

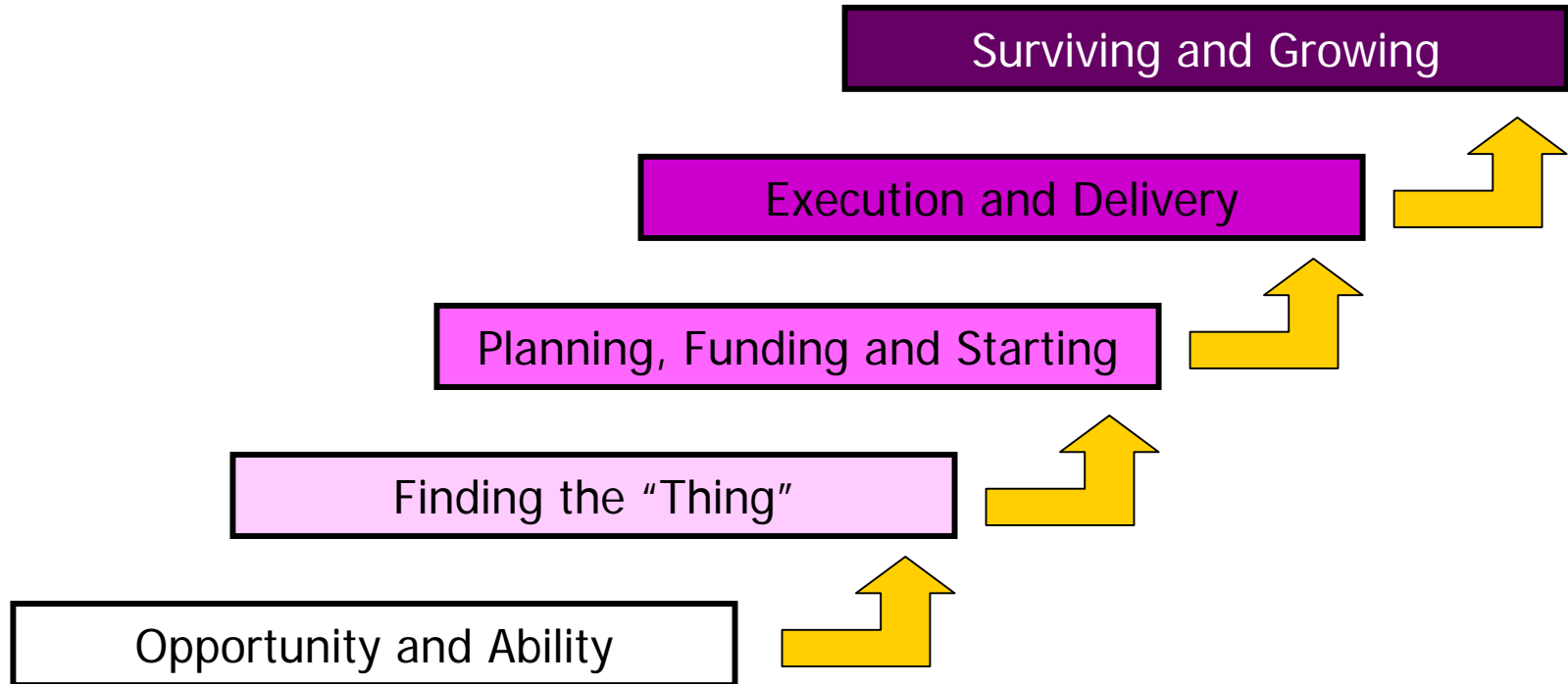
Starting a Technology Company

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Introduction

This is a **BRIEF** “Quick Start” presentation 😊



Things don't need to happen “in order”, but if at any stage, it doesn't quite work right, you have to go back and start again

Opportunity and Ability

Not everyone has the opportunity to do so,
not everyone has the ability to do so,
and not everyone will succeed doing so

Unfair? Bad news? Yes, but regretfully, true

Opportunity

luck
right place, right time
good contacts
supportive environment
...

Ability

skills
industry knowledge
technical ability
drive and determination
health
...

