

DTU Ph.D. Spring 2011

# Rounding up 42705 Knowledge based entrepreneurship

1 DTU Management Engineering,  
Technical University of Denmark

## Objectives

- **Develop your sense of business opportunity**
- **Entrepreneurial career as a qualified choice**
- **Encouraging enterprising behavior**
- **A portable toolbox**

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## Central Slides and Statements

## 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
  - A readily understood and logic business rationale
  - Enough CASH to produce commercial results
  - Product development plans on strategic level
- **GOOD MANAGEMENT** in all aspects



## From the Bankruptcy Statistics

• Sales failed		39%
• Beaten by competitors		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.		

## The entrepreneur's most important Capital Sources

- **Your own bloody money**
  - **FFF** Family, Friends & Fools
  - **In Kind** Other people's resources
  - **Your first customer:** The more pain, the better
  - **Investors' money** If your business potential  
and -opportunities depend on speed and volume.
- Exit is an inherent part of venture capital investments  
Venture capital requires hands-on participation in management  
Venture capital dilutes founders but increases value of company



## Massachusetts Institute of Technology *The MIT Crucial Issues*



- **Where is the Pain?**      No Pain = No Gain = No Company
- **What is your value proposition?**      VP  
    Quantify your value proposition
- **Who is your customer?**      Who is your jury?
- **Why would he or she buy?**      The Painkiller
- **How much is he or she willing to pay?**      VP
- **Practice your Elevator Pitch**      before meeting your  
    customer/investor/stakeholder

Management is ---  
--- the Noble Art of ---  
---- achieving Results  
--- by means of other People



Who – first of all –  
decides if Your venture  
becomes a success or a failure?

