

Applied High-tech Venturing

Agenda

Fitbay Philip & Christian Wylonis.

Discover clothes that fit

Group formation: the very last group amendments

Green Challenge - Grøn Dyst

The Entrepreneur

- Motivation
- Personality
- Working life
- The ideal preconditions

The Business

- Success- and Non-success factors
- Classic Rules of the Thumb

Why do it?

- A demonstration of your personality and skills
- An independent and catching lifestyle
- You are the manager – and in control
- Great fun and lots of interesting work
- A team sport with highly motivated and hard working friends
- Great expectations, great perspective - and you are an explorer of a new world – a pioneer and a discoverer, set to make the world a better place
- To make a Gazillion?

**It happens - but
Get Your priorities right
– and focus on business development.**

Why do it?

Key-word is IMPACT

Go out and change the world for the better

By the way:

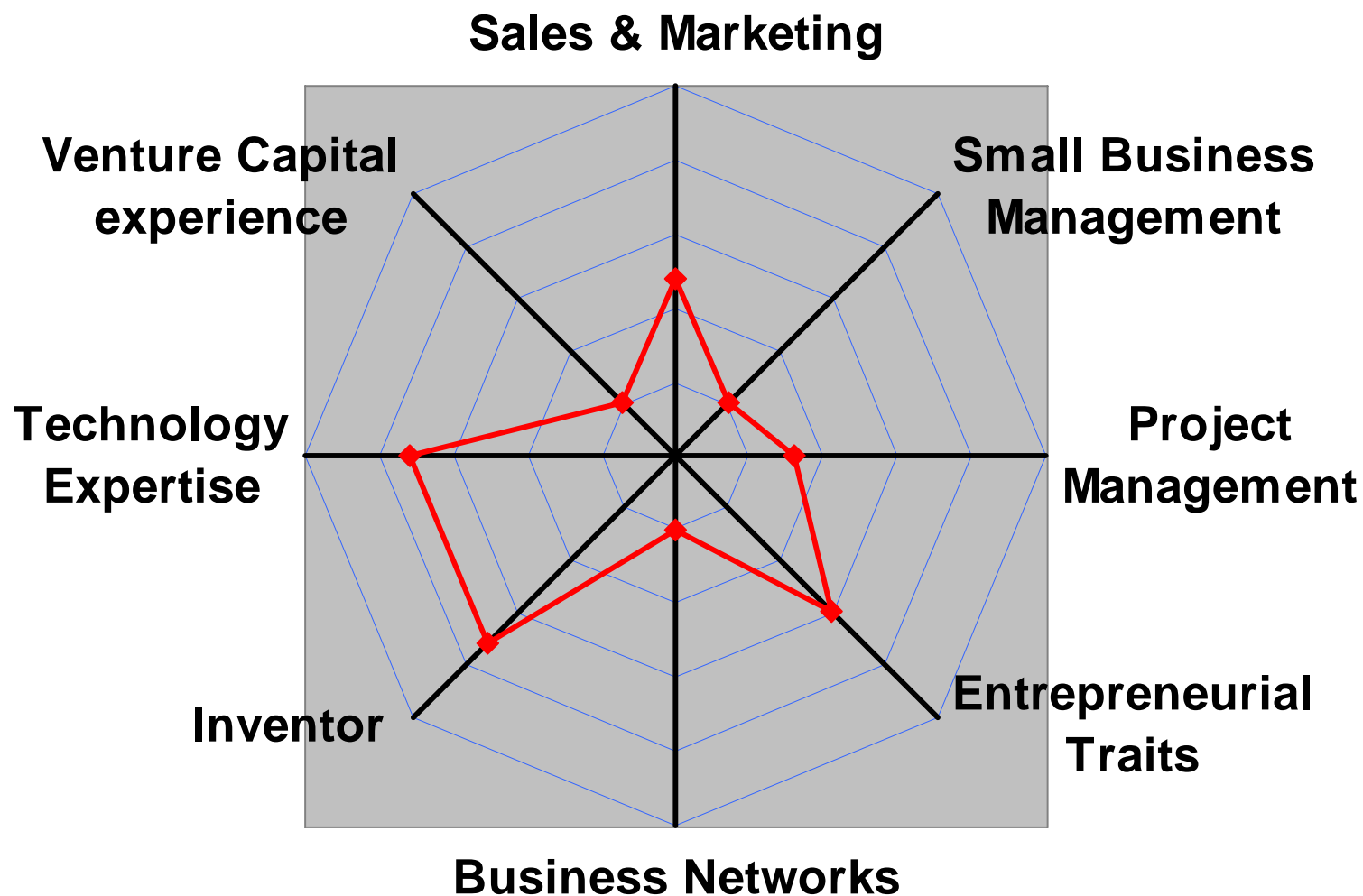
People exposed to entrepreneurship frequently express that they have more opportunity to exercise creative freedoms, higher self esteem, and an overall greater sense of control over their own lives.