Opportunity: If you still want to, then how?

Put yourself in a position to act on opportunities

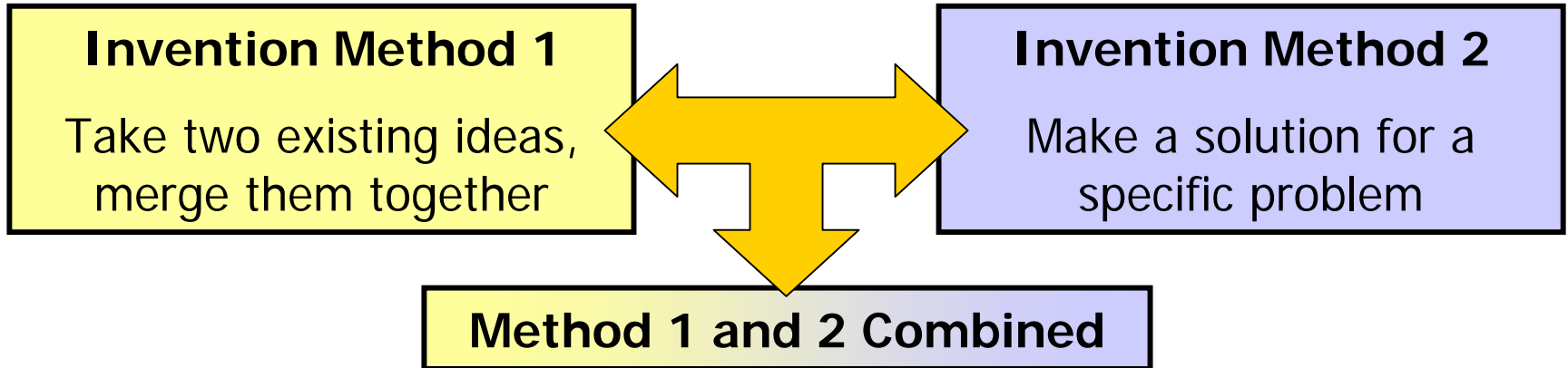
- Get into the right industry (or choose the right industry)
- Make the right contacts (industry organisations, voluntary societies, VWOs, etc)
- Offer your help to whoever needs it for whatever they need (“work anywhere, anytime, for anything”)
- Always keep your ear to the ground and know what everyone else is doing
- If possible / required, find and work for a good boss / company
- Get family support for your efforts / plans

Ability: If you still want to, then how?

Do your best to acquire the right abilities

- Understand what happens in the real world (the real world is different from the theoretical world)
- Keep up on the latest news, trends, advancements
- Learn the needed skills and technical know-how
 - For techies: Learn non-technical skills like Project Management, Finance and Accounting, Sales and Marketing, Business Models and Market Research
 - For non-techies: Learn more about technology and its strengths and limitations
- Practise the soft-skills – dealing with people is the most difficult and challenging part of business
- Know yourself, then change and improve yourself

Finding the “Thing”



Common “mis-conceptions”:

- Method 1 is easier to find than Method 2

Truth: Most people can't see how two existing ideas can be merged together, but most can see an existing problem

- Method 2 is easier to build than Method 1

Truth: Creating a solution from scratch is usually more difficult than merging two existing solutions into one

Method 1: Merging Ideas

- When merging two or more ideas, remember that “ideas” can mean products, processes, services, functions
- You can merge a product with a service, or a process with a function, and of course, a product with another product, etc, etc
- These merged items together should form a new “class” of product or service for which people are keen or need to buy / use / acquire

Mobile Phone + MP3 Player +
Camera + PDA

E-commerce
(and M-commerce)

Method 2: Problem in Search of a Solution

Efficiency Problems are the most common

- An existing method or process is complex or resource intensive
- A more “accurate”, “simpler”, “easier”, “faster”, “efficient”, “cheaper”, etc solution is required to do the same thing
- This type of solution must “integrate” well into what people are already doing – do not try to change how people work
- Sometimes, a “low-tech” approach to this type of problem is the best solution (keep an open mind)

