



PLANNING FOR START UPS SSES

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USA since 1970

Advertising, Marketing

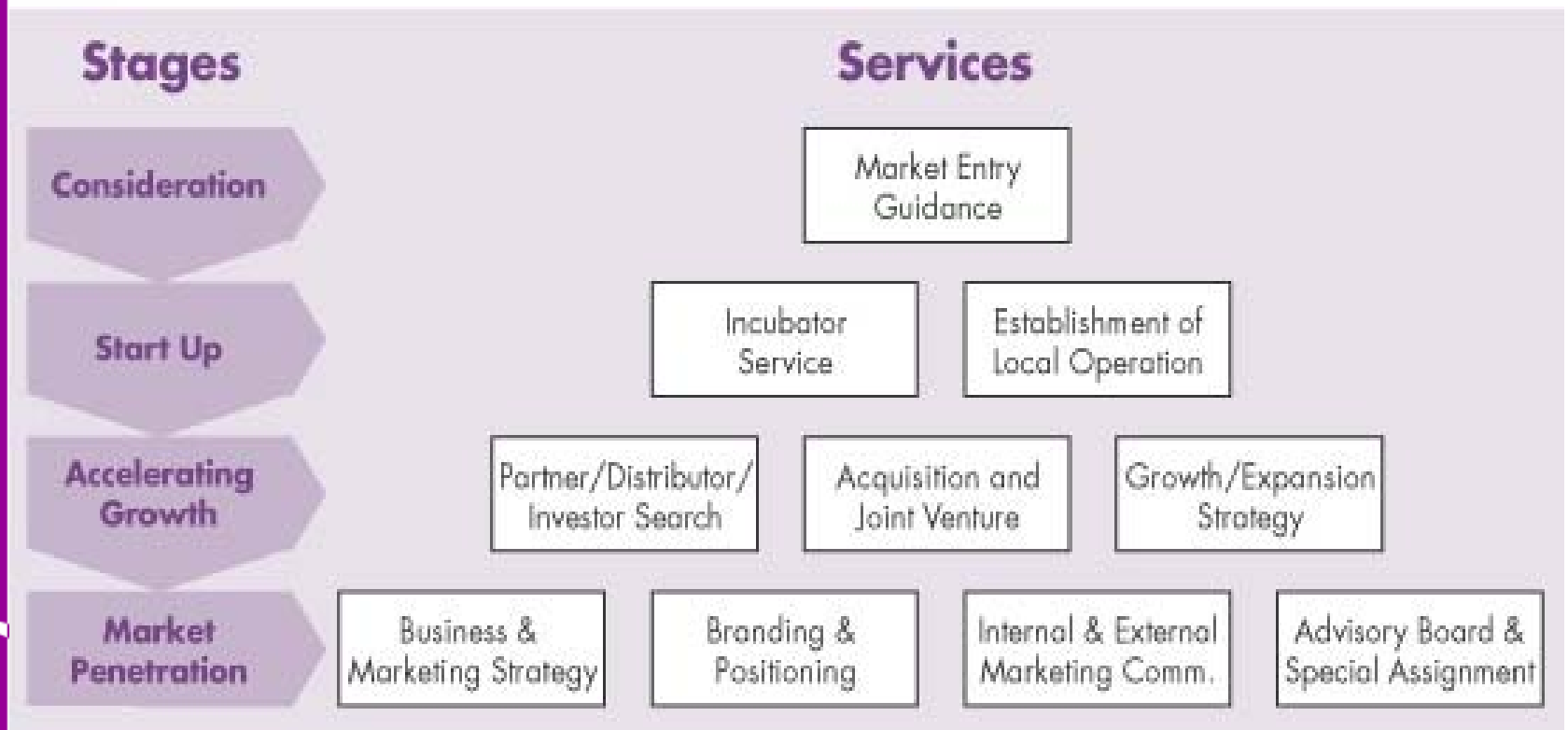
Start Ups SF, Silicon Valley

esi Techtrans, LA

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Planning Start Ups



def. Entrepreneur

Individual who starts
his/her own business

VS

A person who organizes,
operates and assumes the
risks for a business venture



Why do start-ups fail?

The Idea

The Team

The Plan

The Execution

The Follow Through



The Idea

Personal Need - idea driven

Market Need - competence driven

Better Mouse Trap

- competence driven

Point: Unique & defendable ?



The Idea

“We have a truly unique product,
and hence no competitors”

For sure? Done Homework?

Web search, talk to people

What can, are buyers using as
alternative?

Perceptual vs real competition

What Business are we in ?



The Idea

Unique idea – defensible ?

Webvan “e-groceries”

Home delivery, no stores

\$375 million IPO

Valued at \$ 1.2 billion

Gone today, order from Safeway, Inc.



The Idea

Evinrude

Archimedes

Penta

Innovate, or disappear!





The Plan

Prod definition

Strategy

Marketing plans

Funding

Team



Test the idea

Don't sit in a basement Planning!

Get early feed back - listen a lot!

Not just product info, branding, pricing,
marketing

Test the Idea on friends, potential buyers -
listen!

Are you yourself in the target audience?



Test sell

Test sell

Magazines offer Subscriptions

Put in Ads

Focus groups and 1-on-1's

Test sell v 0.5

Speed to market

Raise funds

Dev. v. 1.0

“Consortium sell”



Watch Out

Warning 1: Feature creep

Sometime good enough, is good enough

Have clients pay for customizations;

Or not !

Warning 2. “Go Corporate”

Vision/Mission, Logo

Warning 3: The Team



Top10 Legal Mistakes

Harvard Professor C. Bagley

USA examples, may be relevant
also to Swedes



Failing to Incorporate early
Vesting
“Forgotten founder”
I.P. ownership



Issuing shares w/o vesting

should go to those who do bring
business forward, not just idea



Wrong type of lawyer

Entrepreneurships and start-ups
are specialty fields



Picking VC firm only on valuation and % ownership

What have they done for others –
reputation

Knowledge, skills, complementary
investments

Network and connections



Patent & I.P. protection (incl. Trade marks and branding)

Don't wait

In the US, 1 year grace to file
after "public" info (article, trade
show,..)

"everywhere else" no grace



Disclosure without NDA before patent application

NDA's, yes if can also with VC's
(hard though)

Know who to trust

Business plans should state
Confidential & Proprietary



Starting a business while employed, or empl. agreement

Technically cannot deprive of making a Living, but time, legal fees

Disclose to current employer, if not competing, get waiver

If marginal, ask to invest in you

Do Not lie about your start-up biz



Hiring from Competitors

Do Not hire for I.P. in code, paper
or even in head

Ask to see their Empl. Contract,
assignment of inventions

This goes also for Vendors – “Clean
Room”



Promising more in a Business Plan than can reasonably deliver

= Fraud ! Can be sued, or threatened for more equity

Erodes credibility for future rounds



Dealing with legal issues “later”

Once we get funded, once we can afford...

Trade for options, future rounds



E. success variables

Stay the course – endurance

Do the fun stuff, but also

Important to Co. & customers

Major projects \Rightarrow cv

International experience

Take the right risks



USA - differences

Many large markets, not one

Cultural differences

- Enthusiasm

- Selling & presentation style

- “I work my ass off”

Not globally oriented

- but can be defensive

Sweden..?, “I’ve been to Geneva..!”



USA – do !

Be prepared, do home work

Ask Questions

Follow up immediately

Be open to their pov, ideas

Get out early

“Americanize” your presentations

Comdex and PR





Q & A

thank you

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