[National standards for Entrepreneurship Education, USA]

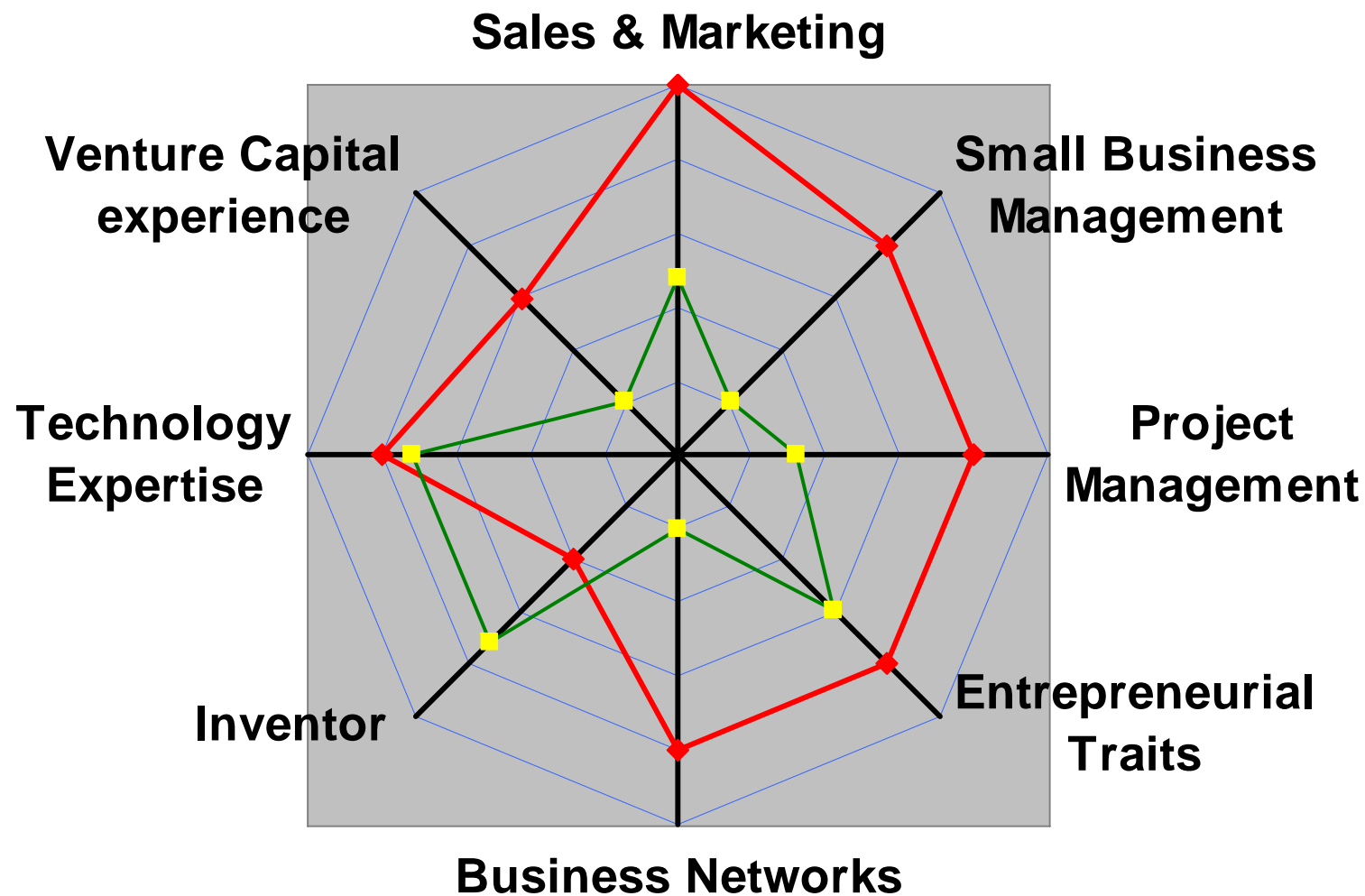
The Entrepreneur

- **Extrovert**
- **Proactive**
- **Energetic**
- **Initiator**
- **Capable of – and quick in - making decisions and enforce them** (*a DOER rather than a PLANNER*)
- **Personal integrity**
- **Persistent**
- **Resource-demanding**
- **Impatient**
- **Ruthless - brutal**

The Entrepreneurial Team



The IDEAL Entrepreneurial Team



The Entrepreneurial Working Life

The Negative Angle

- **A lot of hard work**
 - Strain on family and friends
 - Tough on psyche and body.
- **Crisis and Chaos prevails**
 - Basis of decisions often diffuse
 - Chronic lack of money
- **High stress-level**
 - Responsible for values and employees
 - Short deadlines

The Entrepreneurial Working Life

The Positive Angle

- **A match between personality and working life**
- **The start-up phase is like a flue: *it ends***
- **Sometimes: a personal fortune ->**

The Serial Entrepreneur

The Ideal Preconditions

- **Up-to-date education**
- **Domain knowledge**
- **Entrepreneurial skills**
- **A positive life situation**
- **A global perspective and a good command of English.** (BE-standard OK)

Success factors

- **QUALIFIED TEAM** including all experiences and competences needed to complete the task
- **COMPREHENSIVE UNDERSTANDING** of the **CUSTOMER** – reflected in products and services
- Start in markets in rapid change and transition
- Market pull versus technology push
- Methodical preparations before launch
- An easily understandable and logic business rationale
- Enough CASH to produce commercial results
- Product development plans on strategic level
- **GOOD MANAGEMENT** in all aspects

Non-succes factors

- **Technology-driven venture**
- **Paranoia**
- **Lack of focus -> The Job-shop Syndrome**
- **Afraid of the customer**
