

the Entrepreneur's Survival Guide



Tips and tricks to help you
start and build your company
Open Source e-Book Edition

Mark Paul

The Entrepreneur's Survival Guide

**Tips and tricks to help you
start and build your company**

Based on compilation of articles from
"Leading Your Company: Real Solutions"

Mark Paul

Free edition

The Entrepreneur's Survival Guide

Tips and tricks to help entrepreneurs start and build their companies: Free edition

Abstract: If you are a new entrepreneur who is starting, thinking of starting a company, or looking to take your company to its next level, this guide is a must read. It is a compilation of articles that can save you years of learning the hard way and help you turbo-charge the start-up & ramp-up process. The principles explained in this guide are presented in a quick-to-read series of topics ranging from getting a new company off the ground to improving marketing and sales performance, as well as operational, and project performance.

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Table of Contents

Content provided in this "open source" (free) eBook - is labeled as "included." Content that can be purchased, either through the 2nd edition or 3rd (electronic) versions is noted below.

Forwards	included
Introduction	included
Preface	included
Executive Summaries	included
Section 1) Leadership Effectiveness	
■ What Makes a Great Leader?	included (abbreviated)
■ Are You Ready for Your Next Level?	included (abbreviated)
■ What are the Core Values of Leading CEOs?	2 nd & 3 rd edition
■ Change Leadership: Taking Your Company to New Heights	2 nd & 3 rd edition
■ How to Bankrupt Your Company Without Really Trying	2 nd & 3 rd edition
■ A Simple Secret to Successful Leadership	2 nd & 3 rd edition
■ Your Leadership Style: Inspiring Followership	2 nd & 3 rd edition
■ Develop Your Strategic Plan in Two Days	2 nd & 3 rd edition
Section 2) Building Your Company	
■ How to Build Your Company	2 nd & 3 rd edition
■ Building Your Game Plan	included(abbreviated)
■ Building Your Team	included(abbreviated)
■ Building Your Story	included(abbreviated)
■ Creating Your Company's Stock Structure	2 nd & 3 rd edition
■ Building Credibility	2 nd & 3 rd edition
■ Raising Money in a Tight Market	2 nd & 3 rd edition
■ The Realities of Raising Money	2 nd & 3 rd edition
Section 3) Improving Marketing and Sales Performance	
■ The Real Value of Market Research	included(abbreviated)
■ How to Value Price Your Products and Services	included(abbreviated)
■ Maximizing Marketing ROI: Research to Sales	2 nd & 3 rd edition
■ Strategic Selling Skills for Technology Entrepreneurs	2 nd & 3 rd edition
■ How to Attract More Customers	2 nd & 3 rd edition

Section 4) Improving Operational Performance

- Organizing for the Customer included(abbreviated)
- How to Manage Projects included(abbreviated)
- How to Define Products included(abbreviated)
- Solutions for the New Millennium 2nd & 3rd edition
- Achieving Peak Company Performance 2nd & 3rd edition
- How to Hire the Best People 2nd & 3rd edition
- How to Predict the Future 2nd & 3rd edition
- Reasons Why Some Organizations Perform Poorly 2nd & 3rd edition

Section 5) Integrating Technology Strategies with Business Strategies

- What's your New Strategy? Change or Fail! included(abbreviated)
- Change or Fail! - Part 2 included(abbreviated)
- How to Get Started in e-Business 3rd edition
- Doing Business in a Web 3.0 World 3rd edition
- How to Integrate Business & Technology Strategies 3rd edition

Addenda

- Affinity Diagramming Defined (problem-solving tool) 2nd & 3rd edition
- Venture Teams Defined 2nd & 3rd edition
- Program Management Glossary 2nd & 3rd edition
- The "Physics" of Marketing 2nd & 3rd edition
- Must-ask Questions: *before* you start 2nd & 3rd edition

Acknowledgements

included

The Entrepreneur's Survival Guide

Forward - Open Edition

I would like to thank Michael Shenker (Safeguard Ventures), Mark Effinger (ExitPath) and Jorg Jank (ComPiere, Inc.) for enabling my enlightenment: This eBook would not be possible if it were not for them. Mr. Shenker has helped me see the value in giving. Mr. Effinger has many innovative business ideas, and came to me a while back - encouraging me to offer the "wisdom provided in your book" to everyone, in an "open" format. Mr. Janke, a recent client, was the catalyst to bring the idea to fruition. His company (ComPiere, Inc.) provides open-source software solutions.

If you find the material contained in this eBook of value, please consider one of the following actions:

- Pass along this eBook to others who may find it of value.
- Donate via PayPal, at: www.synergy-usa.com/esg-o.htm.

Mark Paul, Consultant & Interim Executive
Managing Partner - Synergy Consulting Group
President & CEO - Phoenix Management, Inc.
Portland, Oregon

- Consider purchasing the paperback 2nd edition or the "eBook" 3rd edition, both of which contain even more material.
- Or, consider purchasing just the specific chapters you need, online through the URL, above.
- Access the Excel Stock Structure Template, to help you build your capitalization / funding table.

I sincerely hope you are able to put the insights and questions posed in this book - to good use for you, your company, customers, employees, and all your stakeholders. I strongly believe that America's free-market system provides serious competition, that creates an environment for everyone's standard of living to increase - more rapidly than any other political or financial system in the world. I hope you are able to ethically prosper using the tips & tricks in this book!

Forward - Second Edition

Achieving entrepreneurial success is an awesome challenge – somewhat akin to climbing Mt. Everest. This book can serve as your wise and trusted “Sherpa” on this formidable journey. The Guide distills an enormous amount of information, wit, and wisdom into a highly readable digest for the entrepreneur.

Its snappy style will capture your attention and keep it focused on straightforward and pragmatic concepts and activities. Mark’s thoughtful compilation will help you navigate the treacherous waterways of new enterprises. If you want to start, grow, and manage a new business, this book is a “must read.”

The text is extremely well organized

Debi Coleman, Managing Partner
SmartForest Ventures
Portland, Oregon

with thoughtful diagrams, examples, checklists, and practical tools for the entrepreneur. In addition to its comprehensive content, the material is organized so that targeted chapters address specific issues or concerns.

Most importantly, this book does NOT make false assurances about “success” factors in starting and building your own company. Instead, Mark tries to help the creative entrepreneur identify and formulate his or her own “special sauce.”

I heartily recommend this book for those contemplating starting a new company or business. Reading and referring to this book will give you a head start on the road to success.

Forward - First Edition

Entrepreneurial experience is a key element to success. But experience is not a commodity and is very difficult to teach efficiently and pass along; it's like "capturing lightning in a bottle." Mark Paul has captured the "lightning in a bottle" that is the entrepreneurial experience.

The Entrepreneur's Survival Guide methodically and effectively outlines

Eric Pozzo, Vice President
Operations: First Silicon Solutions, Inc.
Board of Directors for ABC Technologies,
A serial entrepreneur.

the process of evaluating a business concept and bringing it to fruition as a new enterprise. I was amazed at how well the book captures the essence of the steps required to increase the chances of entrepreneurial success, yet is so easy to read and absolutely practical.

This is a must read for those considering entrepreneurial pursuits.

Introduction

This book is not trying to be all things to all people. It is not a book on leadership effectiveness, though it has a leadership section. Nor is it about "management." It is about helping leaders develop their businesses. It is about entrepreneurship and about helping companies to outperform themselves.

Concepts on people skills, motivational techniques, and how to win friends and influence people are left to others. This book is written to help business owners and other company management team members ask themselves difficult questions, the answers to which will help them overcome difficult situations. It is also intended to act as a reference guide, when the next step in your

company's evolution places roadblocks in the your way.

The concepts in this book are drawn from 26 years of successfully building companies. Examples include - Building a \$50 million business unit within a Global 500 company, bootstrapping new businesses, helping a "25-year old" start-up increase it's valuation from \$1 million to \$20 million in six months, doubling customers in another - in three months, etc.

So enjoy the book for what it is - a compilation of "How to" articles, that also ask questions only *you* can answer - and is intended to help leaders get their companies to their next several levels.

Preface

When I landed my first job out of college, it only took a week or so to realize I was not prepared for the realities of the business world. Neither college professors nor any courses taught me to understand an organization chart so I could learn with whom to talk – in order to solve specific business problems or get a certain task completed. I didn't understand how customers' needs were identified, or how solutions were supplied within the company to satisfy these needs. There were no classes on how to start and effectively run a company, let alone successfully lead an organization to exceptional performance.

During eleven years at two Global 1000 companies, I came to realize the best of the free enterprise system was also the worst: Freedom. Freedom to succeed, freedom to fail, freedom to have those individuals who could lead – rise to the top of the company. Larger companies have the resources to provide post-graduate training and education, but not all companies do. Therefore, the bulk of “fast-movers” are those who can rapidly learn from the mistakes of others and can understand and solve complex organizational, operational and project problems.

During my sixteen years of interim executive and consulting work, I've seen recurring problems within start-ups and established companies alike. In a market-driven economy, those entrepreneurs who figure out it's “OK” to ask for outside assistance are the entrepreneurs who can morph their companies to meet ever-shifting market demands. Typically, entrepreneurs are ill prepared to tackle the very difficult challenges associated with starting and/or growing a company. In fact, entrepreneurs have trouble taking their companies to the next level because they have to deal with “classic” problems – problems which have been solved by others, before – yet persist in their company.

Based on over two decades of business development experience, I've concluded that entrepreneurs need a “survival guide” on how to deal with the real-life issues others have faced and already solved. With this as a guiding light, I wrote a series of chapters, which tackle tough challenges entrepreneurs face every day. More importantly, this guide asks questions, the answers to which are unique for every situation.

These chapters have been organized into “natural” sections, and are based on the successful 1st

& 2nd editions of The
Entrepreneurs' Survival Guide:

- Leadership Effectiveness: Companies are built on the vision, values and drive of individuals. The most essential characteristics that make people great leaders can also be their largest weaknesses. This section looks at how specific characteristics of leaders can be fine-tuned for greatest affect to build your company.
- Building Your Company: Fundamental actions officers can take to get their company on a firm foundation are discussed in this section. The tips and tricks in this handbook are as important to existing companies as they are for entrepreneurs looking to form a new company.
- Improving Marketing and Sales Performance: Doing the necessary market research and determining the specific value you can offer your customers is discussed in this section. From market research to maximizing revenue, this guide can set you up for success.
- Improving Organizational Performance: Strategic and tactical changes you can make

that can turbo-charge your company are dealt with in this section. From project management to strategic planning, hiring the best, and improving organizational development.

- Integrating Technology Strategies with Business Strategies: This section explores how the concepts of emerging technologies can be applied to companies' business strategies - to move past current thinking and competitive positioning. It is intended to help business owners see beyond "prevalent" ways of doing business.

