

Applied High-tech Venturing



Agenda

The Entrepreneurship Foundation

- ***The Entrepreneur***
- Motivation
- Personality
- Work-life
- The ideal preconditions

The Business

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

Why do it?



- **The ultimate demonstration of your personality and skills**
- **An independent and catching lifestyle**
- **Project, where 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**
- **To make a Gazillion?**

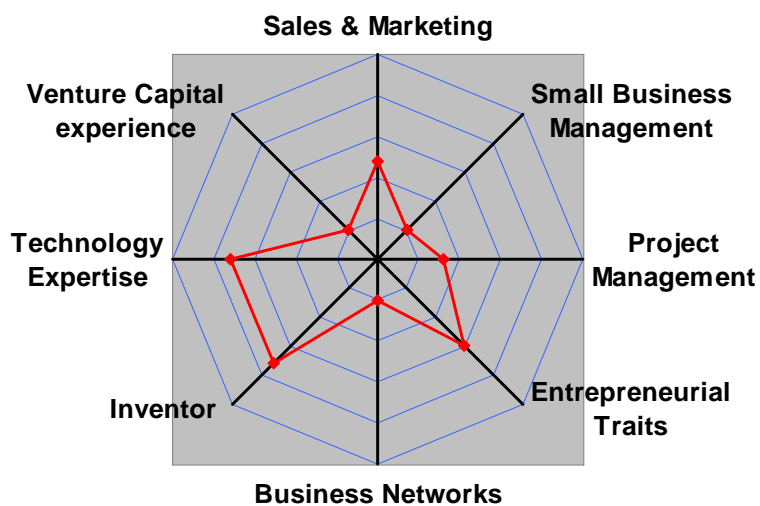
**It happens - but
Get Your priorities right – and focus on company
development.**

The Entrepreneur

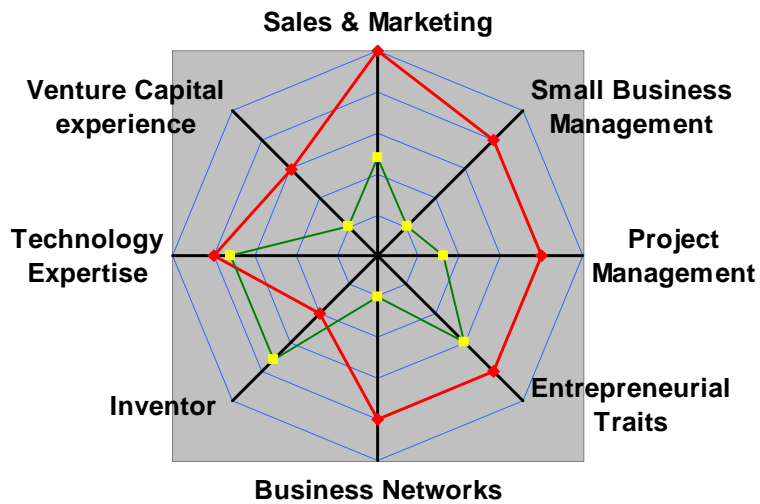
- **Extrovert**
- **Proactive**
- **Energetic**
- **Initiator**
- **Capable of – and quick in - making decisions and enforce them** (*a DOER rather than a PLANNER*)
- **Personal integrity**
- **Stubborn**
- **Resource-demanding**
- **Impatient**
- **Ruthless**

NAPOLEON!

The Entrepreneurial Team



The IDEAL Entrepreneurial Team



5 DTU Management Engineering,
Technical University of Denmark

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

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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 outstanding liabilities, bricks and mortar
- Expenses too high
- Poor management
- Bad business ethics

From the Bankruptcy Statistics

- | | | |
|--|--|------------|
| • Sales failed | 60% mortality in the Market! | 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

Meeting!



Find a vacant slot and book it

Agenda:

Your ideas – and their perspectives:

- as a case for the course
- as a business case

Preparation:

For each preferred idea: please explain:

- What is the pain – the problem?
- Who is your customer (your jury)
- What is your value proposition