

# Venturepreneur

## Mastering Your Entrepreneurial Leadership Skills and Building a High-Growth Business

100 PowerPoint slides + 100 Half-page Executive Summaries

**This is a demo version (15 slides only)**



# Venturepreneur

## Mastering Your Entrepreneurial Leadership Skills and Building a High-Growth Business

- 1. High-growth Business Development Strategies**
- 2. Creating a Winning Business Model**
- 3. New-to-the-World Product Development**
- 4. Venture Financing**
- 5. Entrepreneurial Leadership**
- 6. Psychology of Achievement**
- 7. Entrepreneurial Creativity**



# High-Growth Business Development

## Managing Your Venture at Different Growth Stages

### CONTINUOUS GROWTH

- ➔ Build a balanced business system.
- ➔ Keep reinventing your growth strategies.
- ➔ Establish a responsive innovation system.
- ➔ Develop capability for flexibility & speed.

### RAPID GROWTH

- ➔ Reinvent differentiation & competitive strategies
- ➔ Cultivate leaders. Empower employees.
- ➔ Broaden lines, extend geographic coverage.
- ➔ Inject relentless growth attitude in your people.

### INITIAL GROWTH

- ➔ Capture market share. Launch differentiated produce.
- ➔ Gain repeat customers. Expand channels & revenues.
- ➔ Expand management team. Train and coach employees.
- ➔ Start inventing your second stage of growth.

### START UP

- ➔ Define product & market niche. Create your business model.
- ➔ Prepare a business plan. Build management team.
- ➔ Protect your competitive advantage. Raise venture capital.
- ➔ Create your brand. Produce and differentiate your product.

# Venture Management

## Entrepreneurial Strategies and Skills

### The Four Entrepreneurial Strategies (By Peter Drucker)

- 1 Being "the Fastest and the Mostest"
- 2 "Hitting Them Where They Ain't"
- 3 Finding and occupying a specialized "ecological niche"
- 4 Changing the economic characteristics of the product, a market, or an industry

### Skills and Specific Expertise of Early-Stage Venture Management

- Business model development
- Venture capital formation
- Entrepreneurial leadership
- Entrepreneurial creativity





# Five "Key Risks"

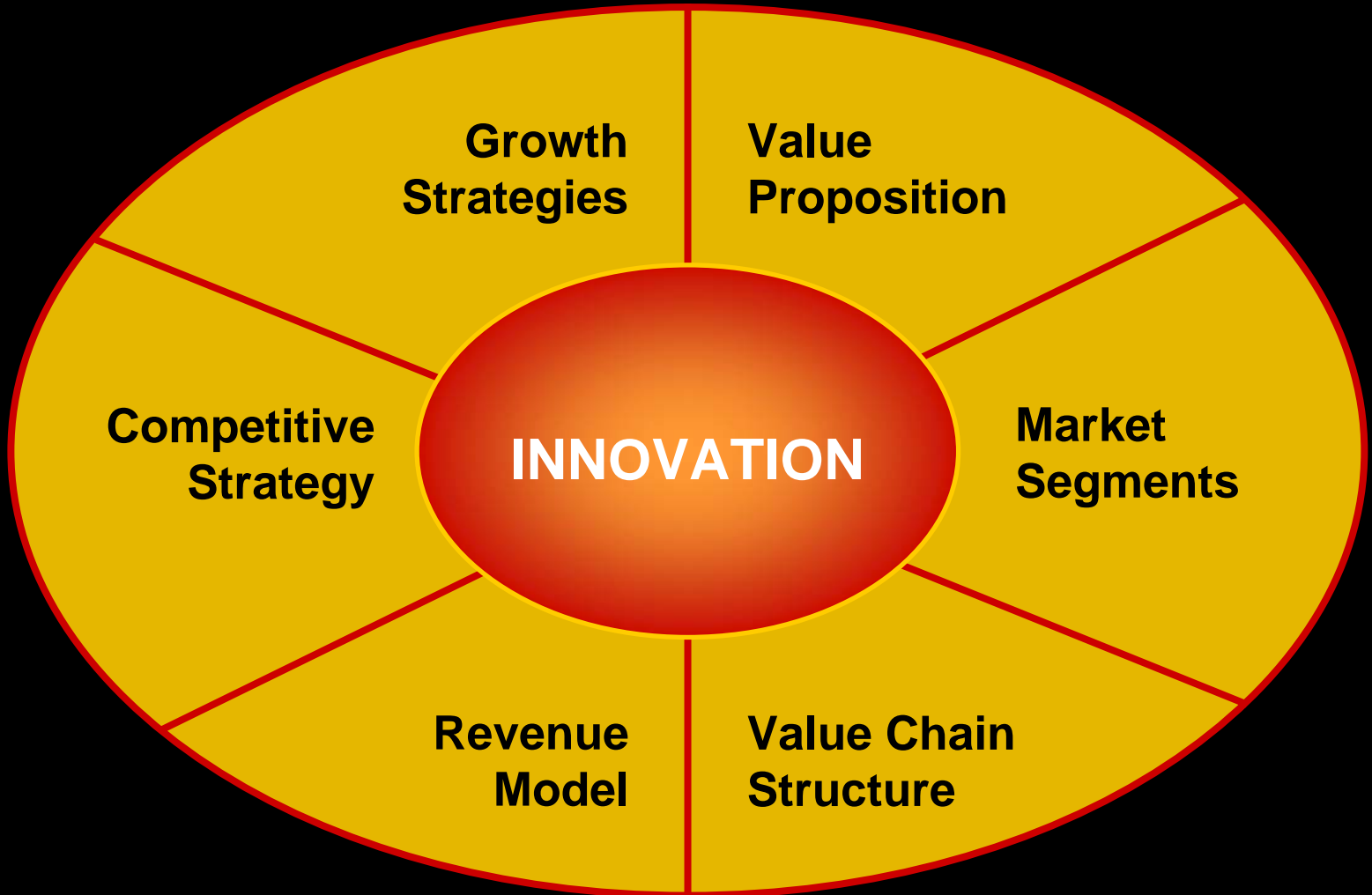
## Critical to the Survival of New Companies