Each section and chapter is meant to help entrepreneurs of small to medium sized companies - to provide advice and guidance from a practical perspective.

I hope to help entrepreneurs kick-start the progression to their next level. So please enjoy the suggestions in the light they were meant: to help your company outperform itself.

And if you need any help, I am only one email away (see page 223 for contact information).

Mark Paul - Portland, Oregon - September, 2005

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Executive Summaries

Section 1: Leadership Effectiveness

What Makes a Great Leader?

There are several characteristics that set you apart as the founder and leader that allow you to lead people to great accomplishments. An assessment of your style relative to these traits should reveal something about yourself: Are you balanced in these areas? Are there areas of weakness that need bolstering? Do you feel uncomfortable your role? There is no one right answer to these questions – your personal assessment might surprise you!

Are You Ready for Your Next Level?

Whether you are a first time entrepreneur or seasoned executive, taking your company to its next level can be a daunting experience. Serious self-assessment is needed before embarking on the journey. By asking yourself difficult questions, you will be better prepared to make the tough decisions required to propel yourself and your company forward.

What are the Core Values of Leading CEOs?

What do company leaders rank as their highest priorities in leading their company? What are Chief Executive Officers' core values? This chapter reveals what CEOs desire from their companies and provides insights into their thinking. Compare and contrast your own values against leaders in high-technology companies – to gain a better understanding of how to significantly improve your company's performance.

A Simple Secret to Successful Leadership

As founder, you know there are ways to both run and ruin your company. Sometimes, the line between these two outcomes is very thin indeed. However, through the use of one simple equation, you can dramatically increase your company's odds of succeeding.

Change Leadership: Taking Your Company to New Heights

Many change programs end in failure – not due to the improvements being brought in, but because of *how* changes are implemented within organizations. This chapter addresses the human side of change management – to bring lasting performance improvements to companies looking to accomplish aggressive goals.

Your Leadership Style: Inspiring Followership

At the end of the day, the entrepreneur has either led a team to accomplish very difficult objectives or not. Everyone knows when the company has exceeded everyone's expectations. And they know when this has not happened. The major questions are: How do you inspire people to follow you? How can they be so compelled to focus most of their personal and all of their professional efforts towards achieving a company's never-changing desire for growth and improvement, in an ever-changing world?

How to Bankrupt Your Company, Without Really Trying

Over and over again, companies make the same mistakes. Wouldn't be nice to have a list of those mistakes, which are the most costly to companies? This section summarizes the errors and omissions leaders make. Fix them, and you stand to dramatically improve your company's performance!

Develop Your Strategic Plan in Two Days

How can you spend time on strategic planning when you have to respond to every customer's wishes, your bankers' request for last quarter's financials, and just making payroll? Now, in just two short days, you can develop sufficient planning to plot the future of your company in ways you never thought possible. Find out how!

Section 2: Building Your Early-stage Company

Raising Money in a Tight Market (The importance of bootstrapping!)

Finding capital is even tougher now that the NASDAQ and DOW have (again) eaten into angel investors' funds. What can entrepreneurs do to find capital in a tight market? This chapter addresses key points to act on to improve your chances of funding.

Building Your Game Plan

So you think you've got a great new idea that will sell bazillions of new widgets, have 95% gross margin and blow away the competition! All you'll need is a couple hundred thousand dollars. Surprise... only a few percent of plans *actually get funded*. Why don't the rest? Several business aspects considered in this chapter *must* be considered when starting or building your company.

Building Your Team

Would you like to double revenue? Triple profits? Increase cash ten times? Your company can easily break through current performance and achieve the "next level."

Building the Story

Are you a start-up entrepreneur who needs money? Are you asking, "Do you know where I can get to investors who will fund this idea?" There are several things you - as the leader - must do in order to convince investors to part with their money. Find out how to dramatically increase your chances of getting funded.

Creating the Stock Structure

When looking for equity financing, entrepreneurs often ask me: "*How much of the company should I give up, and when?*", "*What happens when I lose control?*", "*How much will our stock be worth... and when?*" A well thought out business plan, with accompanying financials will answer most of these questions. However, an often-overlooked piece of the puzzle is corporate stock structure, to create a clear road map for stockholders and to help guide your funding decisions.

Building Credibility

You've got a great idea but few, if any, customers. As the leader for a start-up company or if you are trying to take your company to its next level, you have plenty to worry about. If you aren't Jim Clark, Steve Jobs, or Bill Gates and have an unproven concept, how do you get anyone to quickly buy in? How do you increase your chances of funding? How do you minimize the amount of the company you'll need to sell? If you are interested in learning how to dramatically increase the probability of getting funded, this chapter will help you get going.

The Realities of Raising Money

You have a great product idea, you've done market research - there's a huge demand for what you've developed, your business plan is done and you're ready to raise that \$1.5 million so you can implement your plan. All you need now is to convince people how great your plan is! Here are the "usual suspects" to consider when trying to raise money.

Section 3: Improving Marketing and Sales Performance

The Real Value of Market Research

"We don't have time for market research! It costs too much, takes too long, and just confirms what we already know." Sound familiar? A fundamental understanding of your customers' needs is critical to what you offer, your corporate positioning and your marketing strategy. If fear of extinction doesn't motivate you to listen to your existing and potential customers, please don't read this chapter.

How to Value Price Your Products and Services

Would you like to determine how much your customers will pay for your new products *before* drafting your first design or spending your first development dollar? This chapter explains how you can understand your customers' specific needs and get the most money for your products and services.

Strategic Selling Skills for Technology Entrepreneurs

In today's high-speed, high technology business environment, many great new companies are built on ideas from technical people. However, many outstanding ideas never get to market, nor receive funding. Why? No real understanding or appreciation of the selling process. There are some

fundamental things technically minded entrepreneurs can do to propel their company to its next level. Read how!

How to Attract Significantly More Customers

This chapter brings together several of the concepts discussed previously - to help entrepreneurs turbo-charge their customer-attraction process.

Section 4: Improving Operational Performance

Organizing for the Customer

Ever wonder how you can get your products and services to market faster than your competition - with features and performance so advanced your customers don't mind paying more for *your* solution? So do a lot of chief executives.

Achieving Peak Company Performance

Have you ever asked yourself "How can I turbo-charge my organization?" Or "How can I increase revenue without spending more money?" There are several ways for your organization to achieve superior performance, which are discussed in this chapter.

How to Hire the Best People

Have you ever had to let someone go because they didn't live up to your expectations? Or they turned out completely different from what their resume indicated? Or you got exactly what you wanted but not what you needed? If this sounds familiar, then you're not alone! There are several things you can do to improve your hiring results. Learn how in this chapter!

How to Predict the Future

With customers, markets, and competition changing all the time, it seems nearly impossible to stay ahead of the competition. If you'd like to make the

best decisions and know the resulting outcome ahead of time, then read this chapter.

How to Manage Projects

Many clients have hired me to help them increase profits by improving their product development. Here are my secrets on how *not* to manage projects. By ignoring these seven critical product development areas, your company will better respond to the market and beat your competitors on price *and* schedule.

How to Define Products

The effect of slow time-to-market has a definite cause: poor product definition. To minimize the amount of time, cost and risk associated with getting products to market, entrepreneurs need to invest in clarifying the "fuzzy front end". To do otherwise will cause your company precious resources in restarts and lost opportunities.

Solutions for the Next Millennium

If you are interested in learning fundamental shifts in the new economy, and how to position your company's product development for the next millennium, then this chapter is a must-read!

Reasons Why Some Organizations Perform Poorly

Many change programs end in failure - not due to the improvements being brought in, but because of how changes are implemented within organizations. This chapter addresses the human side of change management - to bring lasting performance improvements to companies looking to accomplish aggressive goals.

Section 5: Integrating Technology Strategies with Business Strategies

What's your e-Strategy? Change or Fail!

With technology changing so quickly (wireless, web-based solutions, integrated smart-phones, smaller and smaller devices), you have many opportunities to leap-frog your competition. By self-evaluation, better understanding customers' needs, and new technologies that simplify how you satisfy these needs, you can stay ahead of technology changes, and leverage them for your company's gain.

Change or Fail! - Part 2

Technology is getting ahead of our ability to manage it! Are you open to the changes that new technologies bring? There are now means for you to seamlessly integrate with your customers' processes, but *you* need to overcome any fear of change, first!

How to Get Started in e-Business

What steps can you take to integrate new technologies into how you solve customers' challenges? What can you do to ensure you stay ahead of the competition?

Doing Business in a Web 3.0 World

Consider reviewing your fundamental business model... as if it weren't your company at all. But a brand new business. Is there a way to turn your assumptions upside down? Is there a way to profit from your tight customer relationships - in ways you haven't yet considered?

How to Integrate Business and Technology Strategies

How can you technology-enable your business? What do you need to watch out for? How do you "technology-enable" your company?

Section 1

Leadership Effectiveness

- **What Makes a Great Leader?**
- **Are You Ready for Your Next Level?**

2nd & 3rd edition:

- **What are the Core Values of Leading CEOs?**
- **Change Leadership: Taking Your Company to New Heights**
- **How to Bankrupt your Company Without Really Trying**
- **A Simple Secret to Successful Leadership**
- **Your Leadership Style: Inspiring Followership**
- **Develop Your Strategic Plan in Two Days**

The purpose of this section is to deal with first things first. Without leadership, senior executives will be forever mired in the minutia that *is* managing a company. With *any* organization, people look for leadership. They want to know someone has core values they can rely on, and a vision and mission they can support. Leadership is truly a balancing act: Balancing the need to successfully implement a well thought out plan, while remaining flexible to changing market conditions, balancing corporate objectives with personal objectives, and balancing customer satisfaction while growing profits are just a few of the daily decisions leaders face. Although this section focuses on the CEO, the ideas and lessons presented are true for any current and/or future entrepreneur.

What Makes a Great Leader?

Whether you are leading a small project, starting a company, or running a 30-year old, \$300 million a year business, as the Chief Executive Officer, several characteristics set you apart. These attributes allow you to lead people to great accomplishments. A close assessment of the personal traits described below should reveal something about yourself: Are you balanced in these areas? Are there areas of weakness that need bolstering? Do you feel uncomfortable with some traits but not others? There is no one right answer to these questions. However, a better understanding of personal dynamics will make you a leader.

Developing leadership traits takes time; usually years. Some entrepreneurs feel uncomfortable in their position, usually because the demands placed on them may run counter to their basic nature. If you do not naturally enjoy talking to large groups, you will have trouble holding company-wide meetings, or communicating with the press. If your vision or direction is unclear, people will have trouble following you. If you are highly flexible, employees may feel you are inconsistent in your demands on them. To better prepare yourself for continuing your journey as entrepreneur and taking your company to even greater heights, take a moment to see where your strengths

lie, and determine how you can best use these strengths to lead your company.

