

You Want to be an Entrepreneur

**A Presentation by
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Entrepreneur –

“a person who organizes, manages, and assumes the risks of a business”

Webster's Dictionary

A grayscale illustration of a globe with a grid of latitude and longitude lines. The globe is positioned on the right side of the slide, and the grid lines extend across the background, creating a sense of depth and global connectivity.

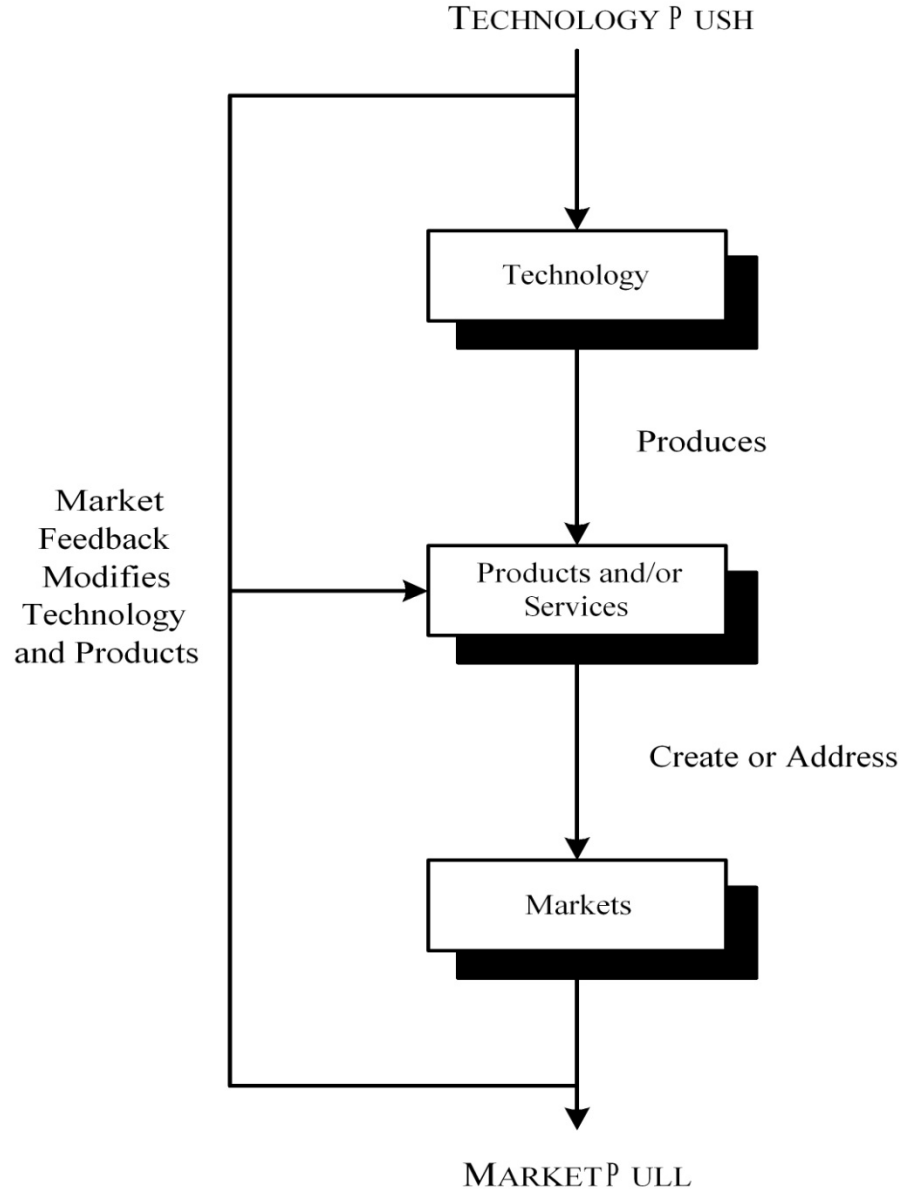
Entrepreneur –



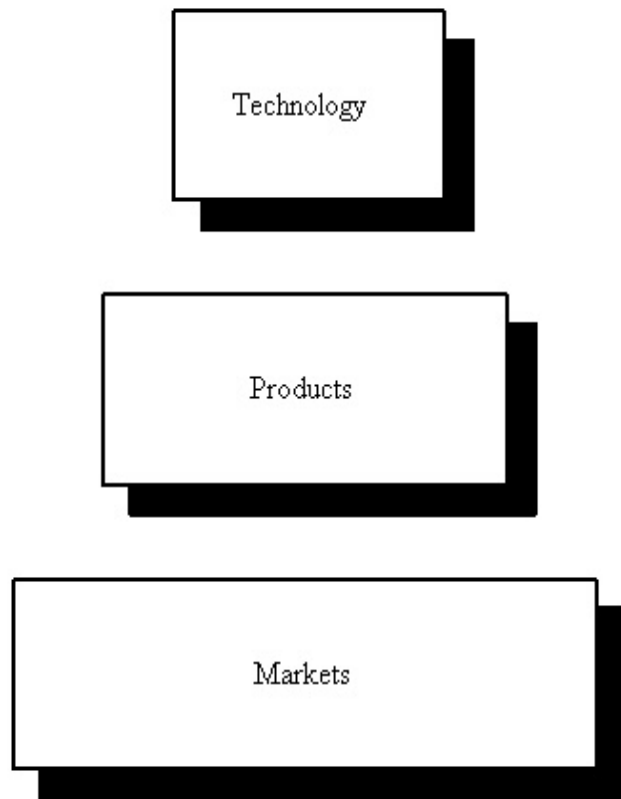
I would add the following:

“someone who is passionate about the products and services of the business, the technology on which they are based, and the markets they are addressing”

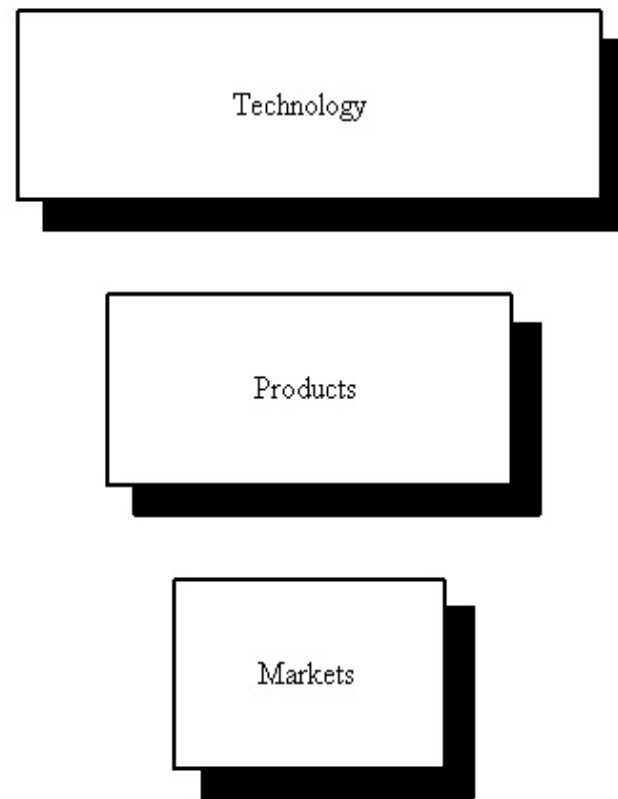
Most new ventures are based on the exploitation of technology:



Technology / Product / Market Maps



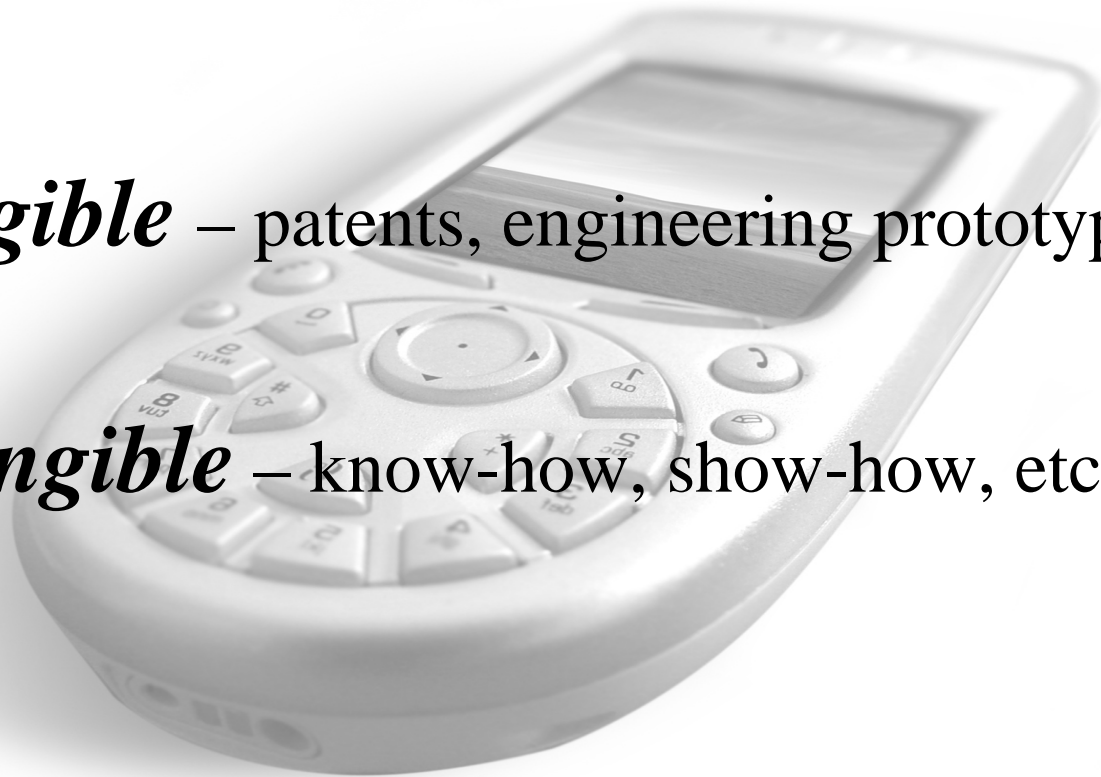
Narrow Technology / Broad Markets
(preferred business scenario)



Broad Technology / Narrow Markets
(more risky business scenario)

Technology Can Take Many Forms

- ***Tangible*** – patents, engineering prototypes, etc.
- ***Intangible*** – know-how, show-how, etc.



A New Venture Business Plan

- *Executive Summary*
- *Introduction*
- *The Opportunity*
- *The Industry*
- *The Products / Services*
- *The Market*
- *Competition*
- *Management*
- *Financial Projections*
- *Investment Requirements*

...Executive Summary

- *keep it to 1 page*
- *very difficult to do*
- *what you want to accomplish*
- *how much money is needed*
- *how investors will get their return*

...Introduction

- *why the time is right for exploiting this opportunity*
- *there will be some repetition with the Executive Summary but keep it to a minimum*

...The Opportunity

- *address the technology, the product, and the market all in one sentence.*

“recent advances in wireless technology have made it possible to develop a mobile which can be sold in large quantities to the , , and markets”

It would also generate a significant recurring revenue stream.