Dell Computers

Fast Food

Direct Digital Printing

Method 2: Problem in Search of a Solution

- Other problems of this type are usually the “cannot be done before” type
 - Is there something that is hindering people’s work or life?
 - Is there something that people want / wish for?
 - Is there something that makes businesses better?
- Usually difficult to solve, requires much greater technical know-how, high-risk/high-return, larger creation of intellectual property

Longer Battery Life

Copy-proof Digital Media

Robotic all-in-one maid

Car that runs on Water

The “Thing”: Common Mistakes

- Poor Problem Definition
 - Know what the problem / need **REALLY** is!
 - Is it a problem / need **WORTH** solving in the first place?
- Lack of understanding / industry knowledge
 - How do people deal with it currently?
 - What are the limitations on the solution?
 - Why hasn't the problem been solved **ALREADY**?
- Stuck in a Closed Mind
 - Can it be solved in a non-tech or business process way?
 - Can it use alternative approaches / technology?
 - Does your proposed solution **REALLY** solve the problem?

Planning, Funding and Starting

What You Need

- Know what it will take to make your “Thing” a reality
 - It usually costs more and takes longer than you estimate
 - Not all “costs” are in \$, Time and Manpower
 - Family support is **MANDATORY!**

**If you can't do it yourself, pay someone to do it,
but if you can't afford it, then do it yourself**

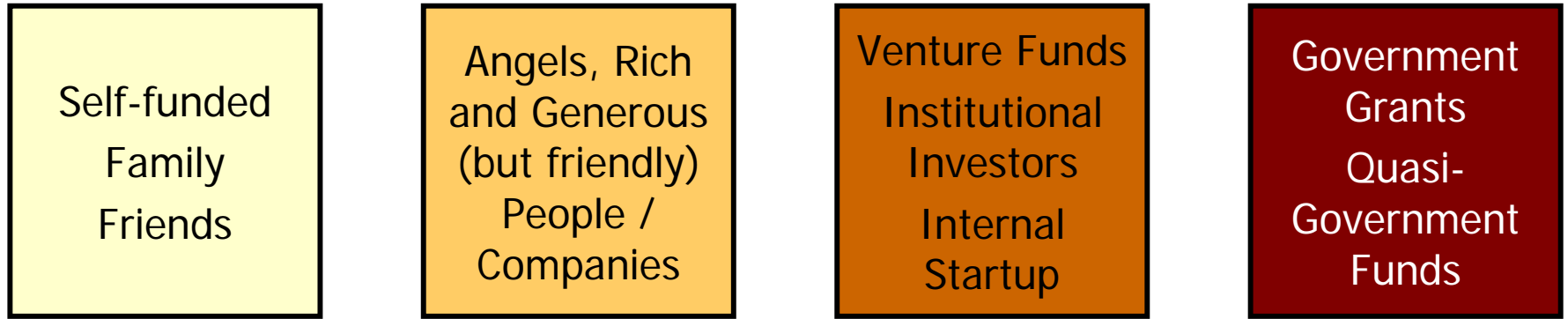
- Get to know a good (and friendly) accountant and lawyer who have been in business for some time – you'll need them sooner or later 😊

Planning: Taking Stock

What You Have

- You need to know what you have
 - The most valuable asset you have is yourself
 - The second most valuable asset you have is your family and your fellow co-founders / buddies
 - Don't hold back, all great success requires sacrifice, sometimes, great sacrifice
- Inventorise your time, skills, finances, assets, contacts, equipment, tools, etc – everything that can help you make your “Thing” a reality
- By looking at what you need and what you have, you will know what you are short of and have to obtain elsewhere in order to make the difference

Funding: The "F" Word



More Money

More Paperwork

More "Kiasu-ism"