Personable: The ability to foster follower-ship is at the essence of leadership. This is reflected in the entrepreneur's ability to talk with people at their level, take positive steps to praise and congratulate employees in public, be easy to work with and for, motivate employees to exceptional personal performance, and celebrate projects' successes. It also manifests itself in the ability to listen and be a team player. Leaders put people before goals by showing generosity and compassion.

There are two other very important people-oriented characteristics:

- ✓ **Communicates well:** Being able to clearly and concisely communicate your ideas and vision, both in writing and verbally, helps stakeholders appreciate and understand CEOs.
- ✓ **Encourages leadership:** Someone who allows employees to occasionally fail encourages risk-taking and ensures their people are skilled in handling difficult challenges in the future.

Entrepreneurial: Good leaders are entrepreneurs, in that they are *visionary*, or able to see things others cannot; *future-focused* by striving to actually change the future; *optimistic*

in believing that their actions will make a difference; *risk-takers* in thinking that the rewards will outweigh potential negatives; *persistent* in trying to always win, no matter the personal sacrifices; and *growth-oriented* in knowing that they are building on prior wins and losses. Entrepreneurs are driven by:

- ✓ **A desire to improve the world:** At their core, leaders desire to make the world a better place. This desire may be seen in their sense of community, in their hope to increase people's standard of living or solve a significant societal problem, or in their desire to make a difference at a fundamental level. Whether it is by inventing computer peripherals for handicapped people, making our lives easier by automating repetitive daily tasks, speeding up telecommunications, solving energy problems or creating new vaccines, the entrepreneurial spirit reigns supreme in CEOs.
- ✓ **Unreasonable Expectations:** In addition to wanting to improve the world, CEOs tend to have unreasonable expectations about several things. They are time-obsessed, impatient, somewhat paranoid, highly competitive, and early adopters of innovations. They expect others to quickly grasp their intuitions and can easily become frustrated when others do not. A common saying rings true, "Reasonable people adapt to their environment. Unreasonable people expect their environment to adapt to them. Therefore, all change - and therefore progress - is driven by unreasonable people." It is having that

Big Audacious Goal that sets leaders apart.

Strong character: Leaders by their very nature have strong character. They tend to be charismatic so people want to follow them, dynamic in their actions as well as words, and uncompromising in their fundamental beliefs and desires. They strive for excellence in themselves and their team, and have a bias for action - to achieve significant results in a short time. CEOs also exhibit these characteristics:

- ✓ **Positive:** CEOs see humor in situations, and generally have fun. They are generally positive in their attitude and take a "can-do" approach when confronted by problems.
- ✓ **Ethical:** Great leaders are honest in their dealings with people, and do what they say they're going to do. They follow through with their promises and look for ways to create win/win situations.
- ✓ **Work hard:** Chief executives are task-focused, with an intense attitude about success. They are tenacious and purposeful in completing projects and are generally workaholics, driven by their own standards of excellence. They are energetic beyond their years.
- ✓ **Demand Excellence:** Demanding excellence in themselves and others also sets leaders apart.

To learn the other 6 traits, purchase the 2nd or 3rd editions!

Are You Ready for Your Next Level?

Whether you are a first time entrepreneur, a “serial entrepreneur” or seasoned CEO, taking your company to its next level can be a daunting experience. So much so, that a serious self-assessment is needed before embarking on the journey. By asking yourself a few questions, you will be better prepared to make the tough decisions required to propel yourself and your company forward.

What do you really want?

Before embarking on a new venture or working to build your existing company, what exactly are you looking for at a personal level? A bigger challenge? More money? Excitement? A need to create a better tomorrow? To elegantly solve a significant societal problem? Meet your own and your investors' return on investment targets? In order to set up yourself and your company for success, it is important for you to answer these questions and know what is driving you. It is your specific motivation that will carry you through to your objectives.

✓ **For the first time entrepreneur:** Saying you want to grow fast and return huge sums to your investors, when all you really want is a nice-sized paycheck, has built-in conflicts that will make it very hard to achieve either objective.

✓ **For the founder or owner of the company:** Saying you want to go public, yet all you really want is to sell your company and get out, will stress your company as it tries to achieve both goals.

✓ **For the seasoned executive:** Saying you want to change the world, but you really just want to have control over your future, are two fundamentally different desires yielding inconsistent results.

Yes, multiple objectives can coexist. But to ensure success it is critical to align your fundamental desires with your goals for your company.

What are your limitations?

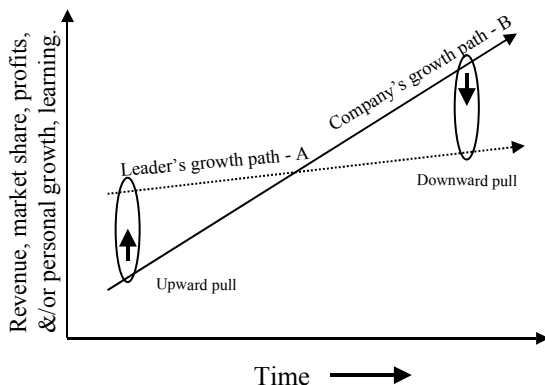
There are many two, ten and even twenty-five year old start-ups, in which the entrepreneur is the reason for the company's existence *and* the reason the company has not met everyone's growth expectations. I call this the “Rubber Band Theory,” which is illustrated on the next page. Initially, if you plot the entrepreneur's or CEO's abilities (as measured by management and leadership capability, openness to learn and improve, etc.) over that of a fast-growth company's performance (as measured by revenue, profits, market share, etc.), the leader *is the reason* the company thrives. The drive and stewardship exhibited by the founder lifts the company's performance and causes growth. That is, the leader *pulls up* company performance. But as the company adds more people, and competition

becomes more complex, and the market more sophisticated, the company gradually becomes more difficult to manage. If the

leader's capabilities do not outpace that of the company's, then the leader *pulls down* company performance.

Leaders have limitations. The more defensive you are in challenging your

throughout its life cycle. Although this can be true, when you need outside capital, it is totally reasonable for investors to require



own limitations, the more difficult it is for you to learn, adapt, and continue to be of immense value to your company.

✓ **Personal:** The ability to create, build and then lead your company to new heights requires an ability to set aside your personal hang-ups and move forward. In this way, you make the slope of your personal curve "A" steeper than the company's curve "B" and can maintain upward momentum. Two personality traits investors watch for in company leaders that can cause them to avoid investing in the business are:

Need to control: One way that leaders pull down their company is to insist on being in the approval cycle for every decision, no matter how large or small, no matter what area, and no matter who is in charge of that area.

Need to maintain majority ownership: Entrepreneurs tend to have the notion that they can own a majority of their company

ownership interest. If money is so easy to come by and ideas are so valuable, why isn't everyone looking for ideas instead of money?

✓ **Professional:** Your personal style is reflected in your company's performance. When assessing your influence, watch out for these areas:

Where do you stand relative to the organizational maturity of your company? Too often, a company led by the founder is built around his or her particular area of expertise. Are you too techie or too salesy? Do you believe project management is too bureaucratic? Is your organization unbalanced?

How do you respond to your company's internal systems? Do you abhor process or internal information systems, because you feel they are the antithesis of results?

Planning maturity: Do you have a cohesive strategy and flexible business plan, or an unchanging plan? Do you find project planning is a waste of time? Leaders who plan for risk are able to accept even more risk.

Business maturity: How are you at cash management? Are you able to prioritize? Can you make the tough decisions that are required to grow in a controlled manner, including *not* trying to do everything or enter every market at once?

Leadership: Do you have, and can you articulate, a clear vision? Are you autocratic, or too laissez-faire? These attributes will be reflected in your company.

✓ **Financial:** The biggest question for the start-up entrepreneur is "Are you ready to go bankrupt?" How much money in reserve do you have? Most entrepreneurs I meet feel their idea is so great that all it will take is a few months and they will have all the investment capital they need. This is rarely the case. Since investors generally bet on the jockey and not the horse, your idea had better come with a great management team, unique value proposition, sustainable competitive advantage, and huge market potential. After all, if you are not willing to put your life savings into your idea, why should an investor?

How do you overcome your limits?

There are several ways to overcome the challenges of leading your company to new heights. The first is to recognize that improvement requires change. There is an old saying; "The definition of insanity is doing the same things while expecting

significantly different results." So what different things can you do?

✓ **Accept limitations:** One way to win is to embrace who you are, make the required decisions to put your company first, and then do what *you* do best. This might mean being the best sales person the company has, or running new technology development. Apply whatever strengths you have in order for the company to win.

✓ **Significantly change:** Take some notes on what you have learned each year over the last ten years. You will find that it takes a very long time to learn life lessons. If your company can wait for you to learn these lessons, great. However, the time it takes for you to significantly change might not match the short time your company requires to survive and thrive.

✓ **Seek help:** One sure way to bring in new ideas is to get outside assistance. Which is why it is so important to have an outside board of advisors or board of directors. If chosen wisely, the people on the board can help you through the tumultuous maze of building a business, and provide you with reality checks for your company and sanity checks for you. Lawyers, accountants, consultants and bankers can also be a great source of advice and counsel. By trying to go it alone, your road is surely tougher and the chances for success are certainly not as high as they could be otherwise.

What are you getting into?

Find out by purchasing the 2nd or 3rd editions of The Entrepreneur's Survival Guide!

To obtain individual copies of the following chapters, below, please go to http://www.synergy-usa.com/esg2_chapters.htm and select the appropriate chapter. Or purchase the third edition (PDF only) by going to <http://www.synergy-usa.com/free.htm> and click on "*Purchase the 3rd edition*".

What are the Core Values Of Leading CEOs?

What do company leaders rank as their highest priorities in leading their company? What are Chief Executive Officers' core values? This chapter reveals what CEOs desire from their companies and provides insights into their thinking. Compare and contrast your own values against leaders in high-technology companies - to gain a better understanding of how to significantly improve your company's performance.

Change Leadership: Taking Your company to New Heights

Many change programs end in failure - not due to the improvements being brought in, but because of *how* changes are implemented within organizations. This chapter addresses the human side of change management - to bring lasting performance improvements to companies looking to accomplish aggressive goals.

How to Bankrupt Your Company without Really Trying

Over and over again, companies make the same mistakes. Wouldn't be nice to have a list of those mistakes, which are the most costly to companies? This section summarizes the errors and omissions leaders make. Fix them, and you stand to dramatically improve your company's performance!

A Simple Secret to Successful Leadership

As founder, you know there are ways to both run and ruin your company. Sometimes, the line between these two outcomes is very thin indeed. However, through the use of one simple equation, you can dramatically increase your company's odds of succeeding.

Your Leadership Style: Inspiring Followership

At the end of the day, the entrepreneur has either led a team to accomplish very difficult objectives or not. Everyone knows when the company has exceeded everyone's expectations. And they know when this has not happened. The major questions are: How do you inspire people to follow you? How can they be so compelled to focus most of their personal and all of their professional efforts towards achieving a company's never-changing desire for growth and improvement, in an ever-changing world?