...The Industry

- *discuss the characteristics of the industry that might be of interest to an investor*
- *mature industry using old technology (?)*
- *new industry with standards still evolving (?)*
- *responsive to disruptive technology (?)*

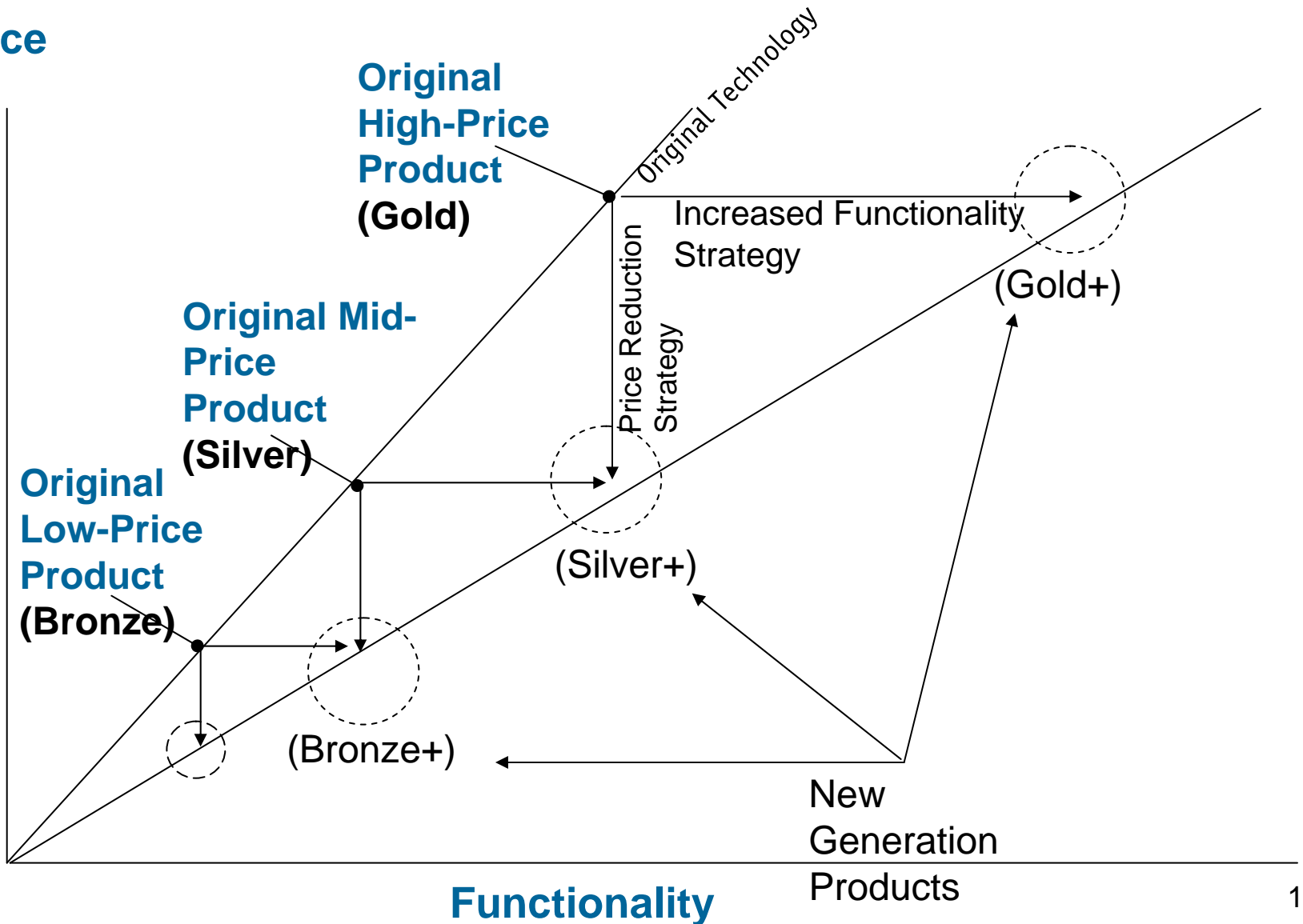
Technology & Market Maturity Matrix

MARKET	New	Fad Markets <u>No market stability</u>	No Market History and High Technology Risks <u>Good profit margins</u>
	Old	Proven Markets and Technology <u>Low profit margins</u>	Some Market History Available <u>Good profit margins</u>
		Old	New