<b>Development risk</b>	Can the product or service actually be created?
<b>Manufacturing risk</b>	If the product can be developed, can it actually be produced in appropriate volume?
<b>Marketing risk</b>	If the product can be made, can it be sold effectively?
<b>Financial risk</b>	If the product can be sold effectively, will the resulting company be profitable <i>and</i> can the profits actually be realized in a form that allows investors to receive cash?
<b>Growth risk</b>	If the company can achieve operating profitability at one level, can profitability be maintain as the company evolves?



# Business Model

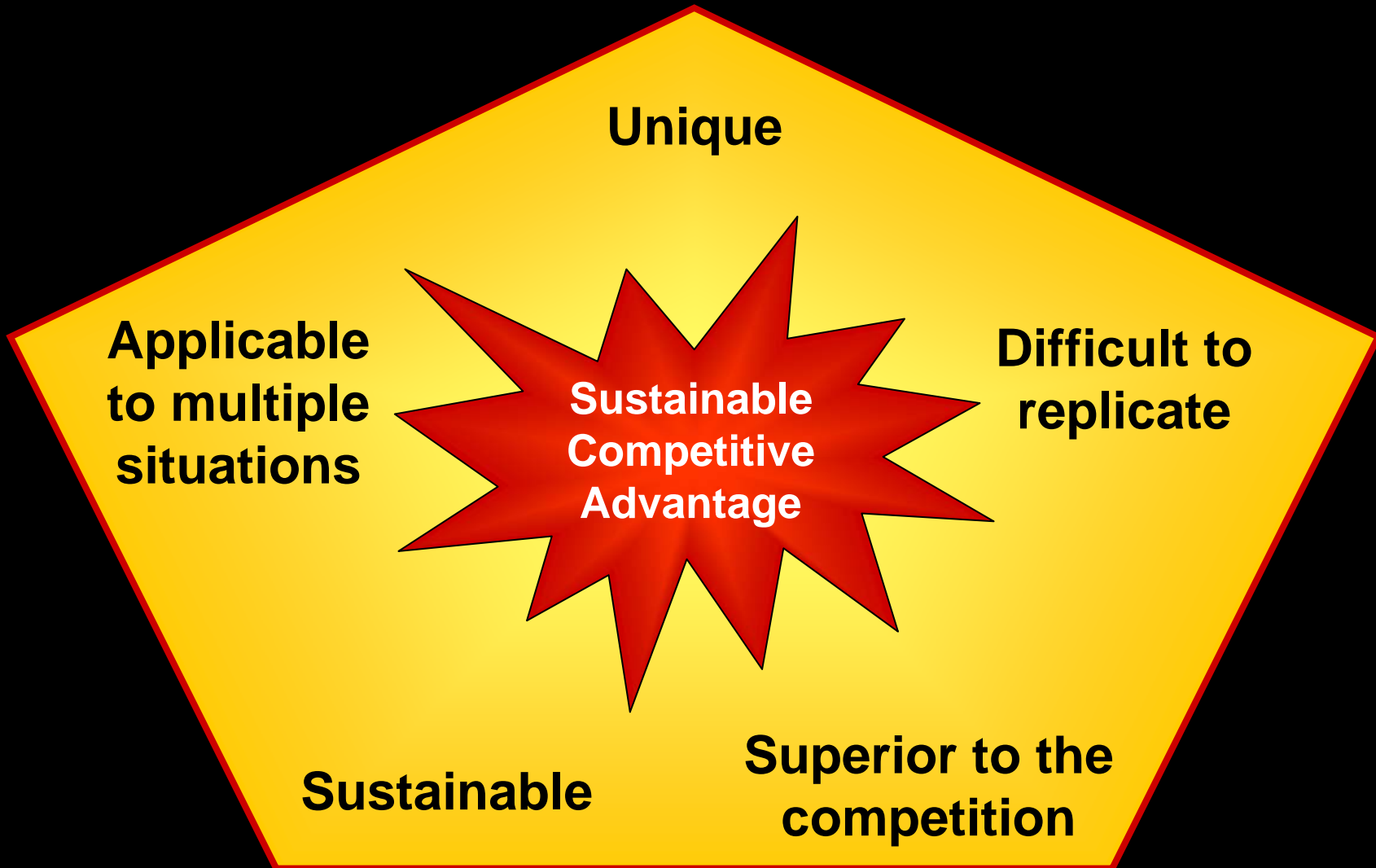
Converting Innovation to Economic Value





# Sustainable Competitive Advantage

## The Five Criteria





# New-to-the-World Product Development

## Keys to Successful Market Learning

### Defy tradition

Don't expect much from traditional market research. It tells you what exists, not what could be or should be

### Probe and learn

Experiment, pursue opportunities with early prototypes, get into the game quickly, learn and adapt

### Train team members

Traditional market research people are not trained to operate in the radical innovation environment

### Maximize rapid learning

Focus on those that stand to benefit the most from the innovation and place high values on it

### Test multiple applications

Dead ends are likely, so test multiple applications simultaneously to hit the real opportunity quickly

### Select customer allies

Select early customer allies who have powerful reasons for exploring with you

### Be prepared for surprises

Don't allow yourself to think that you've totally figured it out and be ready to end up with a different product



# High-Growth Business Development

## Launching a Crusade

### Cause – the Real Reason Your Business Exists

Cause is that which gives rise to an action, a motive, a principle, a belief and purpose. It answers the question "Why we are really doing this?". A cause provides a feeling of belonging, a sense of purpose and loyalty, peer pressure to perform, and a catalyst for action.

### Eight Criteria for a Cause Big Enough for a Crusade

- ✓ Causes are never goals
- ✓ Causes come from the heart, not from the mind
- ✓ Causes are big, bold, and aspirational
- ✓ Causes are inclusive
- ✓ Causes aren't just about money
- ✓ Causes have an Aha! Effect
- ✓ A cause needn't be credible to the outside world
- ✓ Causes are expressed in few words