Develop Your Strategic Plan in Two Days

How can you spend time on strategic planning when you have to respond to every customer's wishes, your bankers' request for last quarters' financials, and just making payroll? Now, in just two short days, you can develop sufficient planning to plot the future of your company in ways you never thought possible. Find out how!

Section 2

Building Your Company

- **Building Your Game Plan**
- **Building Your Team**
- **Building the Story**

2nd & 3rd editions:

- **Creating the Stock Structure**
- **Building Credibility**
- **Raising Money in a Tight Market**
- **The Realities of Raising Money**

The purpose of this section is to address those elements in creating a company that are neglected or misunderstood by many entrepreneurs seeking to get their company to the next levels. Starting a company so that investors are compelled to invest requires the same decisions as trying to build the company to be profitable. Today's economic environment requires a professional perspective. This section is intended to lend a helping hand to those entrepreneurs who seriously want to build a successful and growth-oriented company.

Building Your Game Plan

So you have a great new idea to sell bazillions of new widgets, bring in a 95% gross margin and blow away the competition! All you need is a couple hundred thousand dollars. Shouldn't take too long, right? Think again. VCs (Venture Capitalists) and angel investors see thousands of business plans that profess the same thing, yet only an estimated five percent actually get funded. Why don't the rest? What is so special about the ones that do get funded?

Whether you are thinking about starting a new company or taking your current company to the next level of growth, there are several considerations to think about. Raising money is just one of them. Making sure the market is real and you have a business model to ensure your success, are required to obtain the money you need. Thinking through and communicating how you plan to overcome challenges better than *any* other company is your first objective, and raising money is second.

There are several aspects of business that must be considered when starting or building your company. Not understanding these, nor dealing with them, will cost you time, money, and perhaps your company. The primary elements of a successful business (and therefore business plan) are:

✓ **Opportunity:** What trends or business changes are occurring? Why do you consider this a great *business* opportunity? What is the need that your idea addresses? What is your business model, and why will it outperform others? What does the return on investment look like? Is the return huge, or is it a niche market? If there is potential for a huge return, what if a Fortune 500 company decides to enter the same market? What is your sustainable competitive advantage and unique selling proposition?

✓ **Market:** What is going on in the market that supports your assertion of a new opportunity? What is the size of the market (the number of potential customers compared to the amount of money they will spend on your products / services)? How fast is the market growing? How are your potential customers *currently* satisfying their needs? How have you validated this? What are the niches that you will address first? Have you done sufficient market research and documented your findings?

✓ **Product / service:** What products or services do you plan to sell? What positioning are you going to have? Why? Have you thought through how each product will grow into an evolving product line, so that you have a company based on a series of ever-more valuable products and services? Or do you have a one-product concept?

✓ **Management:** Think about the functions needed in your company. What organizational holes exist? How are you

going to fill them, while still making payroll? As the founder, do you feel you need to *always* be president? Will you be able to hand over control? Have you performed a realistic self-assessment of your own strengths and weaknesses?

✓ **Competition:** Do you know who, or what else will provide an alternative to your offering? Do you know details of their offering(s), so you can deliver even more value? Do you know their development plans and management strengths and weaknesses, so you can position your company and offerings accordingly?

✓ **Pricing:** Have you performed the necessary primary research to validate each product's value? (See "How to Value Price through Research.")

✓ **Uniqueness:** What makes your offering stand out? Why is it the best, or most unique, or most valuable to your potential customers? Why will customers buy from you instead of competitors over the long haul? Do you have or can you get patents and trademarks to ensure you are protected from competitors and potential acquirers?

✓ **Leadership:** Who has the vision? If it's you, are you a "people person" who can clearly convey the vision and build the necessary team? How charismatic are you? Can you sell your idea, vision, opportunity, product, *and equity* in the company? Are you both adaptive to new scenarios *and* solid enough to stay the course, regardless of the roadblocks? Are you willing to mortgage your house to invest in the idea? What are your

personal desires and motivations for this venture? What do you want in return?

✓ **Your team:** Do you have a team that supports your vision and the functions you will need to cover? How seasoned are they? How entrepreneurial and dedicated are they? Do your employees possess the talents you need? Do they have complementary talents and experiences? How much small *and* big business experience do they have? Will they stay the course with you?

✓ **Capital:** How much do you really need? What if things go wrong? What is the realistic return on investment? What assumptions have you made? What risks exist? How do you plan to mitigate these risks and what will these mitigation plans cost? Are you overly optimistic? Or pessimistic? In addition to your projected income, have you sorted through your projected profit and loss, and all-important cash flow? What are your exit strategies?

If the elements covered above are not considered thoroughly, thinking through the following elements will probably be a waste of time. Although these next elements come second, they are still extremely important to successfully launching a new business or in trying to take your company to the next level.

Other elements of a successful business can be found by purchasing the 2nd or 3rd editions of The Entrepreneur's Survival Guide!

Building Your Team

How would you like to double revenue? Triple net profits? Increase available cash ten times? Without spending a fortune, your company could break through its current performance and attain the next level of growth if the support you need is in place.

When you think of your company's team, who comes to mind? You? Your senior managers? Your employees? Project teams? As president or CEO of your company, you can cost-effectively add incredible talent to your team. By emulating large companies, you will have a better chance of obtaining their success without spending a fortune.

In addition to ensuring a real market has been defined and quantified, building your management team is the most important action you can take - whether you are a CEO hiring your CFO, or a CIO hiring your Director of Information Technology. Finding the right people that fit with your market, technology and your leadership style, and those who will take significant actions to help you accomplish your game plan is required to find funding and build the company.

For the going concern, please see "How to hire the best", and do not hesitate to hire a quality search firm.

For the entrepreneur, this task may seem like a conundrum: no funding to hire management and no management to attract funding. This enigma can be solved in various ways. The most common way is to network. Industry association events are an excellent way to meet people within your industry. Someone always knows someone else who may be able to add incredible value to your operations. Talking with bankers, lawyers, accountants, consultants, venture capitalists, and other entrepreneurs will lead you to like-minded people. You do not always need funding to attract excellent executives. A proven market need, a significantly unique solution, and an opportunity to make a real difference might be all you need to have someone allow you to use their resume in confidence to continue your fund-raising.

Additionally, think outside your current team. Look to outside sources for advice, counsel and expertise. These people will not add to your payroll, yet they provide tremendous benefits to you, your employees, customers, and stockholders.

To that end, there are three "teams" entrepreneurs of smaller companies tend to underestimate that can add significant value to their enterprise and help the company attain its goals.

Ideally, these teams need to be in place from the very start.

The three teams to seriously consider are:

✓ **Board of Directors:** The directors' fiduciary responsibilities to the stockholders include - ensuring the right CEO is in place and maximizing long-term shareholder value. The Board can provide significant advice and counsel to the CEO, to ensure appropriate executive compensation and good operating plans are in place, administer stock option plans, ensure formal audits occur, and be a sounding board for new ideas and overcoming challenging problems. (Details in these areas are provided in the sidebar² on page 63.)

For small to mid-sized companies, in which the CEO is the founder (and for many high-tech companies, the technical expert as well), "to ensure the right CEO is in place" may sound scary. If you think about it, this is exactly what you want the board to do. If for some reason you have skills, which would be far better used in a different role in the company, then you should seriously consider that new role. Many smaller companies have "founder's syndrome." The owner wants to run everything, even though more qualified people are available. Typically, management, operations, sales, marketing, and business development experience is what is needed to get a company to the next level. As long as revenue, profits and the value of your stockholders ownership go up, isn't that what is important? So allow the board to do its job.

✓ **Board of Advisors:** Advisors are much like a Board of Directors in terms of providing advice and counsel, but they

don't have the same fiduciary responsibilities. Use an advisory board to add industry experts and contacts that might be able to provide critical insights on an on-going basis.

✓ **Strategic Partners:** If you add these critical partners to your team and listen to their advice, you will be miles ahead. These partners are a law firm, an accounting firm, and a banking partner. These partners should be chosen carefully and with skillful purpose. Don't look at their bill rates or loan rates as deciding factors. Review their areas of expertise, the value they can bring immediately and in the long run, and their personality compatibility. You want a team that is focused on your company's success, not just someone to do taxes, handle a contract, or provide a loan. Ad agencies, PR firms and consultancies can also add significant value to your company. Additionally, suppliers, distributors and others can support you via good will, or help you market and sell your products. What you are seeking is leverage in the marketplace. If you chose excellent partners, the rewards to your company can be tremendous.

Although most companies have a lawyer, accountant, and banker, are they really team members or just people who do work for you and collect fees? Have you asked them for advice and allowed them to support you in other ways? For instance, a banker can assist you in many ways, reviewing your business plan, and introducing you to potential strategic partners and senior management talent who could help you set and achieve aggressive goals.

Building a Board of Directors and Advisors:

You will want to balance the makeup of the Board of Directors or Advisors in a way that optimizes your ability to successfully compete in a rapidly changing environment. The makeup may include:

- [1] People with connections to money (Angels, VCs, Investment Banking) or strategic partners
- [2] An investor,
- [3] People with specific industry expertise,
- [4] A "been there / done that" type of person who has experienced the growth cycle you are planning for your company.

All are important and should be considered when establishing boards.

When building your boards, you might consider temporary support from trusted, well-known consultants. Those in particular areas of specialty can help you attract new outside members that can support your growth objectives. Once the board is built, the temporary members would then move on - especially for advisors. Avoid using friends and family. You want impartial advice and counsel, and you want to escape the pitfalls of family-oriented, emotionally charged meetings.

Additionally, you will want to consider the following functional areas when building boards: General Management, Operations, Finance, Marketing and Sales, Legal, and Human Resources. Senior executives, especially those, who have significant experience, can save valuable

time and money in helping you set and achieve aggressive goals. Experienced consultants can also help you.

How to make it happen:

Finding accountants, lawyers, bankers and consultants: There are many credible service providers available. Take the time to interview them carefully, and you will be able to find the right team members. Through the web or your regional yellow pages, search for associations in your field. Or get in touch with your local Chamber of Commerce, or find other entrepreneurs in your industry and learn what they have learned.

Finding Board Members: Of course, the easiest way it to find candidates is to talk with your lawyer, accountant and banker. They can identify candidates, but you will have to determine the mix you think you need. Through meeting and interviewing these candidates, you will obtain the information you need to make decisions on who to bring on board.

Motivating them to come on board:

One way to bring experienced talent onto your team is to provide stock or stock options, depending on your organizational form, tax issues, and your particular situation. Agreements can be worked out... That is the easy part. Building and using your team to its full potential and reaping its rewards takes time, so get going! Take that first step now to dramatic improvement and build the team that will take your company to its next level.