- **Does not understand the customer**
- **Capital locked in receivables, bricks and mortar**
- **Expenses too high**
- **Poor management**
- **Bad business ethics**

From the Bankruptcy Statistics

• Sales failed	<i>60% mortality in the Market!</i>	39%
• Beaten by competitors	<i>The Devil is in the Marketplace</i>	21%
• Operating costs too high		11%
• Overhead costs too high		4%
• Bad debts: customer bankrupt		9%
• Production or technology fails to comply		4%
• Any other reason:		12%
• Mess and disorder		
• Inappropriate localization		
• Fraud		
• Health problems, natural disasters etc.		

Rules of Thumb

- **Competent and opportunity driven business idea**
- **Be methodical in your business planning**
- **Keep the costs down – live on a rock**
- **Get the money from your customers before you pay your suppliers**
- **Avoid unnecessary costs: early-stage capital is expensive**
- **Bank loans only to finance production already ordered – unless you have secured the loan – *THE RIGHT WAY!***
- **Don't start unless you have enough money – *to produce first commercial results (JH)***
- **Check the cash flow frequently. Negative cash-in-hand is an instant company-killer**
- **Get the right persons involved**
- **Focus on market and sales**



Massachusetts Institute of Technology

The MIT Recipy

- **Where is the Pain?** (No Pain = No Gain = No Company)
- **What is your value proposition** (VP)
Quantify your value proposition (QVP)
- **Who is your customer** (who is your jury)
- **Why would he or she buy** (Pain X Value breaks Barriers)
- **How much is he or she willing to pay?** (VP)
- **Practice your Elevator Pitch**
before meeting your customer/investor

End of the Day

Coming up next: Opportunity-driven Creativity

Your task now:

- Get to know your group
- Align ambitions
- Start working on idea-generation, using the MIT recipe