TECHNOLOGY

...The Products / Services

Price



...The Products / Services (continued)

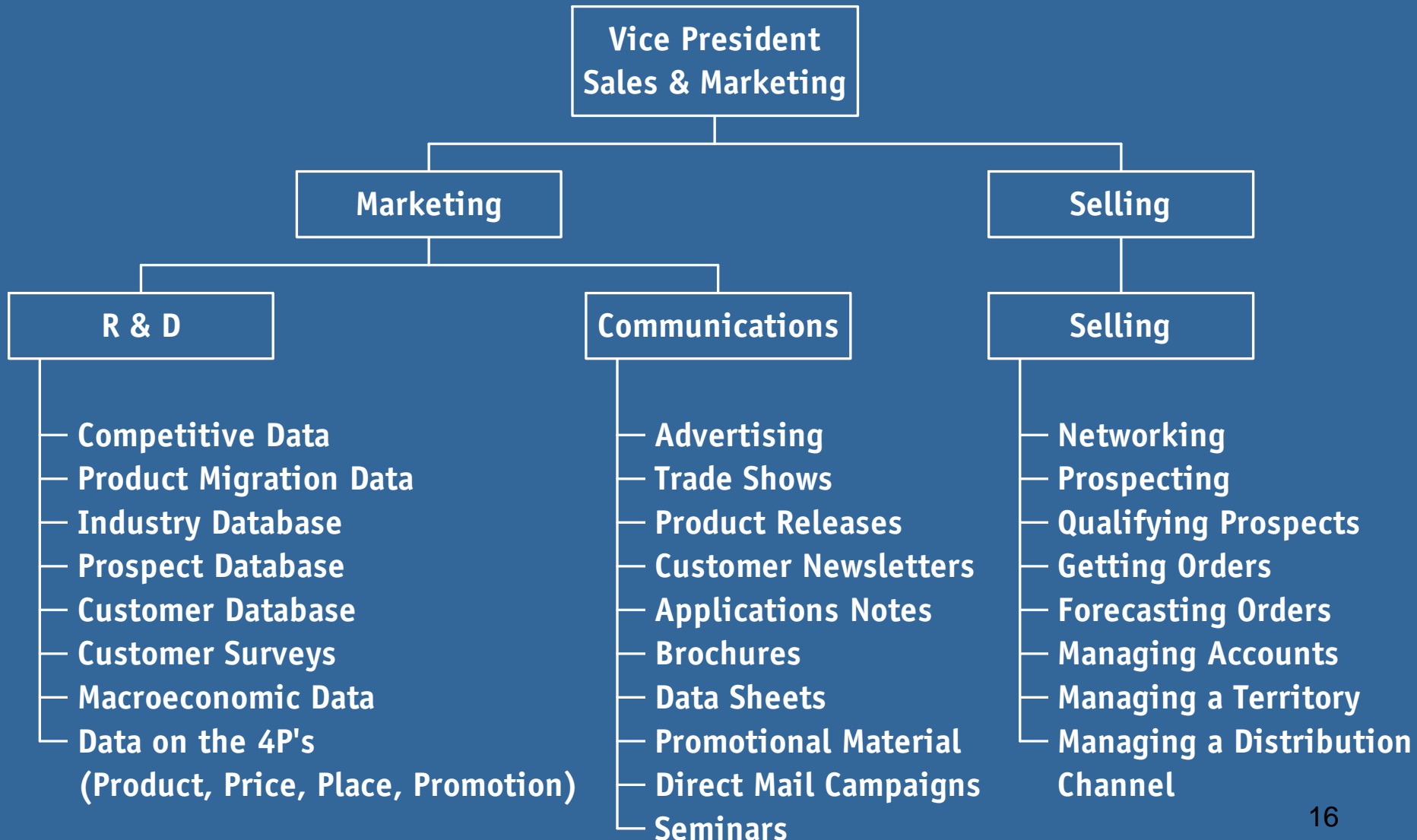
	<u>Hardware</u>	<u>Service</u>	<u>Software</u>
Sales Revenue	100	100	100
Cost of Goods	<u>45</u>	<u>60</u>	<u>20</u>
Gross Profit	55	40	80
Operating Expenses			
Selling	5	2	10
Marketing	10	10	20
Engineering	10	5	15
Warranty Costs	5	2	10
General & Admin	<u>8</u>	<u>8</u>	<u>6</u>
Total Operating	38	27	61
Operating Profit	17	13	19