Sidebar: Responsibilities of a Board of Directors:

Fiduciary Responsibilities:

This comprehensive discussion on the fiduciary responsibilities of the Board of Directors can be found in the 2nd and 3rd editions of The Entrepreneur's Survival Guide.

Building Your Story

Many start-up entrepreneurs feel all they really need is money. "All I need is \$250,000 to make this company work!" and "Do you know where I can get investors who will fund this idea?" Or "What's wrong with those VC's? Don't they know a great idea when they see one? All I'm asking for is \$6 million, which will make them \$60 million!"

There are several things you, as the leader, *must* do in order to convince investors to invest in your vision. First of all, build your management team, Board of Directors, Board of Advisors, and outside team. The second critical element needed to successfully raise money is your "story," which you *must* have before you can successfully raise money.

Your story is the key

As the CEO, it is critical that you can share your vision with potential investors and even potential employees with enthusiasm, clarity and brevity.

What are the top issues – besides return on investment – which will catch an investor's attention? They are interested in opportunity, market size and growth rate, the people on the management team, your solutions, why there is a sustainable competitive advantage, what your sales, profits and cash flow will be, and so on.

The most important thing to remember is that you are not trying to get the investor to write the check right then and there! You are trying to get feedback on their level of interest. *You must first sell the meeting to present your venture.*

Before you talk with investors, it is very important to obtain feedback from people who can help you improve your concept, pitch and approach. You have one real shot at investors when asking them to invest, so ensure your story is well critiqued by others. One way is to develop a 10 to 12 sheet presentation with salient points. Use this rough presentation as an outline to share your vision with others. Set up meetings with bankers, lawyers and accountants to "pitch" your idea and listen intently to their questions. If you do this 20 to 30 times in one on one meetings – updating your pitch every time – you will soon find your concept shifting due to great feedback. If your vision still seems viable, you will need to develop your business plan in sufficient detail to address investors' concerns. You can then use the plan to build your elevator pitch and presentation.

✓ **Elevator pitch:** Actually, there are at least two "pitches." The first is a one or two sentence description of your venture. This is very difficult, but essential to conveying to the listener what you are all about. (As if you meet that

important person in an elevator who you've been trying to contact and need to convey your idea in 15 seconds) If they show interest, then you can proceed to the 1 to 2 minute explanation and then, if they continue to listen intently, to the 6 to 10 minute version. *The pitch's purpose is to generate enough interest so they invite you to give your presentation. It is **not** to do a data dump of everything you know and love about your idea!*

✓ **Presentation:** Once you have been invited to present your business idea, then be prepared to share the pertinent information *in which the investor is interested*. It is not just about your product! It is about your business. It is about the "next layer of the onion," so to speak. The presentation should be between 5 and 15 minutes long, depending on the forum and how much time you have been given, so be prepared to cut to the chase. If you respect the investor's time (and show it), they will respect you. *The purpose of the presentation is not to tell the investor everything you know about the product. It is to convey the most fundamental insights into why there is a unique and **real** opportunity for them, and to show that you have assembled the right team to make that opportunity a reality.*

✓ **Business plan:** Many will tell you that in Internet-time, there is no time to write a business plan. Although there is some truth to that, you still have to do your homework. You will have to understand the market, competition, unique selling proposition, revenue model, etc., and be able to convey this information crisply. If at all possible, make the executive summary one page and the business plan as short as possible (8 to 12 pages). Put additional back-up information into an attachment. Although this is a real test of your communication

skills, your *current* competition is the previous and the next business plans the investor sees. *The purpose of your plan is not to get the investor to write the check, but for them to know you have done your homework and that perhaps, just perhaps, it might be worth their time to consider investing in your company seriously.* Make it easy for them!

✓ **Your personal style:** The manner in which you present your concept speaks volumes about what kind of partner you will be if investors fund your company. Do you get to the point? Are you confident, while not being defensive? Do you have infectious enthusiasm? Do you provide a 30,000-foot view and avoid a "data dump"? Are you organized, succinct and mindful of the investor's time? Do you listen?

Do you need help? If the investors tell you to "get an advisory board," they are probably telling you that you have not convinced them that there is a real opportunity. Or that you do not have the management talent on your team necessary to capitalize on the opportunity. Or your story was not convincing. As the CEO, your role is to *share the vision, build the team, and find the resources* to make the vision come true. It is to communicate your idea clearly and concisely, so that your entire team, including the investor, is driving towards identifiable objectives.

Is this all there is to it? Of course not.

Find out by purchasing the 2nd or 3rd editions of The Entrepreneur's Survival Guide!

To obtain individual copies of the following chapters, below, please go to http://www.synergy-usa.com/esg2_chapters.htm and select the appropriate chapter. Or purchase the third edition (PDF only) by going to <http://www.synergy-usa.com/free.htm> and click on "Purchase the 3rd edition".

How to Build Your Company

This chapter could as easily be placed in the Leadership section, because it discusses six key characteristics that leaders must have in order to build their company.

Creating Your Company's Stock Structure

When looking for equity financing, entrepreneurs often ask me: "How much of the company should I give up, and when?", "What happens when I lose control?", "How much will our stock be worth... and when?" A well thought out business plan, with accompanying financials will answer most of these questions. However, an often-overlooked piece of the puzzle is corporate stock structure, to create a clear road map for stockholders and to help guide your funding decisions.

Building Credibility

Building Credibility

You've got a great idea but few, if any, customers. As the leader for a start-up company or if you are trying to take your company to its next level, you have plenty to worry about. If you aren't Jim Clark, Steve Jobs, or Bill Gates and have an unproven concept, how do you get anyone to quickly buy in? How do you increase your chances of funding? How do you minimize the amount of the company you'll need to sell? If you are interested in learning how to dramatically increase the probability of getting funded, this chapter will help you get going.

Raising Money in a Tight Market:

Raising Money in a Tight Market (The importance of bootstrapping!)

Finding capital is even tougher now that the NASDAQ and DOW have (again) eaten into angel investors' funds. What can entrepreneurs do to find capital in a tight market? This chapter addresses key points to act on to improve your chances of funding.

The Realities of Raising Money

The Realities of Raising Money

You have a great product idea, you've done market research - there's a huge demand for what you've developed, your business plan is done and you're ready to raise that \$1.5 million so you can implement your plan. All you need now is to convince people how great your plan is! Here are the "usual suspects" to consider when trying to raise money.

Section 3

Improving Marketing and Sales Performance

- **The Real Value of Market Research**
- **How to Value-Price Your Products and Services**

2nd & 3rd edition:

- **Maximizing Marketing ROI: Tying Research to Sales**
- **Strategic Selling Skills for Technology Entrepreneurs**
- **How to Attract Significantly More Customers**

The purpose of this section is to help the technically oriented entrepreneur better understand how to position their products and services for highest value, as perceived by the customer. It is difficult for some entrepreneurs to appreciate the need for and value of market research, the need for understanding customers' requirements *before* developing products, and how to then effectively sell their products and services. This section is intended to provide insights into a few tips and tricks to easily understand what customers want and how to better satisfy their needs.

The Real Value of Market Research

Time and again, business leaders tell me they know what is best for their customers. "Our customers aren't innovators! We have the technical talent to create products and services that our customers could never figure out. Why do we need market research?" Usually they continue, "We don't have time for market research, anyway! It costs too much, takes too long, and just confirms what we already know."

Michael Shenker, an independent sales and marketing consultant, sums it up. "There is a word for starting a business or launching a new product without conducting market research...it's called *suicide*. Marketing research saves time, saves money, and optimizes the probability of success."

If fear of extinction does not motivate you to talk with your existing and potential customers, please do not bother reading the rest of this chapter. If, however, you are interested in beating your competition and creating customers for life, then read on.

The question heard most often is "How do I find out what they want?" The answer lies in asking more specific questions:

✓ **What do your customers want?**

A fundamental understanding of your customers' needs is critical to your product and service development, your corporate positioning and your marketing strategy. Your offerings should both directly respond to what they need as well as lead the way – to new and more efficient solutions to their problems. These conflicting views provide the balance needed for innovation and competitive positioning.

✓ **Why do they buy?** Find their compelling reasons to purchase. What motivates them?

✓ **How and when do they buy?** Determine how potential customers obtain information about competing products and services. What is their budget cycle? How do you plug into their purchasing process?

✓ **How do they currently solve their problems?** If they already address their needs with superior, less expensive solutions, it's time to head back to the drawing board.

✓ **What else do they buy, instead?** Understand who is competing against you, and why customers buy their products or services instead of yours.

Answers to these questions can be found through quantitative and qualitative questions of both customers and non-customers:

	<u>Open ended phone surveys:</u>	<u>Closed-ended questionnaires</u>
<u>Customers:</u>	Talk with your customers and find out why they bought your product or services from you instead of others.	Develop a questionnaire to determine why they bought from you. Ask specific questions about their needs.
<u>Non-Customers:</u>	Talk with your prospects and find out their needs in your area. If they are not buying, what will compel them to buy?	Develop a questionnaire and learn what they buy, why they buy, and how they buy. Ask specific questions about their needs.

It is important to use the information found during interviews and from questionnaires to find out how you can best use your scarce marketing and sales budget to target your customers' needs - in a much more efficient and effective manner. Use Affinity Diagramming to assess trends and extract information you can only find out through systematic market research and analysis. (Please see Addendum 1.) Responding to one *loud* customer can be misleading. Obtain eight to ten responses at first, and

more if possible, in order to see trends.

Depending on your budget, you can do the work yourself, hire a consulting firm or hire a market research firm.

The benefits of finding out your customers' specific needs and buying patterns far outweigh the costs involved to perform effective market research. Build your marketing research and turbo-charge your marketing strategy!

How to Value-Price Your Products and Services

This chapter addresses *one* method of maximizing revenue through value pricing and focuses on how to price your products and services. How do you currently price products? Do you review your competitors' prices, talk to a few customers and ask what they would be willing to pay? Do you use a repeatable process? Do you determine the price *before* you develop a product?

Many people say that marketing is an art, not a science, and that you have to feel your way around the situation to determine the best price for your product or service. This approach will *not* maximize your revenue!

The process described here is designed to help you determine your product's value *before* you even start your design.

1) First, determine your product's features, functions and performance. Figure out what *you* think its benefits would be for customers. Then write up a brief description of this product.

