

## Applied High-tech Venturing

### Agenda

- Stardust DTU Christopher James Lüscher
- Coaching in 42435 Dorte Wiene

### *The Entrepreneur*

- Motivation
- Personality
- Working life
- The ideal preconditions

### *Group formation and get-together*

### *The Business*

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

**IAESEC:** Lin Jun International student internship

*Association Internationale des étudiants en sciences économiques et commerciales. Founded 1948.* See <http://unic.aiesec.dk>

<sup>1</sup> DTU Management Engineering,  
Technical University of Denmark

### The Venture Cup Competition



Rasmus Schmidt Davidsen, 42435 - S2011  
Passed with grade 10

### Winner 2011

<sup>2</sup> DTU Management Engineering,  
Technical University of Denmark

## 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.**

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## The Entrepreneur

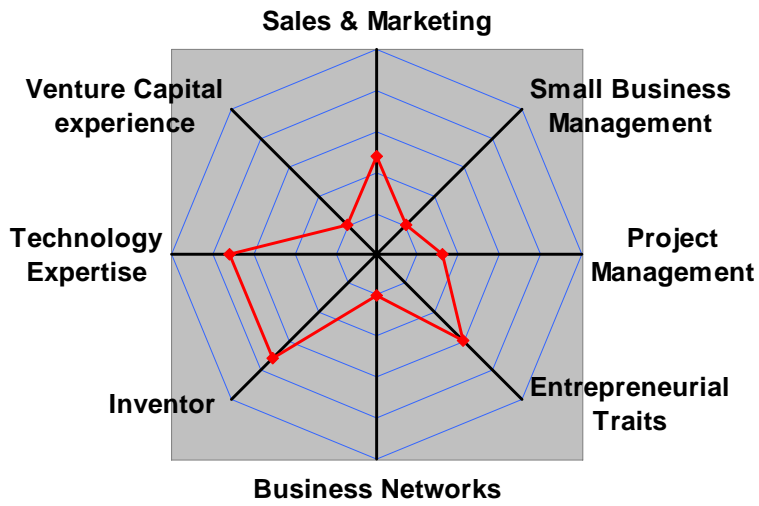


- Extrovert
- Proactive
- Energetic
- Initiator
- Capable of – and quick in - making decisions and enforce them (*a DOER rather than a PLANNER*)
- Personal integrity
- Persistent
- Resource-demanding
- Impatient
- Ruthless - brutal

*NAPOLEON!*

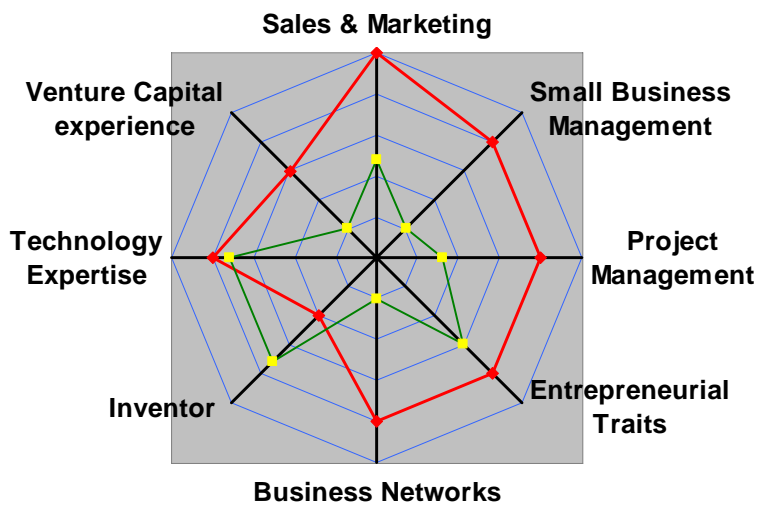
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# The Entrepreneurial Team



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# The IDEAL Entrepreneurial Team



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## 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)

## Succes 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

- |   |  |            |
|---|--|------------|
| • <b>Sales failed</b>                             | <b>60% mortality in the Market!</b>    | <b>39%</b> |
| • <b>Beaten by competitors</b>                    | <b>The Devil is in the Marketplace</b> | <b>21%</b> |
| • <b>Operating costs too high</b>                 |  | <b>11%</b> |
| • <b>Overhead costs too high</b>                  |  | <b>4%</b>  |
| • <b>Bad debts: customer bankrupt</b>             |  | <b>9%</b>  |
| • <b>Production or technology fails to comply</b> |  | <b>4%</b>  |
| • <b>Any other reason:</b>                        |  | <b>12%</b> |
| • 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

## IAESEC:

Lin Jun



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