- *explain how the income model will change over time.*

...The Products / Services (continued)

- *be prepared to invest in sales and marketing as well as R&D*
- *they should have separate budgets*
- *marketing is a strategic function*
- *selling is a tactical function*

...The Products / Services (continued)



...The Market

- *“a group of people or institutions with a common need and the ability and willingness to satisfy that need.”*
- *must be quantifiable in terms of:*
 - a) Potential – current & future*
 - b) Penetration*
 - c) Share*
 - d) Segmentation*

...The Market (continued)

- *it is not good enough to say that “the annual market for widgets in North America is currently \$1 billion and is expected to grow to \$2 billion within 5 years; we plan to capture 3% of that market within two years and 15% within 10 years”*
- *ask the questions: “how many people or institutions have a need for the product? how many are willing and able to satisfy that need?, how will they react to this new product?”*

...The Competition

- *use the product migration chart to study the impact of competition*
- *there is no such thing as “no competition”*
- *if so, there is no market*

...Management

- *describe the management team*
- *and the board of directors, present and future*
- *1/4 page per person*
- *there can only be one CEO*

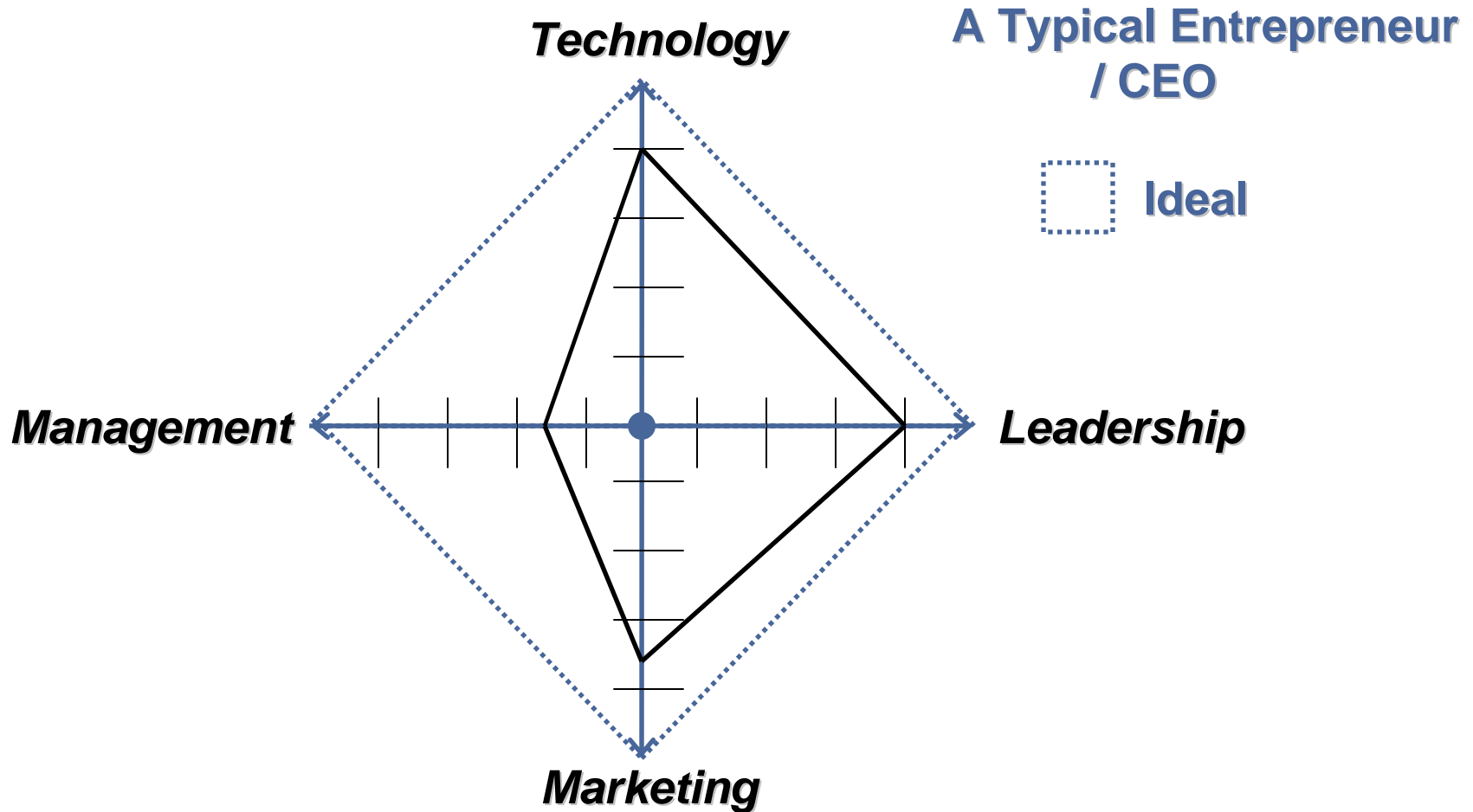
...Financial Projections

- *income statement, balance sheet, and cash flow for each of the first five years of operation*
- *take into account the impact of new products and services*
- *cash flow is very important, especially in the early years*

...Investment Requirements

- *start with an income statement that is based on market projections – and don't leave it all to the accountants*
- *cash flow is the key document*
- *estimate how much investment is needed and in what time frame*
- *discuss exit options for investors*

So You Want to be a CEO – *that's Another Story*



Technology Knowledge

1 - Does not understand published articles pertaining to the company's field of technology which appear in the popular or business press.