2) With your product description in hand, choose five to ten potential customers in your market. With each of them, explain that you are doing market research and will need no more than four minutes of their time (and keep it

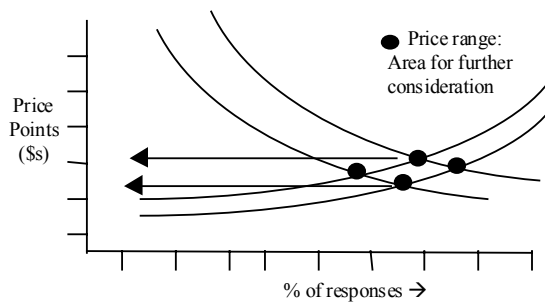
to that!). After reading the product description ask them these five questions, *in this order*: [1] At what price would you consider this product expensive? [2] At what price would you consider this product *inexpensive*? [3] At what price would you consider this product *too* expensive, such that you would not buy it? [4] At what price would you consider this product too cheap, so that you would question its quality? [5] What features would you add to increase the product's value to you?

3) Now determine if the prices named by these potential customers are anywhere near the range you thought. If not, you have *lots* of work to do to determine your potential customers' needs. Then look at the answers to the fifth question to see if there are features you could add to your product to increase its value. Refine your product description to reflect this.

4) Repeat this several times. Each time refine the product description until the price points customers mention are high enough to yield your target margins.

5) Once you are sure customers will pay what you feel the product is worth, formalize your market research and do Steps 2) and 3) with 50 to 100 actual, potential customers.

6) Now, plot out the data points from the four pricing questions in Step 3) so that the four curves have the largest gap at one end and converge at the other. Look at where the four lines cross. The graph should look something like:



Congratulations! You have just defined how the market perceives the value of your product. You now have a clear roadmap on how to price your product and maximize your

revenue. Give it a try - you may be surprised by the results!

A thorough discussion of this can be found in the 2nd & 3rd editions of The Entrepreneur's Survival Guide!

To obtain individual copies of the following chapters, below, please go to http://www.synergy-usa.com/esg2_chapters.htm and select the appropriate chapter. Or purchase the third edition (PDF only) by going to <http://www.synergy-usa.com/free.htm> and click on "*Purchase the 3rd edition*".

Maximizing Marketing Return on Investment

How would you like to have a direct marketing response rate of 25%. A return on investment of over 40 to one? With the tips and tricks in this chapter, you can work your way through a process that will tie marketing with sales and dramatically increase your revenue!

Strategic Selling Skills for Technology Entrepreneurs

In today's high-speed, high technology business environment, many great new companies are built on ideas from technical people. However, many outstanding ideas never get to market, nor receive funding. Why? No real understanding or appreciation of the selling process. There are some fundamental things technically minded entrepreneurs can do to propel their company to its next level. Read how!

How to Attract Significantly More Customers

This chapter brings together several of the concepts discussed previously - to help entrepreneurs turbo-charge their customer-attraction process.

Section 4

Improving Operational Performance

- **Organizing for the Customer**
- **How to Manage Projects**
- **How to Define Products**

2nd & 3rd editions:

- **Solutions for the New Millennium**
- **Achieving Peak Company Performance**
- **How to Hire the Best People**
- **How to Predict the Future**
- **Reasons Why Some Organizations Perform Poorly**

The purpose of this section is to take a closer look at what differentiates well-performing organizations from others. Every entrepreneur is tasked with integrating their area with others within the company, so that true synergies can exist within the entire company. Just as we need a heart and a brain to survive and thrive, so do organizations require market-driven (flexible) groups to find and define new markets and technical departments to develop new products and services to address these new market opportunities. Techniques on strategic planning, organizational development, hiring processes, and product definition are shared – to share new ways to turbo-charge your company.

Organizing for the Customer

Ever wonder how you can get your products and services to market faster than your competition, with features and performance so advanced your customers don't mind paying more for *your* solution? So do a lot of chief executives.

Think about what affects your company: customers' ever changing needs, competition's rapid cycle time, technology's dizzying pace, etc. Yet, if you take a moment to think about your real span of control, you will see that it involves none of these external elements. The things you can actually *do* something about are limited to those who are reporting to you, your leadership and management style, and operational success factors. These are the important aspects of your business that *you* can control and that can dramatically change the performance of your company. An extremely important success factor is how you are organized.

How often have you heard of these situations:

[1] A marketing Account Executive (AE) gets a call from a customer who needs a solution to a problem. The AE gets

excited because he feels a new requirement has been stated that "Only my company can develop!" which might even be true. He goes to an engineer to discuss the need. The engineer gets really excited because this new need has never been addressed. It will challenge the engineer in ways she's never been challenged before. The AE calls back the customer and promises a solution is going to be developed, and even gives a price and time frame.

[2] Taking a new class, an engineer has just figured out how to solve a problem she's been trying to solve for a very long time. She takes it to the department manager and weaves a tale of technical ecstasy, if only a customer can be found. The manager recognizes the value of the solution and authorizes another engineer to support the first in converting the idea into a high-level concept test model to see if there might be a customer for it.

The Missing Ingredient:

In both these cases, whether the company employs five people or 500, only two perspectives have been addressed: that of one customer and that of a technical

person. These business questions were never asked:

- Is developing this idea in our company's charter?
- If this is a huge opportunity, what is the revenue potential?
- Is this something we really want to do?
- Is this something we *should* be doing?
- Do we have the capability?
- Does this idea correspond with our vision and mission? If not, we need to re-define the mission, or skip the project.
- Is our corporate vision so broad it prevents the kind of focus we need?
- If the idea is covered by the mission statement, do we have the core competencies to do the job? If not, do we need more people or money? Can we find what we need outside?
- Do we need to develop or buy new core technology?
- What is the relative priority of this project with respect to others we are doing or considering?
- Is the idea do-able? Will it be profitable? Can we pull it off, and everything else, too? If not, is it not in our best interest to keep our focus fixed on what we agreed excited us last month.

Detailed answers are not required at an initial level, but these questions *must* be asked, if only in a cursory way.

Marketing's role is to bring the customers' perspective to the company (voice of the customer).

Engineering's role is to ensure technical capability can be applied to problems to create value-adding solutions to customers' problems (voice of technology). Given a choice between erring on the side of the customer or addressing the business issues, Marketing will tend to make decisions in favor of the customer, even at the expense of revenue and profits. This is what Marketing is being paid to do. Given a choice between erring on the side of being technically correct or addressing the business issues, Engineering will tend to make decisions in favor of what is technically correct, even at the expense of revenue and profits. This is what Engineering is being paid to do.

In an organization without a Project Management department (voice of business), corporate issues will always be subservient to Engineering and Marketing.

A Balanced Approach is Needed:

Many companies feel that their marketing, sales and engineering departments are able to address *all* the day-to-day, as well as strategic issues, facing the company. What is missing in this arrangement is a group or department that is chartered to deal with *business issues*. Most organizations believe they address their business issues with senior management's

attention, or by having project managers reporting to Engineering, or product managers reporting to Marketing. The problem is that when critical trade-offs need to

be made, as they always do, *whomever the product or project manager reports to yields the deciding perspective.* A generalized matrix will help make this clear:

Department making decision:		Who "wins" or "loses" ...	
Decisions required →:	<u>Customer</u>	<u>Technical</u>	<u>Business</u>
➤ Marketing	Win	Loss	Loss
➤ Engineering	Loss	Win	Loss

Clearly, not all decisions cause win-loss situations. In fact, the organizations that strive for multi-win solutions usually outperform those that do not. Given critical real-time decisions that require discussion and different points of views, business concerns will tend to lose out over marketing and technical concerns, when there is no project management function, reporting to the president.

Chief Executive Officer (and certainly the Chairman) cannot possibly make *all* the business decisions. These need to be made at the lowest possible levels within the organization.

Giving business an equal voice in the decision making process provides balance and stability. It forces robust business discussions on an on-going basis, and causes all sides of the story to be told. Additionally, when business concerns are implemented correctly, conflicts between and among projects can be worked out at lower levels, *freeing up senior management to concentrate on more strategic issues.*

By addressing the three major areas of greatest value to an effective decision-making company, a hybrid organization (which balances functional responsibilities with project and product responsibilities) yields better decisions than purely functional organizations.

Pushing Decisions to Lower Levels to Achieve Greater Performance:

Since business decisions happen in real-time, the President or

A company's *business* performance is only as good as the cumulative performance of all its projects and products, whether these are solution oriented, pure products, or pure service projects. For this reason, to radically improve *business* performance, it is imperative to radically improve *project* performance, across the board, on a *project by project* basis. Enhancing project performance requires decision-making improvements. Having a department chartered with the

business responsibility of each and every project ensures that the company can be as responsive and proactive to customers and markets as possible.

Those who feel they will be adversely affected by such a change are usually the ones who are the most resistive to change (typically people in marketing and engineering). Given insufficient information about a change, people tend to provide some level of overt or covert resistance.

However, once they see how they are *positively* affected, their acceptance is assured. In the larger picture, their roles free up. They enjoy what they are doing more and become more effective, a real advantage to organizational improvement.

Implementing change is no easy matter

In the Harvard Business Review book *Critical Path to Corporate Renewal*⁵, Beer, Eisenstat and Spector state that organizational

changes which are forced from the top *tend* to fail while changes which are implemented as solutions to specific and obvious problems *tend* to succeed. Certainly these two approaches do not guarantee success nor failure; but increased tendencies toward success if the plan is directed at a specific problem are decidedly there.

With this in mind, any changes to the way a company operates must focus on *specific* solutions to current and future challenges. Although the financial support for improved business performance through change must come from senior management, the specific approaches must come from those who can make the change successful.

Addressing Organizational Issues of Change... &

Bringing it All Together
Available in the 2nd & 3rd editions.

How to Manage Projects

Regardless of revenue, your company's profits depend upon controlling costs. This chapter deals with minimizing the expenses in developing new products and reducing the time it takes to get those products to market.

By addressing new product development in the way described here, your company will be better positioned to respond to the customers and beat your competitors to market. Here are six critical points to remember:

Identify Key Project Phases

Opportunity Assessment and Qualification

This earliest phase begins with recognizing the customers' emerging needs, and ends with completing the evaluation of the opportunity. This assessment should include, but not be limited to, interaction with the customer, qualification of the business opportunity, and presentation of findings and results to senior management.

Pre-Planning

This phase begins with the decision to follow the opportunity, and ends with defining and documenting a preliminary winning solution to the customers'

requirements. A "plan for a plan" is developed which defines the resources, and schedules, and requirements for planning the project. This is to avoid random expenditure that often follows excitement due to a new opportunity. During this Pre-Planning phase, confirm that the customers' needs are real and the solution is valid. There should be approval points throughout the pre-planning process during which the question is asked, "Do we have a solution to offer the customer(s) what they want and will pay for?"

Throughout the Opportunity Assessment and Pre-Planning phases a continued assessment of the cost and benefit of pursuing the objective should be made. The questions, "Is the opportunity real? Can we perform and win? Will the end result be worth it? Are the risks involved acceptable?" must be accurately addressed. The Pre-Planning phase ensures that all the essential homework is complete before the decision to continue assessing the opportunity is made.