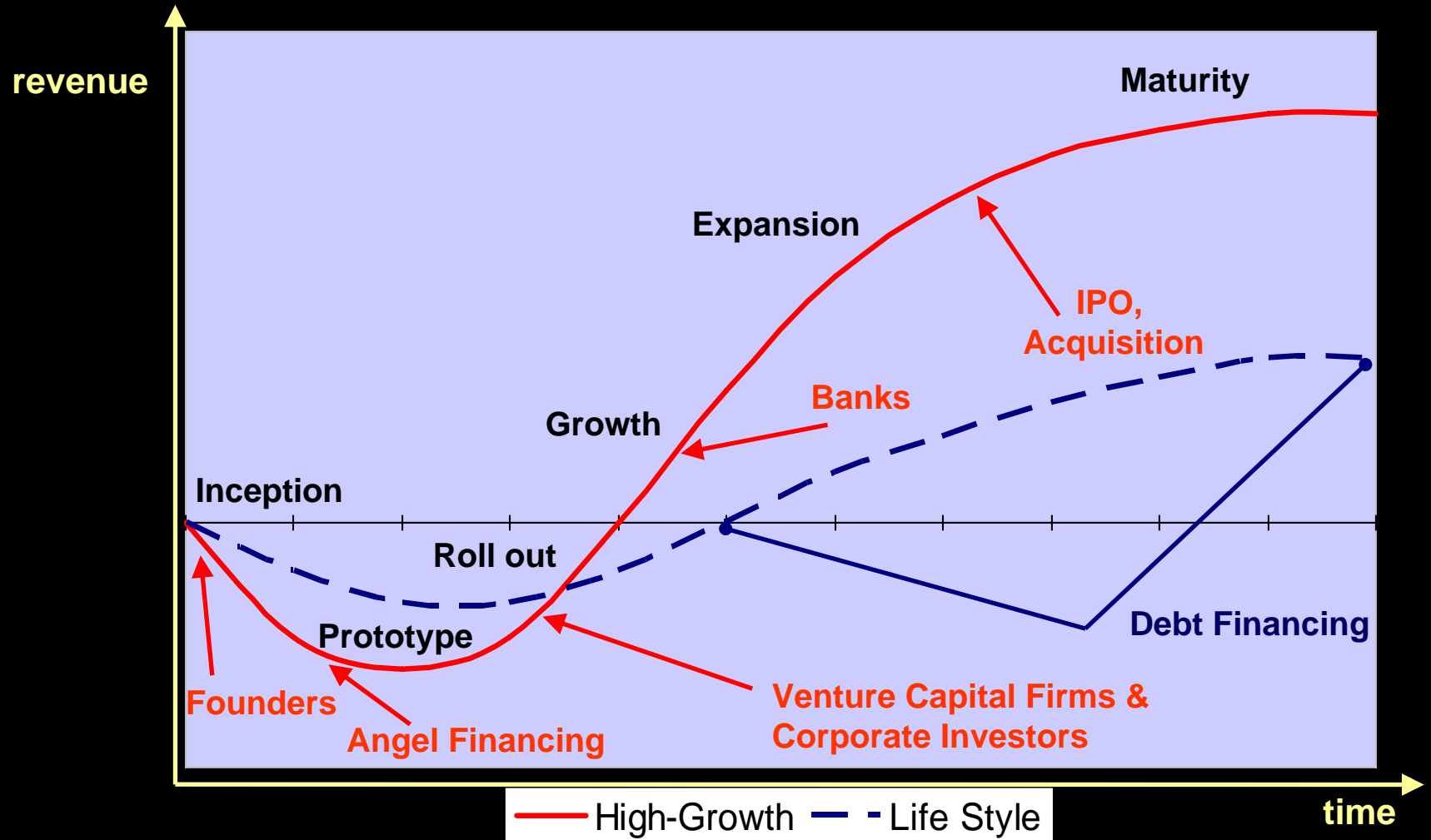
### Walt Disney's Cause:

"To build a place to make people happy"



# Venture Financing

## Sources of Funds for High-Growth and Life-style Firms



# Venture Financing

Key Documentation To Be Prepared By the Entrepreneur

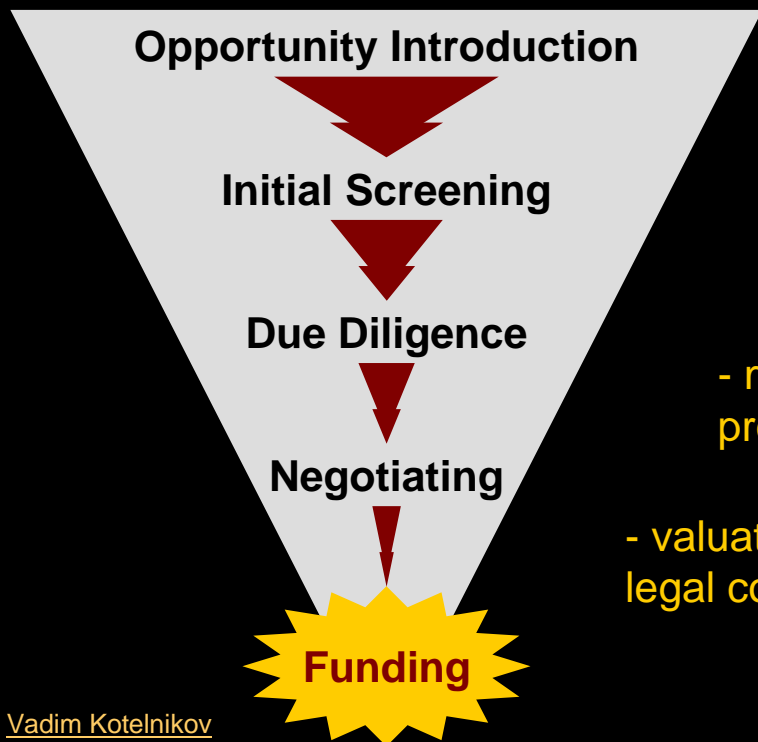
To attract and hold investor interest, the business must provide top quality documentation:

<b>1</b>	<b>Executive Summary</b>	<b>3 - 5 pages</b>
<b>2</b>	<b>Business Plan</b>	<b>50 pages maximum</b>
<b>3</b>	<b>Venture Presentation</b>	<b>All the key issues are to be presented within 10 minutes</b>
<b>4</b>	<b>Due Diligence Materials</b>	<b>Market Studies, Research Papers, Patents, etc.</b>
<b>5</b>	<b>Business Valuations</b>	<b>Company and investor pre and post investment values</b>
<b>6</b>	<b>Deal Structure</b>	<b>Share distribution and terms</b>

# Investment Opportunity Evaluation by Investors

## Process & Success Rates

- 6 in 1000 business plans get funded on an average
- 5% of business plans are read beyond the executive summary
- 10% of proposals pass initial screening
- 10% of pre-screened proposals pass due diligence & receive funding



### Selection Parameters

- presentation, executive summary, milestone chart, cash flow forecast
- management team, business plan
- management, personnel, marketing, production, financials, references
- valuation, ownership, control, management, legal contract



# Corporate Management versus Venture Management

## CORPORATE MANAGEMENT

## VENTURE MANAGEMENT

### Application

**Established Business**

**New High-Growth Business Creation**

Driving force

Competence-driven idea

Customer-driven idea or new technology

Market

Serving established customers

Entering emerging market

Results

Quite predictable

Quite unpredictable

Time-to-Market

Sacrificing speed for thoroughness

Must be the first to market

Success Measure

Profit

Market capitalization

Market Research

Methodical analysis of facts

Experimenting and adapting rapidly

Focus

Delivering an operating plan

Adapting to unmet customer needs

Core Competence

Performing core manager's functions

Moving quickly from idea to market

Independence

Responsibility and control

Anarchic, demands space for action

Risk Management

Caution, avoiding failure at any cost

Experimenting, failing, adapting

Managing Change

Slow formal procedures

Reversing at top speed & resuming speed

Motivation

Promotion

Risk-reward structure

Decision Making

Slower; corporate approval procedures

Faster; entrepreneurial style

Funding Source

Annual plan

Venture capital

Financial Focus

Profit / loss ratio

Cash flow



# Entrepreneurial Leader

## Ten Key Action Roles

**Entrepreneur is a person who habitually creates and innovates to build something of recognized value around perceived opportunities.**

- 1. is a person who makes a significant difference**
- 2. is creative and innovative**
- 3. spots and exploits opportunities**
- 4. finds resources and competencies required to exploit opportunities**
- 5. is a good team-builder and networker**
- 6. is determined in the face of adversity and competition**
- 7. manages change and risk**
- 8. has control of the business**
- 9. puts the customer first**
- 10. creates capital**