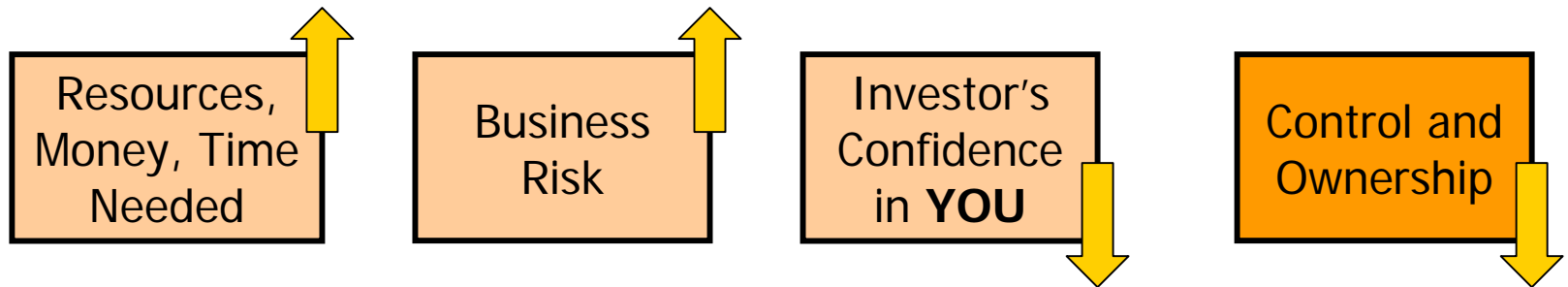
More Details Needed

Less Personal Risk

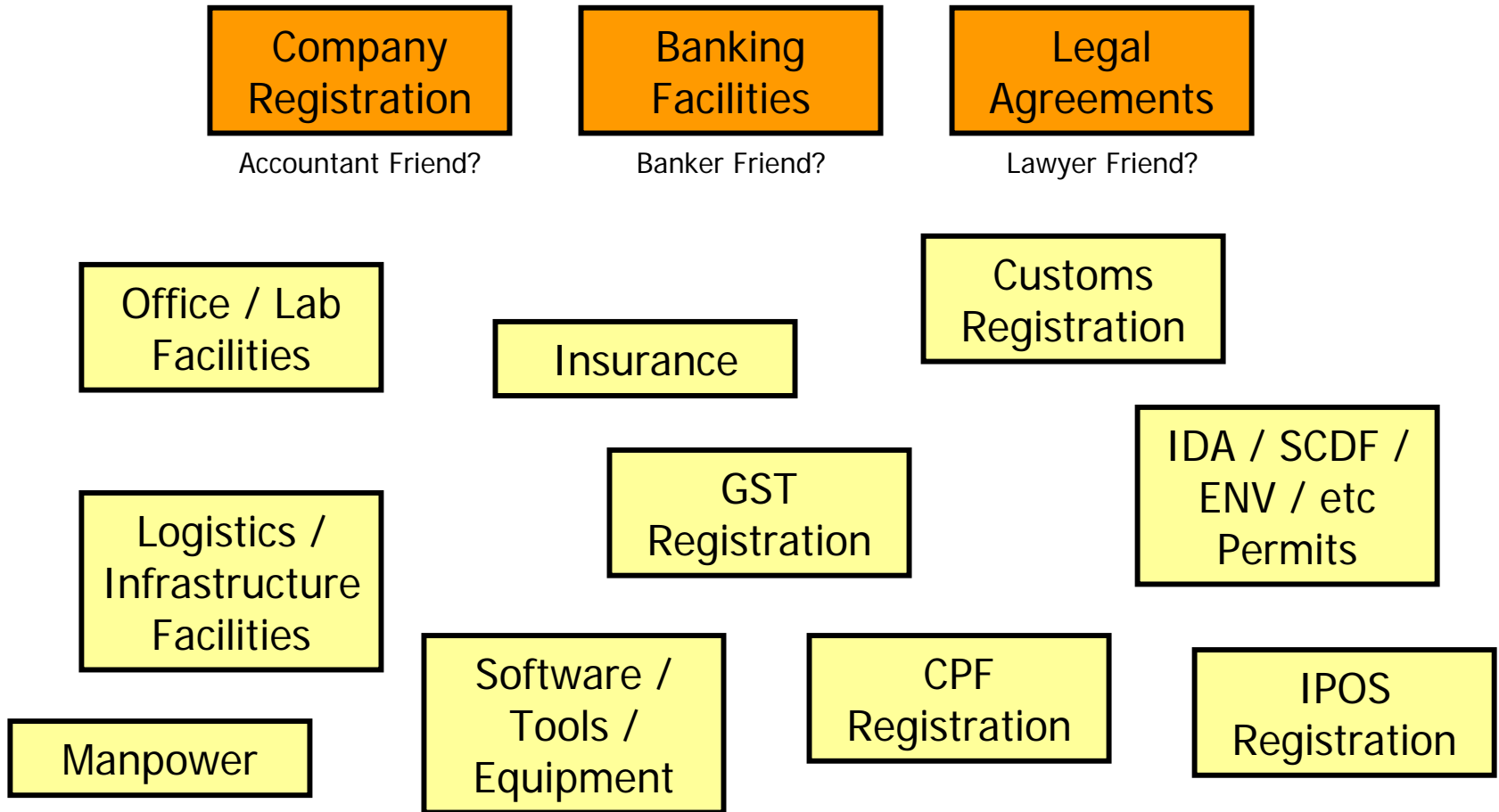
Less Control / Ownership

Funding: Competing in “CEO Idol”

- People who give you money look for the following:
 - Good idea, viable business (can make money)
 - Good people, who will work to make the business viable (work to make money)
- Proving your case:
 - Confidence (confidence comes from knowing your stuff)
 - Supporting evidence / documentation
 - Will this deal make enough / worthwhile money for the investor?



Go: Starting a Company



All the steps seems very scary and complicated at first, but you will soon get used to them 😊

Execution and Delivery

Murphy's Law: If anything can go wrong, it will

You must manage:

- Deadlines and Schedules
- Customer / Partner expectations and relationships
- Limited Available Resources
- Internal people-to-people stresses (friends are friends, but business is business)
- Changes in business environment, product direction, customer requirements, unforeseen issues

Murphy: Managing Problems is the Key

- Changes **WILL** be needed half way (lack of resources, technical challenges, etc):
 - Depending on severity of the changes, go back to Planning stage, maybe requesting more funds, losing even more credibility, confidence and control / ownership
 - Painful decisions needs to be made – not everyone will like it
 - Inter-personal conflicts will arise between previously “rock-solid” relationships
- Some tips for the founding team to remember
 - Keep your eye on the ball, everyone is working for the same objective – this is the “common ground”
 - This is where “leadership” is needed

Balance: Finding the Middle Path

Most decisions are usually a trade-off or a type of balancing act, or usually, you have to “do both”!

