Forbes 400](#) in September with a net worth of \$1.1 billion. He’s a likeable, whip-smart boy wonder who sits on the boards of News Corp., Dell, Wal-Mart and Facebook — plus a few others, including the San Francisco Museum of Modern Art and moviemaker Legendary Pictures. You wonder how he has time to do it all.

With regards to China, Breyer said today that over the next decade “you will see at least half of the top 10 or 20 Internet companies come from China. China remains a phenomenal mobile Internet consumer market.” He added that the entrepreneurs in China “are a bit more mercenary” than in the U.S., discussing in their business pitches how much money they expect to make for themselves. But Breyer explained that it is part of the culture in a different way from Silicon Valley, where technological success is the primary aim, with the financial success the secondary bit.

For all his support of China's future success, though, Breyer predicts that the next [Bill Gates](#) or [Steve Jobs](#) or [Jeff Bezos](#) – “the top 1% of entrepreneurs” will still be from the U.S. Breyer only partially explained why—that it has more to do with the setting than the person, per se: “The portfolios are driven by 10x returns. Occasionally you get the 100x.” But for the 500x returns, VCs do better in the U.S. “The U.S. is the best place to go in the world for the grand slam [return].”

One challenge holding back venture-backed companies outside the U.S., said Breyer, was the ability to scale. “I wish we had a dozen [Sheryl Sandbergs](#) worldwide to help scale. She's as rare as the great entrepreneurs,” he said, referring to Facebook's chief operating officer.

In response to a question about technology's “gang of four” – Facebook, Google, Apple and Amazon – Breyer was surprisingly generous with his praise of Microsoft, which he said people are underestimating as a company (and which should belong in that elite group). “Microsoft has continuously failed in terms of mobile operating systems and tablets, but in terms of product innovation they are going to remain a force, and today they are underestimated,” he added.

For more on Jim Breyer, read Nicole Perlroth's stellar [cover story](#) on him from earlier this year.

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