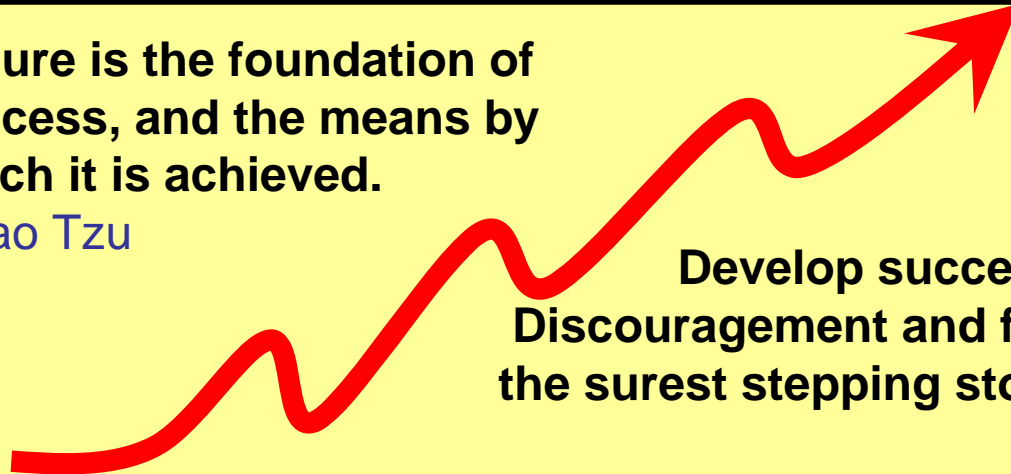


# Failure as a Stepping Stone to Success

There is No Failure – Only Feedback

Failure is the foundation of success, and the means by which it is achieved.

– Lao Tzu



Develop success from failures. Discouragement and failure are two of the surest stepping stones to success.

– Dale Carnegie

If things go wrong,

**don't wait for others to change – start change with yourself.**

If what you're doing isn't working,

**do something different.**

Learning from feedback means that you are more likely to be flexible rather than rigid in your dealings with yourself and others.



# Entrepreneurial Creativity

## Five Interwoven Areas

- ❖ New Business Models
- ❖ Venture Management
- ❖ Innovation Management

**ENTERPRISE**

- ❖ Discovering Opportunities
- ❖ Pursuing Opportunities
- ❖ Moving with Speed

**OPPORTUNITIES**

**PERSONAL  
DEVELOPMENT**

- ❖ Creativity
- ❖ Entrepreneurial Skills
- ❖ People Skills

**CUSTOMER**

- ❖ Creating Customer
- ❖ Winning Customer
- ❖ Retaining Customer

**COMPETITION**

- ❖ Competitive Advantage
- ❖ Competitive Strategies
- ❖ Change Management



# Entrepreneurial Success

## Be Different and Make a Difference!

**"If you want to succeed, you have to forge new paths and avoid borrowed ones." – John Rockefeller**

### Think Differently

- **Look for new cross-functional combinations**
- **Ask "why?" and "what if?" questions and develop "what-if" scenarios**
- **Challenge assumptions, consider approaches you've never thought about before**
- **Observe disruptive people and problem they face and be a champion of new ideas that help solve these problems in new ways**
- **Brainstorm with others frequently**


# Venturepreneur

**Ten3**  
**Coach**

### The Corporate Strategy Logic

Strategy Pyramid (old) vs. Strategy Stretch (new)


**STRATEGY PYRAMID**  
Top-down



Vision  
Mission  
Goals  
Strategies  
Tactics  
Action plans

**Old Strategy-based Business Development Model**  
•Effective in known & stable environment  
•Builds on existing competencies

**STRATEGY STRETCH**  
Top-down + Bottom-up



Strategic Intent  
Challenges  
Opportunities

**New Opportunity-driven Business Development Model**  
•Effective in new & unstable environment  
•Builds on new competencies

**Instead of Introduction**  
For the vast majority of companies, having well-defined visions and mission statements changes nothing. The exercise of crafting them is a complete waste of time and talent if visions and mission statements are used for nothing but being published in the annual report and displayed in a reception area. To be able to energize employees to work towards corporate goals, visions and missions should be more than a sign on the wall. Executives and managers should live them, be seen living them, and constantly communicate them to their employees.

**Vision**  
Vision is a short, succinct, and inspiring statement of what the organization intends to become and to achieve at some point in the future, often stated in competitive terms. Vision refers to the category of intentions that are broad, all-intrusive and forward-thinking. It is the image that a business must have of its goals before it sets out to reach them. It describes aspirations for the future, without specifying the means that will be used to achieve those desired ends.

**Mission Statement**  
A mission statement is an organization's vision translated into written form. It makes concrete the leader's view of the direction and purpose of the organization. For many corporate leaders it is a vital element in any attempt to motivate employees and to give them a sense of priorities.

**Setting Goals**  
The major outcome of strategic road-mapping and strategic planning, after gathering all necessary information, is the setting of goals for the organization based on its vision and mission statement. A goal is a long-range aim for a specific period. It must be specific and realistic. Long-range goals set through strategic planning are translated into activities that will ensure reaching the goal through operational planning.

**Strategic Intent**  
A strategic intent is a company's vision of what it wants to achieve in the long term. It must convey a significant stretch for your company, a sense of direction, discovery, and opportunity that can be communicated as worthwhile to all employees. It should not focus so much on today's problems but rather on tomorrow's opportunities.

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