Project Planning

The Project Planning phase should follow the approach developed in the Pre-Planning phase by meeting scheduled milestones for defining the product and manufacturing requirements, estimating costs and schedules, and , assessing risk, and mitigation planning. The project baseline clearly and concisely defines the cost, schedule, and technical performance of the project and product. This plan will

be used to set up appropriate visibility, to design requirements to test status and control mechanisms to support requirements, or from vague ideas to successful product development.

Implementation

Often started prior to any planning, the Implementation phase follows the approach formed in Project Planning by meeting scheduled milestones for product design and development, cost and schedule estimates, risk reduction, as well as managing changes to the plan. The success of the efforts in this phase is almost entirely dependent on how well the project baseline is developed.

Ensure Technical Requirements are adequately and accurately defined.

Specification

A specification clearly defines the *performance* requirements of the product. It also defines features and functions. The Specification keeps the end in sight, and answers the question, "when is the product finished?" That is, the *acceptance* criteria, based on the *performance* requirements, should be well thought out and well defined. Acceptance tests for the design and sell-off are based on the specification. This significantly reduces feature-creep and rework time caused by chasing ever-changing requirements.

The technical requirements flow from customers' needs to operational requirements to functional requirements

specific ends. The path should be clear and accepted by all the parties involved. System requirements flow-down to supplier requirements, if any, should account for *reasonable* tolerance buildups, and system performance specifications should include *reasonable* performance margins to account for differences between prototypes (what's possible) and production units (what's probable).

Interface Control

An ICD (Interface Control Document) is necessary to address not only external interface requirements but also internal interface requirements. For instance, imbedded software, electrical, mechanical, inter-software and environmental interface requirements need to be defined. This minimizes feature creep by causing questions to be answered *early in the project*, and is especially useful to communicate interrelationships among design variables when several people are working on the project.

The result of this process is initiation of the Product Baseline. If performed correctly, this process will reduce the number of feature-creep-induced "fire-drills".

Requirements Definition, Milestone Development, and Risk Identification

All can be found in the 2nd & 3rd editions of The Entrepreneur's Survival Guide.

As a "bonus" chapter...

How NOT to Manage Projects

Available in the 2nd & 3rd version
of The Entrepreneur's Survival
Guide.

How to Define Products

According to a survey of the high-technology industry, 75 percent of the respondents stated that the area of product development that requires the most improvement in their companies is *better up-front planning and product definition*. **Seventy-five percent!**

In an industry that prides itself on innovation and technical leadership, it is amazing that the ability to plan for and define new products is lacking in so many companies. When senior managers of 20 software companies were asked about time-to-market, every one stated that product definition was a major problem. These same software development managers also stated they had no formal processes in place to alleviate this problem.

There is a burning desire to improve how customers' needs are translated not only into product requirements, but also to project definition and planning requirements. Since projects are the "transfer function" of product ideas to product reality, and since business performance is only as robust as the ability of a company to deliver high-quality products, it makes sense that high priority should be

given to staffing product *and* project definition.

There are various ways to transfer customer needs to product requirements. One tool, which is gaining acceptance in a number of industries, is called QFD or Quality Function Deployment. Additionally, there are proven processes available to convert customer needs into specific design requirements (*product definition*), as well as cost, schedule, and risk estimates and planning (*project definition*). These processes involve translating customer needs into actions and tasks, which represent commitments by the performing organizations, partners and suppliers.

Flowing customer needs into directed company actions is no easy matter. It requires diligence by all involved with the project, including those in marketing, engineering, manufacturing, finance, procurement, employees, senior and middle management. Since the process is so complex, simplifying efforts must take place to boil complex issues down to easily understandable elements, and take seemingly disparate functions and break them into their common denominators.

In other words, translating requirements is a process. A process can be defined with inputs, outputs and efforts internal to the process.

Improvements to the process can then be made as lessons learned and applied to subsequent projects.

There is no easy way to define products. There are, however, logical and methodical processes that can be applied and customized for each individual company. An important starting place to achieve success in product definition is to first determine the desired outcome of any improvements. Second, assess the status quo by reviewing current company processes. Third, review how current processes support the desired outcome. Fourth, determine the ideal situation for exceeding your customers'

expectations. Last, cause the current situation to change to reflect the ideal situation, and the desired outcome.

Of course, this is just the beginning. As employees become more experienced in project definition, many more improvements to the entire process will be required, but by then making improvements will be much easier and the positive results from these improvements will be plain.

Note: Addendum 3 (versions 2 & 3) contains a Project Management glossary, to help you more accurately define products.

To obtain individual copies of the following chapters, below, please go to http://www.synergy-usa.com/esg2_chapters.htm and select the appropriate chapter. Or purchase the third edition (PDF only) by going to <http://www.synergy-usa.com/free.htm> and click on "*Purchase the 3rd edition*".

Solutions for the New Millennium

If you are interested in learning fundamental shifts in the new economy, and how to position your company's product development for the next millennium, then this chapter is a must-read!

Achieving Peak Company Performance

Have you ever asked yourself "How can I turbo-charge my organization?" Or "How can I increase revenue without spending more money?" There are several ways for your organization to achieve superior performance, which are discussed in this chapter.

How to Hire the Best People

Have you ever had to let someone go because they didn't live up to your expectations? Or they turned out completely different from what their resume indicated? Or you got exactly what you wanted but not what you needed? If this sounds familiar, then you're not alone! There are several things you can do to improve your hiring results. Learn how in this chapter!

How to Predict the Future

With customers, markets, and competition changing all the time, it seems nearly impossible to stay ahead of the competition. If you'd like to make the best decisions and know the resulting outcome ahead of time, then read this chapter.

Reasons Why Some Organizations Perform Poorly

Many change programs end in failure - not due to the improvements being brought in, but because of how changes are implemented within organizations. This chapter addresses the human side of change management - to bring lasting performance improvements to companies looking to accomplish aggressive goals.

Section 5

Integrating Technology Strategies with Business Strategies

- **What's your e-Strategy? Change or Fail!**
- **Change or Fail! - Part 2**

3rd edition:

- **How to Get Started in e-Business**
- **Doing Business in a Web 3.0 World**
- **How to Integrate Business and Technology Strategies**

The purpose of this section is to explore how the concepts of emerging technologies can be applied to companies' business strategies to move past current thinking and competitive positioning. It is intended to help business owners see beyond "prevalent" ways of doing business, to improve productivity and profitability.

What's Your e-Strategy? Or... Change or Fail!

Well-established companies are contemplating strategic shifts to deal with quickly changing wireless and Internet-based technologies. Microsoft (the largest software manufacturer in the world) has changed their direction a few times in the past few years. It has built new business models in order to compete! So, what do *you* plan on doing? What is *your* "e-Strategy"?

What is your technology plan to integrate your business model with your customers' business processes? Do you understand their operations well enough to provide value-added services through your products & services? Do your products and services dramatically increase your customers' top line *and* help them become significantly more efficient?

Business-to-business and business-to-consumer e-commerce is the key to competitive positioning due to the operational and market efficiencies it generates.

If you can codify where your processes touch the customer, and electronically integrate these processes with your customers' processes, you will become inextricably linked, and nearly indispensable. In addition, it will be much more difficult for your competition to drive a wedge

between you and your customers. As long as you're making or saving lots of money for you and your customers, everyone will be extremely happy. Here are the steps to achieve this connection with your customers.

Understand your organization's mission: Build upon your core values and vision to clearly define your organization's specific mission. Identify and prioritize your most valuable products and the services you offer - and those that you need to offer in the future.

Identify Customer wants & needs: Determine where your customers are headed and figure out how to help them get there faster and cheaper than your competition. Assess current technologies and applications that enable you to move faster to satisfying these needs. Modify your offerings and perhaps your mission accordingly.

Develop & evaluate your processes: Use team based management tools (Affinity diagram, Interrelationship digraph, etc.-"Planning for Quality, Productivity & Competitive Position" - H.S. Gitlow) to map your processes. Have you brought your customers into the mix and obtained their feedback? Modify and improve your processes by

listening intently to what they tell you.

Eliminate, streamline, and improve: Once your processes are defined, you will be able to determine their cost, delete extra steps, and eliminate inefficiencies. You will also be able to apply those technologies that will align your processes with satisfying customers' needs. Make sure you stay involved with your customers as you continue to implement you plans.

Measure performance for continuous improvement: When you implement your e-strategy processes, you will need clearly defined metrics. How will you know if the process has failed or succeeded? How can you reduce the time getting your processes integrated with your customer? How can you reduce cost? How else can your process add value to your customer's business? And how effective is technology for you?

Automate: Once your processes are defined, you will be able to automate them via your wired and wireless intranet, extranet and the

Internet. (Additionally, be sure you have the lines of non-electronic communication set up: back-up for disaster-planning! [Terrorist attacks, natural disasters, etc.) Who is going to monitor e-strategy performance and deal with problems?

Technical details: Technical issues are critical to your success, but they can be easier to overcome than cultural issues. Finding employees who understand and can deal with the technical issues is relatively easy. Defining and implementing customer-integrated processes, and integrating those processes into your entire organization, is much more difficult.

Consider betting your company on where your customers are headed - and how you can not only reach them better/faster, but also "automatically." In order to win in the future economy, you will need to seriously leapfrog your competition. This requires you to change your company and its approach to your customers, or fail.

Change or fail! (Personally)

We are on the cusp of a great economic transition to the *real* information age. Those companies who embrace fundamental change and create independent companies to leverage technology-enabled business processes will survive. Those who do not change will fall quickly behind.

Business-to-consumer e-commerce sites are easy to understand and easily replicable. Because barriers to entry are small, competitive pressures will force prices down to the point where consumers win - but companies fail, and web-based business-to-consumer companies will see their profit margins crushed. In this situation, consolidations will happen at an accelerating rate. However, there are still some tremendous opportunities for addressing new markets.

The real promise of the Internet and wireless solutions is in distributed, web-enabled transactions. More specifically, technology-enabling transactions to the point of creating "frictionless business". Web-enabled on-line (or wireless) transaction processing, which links internal business processes with your customers' processes, is where *value* (not price) will become the focus of entering into a relationship.

Just as math is the language of science, so is intellectual property the currency of the information age. It will therefore be essential to understand your company's business processes in order to technology-enable them, and change your company's business model to integrate with the processes of your customers.

However, change is difficult. Difficult for industries. Difficult for companies. And difficult for people. Those who rise above the challenge of change to offer tremendous benefits to their customers will be the ones who will survive and outperform their competitors. Critical questions to ask yourself are: *Who* needs to change? *Why* do you need to change? *How* can we welcome change? *What* can we do to ease change and accept new ways of doing business? *When* is the right time to change?

Who? As your company's leader, *you* are the only one who can dramatically affect change within your organization. In fact, you may be the largest impediment to actual change. Perhaps a small voice is saying, "I've been successful so far! Why should I change?" You need to lead the change by morphing your own role. Perhaps in order to win in a **big** way, you need to lose in a

small, personal way. (Re-visit the graph on Page 11!)