5 - Can pursue technical discussions with the company's chief technical officer and offer constructive criticisms of the company's technology strategy.

10 - Can prepare a comprehensive technology strategy for the company, describe its current and future products in detail and pursue technical discussions with technology experts in the industry.

Market Knowledge

- 1** - Has had no direct sales or marketing experience - does not understand the basics of selling, account management and market research.
- 5** - Has both sales and marketing experience - capable of closing a major sale and of preparing a comprehensive marketing plan.
- 10** - Has a natural flair for salesmanship and a marketing intuition which allows him or her to select optimum product strategies, marketing communications strategies and distribution strategies.

Management

- 1** - Poorly organized, lacks self-discipline, poor team player, lack of appreciation for management discipline, poor delegation of authority and responsibility.
- 5** - Good planning, execution and control skills - capable of effective delegation and of establishing milestones against which results can be measured, makes extensive use of the administrative system in place rather than taking on tasks which can better be done by others.
- 10** - Capable of delegating his or her entire responsibility and authority when necessary while still being able to identify current problems and to anticipate future ones.

Leadership

1 - Low energy level, erratic behaviour, procrastination, easily swayed by the opinions of others; has a strong desire to be liked by everyone with whom he or she deals on a day-to-day basis.

5 - Medium energy level, pursues principles which are easy to understand, but may lack consistency; procrastinates frequently.

10 - Operates at full energy level at all times, leads by example, has a keen sense of intuition; a good judge of people; takes the time to analyze situations but acts decisively to address key issues.



Doyletech Corporation

Making Technology Happen™