Give the Engineering Team more time to perfect the product

OR

Release it now and start getting some sales (money)

Splurge on Marketing

OR

Give more money to sales agents as incentive

Hire the expensive experienced person

OR

Hire the cheaper, less experienced one

Plan for future growth

OR

Save money and buy just what you need

Scary Truth:

There is no right or wrong answer, but you MUST have an answer! Indecision is the worst possible decision of all

Surviving and Growing

- Company must grow in order to be successful
 - Remaining in “neither here nor there” is only prolonging eventual death
- Growth usually in (painful) jumps from one level to the next (staircase growth)
- Going from one level to the next requires great(er) knowledge, risk, resources and partners
- Higher levels include:
 - Larger volumes
 - New geographic regions
 - More product lines
 - New market segments

Exit Plan: The Cycle Begins Again

- Ultimately, (almost) all founders need an Exit Plan
- Ways to Exit:
 - IPO and Cash Out
 - Merge / Outright Sale
 - Quit
- Question is: What do you need to do in order to make it to one of those Exit Plans?
- Sometimes, exit plans are not clear in the beginning, but eventually, as the company becomes successful, it becomes more and more important

Conclusion

- There are already many, many words of wisdom and common sense all around to guide you
- Ultimately, starting a technology company is difficult, no doubt about it, so why do it?
 - Financial Reward
 - Personal Satisfaction

Success or Failure depends entirely upon yourself, and when you do succeed, the pride and enjoyment of what you created is yours, and yours alone

Thank you

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