Why? Your customers expect ever-increasing value and your competitors are more than happy to oblige. Plan to be there for your customers first. Why? Change or get beat by your competitors!

How? Acknowledge that change is difficult. Recognize the need to change. Inform and involve those affected by change. Accept help from others who want you to win. (See the next chapter on more specifics - on how to change.)

What? Look to others for ideas and education on what they have - learned to keep you out of harm's way and help you succeed. Rene Fritz founder of Chief Executive Forum¹², says "It is *what* we don't know in life that gets us in trouble.

Many of us go through life defending what we know, instead of finding out what we don't know."

When? Now!

It is time to recognize that change is the only constant and your ability to rapidly maneuver your company is the best path to growth. Whether you want to build your company or set yourself up for sale or acquisition, embracing change will enable your entire company to attain the next level.

In fact, when it comes to going farther in a given period of time, your only weapon is your speed of change. You cannot control time, only your velocity. And velocity has become the name of the game!

To obtain individual copies of the following chapters, below, please go to http://www.synergy-usa.com/esg2_chapters.htm and select the appropriate chapter. Or purchase the third edition (PDF only) by going to <http://www.synergy-usa.com/free.htm> and click on "*Purchase the 3rd edition*".

How to Get Started in e-Business

What steps can you take to integrate new technologies into how you solve customers' challenges? What can you do to ensure you stay ahead of the competition?

Doing Business in a Web 3.0 World

Consider reviewing your fundamental business model... as if it weren't your company at all. But a brand new business. Is there a way to turn your assumptions upside down? Is there a way to profit from your tight customer relationships - in ways you haven't yet considered?

How to Integrate Business & Technology Strategies

How can you technology-enable your business? What do you need to watch out for? How do you "technology-enable" your company?

To obtain individual copies of the following chapters, below, please go to http://www.synergy-usa.com/esg2_chapters.htm and select the appropriate chapter. Or purchase the third edition (PDF only) by going to <http://www.synergy-usa.com/free.htm> and click on "*Purchase the 3rd edition*".

Addendum 1
Affinity Diagramming Defined

Addendum 2
Venture Teams Defined

Addendum 3
Program Management Glossary

Addendum 4
The "Physics" of Marketing

Addendum 3
Must-ask Questions: before you start

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(9) How to Predict the Future: Decisioneering, makers of *Crystal Ball*, 303-534-1515.

(10) Solutions for the New Millennium / What's your e-strategy?: *Planning for Quality, Productivity & Competitive Position*; - H.S. Gitlow; Dow Jones-Irwin, 1990; ISBN 1-55623-357-4

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(15) Cover: Mr. Bob Bredemeier created the artwork. He can be reached through: www.bobbredemeier.com.

About the author

Mark Paul has over thirty years of business and leadership experience in bootstrapped start-ups through Global 500 corporations, in consulting, executive and interim executive roles. He is a Partner at **Synergy Consulting Group, LLC** (www.synergy-usa.com). He's been an interim Chief Operating Officer at a software company, where he led the company to dramatic improvements: 67% improvement in sales, nearly 10x cash improvement, developed 8x new products and significant increase in profits – in less than two years – transforming them into a web-based company, with a profitable business model (in 1996); and interim President of an “Internet company.” He’s dramatically increased shareholder value for many companies, located funding and helped more than a few people become millionaires. He has been featured in Newsweek, USA Today, MSN, and many other periodicals.

Prior to consulting, Mark spent eleven years at Ford and Northrop Corporations. He was a senior executive at Northrop Corporation; building a multi-million dollar business unit in two years, where he led between four & 250 people in “line” and project roles. He was awarded U.S. Patent # 4,631,583, for a software-controlled electro-optical device, has a degree in Physics from the University of California, Irvine, post-graduate studies in technology management at Cal-Tech, and has board-level experience. In his spare time, he plays guitar, and has produced three CDs (*Lonesome Taxi, aphasia* [www.aphasia-music.com], and a solo acoustic album). He is particularly interested in renewable energy (www.nxergy.com & www.energy2025.com), international business and the music instrument business. His wife of 26 years and three children are his reason for living. He can be reached by going to www.synergy-usa.com/contact.htm. If you want to discuss how to turbo-charge your company’s performance, please visit our website: www.synergy-usa.com.

What readers said about prior editions of the book

Readers of the 1st & 2nd editions who shared their thoughts:

"I have witnessed first-hand Mark Paul's unique ability to turnaround a non-performing company using the management expertise contained in 'The Entrepreneur's Survival Guide.' This book will set you firmly on the path to corporate excellence.... ignore it at your peril!"

Ross Macdonald – is an entrepreneur, international speaker, automotive e-Commerce consultant, and former CEO of DSI, Inc.

"This is a 'must read' for those considering entrepreneurial pursuits."

Eric Pozzo – is on the Board of Directors for ABC Technologies, a serial entrepreneur, and VP of Operations at First Silicon Solutions, Inc.

"One of the greatest qualities of today's successful entrepreneurs, is their ability to learn from the successes and failures of others who have already been through the gauntlet of starting a new business. 'The Entrepreneur's Survival Guide' is a quick and easy read, which will save entrepreneurs precious time in building their companies."

Andy Rowe – is a serial entrepreneur who has started and sold 3 companies

"Raising money for a start-up venture is perhaps the greatest challenge that an entrepreneur will undertake. An entrepreneur has only one chance to make a great first impression with a prospective investor. 'The Entrepreneur's Survival Guide' provides an excellent roadmap and is a 'must read' for all entrepreneurs who need to make sure that the first impression is a great one."

Robert Sternberg – is a former CEO/President of several companies, and currently a business advisor/investor

"'The Entrepreneur's Survival Guide' is aptly named. It's a wonderful guide to starting and building your company. It asks you all of the right questions, and should make you think hard about the answers."

Linda Weston – is Executive Director of the Oregon Entrepreneur's Forum

"Achieving entrepreneurial success is an awesome challenge – somewhat akin to climbing Mt. Everest. This book can serve as your wise and trusted "Sherpa" on this formidable journey. If you want to start, grow, and manage a new business, this book is a 'must read.' I heartily recommend this book for those contemplating starting a new company or business. Reading and referring to this book will give you a head start on the road to success."

Debi Coleman – Executive Director: Managing Partner: SmartForest Ventures

"Hard-hitting and sage advice throughout! Great model! I really want this in the hands of my students! I need 30 copies."

Dr. Aaron Johnson, Professor, Oregon Sate University, Food Innovation Center

"The Entrepreneur's Survival Guide is a clear guide for the processes and hurdles we will encounter in the future as we move toward being an established business."

John Friess, VP of Marketing at Wired.MD and founder of StarveUps!

"Great book! Just wanted to tell you that I read your book and was quite impressed. I can understand now why everyone wanted me to read it. I think it will be very helpful for me."

Nate von Colditz, Founder, e-Ference, Inc.

"Having been a Marketing Communications Manager for 6 ½ years and also in high tech sales.... what you say rings true."

Don Somppi - was General Manager of Logical (PSSG)

"Just a short note to thank you. I enjoyed it very much and have taken it to heart. I am the founder and CEO of a new start-up, and this is my third go-round. Your message is... oh so true, and I intend to apply it all."

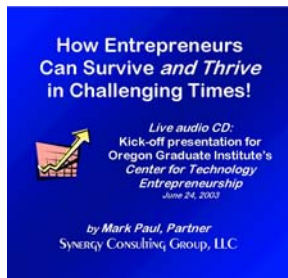
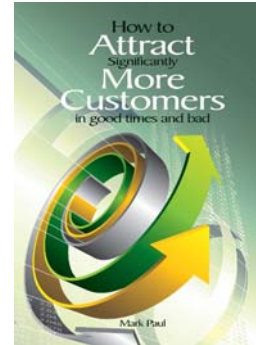
Alexandra Saunders - Founder & CEO of ExtremeNature.com

Other products to help you grow your company

(<http://www.synergy-usa.com/synergyproducts.htm>)

How to Attract More Customers... in good times & bad: Book & Audio CD

Do you have all the customers you need? Are you looking for cost-effective ways to attract more "A" customers? Have you tried trade shows, advertisements, newsletters, direct mail, PR, telesales, brochures, and dozens of other ways...without the success you would like? Are your sales & marketing efforts both consistent and producing results / ROI you want? Learn how you can turbo-charge your marketing and sales efforts, without paying a fortune!



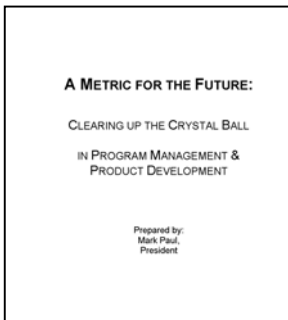
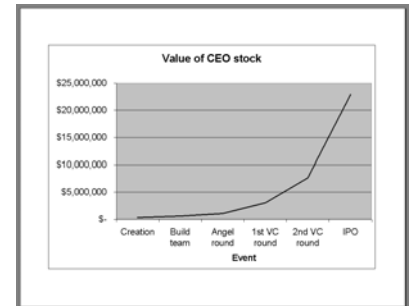
How Entrepreneurs can Survive & Thrive in Challenging Times!

This live audio CD captures Mark Paul's kick-off presentation for Oregon Graduate Institute's Center for Technology Entrepreneurship, and includes examples and encouragement for entrepreneurs.

Funding / growth Spreadsheet / Template: Excel Spreadsheet

Entrepreneurs ask me all the time: "How much of the company should I 'sell,' for how much money?" And: "How can I maintain my equity as more investors capitalize the company?"

This spreadsheet template answers those questions, and more. It is highlighted in the Entrepreneur's Survival Guide, but the actual template provides you an interactive way to "plug & chug" your own numbers! That way, you can integrate your management organization (and the options you'll need to share), and have it tie directly into the main spreadsheet!



Monogram: For Program & Project Managers: White Paper

If you are looking to better predict the probable outcome of your projects, this metrics will help you get a handle on your projects, and enable you to have a much higher success rate, and bring more products / services to market.

This monogram, "How to predict the future", using an "Earned Value" approach to metric development and implementation.

How to Value-price Your Products & Services: Streaming Video Presentation or Audio CD

Is your current pricing leaving money on the table? Are competitors pressuring you to lower your price? If you could raise your prices and actually sell more, would that be of value to you?

How do you currently price products? Do you try to beat your competitors' prices, even though you have a superior solution? Do you add a mark-up, based on costs? Do you talk to a few customers and ask what they would be willing to pay? None of these give you a true understanding of what the market will really bear! If you are open to a different perspective on pricing your products, this product are for you. If you would like to know if the market values your solution less than what it will cost you (so you can stop before starting!), then this product is for you!