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Today's sayings

- Worship of innovators has distracted investors from realizing that most of them actually lose gobs of money.
- Real innovators don't earn profits. The “law of the pioneer” says that trailblazers rarely get rich.

 MIT Technology Review

Today's sayings

- Many people fail to achieve their goals because they have grown so comfortable in their job that they are afraid to meet the challenge of a new one.

-Harvey Mackay

- A tree grows from the bottom up. It dies from the top down.

– Wes Zimmerman

Self-Assessments – Previous classes

- I got a good outline of their job descriptions and the type of people they work with
- I got a good feel for what they like and don't like
- I could usually not find any thoughts about the relationship between the two

Self-Assessments - supervisory – Previous classes

- Very few people were critical of their supervisory abilities or practices
- Most people see themselves as very open-minded, and think they have closed minded supervisors
- Most want to value and develop their subordinates, but many do not get enough mentoring from above.

Self-Assessments - Team – Previous classes

- Most people want a challenge, but most hate dealing with the incompetent or unmotivated people they work with
- Many want to work with upper management, but most are very critical of upper management as out of touch
- Most are focused on the team – how well it gels, or the amount of politics and posturing

Self-Assessments - Money – Previous classes

- Most are happy with their compensation and benefits
- Very few are driven by the prospect of having more compensation, but some are scared of having less
- Variety in work and chance for promotion mentioned more as a goal than chance to earn more

Self-Assessments – misc. – Previous classes

- Almost everybody seeks more opportunity to be strategic, but most of the class seemed task-oriented.
- Detected a fair amount of internal conflict.
- Glass ceiling and good old boy network
- Very few people mention passion for their work, usually only mentioned in the context of not having it.

Self Assessments – Misc. – Previous classes

- Most students are not fond of ambiguity.
- Many students feel that they need more support, direction, tools, etc. from their boss. They also want more autonomy and freedom.
- Many students do not feel aggressive or ambitious
- There is an aversion to detail work, many feel they are above it (especially when they get their MBA).

Put it all in context

- How much of the previous material describes you?
- How much of the previous material describes the entrepreneurs that you interviewed and just listened to presentations about?

The Two Things That Drive Entrepreneurs

—FAITH

—FEAR





Management of a New Venture

Vision statements

- Do they have a purpose?
- Are they effective?

Your role

- As the founder of a new venture, you have to be both a leader and a manager.

Define Your Company's Culture

- Do people work in teams or individually?
- How do you deal with change?
- How do you deal with failure?
- How are company decisions made?
- How is work prioritized?
- How is information shared?
- How are employees treated?
- How does the company ensure that it gets the right employees?

Keys to management success:

- Attach yourself to the right people
- Learn to manage people who know more than you do
- Look for positions where you can make a difference
- Hire for the organization you want to create, not the one you have
- Learn the defining issues of your time

Roles of the Entrepreneur:

- Personal Leader – provide guidance, motivate behavior, set standards of conduct
- Organizational Leader – choose top management team, blend team skills, maintain high productivity
- Architect of Purpose – influence goals and objectives, direct strategy, seek new opportunities

Always ask “why”

- Why?

As a boss, you will make your best decisions if you understand your own personal strengths and weaknesses as well as those of your employees

Obvious but often missed

- To build a great team, hire the right people.

Right people in the right places



"I'm putting you on the china shop account.
Do you think you can handle it?"

Good employees drive their positions

- Let them!

Know the difference between experience and intelligence

- When do you hire experience?
 - Benefits
 - Drawbacks
- When do you hire intelligence?
 - Benefits
 - Drawbacks

Inducements to prospective team members

- Material: equity, salary, perks, benefits
- Nonmaterial: experience, environment, values, autonomy, teamwork

Management truisms:

- There is no passionate commitment without integrity.
- Your staff will not be more enthusiastic than you are.
- Higher productivity leads to higher morale.
- The more you respect a person, the more they will trust you.

Management truisms:

- Burnout is not the result of being too busy. It is an indication of a lost sense of purpose and a lack of fulfillment.
- You will get farther in life by trusting people.

True or False?

- New venture employees generally have more enthusiasm than large corporation employees

Leadership

- Allow people to do things their own way, within reasonable limits, while you help them get to where they want to be. Set goals, not directions.

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- Share rewards with your team.

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- Firing people is usually the terminal result of a poor hiring decision.

Partnerships

- Partnerships only work if there is a high level of trust and respect between the partners
- Make sure you (and your potential partners) are psychologically capable of this

Partners

- Beware who you get in bed with.
- Very few people have making you rich as a goal in life.
- Partners must share similar work ethics, abilities, and philosophies.

What have your partnership experiences been?

- Study Groups are a great proxy for partnerships – the dynamics, the leverage, the common but different goals, etc.

Partnership is not forever

- When it has satisfied it's objectives, terminate it.

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- Have a good board of advisors, either official or unofficial.

Important – know your spot

- Recognize where you fit in in a venture's life-cycle. Be in the right spot, get out of the way when you are not.

Also Important - Balance

- There is natural instinct and there is control. If you have one to an extreme you are unscientific. If you have the other to an extreme, you are a mechanical man, no longer human.

■ Bruce Lee



"Of course I believe in teamwork. I believe your team should do all the work."

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Intrapreneurship

Corporate Attitude to Intrapreneurs

- CEO and top management set the tone
- Access to corporate resources
- Defined corporate culture
- Hiring, training, incentives, rewards



Collective Corporate Entrepreneurism - R. Reich

- Traditional hierarchy lines blur & diminish
- must have close relationships with outside stakeholders
 - suppliers, brokers, distributors
 - creditors, banks
 - cities, communities

Small and Fierce is Better

- Tom Peters

- Not bound by conventional rules
- Faster, more responsive in all sectors
- Timely decisions and solutions
- Speed, surprise are the key elements
- Powerful, cross-trained teams
- Access to powerful support resources

Small, Powerful I Ventures

- Redefine Customer Relationships
 - get closer, more responsive
 - more innovative
 - more customizing
- Faster Company Growth Potential

Advantages of Intrapreneuring over Entrepreneurship

- Capital Sources
- Access to customers
- Infrastructure
- Management Pools
- Leverage on an existing business



Disadvantages of Intrapreneuring vs. Entrepreneurship

- Continuity of Sponsorship
- P & L Focus
- Short Term Mentality
- Corporate Meddling, Bureaucracy, Decision by committee
- Lack of Passion
- Have to be big to be material
- Aversion to risk



Success Criteria

- Strong management - ability to build and educate
- Stable, supportive, competent sponsorship and governance
- Good market opportunity / business model
- Favorable corporate culture
- Potential contribution to corporation

More Success Criteria

- Utilizes Core Competencies of the company
- Patience
- Committed capital
- Independence
- Superior Planning



What can YOU do as an Intrapreneur Wannabe?

- Get cross-trained with new jobs in the company
- Foster top management exposure
- Study the company as a strategic outsider
- Recommend strategic *new growth* businesses to top management
- Get prepared, then take risks
- Move to an Intrapreneurial company after preparation



Get a mentor

- Ask lots of questions
- Listen to him / her
- Don't be afraid to discuss issues
- Express your gratitude
- Let your mentor share in your success

Make yourself indispensable



"You're doing well, but can you do more and give me all the credit?"

Get even more advisors

- People support that which they help to create
- People are more enthusiastic when they are involved
- Growth businesses have many stages, and may need many advisors
- Active involvement with your peer group teaches you about the company and the industry

Continually learn

- Read trade magazines
- Listen to your customers
- Don't be afraid to hear criticism
- Get input from outsiders



Have the right thought process

- Operate your business day-to-day, but think year-to-year
- Goals should be realistic and reachable within a reasonable time
- Goals should be quantifiable
- Clearly communicate ideas and goals
- Respond to change in a positive manner



One “Never”

Never become a director, officer, or stakeholder of a company in which you cannot exercise a significant and meaningful degree of control.



One “Always”

If you bore the risk, take the credit

True or False?

“The biggest difference between Intrapreneurship and Entrepreneurship is that the former has lower risk and lower return”



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